

DATA REQUEST

AG-KIUC 1_1 Refer to the Direct Testimony of Brian West at 6:1-3 wherein he states that the “current authorized ROE is 9.3% as approved by the Commission in Case No. 2020-00174.”

a. Confirm that the current authorized return cited by Mr. West is for the base revenue requirement and does not refer to the current authorized return for the environmental surcharge revenue requirement.

b. Confirm that the current authorized return on equity is 9.1% for the environmental surcharge revenue requirement as approved by the Commission in Case No. 2020-00174.

c. Confirm that the Company used a weighted average cost of capital of 7.62% for the Rockport deferred carrying costs from January 14, 2021 through the present as shown on BKW Exhibit 2, obtained from Appendix A Section II attached to the Commission’s Order in Case No. 2020-00174, and which reflects a 9.3% return on equity for the base revenue requirement.

d. Explain why the Company did not weight the cost of capital reflecting the 9.3% return on equity for the base revenue requirement with the cost of capital reflecting the 9.1% return on equity for the environmental surcharge to develop the cost of capital applicable to the Rockport deferred carrying costs.

e. Confirm that a portion of the Rockport environmental rate base and the related return on rate base is included in the base revenue requirement. Describe the cost of capital applied to the Rockport environmental rate base in the base revenue requirement and describe whether, and if so, how the Company offset the “current” environmental surcharge revenue requirement calculated using the lower cost of capital and with the “base” revenue for the higher cost of capital on the environmental rate base included in the base revenue requirement. Provide an example of the calculations to complement the narrative response.

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 2 of 3

f. Provide a calculation weighting the two cost of capital rates using the two different returns on equity as described in part (d) of this question to reflect the fact that the return on the Rockport rate base is partially included in the base revenue requirement and partially included in the environmental surcharge revenue requirement.

RESPONSE

a. Confirmed. See the Company's response to KPSC 1_2.

b. Confirmed. Kentucky Power's current authorized return on equity for the environmental surcharge mechanism is 9.10% for non-Rockport costs. Refer to the Company's Commission-approved environmental surcharge tariff sheet 29-3:

The Rate of Return for Kentucky Power is 9.10% rate of return on equity as authorized by the Commission in its Order Dated January 13, 2021, Case No. 2020-00174.

The Rate of Return for Rockport should reflect the requirements of the Rockport Unit Power Agreement.

c. Confirmed. Please see the Company's response to KPSC 1_2.

d. The Company did not weight the cost of capital to reflect the environmental surcharge's return on equity because it would be inappropriate and inconsistent with the Commission's order in Case No. 2020-00174 and the Company's environmental surcharge tariff to do so. See the Company's response to KPSC 1_2.

e. The Company objects to this request on the basis that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence and because it purports to require the Company to provide an analysis that the Company has not performed. Subject to and without waiving the foregoing objections, the Company confirms that there are Rockport-related costs within the environmental base revenue requirement. Subpart b above describes how the cost of capital is applied to Rockport environmental rate base. The Company did not offset the current environmental surcharge revenue requirement as described in this request because it would be inappropriate and inconsistent with the Commission's order in Case No. 2020-00174 and the Company's environmental surcharge tariff to do so. The Company has not performed the requested calculation.

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 3 of 3

f. The Company objects to this request on the basis that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence and because it purports to require the Company to provide an analysis that the Company has not performed. Subject to and without waiving the foregoing objections, the Company states that it has not performed the requested calculation. As set forth in subpart d above, it would be inappropriate and inconsistent with the Company's environmental surcharge tariff to weight the cost of capital as suggested in this request.

Witness: Brian K. West

Witness: Heather M. Whitney

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022

DATA REQUEST

AG-KIUC 1_2 Refer to the column with the heading “ADIT on RA” on BKW Exhibit 2, which calculated the ADIT offset to the rate base. Explain why the Company assumed federal ADIT only instead of the combined federal and state ADIT.

RESPONSE

As supported by Section V, Exhibit 3 of Kentucky Power’s most recent base rate case filing in Case No. 2020-00174, for ratemaking purposes, state taxes are treated as flow-through for Kentucky Power (with the exception of those obtained as a result of the acquisition of Mitchell Plant). Therefore, state deferred taxes are not a component of rate base and should not be included in the calculation of ADIT related to the Rockport UPA Expense Deferral.

