COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC INVESTIGATION	)	
OF KENTUCKY POWER COMPANY	)	**Case No. 2022-00283**
ROCKPORT DEFERRAL MECHANISM	)	

SUPPLEMENTAL DATA REQUESTS OF THE ATTORNEY GENERAL AND KIUC

Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention ("Attorney General") and Kentucky Industrial Utility Customers ("KIUC"), and submit these Data Requests to Kentucky Power Company (hereinafter "Kentucky Power" or "company") to be answered by October 20, 2022, in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.

(2) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed

certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify undersigned Counsel as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words ''document'' or ''documents'' are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other

agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL

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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on October 13, 2022, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 13th day of October, 2022.

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Assistant Attorney General

Data Requests

1. Refer to the Company's Tariff E.S. Sheet 29-2, which provides the "monthly base net environmental costs."

    a. Provide the calculations of the monthly base net environmental cost shown in the tariff in an Excel workbook in live format with all formulas intact, including, but not limited to, the calculation of the rate base and the cost of capital. To the extent any of the amounts were obtained from the Company's base rate case filing, as adjusted by the Commission Order, in Case No. 2020-00174, provide a copy of those schedules and adjustments the Company relied on for the inputs to the monthly base net environmental costs referenced.

    b. Provide a copy of the Company's environmental surcharge filings for each month during the test year ending February 28, 2017 in Case No. 2017-00179 and continuing thereafter from March 2017 through the most recent month available in Excel workbooks in live format with all formulas intact.

2. Confirm that when the Company entered into the settlement agreement in Case No. 2017-00179, which is attached to the Commission's Order in that proceeding and which specifically includes provisions related to the Rockport deferral, neither it nor AEP had any knowledge of and/or intent to sell the Company to another owner before or during calendar year 2023. If this is not correct, then provide a corrected statement and a copy of documentation that the Company and/or AEP had knowledge and/or intent to sell the Company to another owner before or during calendar year 2023 and provide a copy of all documentation that it disclosed this fact to the Commission, Staff, and/or other parties in Case No. 2017-00179.

3. Confirm that the Company agrees that the facts and circumstances have changed since the settlement agreement and the Commission Order in Case No. 2017-00179 in that AEP now plans to sell and Liberty plans to acquire the Company and has recently announced its intent to close on the purchase in January 2023.

4. Confirm that the Company's acquisition by Liberty in 2023 will result in a different organizational structure, including different affiliate relationships, and a different cost structure than if AEP had retained ownership of the Company.

5. Confirm that the Company will incur incremental costs related to its acquisition by Liberty in 2023, including, but not limited to, integration and transition costs, that would not be incurred but for the Liberty acquisition.

6. Confirm that the Commission stated in its Order in Case No. 2021-00481 at 10: "Liberty committed that Kentucky Power and its ratepayers will not incur any additional costs, liabilities, or obligations in conjunction with the proposed transaction; will not incur additional indebtedness or pledge assets to finance the proposed transaction; will not bear

costs associated with operating Liberty subsidiaries; and will not be required to pledge assets to finance the debt or purchases of any affiliates."

7. The Commission stated in its Order in Case No. 2021-00481 at 53: "To mitigate the impact of necessary distribution investments on Kentucky Power's ratepayers, the Commission finds that Kentucky Power shall establish a regulatory liability in the amount of $43.561 million to offset the deferred distribution restoration expenses. The regulatory liability may be used to reduce rate base in Kentucky Power's next rate case and be amortized with the storm regulatory asset." The Commission also stated in that Order at 54-55: "AEP's Commission-required mitigation is unrelated to the premium paid for the purchase of Kentucky Power. These amounts are not a penalty, rather, they are a reimbursement for the harm caused by AEP's ownership and now sale of Kentucky Power. They are not intended or premised on retribution, but rather are expected to be restorative in reversing anticipated and acknowledged destruction. How these amounts are funded are immaterial to the Commission as long as they are not directly or indirectly recovered from customers, which they shall not be."

    a. Confirm that when the Company records this regulatory liability, it will charge an equivalent amount as an expense or loss and that this will reduce the Company's per books earnings in the year that it records this charge.

    b. Indicate when the Company plans to record this charge and whether it will record the charge under AEP ownership or in conjunction and contemporaneous with the close of the Liberty acquisition.

    c. If this charge is recorded in 2023, then confirm the Company agrees that the charge should not be reflected in the per books earnings in 2023 used for the Rockport Offset. If the Company does not agree with this proposition, then explain why the Company's customers should pay for this charge and regulatory liability through an increase to the Rockport Offset and explain why the reimbursement of the charge to the Company through the Rockport Offset will not negate the remedy set forth in the Commission's Order to "mitigate the impact of necessary distribution investments on Kentucky Power's ratepayers."

8. The Commission stated in its Order in Case No. 2021-00481 at 55: "As detailed above, Liberty proposed to provide a rate-offset benefit to Kentucky Power ratepayers in the form of a $40 million credit. Termed as the "Eastern Kentucky Fuel Relief Fund," Liberty proposed to apply the credit to the FAC charge in the months that the FAC adjustment factor is positive." The Commission also stated in that Order at 39-40: "The $40 million credit would be funded in equal parts by Liberty shareholders and AEP shareholders."

    a. Confirm that the Company will charge this $40 million as an expense or loss and that this will reduce the Company's per books earnings in the year(s) that it records this charge.

b. Indicate when the Company plans to record this charge and whether it will record some or all of the charge under AEP ownership or record some or all of the charge in conjunction and contemporaneous with the close of the Liberty acquisition.

c. If this charge is recorded in 2023, then confirm the Company agrees that the charge should not be reflected in the per books earnings in 2023 used for the Rockport Offset. If the Company does not agree with this proposition, then explain why the Company's customers should pay for this charge through an increase to the Rockport Offset when it was offered by AEP and Liberty as a commitment and/or condition to approval.

9. Describe the Company's proposal, if any, to ensure that the Rockport Offset, as defined in the settlement agreement in Case No. 2017-00179, does not increase due to the Liberty acquisition, including, but not limited to, commitments made by AEP/Liberty/Kentucky Power and other conditions imposed by the Commission in Case No. 2021-00481. In your response, specifically describe the Company's proposal to calculate and/or modify the calculation of the, "Rockport Offset using a comparison of the per books return on equity for 2023 to the Commission-approved return on equity," cited in the settlement agreement in Case No. 2017-00179 to ensure that the Rockport Offset does not increase due to the Liberty acquisition. If the Company has no proposal to address these concerns, then so state and explain why it does not have such a proposal.

10. Provide a copy of all analyses performed by or for Liberty and/or Kentucky Power Company that quantifies and/or otherwise analyzes the effects of the Commission's Order in Case No. 2021-00481 on the Company's budget/forecast per books earnings in 2023 and/or the calculation of the Rockport Offset as that term is defined in the settlement agreement in Case No. 2017-00179, including, but not limited to, the FAC credit of $40 million and the regulatory liability to offset the deferred distribution restoration expenses of $43.561 million.

11. Please provide a copy of the September 29, 2022 Amended Stock Purchase Agreement between AEP and Liberty Utilities, a unit of Algonquin Power & Utilities Corp., for the sale of Kentucky Power and AEP Kentucky Transmission Co.