Kentucky Power Company KPSC Case No. 2022-00283 Commission Staff's Post Hearing Data Requests Dated November 29, 2022

DATA REQUEST

KPSC PHDR_1 Refer to Kentucky Power's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 1, Attachment 1 and the Rebuttal Testimony of Brian K. West, page R6, Table 1.

a. For the 12 months ending June 2022 and September 2022, provide the amount of expenses included in net income for which the same categories were removed for ratemaking purposes in Case No. 2020-001742 and those expenses which utilities, including Kentucky Power, routinely remove for ratemaking purposes.

b. For the 12 months ending June 2022 and September 2022, provide the amount of storm restoration expenses included in net income, which were subsequently deferred.

RESPONSE

a.-b. Please see KPCO R KPSC PHDR 1 Attachment1 for the requested information.

Witness: Heather M. Whitney

Kentucky Power Company KPSC Case No. 2022-00283 Commission Staff's Post Hearing Data Requests Dated November 29, 2022

DATA REQUEST

KPSC PHDR_2 Refer to Kentucky Power's response to Staff's Third Request, Item 2, Attachment 2, Tab "Long Lived." Provide an estimate of the expenses for the projects to begin in 2023 that will be on Kentucky Power's net income in 2023.

RESPONSE

The company will incur depreciation expense in 2023 for the projects described in Kentucky Power's response to KPSC DR 3_2. Depreciation will commence upon the Long Lived assets being placed in service. The estimated in-service dates and the estimated 2023 depreciation expenses are provided below. Please note that the some of the Long Lived Transition Costs shown below will replace existing systems and thus provide an offset to the current level of depreciation expense.

Long Lived Transition Costs	Estimated Range (\$M)				Depreciation Rate	•		Annualized Depreciation		2023 Depreciation Estimate (\$M)	
	Low		High			Date	Expense (\$M)				
Payroll system modification for											
KY	\$	0.50	\$	0.50	10%	Q1 2023	\$	0.05	\$	0.05	
IT Infrastructure (endpoints,						Q1 2023 -					
networks, security)	\$	9.60	\$	12.50	20%	Q4 2023	\$	2.21	\$	1.11	
Telecom separation (radio,											
microwave, fiber, and other											
technologies)	\$	10.00	\$	12.00	6%	Q4 2023	\$	0.62	\$	0.16	
Local KY Call Center	\$	1.00	\$	2.00	4%	Q4 2023	\$	0.06	\$	0.01	
Customer First SAP based											
customer, financial, supply											
chain, and asset management											
system)	\$	77.00	\$	77.00	10%	Q1 2024	\$	7.70	\$	-	
Other operations technology											
(analysis tools, meter data,						Q1 2023 -					
data repositories)	\$	9.70	\$	15.50	10%	Q4 2023	\$	1.26	\$	0.63	
_	\$ '	107.80	ς.	119.50					\$	1.96	

Witness: Tisha Sanderson, Vice President, Finance and Administration, on behalf of Liberty Utilities Co.

Kentucky Power Company KPSC Case No. 2022-00283 Commission Staff's Post Hearing Data Requests Dated November 29, 2022 Page 1 of 2

DATA REQUEST

- **KPSC PHDR_3** Refer to Kentucky Power's response to Staff's Third Request, Item 2, the affidavit of Tisha Sanderson and Kentucky Power's response to Commission Staff's Second Request for Information, Item 1(a).
 - a. Provide a detailed explanation all activities included in transaction costs. For each item, identify the entity that will record any expenses related to these items.
 - b. Provide a detailed explanation all activities included in transaction costs, including a breakdown of one-time and long-lived costs. For each item, identify the entity that will record any expenses related to these items.
 - c. Confirm that Kentucky Power will not be allocated any transition or transaction costs that are not originally recorded on its books. If this cannot be confirmed, explain.

RESPONSE

- a. Transaction Costs include internal and external costs of due diligence, legal, and other professional support to evaluate and execute the transaction, and carry out the requisite regulatory approvals. Liberty Utilities Co. ("Liberty") can confirm that no Transaction Costs will be included on the books of Kentucky Power. It is anticipated that Transaction Costs will be included on the books of Liberty and certain costs may be included on the books of Liberty's parent company.
- b. In addition to the transaction costs which were discussed in subpart (a), the Company is also providing a detailed explanation of transition costs. Transition Costs include the costs to enable the handover of operational control from the buyer to the seller. Liberty further separates Transition Costs into two categories: "One-Time Transition Costs" are the costs of staff required to work on the transitioning of the business from AEP to Liberty, IT support and external services between agreement to the sale and closing. In addition, One-Time Transition Costs include expenses of rebranding and customer communications to enable the handover of operational control from the buyer to seller. "Long Lived Transition Costs" are defined as the capital investments which enable day-to-day operations and provide on-going benefits to customers. These costs likely would have been incurred in the absence of the Transaction (for example, see Liberty's Response to AG 2-12 in Case No. 2021-00481). These may include IT infrastructure and

