

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power Company)	
For (1) A General Adjustment Of Its Rates For)	
Electric Service; (2) Approval Of Tariffs And Riders;)	
(3) Approval Of Accounting Practices To Establish)	Case No. 2023-00159
Regulatory Assets And Liabilities; (4) A)	
Securitization Financing Order; And (5) All Other)	
Required Approvals And Relief)	

SECTION V

Exhibit 2: Adjustments

#	2023 Adjustment	2023 Witness	Adjustment Type
1	Adjustment to Remove Rockport Capacity Charge Revenues	Katharine Walsh	Revenue
2	Remove Tariff D.R. Revenues and Expenses	Heather Whitney	Revenue & Expense
3	Remove Mitchell FGD Operating Expenses	Lerah Kahn	Expense
4	Remove Mitchell Plant FGD and Consumable Inventory from Rate Base	Lerah Kahn	Capital (RB and Capitalization)
5	Removal of Mitchell FGD Environmental Surcharge Rider Revenues	Lerah Kahn	Revenue/Expense
6	Synchronize Fuel Expense	Scott Bishop	Revenue/Expense
7	Reset OSS Margin Baseline to Test Year	Katharine Walsh	Revenue
8	Reset OSS Margin Baseline to Remove Rockport	Katharine Walsh	Revenue
9	Remove Tariff P.P.A. Revenues and Non-Transmission Expenses Recovered Through Tariff P.P.A.	Heather Whitney	Revenue & Expense
10	Remove Tariff D.S.M.C. Revenues and Expenses	Heather Whitney	Revenue & Expense
11	Remove Tariff R.E.A. Revenues and Expenses	Heather Whitney	Revenue & Expense
12	Remove Tariff K.E.D.S. Revenues and Expenses	Heather Whitney	Revenue & Expense
13	Customer Annualization Adjustment	Katharine Walsh	Revenue/Expense
14	Weather Normal Revenue Adjustment	Katharine Walsh	Revenue/Expense
15	Adjust Interest on Customer Deposits	Heather Whitney	Expense
16	Normalization of Storm Damage Expense	Heather Whitney	Expense
17	Amortization of Big Sandy Unit 1 Operations Rider Deferral	Heather Whitney	Expense
18	Rate Case Expense	Lerah Kahn	Expense
19	Eliminate Miscellaneous Expense	Scott Bishop	Expense
20	Annualization of Lease Expense	Heather Whitney	Expense
21	Adjust Pension and OPEB Expense	Heather Whitney	Expense
22	Adjust Employee Related Group Benefit Expense	Heather Whitney	Expense
23	Adjust PJM LSE OATT Expense	Katharine Walsh	Expense
24	Amortization of NERC Compliance and Cybersecurity Cost Deferral	Heather Whitney	Expense
25	Remove Severance Expense	Heather Whitney	Expense
26	Normalize Bad Debt Expense	Heather Whitney	Expense
27	KPCo Incentive Compensation Expense Adjustment	Heather Whitney	Expense
28	KPCo Annualization of Payroll Expense Adjustment	Heather Whitney	Expense
29	KPCo Overtime Related to Employee Merit Increases Adjustment	Heather Whitney	Expense
30	KPCo Medicare Tax Expense Adjustment	Heather Whitney	Expense
31	KPCo Social Security Tax Expense Adjustment	Heather Whitney	Expense
32	KPCo Social Security Tax Base Adjustment	Heather Whitney	Expense
33	Eliminate Non-Recoverable Business Expenses	Scott Bishop	Expense
34	Annualization of Depreciation Expense (Excluding ARO Depreciation) at Existing Rates	Heather Whitney	Expense
35	Annualization of ARO Depreciation Expense	Heather Whitney	Expense
36	Annualization of ARO Accretion Expense	Heather Whitney	Expense
37	KPSC Maintenance Assessment	Katharine Walsh	Expense
38	AFUDC Offset Adjustment	Heather Whitney	Expense
39	Mitchell Coal Stock Adjustment (Coal Inventory Adjustment)	Heather Whitney	Capital (RB and Capitalization)
40	Remove Big Sandy Unit 2 from Capitalization	Heather Whitney	Capital (Capitalization Only)
41	Adjustment to Recognize Accrued Surcharge Revenue Differences	Katharine Walsh	Revenue
42	Book to Bill	Katharine Walsh	Revenue
43	Adjust Vegetation Management Tree Trimming	Everett Phillips	Expense
44	Adjustment to Remove Joint Use Pole Rental Revenue and Expense Related to a Prior Period	Heather Whitney	Revenue & Expense
45	Remove Non-Ongoing Expense Related to the COVID-19 Pandemic	Heather Whitney	Expense
46	Remove Insurance Proceeds Related to a Prior Period	Heather Whitney	Expense
47	Remove Rockport UPA Non-Fuel Expense, Net of Deferral	Heather Whitney	Expense
48	Amortization of Deferred Plant Maintenance Costs	Heather Whitney	Expense
49	Annualization of Property Taxes	Linda Schlessman	Tax
50	To remove an Out-of-Period Sales and Use Tax Audit Adjustment.	Linda Schlessman	Tax
51	To remove an Out-of-Period State Business & Occupation Tax Adjustment.	Linda Schlessman	Tax
52	Remove Federal Income Tax Rider Revenues	Katharine Walsh	Revenue
53	Remove NERC Compliance and Cybersecurity Investment from Rate Base (Page 1) and Capitalization (Page 2)	Heather Whitney	Capital (RB and Capitalization)
54	Interest Sync	Linda Schlessman	Tax
55	Cost of Removal Tax Adjustment	Linda Schlessman	Tax
56	Replacement Capacity Adjustment	Lerah Kahn	Expense
57	Normalize Non-F.A.C Eligible Purchased Power Expense	Heather Whitney	Expense
58	Recover Actual, Incremental Non-F.A.C Eligible Purchased Power Expense Since Last Base Case (Excluding Winter Storm Elliott)	Heather Whitney	Expense
59	Remove Certain Regulatory Asset Amortizations Not Recovered Through Base Rates	Heather Whitney	Expense
60	Remove Rockport Deferral from Capitalization	Heather Whitney	Capital (Capitalization Only)
61	Cash Working Capital	Heather Whitney	Capital (RB Only)
62	Remove Federal Income Tax Rider Expenses	Linda Schlessman	Tax
63	ADIT Adjustment	Linda Schlessman	Capital (RB and Capitalization)

Kentucky Power Company
Adjustment to remove capacity charge revenues
Test Year Twelve Months Ended 3/31/2023
W01

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
1	44x Billed Retail Revenue	\$ (4,710,424)	Specific	1.00	\$ (4,710,424) Reduce Firm Sales
2	44x Over/Under Retail Revenue	\$ 468,095	Specific	1.00	\$ 468,095 Increase Firm Sales
3	44x Total Adj				\$ (4,242,329) Reduce Firm Sales
					\$ - check