Witness: Heather M. Whitney

Witness: Allyson M. Keaton

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022

DATA REQUEST

AG-KIUC 1_3 Provide a revised calculation of the ADIT on RA amounts on BKW Exhibit 2 using the combined federal and state income tax rates approved in Case No. 2017-00179 and Case No. 2020-00174, respectively, which reflect a weighted average of Kentucky and other state income tax rates in the state income tax rate component.

RESPONSE

The Company objects to this request on the basis that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence and because it purports to require the Company to provide an analysis that the Company has not performed. Subject to and without waiving the foregoing objections, the Company states that the requested calculation has not been performed. Please refer to Kentucky Power's response to AG-KIUC 1-2. State deferred taxes are not a component of rate base and should not be included in the calculation of ADIT related to the Rockport UPA Expense Deferral.

Witness: Heather M. Whitney

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022

DATA REQUEST

AG-KIUC 1_4 Refer to the column with the heading “Carrying Charges on Principal Net of ADIT” on BKW Exhibit 2.

- a. Confirm that the Company calculated the current month’s carrying charges using the current month end rate base times the monthly cost of capital through August 2022, but then changed the calculation in September 2022 to calculate the current month’s carrying charges using the prior month end rate base times the monthly cost of capital.
- b. Explain why the Company used the methodology described in part (a) of this question through August 2022 rather than the prior month end rate base times the monthly cost of capital methodology that it used starting in September 2022.

RESPONSE

a. and b. Please refer to AG-KIUC 1_5 for actual monthly carrying charges recorded by Kentucky Power, and corresponding calculation support. Kentucky Power has consistently calculated the current month's carrying charge using the prior month end rate base (defined as prior month end regulatory asset balance less ADIT) multiplied by the monthly cost of capital.

In the process of responding to this question, the Company determined that a correction to BKW Exhibit 2 is required to properly present the calculation of carrying charges through August 2022. Please refer to KPCO_R_AG-KIUC_1_4_Attachment1 for a corrected version of BKW Exhibit 2, which reflects actual carrying charges recorded by Kentucky Power as provided in response to AG-KIUC 1_5. An errata to the direct testimony of Brian K. West will also be filed, which includes an updated version of BKW Exhibit 2 and a correction to page 6, line 10, to clarify that the amount of the Rockport Deferral Regulatory Asset at the time of the expiration of the Rockport UPA, on December 8, 2022, is estimated to be \$57.9 million.

Witness: Heather M. Whitney

DATA REQUEST

- AG-KIUC 1_5** Refer to paragraph 3(c) *Rockport UPA Expense Deferral* of the settlement agreement in Case No. 2020-00174, which describes the calculation of the deferred carrying costs.
- a. Confirm that this paragraph describes the calculation of the deferred carrying costs using a grossed-up rate of return.
 - b. Confirm that the grossed-up rate of return would result in a regulatory asset for the carrying costs on a revenue equivalent basis and that there would be a liability ADIT equal to the regulatory asset times the combined federal and state income tax rate. If this is not correct, then provide a corrected statement and provide an explanation as to why such a correction was necessary.
 - c. Refer to the column with the heading “Carrying Charges on Principal Net of ADIT Only” on BKW Exhibit 2. Confirm that the amounts shown in that column were calculated using the weighted cost of capital, with the gross-up on the equity component not incorporated directly, but effectively offset by the related ADIT also not incorporated, but with no reduction for the related ADIT on the debt component. If confirmed, then confirm that the carrying costs shown in that column and in the total regulatory asset, including carrying costs shown in the column with the heading “Month End Reg Asset Balance” are overstated by the amount of the ADIT on the debt component. If denied, then provide a corrected statement and provide an explanation as to why such a correction was necessary.
 - d. Refer to the column with the heading “Carrying Charges on Total Reg Asset Net of ADIT Only” on BKW Exhibit 2. Confirm that the only reductions for ADIT in this column are the ADIT on the principal balance and the imputed reduction for the ADIT on the gross-up on the equity component described in part (c) of this question, and that there is no reduction for ADIT on the debt component of the carrying costs as described in part (c) of this question.

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 2 of 3

e. Refer to the column with the heading “Carrying Charges on Total Reg Asset Net of ADIT Only” on BKW Exhibit 2. Indicate if the Company recorded the amounts in this column for accounting purposes or some other amounts.

f. Provide the actual carrying costs recorded each month, both to the regulatory asset and to any related ADIT account and provide a copy of the journal entries each month and the supporting documentation for the journal entries.

g. Refer to the BKW Exhibit 2 Excel spreadsheet. Identify the person(s) and the person(s)’ positions who developed this spreadsheet, the person(s) who signed off on the month journal entries provided in response to part (f) of this question and whether the amounts were reviewed and signed off on by the Company’s outside auditor.

