

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

The Electronic Application of Kentucky Power)	
Company For Authority Pursuant To KRS 278.300)	
To Issue And Sell Promissory Notes Of One Or More)	Case No. 2023-00029
Series And For Other Authorizations)	

Kentucky Power Company’s Notice of Filing Public Revised Exhibit D

Kentucky Power Company gives notice of its filing of the public version of revised Exhibit D (financial exhibit) to the Company’s Application filed herein on February 1, 2023. Kentucky Power filed a confidential version of revised Exhibit D herein on February 13, 2023 in order to cure deficiencies identified within the Application. The Company indicated that revised Exhibit D contained information that was currently subject to management and independent auditor review, and would not be final or made public until February 23, 2023. The Company also indicated that it would notify the Commission if there were any changes to the information provided in revised Exhibit D, and that the Company also would re-file the information if there were any changes.

The Company hereby notifies the Commission that during Kentucky Power’s year-end audit, the Company recorded a discreet number of immaterial adjustments to the unaudited financial statements previously provided confidentially as revised Exhibit D. The immaterial adjustments relate to the Company’s Employee Benefits and Pension Obligations entries (*see* revised Exhibit D, page 2 “Employee Benefits and Pension Obligations” and “Net Regulatory Assets”) and Deferred Income Tax entries (*see* revised Exhibit D, page 1 “Total Income Taxes”; page 2 “Net Regulatory Assets”; page 2 “Deferred Income Taxes”; page 2 “Retained Earnings”). The immaterial adjustments increase total assets by approximately \$1.459 million, increase total

liabilities by approximately \$2.342 million and decrease net income and retained earnings by approximately \$883,000. All adjustments were identified by AEP, and there were no adjustments or corrections identified by the external auditor.

The Company hereby files the attached public version of revised Exhibit D for the 12 months' ending December 31, 2022.

Respectfully submitted,



Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
kglass@stites.com

COUNSEL FOR KENTUCKY POWER
COMPANY

Pubic Revised Exhibit D

Kentucky Power Company
Income Statement
12 Months Ended December 31, 2022

Revised Exhibit D
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REVENUES	
Revenue - Retail Sales	698,079,422
Revenue - Transmission	39,326,598
Revenue - Sales for Resale	30,271,767
Revenue - Other Operating	11,541,275
Provision for Rate Refund	(5,999,074)
Revenue - Power Sales	792
TOTAL OPERATING REVENUES	773,220,781
FUEL EXPENSES	
Total Fuel for Electric Generation	80,516,068
Total Purchased Power	289,911,827
GROSS MARGIN	402,792,886
OPERATING EXPENSES	
Operational Expenses	133,991,909
Maintenance Expenses	64,821,169
Total Maintenance and Operational Expenses	198,813,079
Depreciation and Amortization	123,237,761
Taxes Other Than Income Taxes	26,918,549
TOTAL OPERATING EXPENSES	348,969,389
OPERATING INCOME	53,823,498
NON-OPERATING INCOME / (EXPENSES)	
Total Interest & Dividend Income	134,088
Interest & Dividend Carrying Charge	-
Other Components of Net Periodic Pension	6,489,590
AFUDC	1,192,269
Gain on Disposition of Equity Investments	-
Total Interest Charges	(45,116,142)
INCOME BEFORE INCOME TAXES and EQUITY EARNINGS	16,523,304
INCOME TAXES and EQUITY EARNINGS	
Total Income Taxes	(31,028,873)
Equity Earnings of Subs	-
INCOME AFTER INCOME TAXES and EQUITY EARNINGS	47,552,177
Discontinued Operations (Net of Taxes)	-
Cumulative Effect of Accounting Changes	-
Extraordinary Income / (Expenses)	-
NET INCOME	47,552,177
Minority Interest	-
Preferred Stock Dividend Subs	-
Earnings to Common Shareholders	47,552,177