Witness: Katharine Walsh

Kentucky Power Company
Remove Tariff D.R. Revenues and Expenses
Test Year Ended March 31, 2023
W02

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	Decrease Test Year Revenue to Remove Tariff D.R. Revenues	440-444	\$ (28,713,724)	SPECIFIC	1.000	\$ (28,713,724)
2	Decrease Test Year O&M Expense for Big Sandy Coal O&M Costs:					
3	Fuel Expenses	501	(337)	EAF	0.986	(332)
4	Steam Power Expenses	506	(1,514)	PDAF	0.985	(1,491)
5	Administrative & General Expenses	920	(2,053)	A&G	0.985	(2,022)
6			—			—
7			—			—
8	Subtotal		<u>\$ (3,904)</u>			<u>\$ (3,845)</u>
9	Increase Test Year O&M Expense for Big Sandy Coal O&M Deferral	512	\$ 3,904	PDAF/EAF/A&G	0.985	\$ 3,845
10	Decrease Test Year ARO Accretion Expense for Big Sandy Coal	411.1	\$ (177,310)	PDAF	0.985	\$ (174,650)
11	Increase Test Year ARO Accretion Expense for Big Sandy Coal ARO Deferral	411.1	\$ 177,310	PDAF	0.985	\$ 174,650
12	Decrease Test Year Amortization Expense for Big Sandy Coal Amortization	407.3	\$ (13,032,207)	SPECIFIC	1.000	\$ (13,032,207)

Witness: H.M. Whitney

Kentucky Power Company
 Eliminate Mitchell FGD Operating Expenses
 Kentucky Power Company
 W03

Line
 No.
 (1)

Description
 (2)

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Total
Total Operating Expense	\$ 207,748	\$ 219,988	\$ 222,550	\$ 342,235	\$ 223,259	\$ 103,751	\$ 9,623	\$ 590	\$ 248,981	\$ 22,637	\$ 281,127	\$ 229,153	
1 502X-Consumables	\$ 16,475	\$ 16,475	\$ 16,475	\$ 16,752	\$ 16,753	\$ 16,753	\$ 16,753	\$ 16,753	\$ 16,755	\$ 16,751	\$ 16,752	\$ 16,754	
2 408100515--Property Tax	\$ 813,239	\$ 813,273	\$ 813,264	\$ 813,265	\$ 813,327	\$ 813,327	\$ 813,327	\$ 813,327	\$ 813,395	\$ 813,213	\$ 813,276	\$ 813,338	
3 4030001--Depreciation	\$ 34,241	\$ 17,297	\$ (47,146)	\$ (18,290)	\$ (55,504)	\$ (15,786)	\$ 10,808	\$ 38,515	\$ 58,953	\$ (20,845)	\$ (25,981)	\$ (57,797)	
4 5010027--Gypsum Disposal	\$ 84,477	\$ 109,615	\$ 67,441	\$ 57,000	\$ 70,954	\$ 77,194	\$ 106,938	\$ 150,956	\$ 253,866	\$ 77,695	\$ 35,429	\$ 81,292	
5 5120000--FGD Maintenance Expense	\$ 1,156,180	\$ 1,176,648	\$ 1,072,584	\$ 1,210,961	\$ 1,068,790	\$ 995,239	\$ 957,449	\$ 1,020,141	\$ 1,391,949	\$ 909,450	\$ 1,120,604	\$ 1,082,740	
6 Total Mitchell FGD Operating Expenses	\$ 88.2%	\$ 90.2%	\$ 87.1%	\$ 85.0%	\$ 85.6%	\$ 97.8%	\$ 98.0%	\$ 97.5%	\$ 96.6%	\$ 97.2%	\$ 98.3%	\$ 94.9%	
7 Retail Allocation Factor													
Retail Allocation of FGD Expenses													
8 502X-Consumables	\$ 183,151	\$ 198,407	\$ 193,863	\$ 290,831	\$ 191,110	\$ 101,469	\$ 9,433	\$ 575	\$ 240,491	\$ 22,001	\$ 276,433	\$ 217,466	\$ (1,925,230)
9 408100515--Property Tax	\$ 14,524	\$ 14,859	\$ 14,352	\$ 14,236	\$ 14,341	\$ 16,385	\$ 16,422	\$ 16,330	\$ 16,183	\$ 16,280	\$ 16,473	\$ 15,899	\$ (186,284)
10 4030001--Depreciation	\$ 716,952	\$ 733,491	\$ 708,434	\$ 691,112	\$ 696,208	\$ 795,434	\$ 797,223	\$ 792,750	\$ 785,658	\$ 790,362	\$ 799,694	\$ 771,858	\$ (9,079,176)
11 5010027--Gypsum Disposal	\$ 30,186	\$ 15,600	\$ (41,068)	\$ (15,543)	\$ (47,511)	\$ (15,439)	\$ 10,594	\$ 37,540	\$ 56,942	\$ (20,260)	\$ (25,547)	\$ (54,849)	\$ 69,355
12 5120000--FGD Maintenance Expense	\$ 74,475	\$ 98,862	\$ 58,748	\$ 48,438	\$ 60,736	\$ 75,495	\$ 104,821	\$ 147,137	\$ 245,209	\$ 75,511	\$ 34,837	\$ 77,146	\$ (1,101,415)

Total FGD Operating Expense Adjustment
 \$ (12,222,750)

Witness: Lerah M. Kahn

Kentucky Power Company
Adjustments to Remove: Mitchell Plant FGD; FGD Consumable Inventory; CCR CWIP
Test Year Twelve Months Ended 3/31/2023
W04

<u>Line No.</u>	<u>Description</u>	<u>Total Company Adjustment</u>	<u>Allocation Code</u>	<u>Allocation Factors</u>	<u>Kentucky PSC Retail Jurisdiction Adjustment</u>
(1)	(2)	(3)	(4)	(5)	(6) (3)*(5) (7)
FGD 1	Mitchell FGD Electric Plant In Service	\$ 329,731,526	PDAF	0.985	\$ 324,785,553
FGD 2	Less Accum. Prov. For Depreciation	\$ 152,482,512	PDAF	0.985	\$ 150,195,274
FGD 3	Less Accumulated Deferred Income Tax	\$ 40,390,585	PDAF	0.985	\$ 39,784,726
4	Net Rate Base Reduction (Ln 1 - Ln 2 - Ln 3)				<u>\$ (134,805,553)</u>
5	Remove FGD Consumable Inventory				
	1540006	\$ 1,769,531	PDAF/EAF	0.986	\$ 1,744,757
	1540022	\$ 101,178	PDAF/EAF	0.986	\$ 99,761
					<u>\$ (1,844,518)</u>
6	Remove CCR Construction Work in Progress	\$ 11,269,437	PDAF	0.985	<u>\$ 11,100,396</u>