RESPONSE

a. Kentucky Power confirms that paragraph 3(c) Rockport UPA Expense Deferral of the settlement agreement filed on November 22, 2017 in Case No. 2017-00179 describes the calculation of deferred carrying costs using a Commission-authorized grossed-up base rate weighted average cost of capital (WACC).

b. Kentucky Power confirms that the regulatory asset for the carrying costs is on a revenue equivalent basis, and that there would be a ADIT equal to the regulatory asset multiplied by the federal income tax rate. As described in Kentucky Power's response to AG-KIUC 1_2, state taxes are treated as flow-through for Kentucky Power and are not a component of rate base related to the Rockport UPA Expense Deferral.

c. Kentucky Power can neither confirm nor deny this statement because it is unclear. Please refer to KPCO_R_KPSC_1_2_Attachment1 and KPCO_R_KPSC_1_2_Attachment2 for detailed information supporting the carrying charge rates used by Kentucky Power in the calculation of carrying charges on the Rockport UPA Expense Deferral. The debt component of the carrying charges was not grossed up for income taxes because interest expense is deductible for income tax purposes.

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 3 of 3

d. Please refer to the Company's response to subpart c.

e. Please refer to the Company's response to AG-KIUC 1_4 for an updated version of BKW Exhibit 2 that aligns the "Carrying Charges on Total Reg Asset Net of ADIT Only" column with the actual carrying costs on the Rockport UPA Expense Deferral recorded each month since inception provided in response to subpart f.

f. Please refer to KPCO_R_AG-KIUC_1_5_Attachment1 for actual carrying costs on the Rockport UPA Expense Deferral recorded each month since inception (worksheet labeled "RKPTDEF_JE_CC_Summary") and documentation supporting the monthly journal entries (worksheet labeled "RKPTDEF JE Support").

g. Please refer to KPCO_R_AG-KIUC_1_5_Attachment2 for unqualified opinions from Kentucky Power's external auditor since inception of the Rockport UPA Expense Deferral in 2018. The monthly journal entries provided in response to part f. and related internal controls are subject to review by the Company's external auditor in conjunction with the external auditor's process to render an audit opinion.

Witness: Brian K. West

Witness: Heather M. Whitney



Report of Independent Auditors

To the Board of Directors and Management of
Kentucky Power Company

We have audited the accompanying financial statements of Kentucky Power Company, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income, comprehensive income (loss), changes in common shareholder's equity, and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

February 21, 2019



Report of Independent Auditors

To the Board of Directors and Management of
Kentucky Power Company

We have audited the accompanying financial statements of Kentucky Power Company, which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of income, comprehensive income (loss), changes in common shareholder's equity and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP, 41 South High Street, Suite 2500, Columbus, OH 43215
T: (614) 225 8700, F: (614) 224 1044, www.pwc.com/us*



Emphasis of Matter

As discussed in Note 11 to the financial statements, the Company changed the manner in which it accounts for leases in 2019. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

February 20, 2020



Report of Independent Auditors

To the Management and Board of Directors of Kentucky Power Company

We have audited the accompanying financial statements of Kentucky Power Company, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the Company changed the manner in which it accounts for leases in 2019. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

February 25, 2021

PricewaterhouseCoopers LLP, 41 South High Street, 25th Floor Columbus, OH 43215-6101
T: 614 225 8700, www.pwc.com/us



Report of Independent Auditors

To the Management and Board of Directors of Kentucky Power Company

Opinion

We have audited the accompanying financial statements of Kentucky Power Company (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, of comprehensive income (loss), of changes in common shareholder's equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

Columbus, Ohio
February 24, 2022

DATA REQUEST

AG-KIUC 1_6 Refer to line 34 of the BKW Exhibit 3 Excel spreadsheet. The exhibit is entitled “Test Year Cost of Service Rockport UPA Purchased Power Expense.” In the Direct Testimony of Brian West at 7:1-2, he states “Please see **BKW-Exhibit 3**³ for a detailed accounting of the Rockport Fixed Cost Savings.” The footnote reference states, “Provided in Case No. 2021-00481 in the Company’s response to the Attorney General’s Second Set of Data Requests, Item 24.” In the column labeled as “KPCO Total Company Per Books,” it shows a credit of \$15,000,000. The note in red states: “This is the deferral entry.” In the column labeled as “Kentucky PSC Jur Only,” it shows a credit of \$14,790,000 and in the column labeled as “Non-KY P.S.C. Juris,” it shows a credit of \$210,000.

