

Kentucky Power Company  
KPSC Case No. 2023-00159  
Staff's Second Set of Data Requests  
Dated August 14, 2023

**DATA REQUEST**

**KPSC 2\_70** Refer to the Messner Direct Testimony, pages 8–9. The proposed securitization extends the recovery of all the current regulatory assets to 20 years.

a.: Explain the rationale for choosing a 20-year recovery period for the Securitization Method for every regulatory asset proposed to be securitized.

b.: Provide a present value analysis showing the additional cost ratepayers will incur by extending the life of these assets beyond the 17-year recovery for the Decommissioning Rider Recovery Asset and 3-year recovery for storm regulatory assets.

**RESPONSE**

a. The 20-year securitization period is illustrative of the tenor of securitization bonds that may be issued and is within the 30-year maximum tenor set in Kentucky's securitization statute. The 20-year securitization period is illustrative of the tenor of securitized bonds that may be issued and is within the 30-year maximum tenor set in Kentucky's securitization statute. While 20 years is reasonable for this analysis given the size of the transaction, the actual tenor or tenors may vary based on prevailing market conditions at the time of issuance. The Company expects market conditions, and not the characteristics of certain regulatory assets, to drive the bonds' actual tenor(s).

b. Please refer to KPCO\_R\_KPSC\_2\_70\_Attachment1.

Witness: Franz D. Messner

**October 20, 2023 Supplemental Response**

a. The 20-year securitization period is illustrative of the tenor of securitization bonds that may be issued and is within the 30-year maximum tenor set in Kentucky's securitization statute. The 20-year securitization period is illustrative of the tenor of securitized bonds that may be issued and is within the 30-year maximum tenor set in Kentucky's securitization statute. While 20 years is reasonable for this analysis given the size of the transaction, the actual tenor or tenors may vary based on prevailing market conditions at the time of issuance.

Witness: Franz D. Messner

VERIFICATION

The undersigned, Franz D. Messner, being duly sworn, deposes and says he is the Managing Director of Corporate Finance for American Electric Power Service Corporation, 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.

*[Handwritten Signature]*

Franz D. Messner

County Franklin )  
State of Ohio )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Franz D. Messner, on October 11, 2023.

*[Handwritten Signature]*  
Notary Public



My Commission Expires Never

Notary ID Number N/A