Witness: Lerah M. Kahn

Kentucky Power Company
Removal of Mitchell FGD and Rockport Environmental Surcharge Rider Revenues
Test Year Ended 3/31/2023
W05

Line No. (1)	Description (2)	Amount (3)
1	Billed & Accrued Environmental Surcharge Revenues for Test Year	\$ 28,559,706
2	Environmental Base Revenue for Base Period	\$ 47,345,460
3	Mitchell Retail Revenues to Remain in Base Rates	\$ 28,940,593
5	Subtotal Environmental Cost Recovery Revenues (1+2-3)	<u>\$ 46,964,573</u>
	Reduce Base Revenues	
6	Less Deferrals: 4030029 Over/Under	\$ 3,627,685
		(3,627,685) PDAF
		0.985 \$
		<u>Allocated Adj Amount</u> (3,573,270)

Witness: Lerah M. Kahn

Kentucky Power Company
 Synchronize Fuel Expense
 Test Year Ended 3/31/2023
 W06

Line No. (1)	Description (2)	Amount (3)		
1	Fuel Adjustment Clause Revenue 44X	\$ 142,562,415	Workpaper	
2	Base Fuel Revenue 44X	\$ 138,459,438	Workpaper	
3	Total Fuel Revenue 44X	281,021,853		
4	Total Fuel Expense in JCOS 501	\$ 271,759,536	Workpaper	
5	Deferred Fuel Expense 5010005	10,086,012	Income Statement	
6	Total Fuel Expense	281,845,547		
7	TY Fuel Difference in JCOS	823,694	Net Expense	
8	Synchronize TY Fuel in JCOS - 501005	(823,694)	Decrease Fuel Expense	
9	Remove FAC Revenues from TY - 44X	(142,562,415)	Decrease Firm Sales Revenue	decrease
10	Offset FAC Revenue Removal in Fuel 501005	(142,562,415)	Decrease Fuel Expense	decrease
11	Net Impact of Adjustment	(823,694)	Decrease Fuel Expense	

Witness: Scott Bishop

Kentucky Power Company

**Adjustment to reset OSS margin baseline to test year OSS margin amount.
 Test Year Twelve Months Ended 3/31/2023
 W07**

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
	<u>Off System Sales</u>				
1	44x SSC Billed Retail Revenue	\$ 1,513,355	Specific	1.00	\$ 1,513,355 Increase Firm Sales
2	44x SSC Deferral	\$ 1,984,216	Specific	1.00	\$ 1,984,216 Increase Firm Sales
					\$ 3,497,571 Increase Firm Sales

Witness: Katharine Walsh

Kentucky Power Company

**Adjustment to reset OSS margin baseline going forward to exclude Rockport
 W08**

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
	<u>Off System Sales</u>				
1	447 SSC Billed Retail Revenue	\$ (9,021,444)	Specific	1.00	\$ (9,021,444) Decrease Firm Sales

Witness: Katharine Walsh

Kentucky Power Company
Remove Tariff P.P.A. Revenues and Non-Transmission Expenses Recovered Through Tariff P.P.A.
Test Year Ended March 31, 2023
W09

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	<u>Remove Tariff P.P.A. Revenue (1)</u>		
2	Decrease Test Year Revenue to Remove Tariff P.P.A. Revenues	440-444	(21,021,955)
3	Decrease to Revenue		(21,021,955)
4	Allocation Factor - SPECIFIC		1.000
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)		<u>(21,021,955)</u>
6	<u>Remove Tariff P.P.A. O&M Expense (1)</u>		
7	Remove Recovery of Rockport Deferral (Dec 9, 2022 through Mar 31, 2023)	555	(2,631,871)
8	Remove Interruptible Service Credit Expense	555	(3,989,249)
9	Remove Tariff P.P.A. (Over)/Under Recovery	566	6,727,358
10	Increase to O&M Expense		106,238
11	Allocation Factor - SPECIFIC		1.000
12	KPSC Jurisdictional Amount (Ln 12 X Ln 13)		<u>106,238</u>
13	<u>(1) Reconciliation of Test Year Tariff P.P.A. Rider Revenues to Recoverable Costs:</u>		
14	Non-Transmission Expenses Recovered Through Tariff P.P.A. - W09 (Above)	555/566	(106,238)
15	PJM OATT LSE Expense - Rolled into Base Rates - W23	456.1 / 565	24,840,102
16	Recovery of Estimated Rockport Offset	440-444	7,105,201
17	Recovery of Current Carrying Charges (Debt) on Rockport Deferral	431	557,770
18	Recovery of Current Carrying Charges (Equity) on Rockport Deferral	440-444	551,945
19	Recovery of Deferred Carrying Charges (Debt) on Rockport Deferral	431	245,702
20	Recovery of Deferred Carrying Charges (Equity) on Rockport Deferral	440-444	234,710
21	Recovery of Amortization of Interest Expense Deferral (Oct 2021-Sept 2022)	427	325,055
22	Refund of Rockport Fixed Cost Savings (Dec 9 2022 until reflected in base rates)	440-444	(12,732,291)
23	Total Costs Recoverable Through Tariff P.P.A. for the Test Year Ended 3/31/2023		<u>21,021,955</u>
24	Tariff P.P.A. Revenue for the Test Year Ended 3/31/2023	440-444	<u>(21,021,955)</u>
25	Check		<u>(0)</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Tariff D.S.M.C. Revenues and Expenses
Test Year Ended March 31, 2023
W10

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	<u>Test Year Other Electric Revenue:</u>		
2	Remove DSM Rider Revenues		\$ (336,159)
3	Remove DSM Over/Under Recovery (Incentives & Lost Revenue)		46,762
4	Remove DSM Incentive Revenue Accrued		(2,656)
5	Remove DSM Lost Revenue Accrued		<u>(15,727)</u>
6	Net Decrease in Test Year Other Electric Revenue	456	\$ (307,780)
7	Allocation Factor - SPECIFIC		1.000
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)		<u>\$ (307,780)</u>
9	<u>Test Year O&M Expense Related to Program Costs:</u>		
10	Remove DSM Over/Under Recovery (O&M Program Cost)		\$ (289,397)
11	Remove DSM O&M Program Cost Expense		(349,051)
12	Remove DSM O&M Program Cost Over/under Deferral		<u>349,051</u>
13	Net Decrease in Test Year O&M Expense Related to Program Costs	908	(289,397)
14	Allocation Factor - SPECIFIC		1.000
15	KPSC Jurisdictional Amount (Ln 13 X Ln 14)		<u>\$ (289,397)</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Tariff R.E.A. Revenues and Expenses
Test Year Ended March 31, 2023
W11