a. Identify the source of the amounts shown on this Excel spreadsheet and describe how the amounts shown were/are reflected in the base revenue requirement, the PPA tariff revenue requirement, FAC tariff revenue requirement, and/or any other tariff revenue requirements for the “test year” referenced in the title and in each subsequent post-test year time period starting with the date the base rates effective for the “test year” were implemented. In addition, identify the “test year” referenced in the title and the Case number for the base revenue requirement and each subsequent post-test year time period.

b. Is it correct to interpret the Kentucky retail jurisdiction credit of \$14,790,000 as the Company’s calculation of the retail rate effect of the \$15,000,000 deferral authorized by the Commission? If that is the correct interpretation, then explain why the Kentucky retail jurisdiction was not provided a credit for the full \$15,000,000 deferral authorized by the Commission. If that is not the correct interpretation, then provide the correct interpretation of the retail jurisdiction credit of \$14,790,000.

c. Refer to the “Additions” column on BKW Exhibit 2 Excel spreadsheet. Confirm that the amounts in this column are based on an annual deferral of \$15,000,000 from January 2018 through December 2019, an annual deferral of \$10,000,000 from January 2020 through December 2020, and an annual deferral of \$5,000,000 from January

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 2 of 3

2021 through December 8, 2022, all without reduction for the “Non-KY P.S.C. Juris” reflected on BKW Exhibit 3 Excel spreadsheet.

d. Provide the annual increase in the PPA tariff annual revenue requirement coincident with the reductions in the annual Rockport deferrals from January 2020 through December 2020 and then from January 2021 through December 8, 2022.

e. Confirm that neither FERC nor any other state regulatory commission authorized the Company to defer Rockport costs for the “Non-KY P.S.C. Juris” and confirm that the Company did not defer such costs for any jurisdiction other than the Kentucky retail jurisdiction.

f. Upon review of parts (a) through (e) of this question, does the Company agree there is a mismatch between the reduction for the Rockport deferrals reflected in the base revenue requirement on a so-called Kentucky retail basis and the deferrals to the regulatory asset and increases in the PPA tariff for the entire amount of the authorized deferrals and PPA increases. Explain your response. If the Company does not agree that there has been a mismatch, then provide a reconciliation among the credit to the Kentucky retail base revenue requirement, the deferrals to the regulatory asset, and the PPA increases as the deferrals declined over the five-year period.

RESPONSE

a. Please see the response to KPSC_1_4b for a discussion of the recovery mechanism for these items. As noted in the question, this exhibit was provided in Case No. 2021-00481 and originally in Case No. 2020-00174 within the discovery response to KIUC_AG_1_12. Case No. 2020-00174 utilized a test year ended March 31, 2020.

KPCo does not include any post-test year information as part of their historic test year base case filings.

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022
Page 3 of 3

b. The interpretation of the Kentucky retail jurisdiction credit is incorrect. As described in the Company's response to KPSC_6_018 in Case No. 2020-00174, the \$15 million Rockport UPA Expense Deferral should have been directly assigned to the KY retail jurisdiction rather than partially allocated to non-jurisdictional customers In Section V, Schedule 4 of the Company's filing. This inadvertent presentation error had no ratemaking impact because \$15 million was removed from KY retail jurisdiction cost of service and Kentucky Power has not collected the \$210,000 from any other customer.

c. Confirmed.

d. Please refer to KPCO_R_AG-KIUC_1_6_Attachment1 for the annual increase in the Tariff P.P.A. revenue requirement coincident with reductions in the annual Rockport UPA Expense deferral, supported by the corresponding Tariff P.P.A. Annual Update Form 3.0a, where available.

e. Confirmed.

f. Please refer to the Company's response to subpart b. The Company does not agree there is a "mismatch." The Rockport UPA Expense Deferral is directly applicable to the Kentucky retail jurisdiction, as acknowledged by AG-KIUC in the subpart b. question.

Please refer to KPCO_R_AG-KIUC_1_6_Attachment2 for a table that summarizes the annual (a) reduction to current period expense, and the corresponding annual increases in the (b) expense deferred to a regulatory asset, and (c) Tariff P.P.A. revenue requirement.