Kentucky Power Company
Balance Sheet
As of December 31, 2022

Revised Exhibit D
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ASSETS	
Cash and Cash Equivalents	2,683,920
Other Cash Deposits	40,381
Customers	63,431,718
Accrued Unbilled Revenues	35,002,399
Miscellaneous Accounts Receivable	10,889,375
Allowances for Uncollectible Accounts	(1,012,937)
Accounts Receivable	108,310,555
Advances to Affiliates	-
Fuel, Materials and Supplies	48,175,516
Risk Management Contracts - Current	8,463,111
Margin Deposits	960,213
Unrecovered Fuel - Current	23,241,462
Other Current Regulatory Assets	-
Prepayments and Other Current Assets	1,707,522
TOTAL CURRENT ASSETS	193,582,680
Electric Production	1,236,473,681
Electric Transmission	801,838,293
Electric Distribution	1,061,600,947
General Property, Plant and Equipment	167,980,670
Construction Work-in-Progress	137,964,241
TOTAL PROPERTY, PLANT and EQUIPMENT	3,405,857,833
less: Accumulated Depreciation and Amortization	(1,156,220,513)
NET PROPERTY, PLANT and EQUIPMENT	2,249,637,320
Net Regulatory Assets	482,295,590
Securitized Transition Assets and Other	-
Spent Nuclear Fuel and Decommissioning Trusts	-
Investments in Power and Distribution Projects	-
Goodwill	-
Long-Term Risk Management Assets	-
Employee Benefits and Pension Assets	20,531,281
Other Non Current Assets	38,404,377
TOTAL OTHER NON-CURRENT ASSETS	541,231,247
TOTAL ASSETS	2,984,451,247
LIABILITIES	
Accounts Payable	108,044,963
Advances from Affiliates	94,427,543
Short-Term Debt	-
Other Current Regulatory Liabilities	-
Long-Term Debt Due Within One Year Non-Affiliated	490,000,000
Long-Term Debt Due Within One Year - Affiliated	-
Risk Management Liabilities	-
Accrued Taxes	39,507,718
Memo: Property Taxes	39,112,072
Accrued Interest	8,542,879
Deposits - Customer and Collateral	38,784,350
Over-Recovered Fuel Costs - Current	-
Other Current Liabilities	17,411,836
TOTAL CURRENT LIABILITIES	796,719,290
Long-Term Debt - Affiliated	-
Long-Term Debt - Non Affiliated	688,447,528
Long-Term Debt - Premiums and Discounts Unamort	-
Long-Term Risk Management Liabilities	(14,009)
Deferred Income Taxes	456,217,071
Deferred Investment Tax Credits	(0)
Regulatory Liabilities and Deferred Credits	86,963,896
Asset Retirement Obligation	18,446,974
Nuclear Decommissioning	-
Employee Benefits and Pension Obligations	9,736,398
Trust Preferred Securities	-
Cumulative Preferred Stocks of Subs - Mandatory Redemption	-
Other Non-Current Liabilities	7,624,752
TOTAL NON-CURRENT LIABILITIES	1,267,422,610
TOTAL LIABILITIES	2,064,141,901
Cumulative Pref Stocks of Subs - Not subject Mand Redemp	-
Minority Interest - Deferred Credits	-
COMMON SHAREHOLDERS' EQUITY	
Common Stock	50,450,000
Paid In Capital	526,286,962
Premium on Capital Stock	-
Retained Earnings	343,572,384
Accumulated Other Comprehensive Income (Loss)	-
TOTAL SHAREHOLDERS' EQUITY	920,309,346
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,984,451,247

**KENTUCKY POWER COMPANY
FINANCIAL EXHIBIT D
December 31, 2022**

**Revised Exhibit D
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1. Amounts and kinds of stock authorized.

2,000,000 Shares of Common Stock, \$50 par value.

2. Amounts and kinds of stock issued and outstanding.

1,009,000 Shares of Common Stock, \$50 par value, recorded at \$50,450,000.

3. Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

The Company has no preferred stock authorized or outstanding.

4. Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking funds provisions.

None

5. Amount of bonds authorized, and amount issued, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.

None

6. Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the twelve months ending December 31, 2022.