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Decrease in Test Year Retail Revenue for Tariff R.E.A. Revenue	440-444	\$ (476,213)
2	Allocation Factor - SPECIFIC		1.000
3	KPSC Jurisdictional Amount (Ln 4 X Ln 5)		<u>\$ (476,213)</u>
4	Decrease in Test Year O&M for Tariff R.E.A. Expense	908	\$ (476,213)
5	Allocation Factor - SPECIFIC		1.000
6	KPSC Jurisdictional Amount (Ln 4 X Ln 5)		<u>\$ (476,213)</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Tariff K.E.D.S. Revenues and Expenses
Test Year Ended March 31, 2023
W12

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Decrease Test Year Retail Revenue for Tariff K.E.D.S. Revenue	440-444	\$ (372,763)
2	Allocation Factor - SPECIFIC		1.000
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)		<u>\$ (372,763)</u>
4	Decrease Test Year O&M Expense for Tariff K.E.D.S. Expense	908	\$ (372,763)
5	Allocation Factor - SPECIFIC		1.000
6	KPSC Jurisdictional Amount (Ln 4 X Ln 5)		<u>\$ (372,763)</u>

Witness: H.M. Whitney

Kentucky Power Company

Adjust firm sales revenue to annualize end of test year number of customers on each tariff
Test Year Twelve Months Ended 3/31/2023
W13

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
	<u>Off System Sales</u>				
1	44x Retail Revenue	\$ 1,882,916	Specific	1.00	\$ 1,882,916 Decrease Firm Sales
2	555 Purchased Power	\$ 885,912	Specific	1.00	\$ 885,912 Decrease Purchased Power Expense

Witness: Katharine Walsh

Kentucky Power Company

**Adjust test year weather to normal weather
 Test Year Twelve Months Ended 3/31/2023
 W14**

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
	<u>Off System Sales</u>				
1	44x Retail Revenue	\$ 12,333,767	Specific	1.00	\$ 12,333,767 Increase Firm Sales
2	555 Purchased Power	\$ 5,803,037	Specific	1.00	\$ 5,803,037 Increase Purchased Power Expense

Witness: Katharine Walsh

Kentucky Power Company
Adjust Interest on Customer Deposits
Test Year Ended March 31, 2023
W15

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Balance as of March 31, 2023		39,415,318
2	Interest at 4.34% (Ln 1 X 4.34%)		1,710,625
3	Test Year Interest on Customer Deposits	431	452,405
4	Increase (Ln 2 - Ln 3)		1,258,220
5	Allocation Factor - SPECIFIC		1
6	KPSC Jurisdiction Amount (Ln 4 X Ln 5)		<u>\$ 1,258,220</u>

Witness: H.M. Whitney

Kentucky Power Company
Normalization of Storm Damage Expense
Test Year Ended March 31, 2023
W16

Line No.	Description (a)	Twelve Months Ended March 31,			Three-Year Average (e)	FERC Account (f)
		2021 (b)	2022 (c)	2023 (d)		
1	Total Major and Non-Major Storm Expense - Distribution	\$ 59,577,052	\$ 3,324,126	\$ 24,194,769	\$ 29,031,982	
2	Total Major and Non-Major Storm Expense - Transmission	2,821,753	247,794	89,872	1,053,140	
3	Total Major and Non-Major Storm Expense (Ln 1 +2)	<u>\$ 62,398,805</u>	<u>\$ 3,571,920</u>	<u>\$ 24,284,641</u>	<u>\$ 30,085,122</u>	
4	<u>Distribution Adjustment</u>					
5	Three-Year Average (Ln 1)				Not Requested	
6	Requested Base Rate Level				1,013,489	
7	Test Year Total Major and Non-Major Storm Expense				<u>7,333,484</u>	
8	Distribution Adjustment (Ln 6 - Ln 7)				<u>\$ (6,319,995)</u>	
9	Allocation Factor - GP-DIST				<u>0.999</u>	
10	KPSC Jurisdiction Amount (Ln 8 X Ln 9)				<u>(6,313,675)</u>	593
11	<u>Transmission Adjustment</u>					
12	Three-Year Average (Ln 2)				Not Requested	
13	Requested Base Rate Level				89,872	
14	Test Year Total Major and Non-Major Storm Expense				<u>89,872</u>	
15	Transmission Adjustment (Ln 13 - Ln 14)				<u>\$ —</u>	
16	Allocation Factor - GP-TRANS				<u>0.985</u>	
17	KPSC Jurisdiction Amount (Ln 15 X Ln 16)				<u>—</u>	571
18	KPSC Jurisdiction Amount - Distribution - Requested Base Rate Level (Ln 6 X Ln 9)				1,012,476	
19	KPSC Jurisdiction Amount - Transmission - Requested Base Rate Level (Ln 13 X Ln 16)				88,524	

Witness: H.M. Whitney

Kentucky Power Company
Amortization of Big Sandy Unit 1 Operations Rider Deferral
Test Year Ended March 31, 2023
W17

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Final Regulatory Asset Amount due to the elimination of Tariff B.S.1.O.R. Authorized By Order Dated January 18, 2018 in Case No. 2017-00179		\$ 1,749,279
2	Number of Amortization Periods		3
3	Annual Amortization Amount - Increase (Ln 1 / Ln 2)	407.3	<u>\$ 583,093</u>
4	Test Year Amortization Expense	407.3	361,146
5	Increase to Annual Amortization (Ln 3 - Ln 4)		221,947
6	Allocation Factor - SPECIFIC		1.000
7	KPSC Jurisdictional Amount (Ln 3 X Ln 4)		<u><u>\$ 221,947</u></u>

Witness: H.M. Whitney

Kentucky Power Company
Amortization of Rate Case Expense
Test Year Ended 03/31/2023
W18

Line	<u>No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
		Estimated Cost:	
	1	Legal Expense	\$509,000
	2	Other Professional Services	\$307,000
	3	Publication Notices and Correspondence	\$170,000
	4	KPCo Overtime and Out of Pocket Costs	<u>\$20,000</u>
	5	Total Estimated Costs (Ln 1 + Ln 2 + Ln 3 + Ln 4)	\$1,006,000
	6	Number of Years of Amortization	<u>3</u>
	7	Annual Average Rate Case Costs (Ln 5 / Ln 6)	\$335,333
	8	Less: Rate Case Expense in Test Year	<u>\$55,923</u>
	9	Adjustment to Test Year O&M Expense (Ln 7- Ln 8)	\$279,410
	10	Allocation Factor - SPECIFIC	<u>1.000</u>
	11	KPSC Jurisdiction Amount (Ln 9 X Ln 10)	<u><u>\$279,410</u></u>