Witness: Brian K. West

Witness: Heather M. Whitney

Kentucky Power Company
KPSC Case No. 2022-00283
AG-KIUCs First Set of Data Requests
Dated September 26, 2022

DATA REQUEST

AG-KIUC 1_7 Refer to the WACC columns on the BKW Exhibit 2 Excel spreadsheet. The percentages are input values. Provide the calculations of the WACC percentage and the weighted cost of equity and debt in each column in live Excel format with all formulas intact. Also provide the WACC percentage and the weighted cost of equity and debt on a grossed-up basis and on a net of tax basis, with net of tax defined as the weighted cost of equity plus the weighted cost of debt after the reduction for the interest deduction tax benefit. In addition, provide the calculations of the combined federal and state income tax rates and the gross conversion factors used in these calculations. To the extent that the state income tax rates represent blended rates for Kentucky and other states, provide the income tax rates for each of those states and the weightings of those state tax rates in the calculations of the blended rates, including the sources and calculations of those weighting factors.

RESPONSE

Please refer to KPCO_R_KPSC_1_2_Attachment1 and KPCO_R_KPSC_1_2_Attachment2.

Witness: Heather M. Whitney

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is the Vice President, Regulatory & Finance for Kentucky Power, 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.



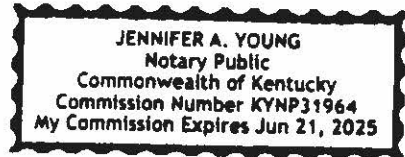
Brian K. West

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2022-00283

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian K. West, on October 3, 2022 .


Notary Public



My Commission Expires 6/21/25

Notary ID Number KYNP31964



Whitney Verification Form.doc

DocVerify ID: 9262F3C8-F431-4C80-9767-994DB0506204
 Created: October 03, 2022 05:11:50 -8:00
 Pages: 1
 Remote Notary: Yes / State: KY

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

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

October 03, 2022 07:03:12 -8:00 [D967087E5167] [167.239.221.101]
 hmwhitney@aep.com (Principal) (Personally Known)

E-Signature Notary: Jennifer Young (JAY)

October 03, 2022 07:03:12 -8:00 [9515EAE6F23E] [167.239.221.104]
 jayoung1@aep.com
 I, Jennifer Young, did witness the participants named above electronically sign this document.



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 2022/10/03 at 08:12:40

Heather M. Whitney

Commonwealth of Kentucky)
)
County of Boyd) Case No. 2022-00283

Subscribed and sworn before me, a Notary Public, by Heather M. Whitney this 3rd day of October, 2022.

JAY
Notary ID # KYNP31964

Notary Public

JENNIFER A. YOUNG
ONLINE NOTARY PUBLIC
STATE AT LARGE KENTUCKY
Commission # KYNP31964
My Commission Expires Jun 21, 2025

Notarial act performed by audio-visual communication

My Commission Expires 6/21/25

Notary ID Number: KYNP31964

9262F3C8-F431-4C80-9767-994DB0506204 --- 2022/10/03 05:11:50 -8:00 --- Remote Notary





Keaton Verification Form.doc

DocVerify ID: 286BFE33-69BA-402B-8202-9EBA974F0DA9
Created: October 03, 2022 05:13:35 -8:00
Pages: 1
Remote Notary: Yes / State: KY

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Allyson Keaton (AK)

October 03, 2022 10:17:42 -8:00 [FACA760DD3DA] [167.239.221.107]
alkeaton@aep.com (Principal) (Personally Known)

E-Signature Notary: Jennifer Young (JAY)

October 03, 2022 10:17:42 -8:00 [1C2F99398A42] [167.239.221.104]
jayoung1@aep.com

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



VERIFICATION

The undersigned, Allyson M. Keaton, being duly sworn, deposes and says she is a Tax Analyst Principle 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.

Allyson Keaton
Signed on 2022/10/03 10:17:42 -8:00

Allyson M. Keaton

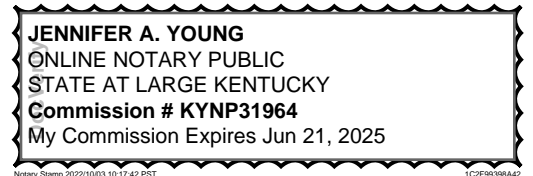
Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2022-00283

Subscribed and sworn before me, a Notary Public, by Allyson M. Keaton this 10/03/2022 day of October, 2022.

Jenny Young
Signed on 2022/10/03 10:17:42 -8:00

Notary Public



Notarial act performed by audio-visual communication

My Commission Expires 06/21/2025

Notary ID Number: KYNP31964

286BFE33-69BA-402B-8202-9EBA974F0DA9 --- 2022/10/03 05:13:35 -8:00 --- Remote Notary