Date of Issue	Date of Maturity	Rate of Interest	Principal	Principal	Interest Expense	Interest Expense
			Amount as of December 31, 2021	Amount as of December 31, 2022	12 Months Ending December 31, 2021	12 Months Ending December 31, 2022
<u>Senior Notes</u>						
06/13/2003	12/01/2032	5.625%	\$75,000,000	\$75,000,000	\$4,218,750	\$4,218,750
06/18/2009	06/18/2029	8.030%	\$30,000,000	\$30,000,000	\$2,409,000	\$2,409,000
06/18/2009	06/18/2039	8.130%	\$60,000,000	\$60,000,000	\$4,878,000	\$4,878,000
09/30/2014	09/30/2026	4.180%	\$120,000,000	\$120,000,000	\$5,016,000	\$5,016,000
12/30/2014	12/30/2026	4.330%	\$80,000,000	\$80,000,000	\$3,464,000	\$3,464,000
09/12/2017	09/12/2024	3.130%	\$65,000,000	\$65,000,000	\$2,034,500	\$2,034,500
09/12/2017	09/12/2027	3.350%	\$40,000,000	\$40,000,000	\$1,340,000	\$1,340,000
09/12/2017	09/12/2029	3.450%	\$165,000,000	\$165,000,000	\$5,692,500	\$5,692,500
09/12/2017	09/12/2047	4.120%	\$55,000,000	\$55,000,000	\$2,266,000	\$2,266,000
<u>Pollution Control Bonds</u>						
06/19/2020	04/01/2036	2.350%	\$65,000,000	\$65,000,000	\$1,478,208	\$1,527,500
<u>Term Loans</u>						
11/05/2018	08/17/2022	Variable	\$75,000,000	\$0	\$1,443,781	\$1,107,021
09/06/2022	12/31/2023	Variable	\$125,000,000	\$125,000,000	\$982,014	\$2,610,833
06/17/2021	06/17/2023	Variable	\$150,000,000	\$150,000,000	\$705,333	\$2,574,125
07/22/2022	12/31/2023	Variable	\$0	\$150,000,000	\$0	\$1,732,687

Short Term Borrowings

The Company participates in the AEP System Corporate Borrowing Program.

As of December 31, 2021, the Company had \$47,895,489.28 of Short Term Debt borrowing, the twelve months ended interest expense was \$146,369.02 and the Weighted Average Interest Rate was 0.313%.

As of December 31, 2022, the Company had \$94,439,754.48 of Short Term Debt borrowing, the twelve months ended interest expense was \$1,823,897.98 and the Weighted Average Interest Rate was 2.237%.

Note: Except for one series that was issued as a publicly registered note when Kentucky Power was an SEC registrant, Senior Notes were purchased and held primarily by insurance companies. The Pollution Control Bonds are held by KeyBank as part of their tax-exempt debt portfolio. Term Loans were advanced by and are owed to a various combination of banks.

Note: The Senior Notes in 2003 were issued in public offerings. The Senior Notes in 2009, 2014, and 2017 were issued in private offerings to qualified institutional investors.

7. Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution of assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the twelve months ending December 30, 2022.

The Company has no other indebtedness.

8. Rate and amount of dividends paid during the five previous calendar years, and the amount of capital stock on which dividends were paid each year:

Year	Common	Common	Dividend per
2022	\$0	1,009,000	\$0.00
2021	\$0	1,009,000	\$0.00
2020	\$0	1,009,000	\$0.00
2019	\$5,000,000	1,009,000	\$4.96
2018	\$0	1,009,000	\$0.00

9. Detailed income statement and balance sheet (see Exhibit D pages 1 - 2).

Kentucky Power - Post Allocated Capital Excluding AFUDC
 \$ in Millions

Company	Function	2023 E	2024 E	2025 E
Kentucky Power Total	Environmental Generation	42	7	4
	New Generation	0	0	0
	Reg Renewables	0	0	0
	Other Generation	10	16	16
	Distribution	41	47	83
	Transmission	80	93	104
	Corporate/Other	16	20	24
Kentucky Power Total		189	183	231