Account 928000
Rate Case Expense

Witness: Lerah M. Kahn

Kentucky Power Company
Adjustment to Miscellaneous Business Expenses
Test Year Ended 03/31/2023
W19

<u>Line No.</u>	<u>Description</u>	<u>Total Expense</u>	<u>Recoverable</u>	<u>Eliminated</u>
(1)	(2)	(3)		
1	Test Year Miscellaneous Expense FERC 930 Account			
		9301000 44,097.04	21,678.04	22,419.00
		9301001 4,400.00		4,400.00
		9301003 26,500.00		26,500.00
		9301012 143,582.07	143,582.07	
		9301015 7,793.84	7,793.84	
		9302000 129,211.92	129,211.92	
		9302003 18,020.00	18,020.00	
		9302006 97,805.65	97,805.65	
		9302007 466,955.08	466,955.08	
	Sub-Total FERC 930	<u>938,365.60</u>	<u>885,046.60</u>	<u>53,319.00</u>
	FERC 909 Account			
		9090000 116,530.22	-	116,530.22
	Sub-Total FERC 909	<u>116,530.22</u>	-	<u>116,530.22</u>
	FERC 913 Account			
		9130000 -	-	-
	Sub-Total FERC 913	<u>-</u>	<u>-</u>	<u>-</u>
2	Amount of Miscellaneous Expense to be Eliminated			<u>\$ 169,849</u>
3	Allocation Factor - Specific			1.00
4	KPSC Jurisdictional Amount (Ln 2 X Ln 3)			<u><u>\$ 169,849</u></u>

Witness: Scott E. Bishop

Kentucky Power Company
Annualization of Lease Expense
Test Year Ended March 31, 2023
W20

Line No.	FERC Account	Annual Total	March 2023 Expense	Annualized Total	Adjustment Needed	Allocation Method	Allocation Factor	Allocated Amount
1	500	\$ 3,485.72	\$ —	\$ —	\$ (3,486)	PDAF / EAF	0.986	\$ (3,436)
2	501	\$ 1,674.53	\$ —	\$ —	\$ (1,675)	EAF	0.986	\$ (1,651)
3	502	\$ 729.89	\$ —	\$ —	\$ (730)	PDAF	0.985	\$ (719)
4	505	\$ 12.63	\$ —	\$ —	\$ (13)	PDAF / EAF	0.986	\$ (12)
5	506	\$ 17,347.49	\$ —	\$ —	\$ (17,347)	PDAF	0.985	\$ (17,087)
6	510	\$ 1,100.90	\$ —	\$ —	\$ (1,101)	PDAF	0.985	\$ (1,084)
7	511	\$ 215.74	\$ —	\$ —	\$ (216)	PDAF	0.985	\$ (213)
8	512	\$ 1,290.00	\$ —	\$ —	\$ (1,290)	PDAF / EAF	0.986	\$ (1,272)
9	513	\$ 427.68	\$ —	\$ —	\$ (428)	PDAF	0.985	\$ (421)
10	514	\$ 437.81	\$ —	\$ —	\$ (438)	PDAF	0.985	\$ (431)
11	566	\$ 396.99	\$ —	\$ —	\$ (397)	GP-TRANS	0.985	\$ (391)
12	571	\$ 54.92	\$ —	\$ —	\$ (55)	GP-TRANS	0.985	\$ (54)
13	580	\$ 1,291.76	\$ —	\$ —	\$ (1,292)	GP-DIST	0.999	\$ (1,290)
14	583	\$ 8,958.42	\$ —	\$ —	\$ (8,958)	GP-DIST	0.999	\$ (8,949)
15	584	\$ 54.62	\$ —	\$ —	\$ (55)	GP-DIST	0.999	\$ (55)
16	585	\$ 79.95	\$ —	\$ —	\$ (80)	GP-DIST	0.999	\$ (80)
17	586	\$ 25,869.56	\$ —	\$ —	\$ (25,870)	GP-DIST	0.999	\$ (25,844)
18	587	\$ 1,810.41	\$ —	\$ —	\$ (1,810)	GP-DIST	0.999	\$ (1,809)
19	588	\$ 32,658.63	\$ —	\$ —	\$ (32,659)	GP-DIST	0.999	\$ (32,626)
20	590	\$ (11.79)	\$ —	\$ —	\$ 12	GP-DIST	0.999	\$ 12
21	593	\$ 102,662.62	\$ —	\$ —	\$ (102,663)	GP-DIST	0.999	\$ (102,560)
22	594	\$ 462.33	\$ —	\$ —	\$ (462)	GP-DIST	0.999	\$ (462)
23	595	\$ (186.06)	\$ —	\$ —	\$ 186	GP-DIST	0.999	\$ 186
24	596	\$ 386.93	\$ —	\$ —	\$ (387)	GP-DIST	0.999	\$ (387)
25	597	\$ 397.67	\$ —	\$ —	\$ (398)	GP-DIST	0.999	\$ (397)
26	598	\$ 341.72	\$ —	\$ —	\$ (342)	GP-DIST	0.999	\$ (341)
27	902	\$ 5,925.69	\$ —	\$ —	\$ (5,926)	CUST.	1.000	\$ (5,926)
28	903	\$ 15,884.69	\$ —	\$ —	\$ (15,885)	CUST.	1.000	\$ (15,884)
29	908	\$ 333.08	\$ —	\$ —	\$ (333)	CUST.	1.000	\$ (333)
30	920	\$ 37.39	\$ —	\$ —	\$ (37)	A&G	0.985	\$ (37)
31	921	\$ 2,877.19	\$ —	\$ —	\$ (2,877)	A&G	0.985	\$ (2,834)
32	928	\$ 4.44	\$ —	\$ —	\$ (4)	A&G	0.985	\$ (4)
33	930	\$ 27.69	\$ —	\$ —	\$ (28)	A&G	0.985	\$ (27)
34	931	\$ 132,068.94	\$ —	\$ —	\$ (132,069)	A&G	0.985	\$ (130,088)
35	935	\$ 84,648.10	\$ 2,824.78	\$ 33,897	\$ (50,751)	A&G	0.985	\$ (49,989)
36								
37		<u>\$ 443,758</u>		<u>\$ 33,897</u>	<u>\$ (409,861)</u>	Decrease to lease expense		<u>\$ (406,497)</u>

Witness: H.M. Whitney

Kentucky Power Company
Adjust Pension and OPEB Expense
Test Year Ended March 31, 2023
W21