Kentucky Power Company KPSC Case No. 2022-00283 Commission Staff's Post Hearing Data Requests Dated November 29, 2022 Page 2 of 2

similar investments. One-Time Transition Costs will be recorded on the books of Liberty. The depreciation expense associated with Long Lived Transition Costs will be recorded on the books of Kentucky Power Company or AEP Kentucky Transmission Company, Inc. (which will be renamed "Kentucky Transmission Company, Inc. post-closing).

c. Kentucky Power will not be allocated any One-Time Transition Costs or Transaction Costs that are not originally recorded on its books. Kentucky Power may be allocated Long Lived Transition Costs, some of which are capital works in progress and will be subsequently recorded on Kentucky Power's books when placed in service.

Witness: Tisha Sanderson, Vice President, Finance and Administration, on behalf of Liberty Utilities Co.

Kentucky Power Company KPSC Case No. 2022-00283 Commission Staff's Post Hearing Data Requests Dated November 29, 2022

DATA REQUEST

KPSC PHDR_4 Provide Kentucky Power's retail energy costs, gross and net of sales, for 2021 and 2022 and the estimated costs for 2023.

RESPONSE

Please see KPCO R KPSC PHDR 4 PublicAttachment1 for the requested information.

Witness: Brian K. West

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is the Vice President, Regulatory & Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

		Bukk		
		Brian K. West		
Commonwealth of Kentucky)			
County of Boyd)	Case No. 2022-00283		

Subscribed and sworn before me, a Notary Public, by Brian K. West this 30th day of November, 2022.

Scott C. Bishop Notary Public

My Commission Expires Vune 24, 2025

Notary ID Number: Pynp 32110

SCOTT E. BISHOP
Notary Public
Commonwealth of Kentucky
Commission Number KYNP32110
My Commission Expires Jun 24, 2025





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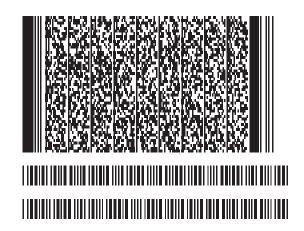
E-Signature 1: Heather M. Whitney (HMW)

December 01, 2022 09:05:12 -8:00 [869E936CC0C5] [167.239.221.103] hmwhitney@aep.com (Principal) (Personally Known)

E-Signature Notary: Jennifer Young (JAY)

December 01, 2022 09:05:12 -8:00 [AF87E72DD686] [167.239.221.106] jayoung1@aep.com

I, Jennifer Young, did witness the participants named above electronically sign this document.



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VERIFICATION

The undersigned, Heather M. Whitney, being duly sworn, deposes and says she is the Director in Regulatory Accounting Services for American Electric Power Service Corporation, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

	Heather M. Whitney Signed on 2022/12/01 09 005 12 -8:00	
	Heather M. Whitney	
Commonwealth of Kentucky County of Boyd) Case No. 2022-00283	
Subscribed and sworn before day of December, 2022.	me, a Notary Public, by Heath	,
H448 Signat on 2007201 0905 12-200		JENNIFER A. YOUNG ONLINE NOTARY PUBLIC STATE AT LARGE KENTUCKY Commission # KYNP31964 My Commission Expires Jun 21, 2025
Notary Public		Notary Stamp 2022/12/01 10:05:12 PST
	Notarial act p	performed by audio-visual communication
My Commission Expires	06/21/2025	
Notary ID Number:K	YNP31964	

VERIFICATION

The undersigned, Tisha Sanderson, being duly sworn, deposes and says she is the Vice President, Finance and Administration for Liberty Utilities Service Corporation, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

Notary ID Number: KYNP56666	
My Commission Expires 8/3/2026	LOGAN ADKINS Notary Public Commonwealth of Kentucky Commission Number KYNP56666 My Commission Expires Aug 3, 2026
Logan Adkins Notary Public	
Subscribed and sworn before me, a Notary Public, by Tisha Sand December, 2022.	derson this day of
Commonwealth of Kentucky) Case No. 2022-00283 County of Boyd)	
Jisha Lande Tisha Sanderson	dolon