Line No.	Description (a)	Total Company (b)
1	<u>Expected Pension and OPEB Costs (Actuarial Estimates)</u>	
2	Service Cost	\$ 2,043,379
3	Non-Service Cost	(7,575,737)
4	Total Service and Non-Service Cost	(5,532,358)
5	KPCo O&M% (FERC Form 1, pp. 354 & 355) (Service Only)	58.03 %
6	Expected Pension and OPEB Expense	(6,390,066)
7	<u>Test Year Period Per Books (Income) Expense:</u>	
8	Account 9260003 (Pension Plan)	2,376,555
9	Account 9260021 (Postretirement Benefits - OPEB)	139,857
10	Account 9260037 (Supplemental Pension)	3,542
11	Account 9260042 (SERP Pension - Non-Service)	4,435
12	Account 9260043 (OPEB- Non-Service)	(4,753,666)
13	Account 9260062 (Pension Plan - Non-Service)	(2,011,896)
14	Less Transfers:	
15	9260050 - Frg Ben Loading - Pension	(1,185,984)
16	9260053 - Frg Ben Loading - OPEB	(143,737)
17	Total Test Period Per Books	(5,570,894)
18	Change in Pension and OPEB O&M expense	(819,172)
19	KYJurisdictional Factor - OML	0.991
20	KPSC Jurisdictional Adjustment to Decrease O&M Expense for Pension and OPEB Actuarial Estimates	\$ (811,799)
21	FERC Account	926

Witness: H.M. Whitney

Kentucky Power Company
Adjust Employee Related Group Benefit Expense
Test Year Ended March 31, 2023
W22

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	2023 Total Calculated Costs	926	\$ 4,106,511
2	Addition 2023 Mitchell Calculated Costs Billed by Wheeling	926	<u>\$ 1,189,338</u>
3	2023 Net Calculated Costs	926	\$ 5,295,849
4	Test Year Net Employee Related Expenses		<u>\$ 5,160,269</u>
5	Adjusted Employee Related Group Benefit Expenses		\$ 135,580
6	Cost Applicable to O&M		<u>58.03 %</u>
7	Group Benefit Costs Applicable to O&M		\$ 78,670
8	Allocation Factor - OML		<u>0.991</u>
9	KPSC Jurisdictional Amount		\$ 77,962

Witness: H.M. Whitney

Kentucky Power Company
Adjustment to Increase PJM LSE OATT expense to reflect 2023 filed rates
Test Year Twelve Months Ended 3/31/2023
W23

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT TO 2023 RATES	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
LSE OATT CHARGE ACCOUNTS					
1	4561005 Firm and Non-Firm Pt 2 Pt Transmission Revenues	\$ 157,347	Specific	1.00	\$ 157,347
2	4561002 RTO Formation Costs	\$ -	Specific	1.00	\$ -
3	4561035 PJM Affiliated Trans NITS Cost	\$ (6,460,719)	Specific	1.00	\$ (6,460,719)
4	4561036 PJM Affiliated Trans TO Cost	\$ -	Specific	1.00	\$ -
5	4561060 Affil PJM Trans Enhancmnt Cost	\$ (17,708)	Specific	1.00	\$ (17,708)
6	5650012 PJM Trans Enhancement Charge	\$ 26,595	Specific	1.00	\$ 26,595
7	5650016 PJM NITS Expense - Affiliated	\$ 7,698,668	Specific	1.00	\$ 7,698,668
8	5650019 Affil PJM Trans Enhancement Exp	\$ 78,520	Specific	1.00	\$ 78,520
9	5650021 PJM NITS Expense - Non-Affiliated	\$ 89,998	Specific	1.00	\$ 89,998
10	5650015 PJM TO Serv Expense - Affiliated	\$ -	Specific	1.00	\$ -
		\$ 14,214,861			\$ 14,214,861
					Net Increase in LSE OATT Expense

Witness: Katharine Walsh

Kentucky Power Company
Amortization of NERC Compliance and Cybersecurity Cost Deferral
Test Year Ended March 31, 2023
W24

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Deferral post March 31, 2020 as authorized per order dated January 13, 2021 in Case No. 2020-00174.		\$ 2,157,525
2	Number of Amortization Periods		<u>5</u>
3	Annual Amortization of Post March 31, 2020 Deferral (Ln 1 / Ln 2)		431,505
4	Amortization for March 1, 2017 through March 31, 2020 deferral, authorized to amortize over 5 years per order dated January 13, 2021 in Case No. 2020-00174.		<u>88,868</u>
5	Adjusted NERC Compliance and Cybersecurity Amortization (Ln 3 + Ln 4)		<u>520,373</u>
6	Test year amortization approved for recovery by KPSC in Case No. 2017-00179 and Case No. 2020-00174, as recorded to FERC Account 404.		<u>76,205</u>
7	Increase to Depreciation Expense	404	<u>444,168</u>
8	Allocation Factor - SPECIFIC		<u>1.00</u>
9	Total Increase to Annual Amortization Expense Related to NERC Compliance and Cybersecurity Cost Deferral Ln 7 x Ln 8	404	<u><u>\$444,168</u></u>

Witness: H.M. Whitney

Kentucky Power Company
 Remove Severance Expense
 Test Year Ended March 31, 2023
 W25

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Remove Severance Adjustments Made during the Test Year (No Test Year Amounts to Remove)		\$ —
2	Allocation Factor		
3	KPSC Jurisdictional Adjustment to Decrease O&M Expense for Severance Adjustment (Ln 1 X Ln 2)		\$ —
			<hr/> <hr/>

Witness: H.M. Whitney

Kentucky Power Company
Normalize Bad Debt Expense
Test Year Ended March 31, 2023
W26

<u>Line No.</u>	<u>Account Description</u>	<u>Account</u>	<u>Test Year Expense</u>	<u>Adjustments</u>	<u>Adjusted Amount</u>	<u>FERC Acct</u>
1	Uncollectible Accounts	9040000	2,164,206	398,035	2,562,241	9040
2	Uncoll Accts - Misc Receivable	9040007	557,680	(482,443)	75,237	9040
3	Factored Cust A/R Exp - Affil	4265009	(6)	6	—	4265
4	Fact Cust A/R-Bad Debts-Affil	4265010	(232,192)	232,192	—	4265
5	Total		<u>\$ 2,489,688</u>	<u>\$ 147,790</u>	<u>\$ 2,637,478</u>	
6	Total Adjustment FERC 9040	(84,408)				
7	Allocation Factor - CUST	1.000				
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)	<u>(84,407)</u>				FERC 9040
9	Total Adjustment FERC 4265	232,198				
10	Allocation Factor - SPECIFIC	1.000				
11	KPSC Jurisdictional Amount (Ln 9 X Ln 10)	<u>232,198</u>				FERC 4265
12	Adjustment Summary by Accounts Receivable Type					
13	Adjustment - Miscellaneous Accounts Receivable	<u>(482,437)</u>				
14	Customer Accounts Receivable - 904.0000	398,030				
15	Customer Accounts Receivable - 426.5009 & 10	<u>232,198</u>				
16	Adjustment - Customer Accounts Receivable	<u>630,228</u>				
17	Adjustment - KPSC Jurisdictional Amount	147,791				
18	Check	-				

Witness: H.M. Whitney

Kentucky Power Company
KPCo Incentive Compensation Expense Adjustment
Test Year Ended March 31, 2023
W27

Line No.	FERC Account	Test Year ICP	Expected Cost at a Level 1.0 Target*	Net Change in ICP Cost (c-b)	Test Year LTIP	Expected Cost at a Level 1.0 Target*	Net Change in LTIP Cost (f-e)	Total Adjustment to Incentive Compensation Expense (d+g)	KY Jurisdictional Factor - OML 0.991
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	5000	167,041	106,487	(60,554)	6,339	5,132	(1,206)	(61,760)	(61,204)
2	5010	226,252	144,257	(81,995)	9,873	8,059	(1,814)	(83,809)	(83,055)
3	5020	150,652	96,048	(54,604)	6,017	4,907	(1,110)	(55,715)	(55,213)
4	5050	8,277	5,279	(2,998)	376	303	(73)	(3,071)	(3,044)
5	5060	148,443	94,637	(53,806)	5,915	4,807	(1,108)	(54,914)	(54,420)
6	5100	124,570	79,421	(45,149)	5,157	4,197	(960)	(46,109)	(45,694)
7	5110	15,916	10,147	(5,769)	579	467	(112)	(5,880)	(5,827)
8	5120	175,636	111,976	(63,660)	7,214	5,870	(1,343)	(65,004)	(64,419)
9	5130	81,023	51,651	(29,372)	3,174	2,587	(588)	(29,960)	(29,690)
10	5140	34,646	22,090	(12,556)	1,550	1,271	(279)	(12,835)	(12,719)
11	5600	151,719	105,647	(46,072)	—	—	—	(46,072)	(45,658)
12	5660	—	—	—	—	—	—	—	—
13	5710	53	37	(15)	—	—	—	(15)	(15)
14	5800	19,666	19,719	53	3,519	2,799	(720)	(668)	(662)
15	5830	49,162	49,298	136	8,249	6,473	(1,776)	(1,641)	(1,626)
16	5840	233	235	2	33	27	(6)	(4)	(4)
17	5850	142	144	2	25	19	(6)	(5)	(5)
18	5860	72,711	72,548	(163)	13,574	10,743	(2,831)	(2,994)	(2,967)
19	5870	13,412	13,448	37	2,380	1,891	(489)	(452)	(448)
20	5880	157,119	156,389	(730)	29,731	23,861	(5,869)	(6,599)	(6,539)
21	5900	110	105	(5)	43	34	(9)	(14)	(14)
22	5930	420,982	423,437	2,456	76,213	60,776	(15,436)	(12,981)	(12,864)
23	5940	197	188	(8)	39	33	(6)	(15)	(14)
24	5950	953	949	(4)	157	118	(39)	(43)	(43)
25	5960	1,302	1,305	3	195	149	(46)	(44)	(43)
26	5970	1,999	2,004	5	320	248	(72)	(67)	(67)
27	5980	692	698	6	151	127	(24)	(18)	(18)
28	9020	6,869	6,897	28	1,304	1,036	(268)	(240)	(238)
29	9030	70,203	70,579	376	12,430	9,963	(2,466)	(2,090)	(2,072)
30	9080	12,388	12,420	32	2,402	1,921	(481)	(449)	(445)
31	9200	173,356	167,858	(5,498)	27,906	22,347	(5,559)	(11,057)	(10,958)
32	9260	5	3	(2)	0	0	(0)	(2)	(2)
33	9280	4,916	4,704	(211)	1,017	811	(206)	(417)	(413)
34	9302	1,377	1,380	4	179	144	(35)	(31)	(31)
35	9350	43,006	30,518	(12,488)	4	3	(1)	(12,489)	(12,377)
36	Grand Total	2,335,025	1,862,503	(472,523)	226,066	181,125	(44,942)	(517,464)	(512,807)

44 *Includes 50% of Mitchell

Witness: H.M. Whitney

Kentucky Power Company
KPCo Annualization of Payroll Expense Adjustment
Test Year Ended March 31, 2023
W28

Line No.	FERC Account	Test Year Base Payroll	Annualized Base as of Test Year End*	Base Payroll Annualization Adjustment (c-b)	Annualized Base with Merit/General Increases as of Test Year End*	Merit/General Increase Adjustment (e-c)	Total Base Payroll Adjustment (b+d+f)	KY Jurisdictional Factor - OML 0.991
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	5000	1,373,985	1,463,086	89,101	1,514,294	51,208	140,309	139,046
2	5010	1,733,332	1,845,736	112,404	1,910,337	64,601	177,005	175,412
3	5020	1,059,951	1,128,688	68,736	1,168,192	39,504	108,240	107,266
4	5050	79,290	84,432	5,142	87,387	2,955	8,097	8,024
5	5060	1,199,770	1,277,573	77,803	1,322,288	44,715	122,518	121,416
6	5100	1,121,280	1,193,993	72,713	1,235,783	41,790	114,503	113,473
7	5110	140,591	149,708	9,117	154,948	5,240	14,357	14,228
8	5120	1,502,711	1,600,160	97,449	1,656,165	56,006	153,454	152,073
9	5130	595,645	634,272	38,627	656,471	22,200	60,826	60,279
10	5140	324,411	345,448	21,038	357,539	12,091	33,128	32,830
11	5600	(4,527)	(4,821)	(294)	(4,990)	(169)	(462)	(458)
12	5660	—	—	—	—	—	—	—
13	5710	47	50	3	52	2	5	5
14	5800	231,292	246,291	14,999	254,912	8,620	23,619	23,407
15	5830	(79,142)	(84,274)	(5,132)	(87,224)	(2,950)	(8,082)	(8,009)
16	5840	1,894	2,016	123	2,087	71	193	192
17	5850	2,467	2,627	160	2,719	92	252	250
18	5860	641,713	683,327	41,614	707,244	23,916	65,531	64,941
19	5870	154,609	164,635	10,026	170,397	5,762	15,788	15,646
20	5880	1,988,486	2,117,436	128,950	2,191,547	74,110	203,061	201,233
21	5900	3,306	3,521	214	3,644	123	338	335
22	5930	2,518,010	2,681,299	163,289	2,775,145	93,845	257,135	254,820
23	5940	1,130	1,204	73	1,246	42	115	114
24	5950	6,788	7,229	440	7,482	253	693	687
25	5960	16,312	17,370	1,058	17,978	608	1,666	1,651
26	5970	23,947	25,500	1,553	26,392	892	2,445	2,423
27	5980	8,598	9,156	558	9,476	320	878	870
28	9020	89,673	95,489	5,815	98,831	3,342	9,157	9,075
29	9030	725,298	772,332	47,034	799,364	27,032	74,066	73,400
30	9080	148,130	157,736	9,606	163,257	5,521	15,127	14,991
31	9200	1,868,813	1,990,003	121,190	2,059,653	69,650	190,840	189,122
32	9220	(600,960)	(639,931)	(38,971)	(662,329)	(22,398)	(61,369)	(60,817)
33	9280	73,797	78,583	4,786	81,334	2,750	7,536	7,468
34	9302	6,679	7,112	433	7,361	249	682	676
35	9350	356,200	379,299	23,099	392,574	13,275	36,374	36,047
36	Grand Total	17,313,528	18,436,284	1,122,756	19,081,554	645,270	1,768,026	1,752,114

37 Note: Changes to base payroll Excludes overtime, severance payments, incentive payments and other remunerations

38 *Annual Rate Includes 50% of Mitchell

Witness: H.M. Whitney

Kentucky Power Company
KPCo Overtime Related to Employee Merit Increases Adjustment
Test Year Ended March 31, 2023
W29

Line No.	FERC Account	Test Year OT Payroll	Blended Base Increase Percentage*	Total OT Related to Employee Merit Increase (b+c)	KY Jurisdictional Factor - OML 0.991
	(a)	(b)	(c)	(d)	(e)
1	5000	166,993	5,845	172,838	5,792
2	5010	582,733	20,396	603,128	20,212
3	5020	380,070	13,302	393,372	13,183
4	5050	21,748	761	22,510	754
5	5060	284,423	9,955	294,378	9,865
6	5100	126,003	4,410	130,413	4,370
7	5110	14,066	492	14,558	488
8	5120	317,091	11,098	328,189	10,998
9	5130	155,620	5,447	161,067	5,398
10	5140	44,155	1,545	45,700	1,532
11	5710	481	17	498	17
12	5800	2,562	90	2,652	89
13	5830	43,555	1,524	45,080	1,511
14	5860	104,643	3,663	108,306	3,630
15	5870	1,305	46	1,351	45
16	5880	70,852	2,480	73,332	2,458
17	5930	3,093,872	108,286	3,202,158	107,311
18	5940	(1,461)	(51)	(1,512)	(51)
19	5950	6,740	236	6,976	234
20	5960	962	34	996	33
21	5970	2,876	101	2,976	100
22	5980	668	23	691	23
23	9020	4,564	160	4,723	158
24	9030	65,008	2,275	67,283	2,255
25	9200	7,272	255	7,526	252
26	9260	64	2	66	2
27	9302	3,506	123	3,629	122
28	9350	17,870	625	18,496	620
29	Grand Total	5,518,241	193,138	5,711,380	191,400

30 *Base Increase Percentage based on 3.5%

Witness: H.M. Whitney

Kentucky Power Company
KPCo Medicare Tax Expense Adjustment
Test Year Ended March 31, 2023
W30

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Change in O&M ICP Incentives		(472,523)
2	Change in O&M LTIP Incentives		(44,942)
3	Annualization Adjustment of O&M Base Payroll		1,122,756
4	2023 O&M Merit Increases		645,270
5	2023 O&M Merit Increases Effect on Overtime		<u>193,138</u>
6	Change in O&M Payroll		\$ 1,443,701
7	Medicare Tax Rate		1.45%
8	Total Adjustment to Increase O&M Expense for Medicare Tax		20,934
9	KY Jurisdictional Factor - OML		0.991
10	KPSC Jurisdictional Adjustment to Increase O&M Expense for Medicare Tax	408	<u><u>\$ 20,745</u></u>

Witness: H.M. Whitney

Kentucky Power Company
KPCo Social Security Tax Expense Adjustment
Test Year Ended March 31, 2023
W31

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Change in O&M ICP Incentives		(472,523)
2	Change in O&M LTIP Incentives		(44,942)
3	Annualization Adjustment of O&M Base Payroll		1,122,756
4	2023 O&M Merit Increases		645,270
5	2023 O&M Merit Increases Effect on Overtime		193,138
6	Change in O&M Payroll		<u>\$ 1,443,701</u>
7	2022 Salaries in Excess of Social Security Taxes (Adjusted for 50% Mitchell)		1,676,669
8	2022 Salaries, Paid Overtime and other remunerations		45,324,301
9	Percentage Not Subject to Social Security Tax		3.70 %
10	Percentage of Salaries Subject to Social Security Tax		96.30 %
11	Adjustment to O&M Payroll Subject to Social Security Tax		\$ 1,390,294
12	Social Security Tax Rate		<u>6.20 %</u>
13	Total Adjustment to Increase O&M Expense for Social Security Tax		\$ 86,198
14	KYJurisdictional Factor - OML		<u>0.991</u>
15	KPSC Jurisdictional Adjustment to Increase O&M Expense for Social Security Tax	408	<u><u>\$ 85,422</u></u>

Witness: H.M. Whitney

Kentucky Power Company
KPCo Social Security Tax Base Adjustment
Test Year Ended March 31, 2023
W32

Line No.	Description (a)	KPCo (Excluding Mitchell) (b)	Mitchell (c)	Amount (d)
1	Employees earning more than \$147,000 limit in 2022	48	None	
2	Social Security Tax Base for 2023	160,200	160,200	
3	Social Security Tax Base for 2022	147,000	147,000	
4	Increase in Social Security Tax Base	13,200	13,200	
5	Adjustment to Social Security Base	633,600	—	
6	Social Security Tax Rate	6.20 %	6.20 %	
7	Increase in Social Security Tax due to Increase in Base	39,283	—	
8	50% billed to Wheeling Power Company	—	—	
9	Net KPCo Increase in Social Security Tax Expense	\$ 39,283	\$ —	\$ 39,283
10	KPCo O&M%			58.03 %
	Adjustment to Increase O&M Expense for Change in the Social Security			
11	Tax Base (FERC Account 408)			\$ 22,794
12	KY Jurisdictional Factor - OML			0.991
	KPSC Jurisdictional Adjustment to Increase O&M for Change in the			
13	Social Security Tax Base (FERC Account 408)			\$ 22,589

Witness: H.M. Whitney

Kentucky Power Company
 Adjustment to Eliminate Non-Recoverable Business Expenses
 Test Year Ended 03/31/2023
 W33

<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)	<u>Account</u> (4)	<u>Allocation Method</u> (5)	<u>Allocation Factor</u> (6)	<u>KPSC Jurisdictional Amount</u> (7)
1	Sporting Events during Test Year	\$0	9100000	CUST	1.000	\$0
2	Employee Gifts, Awards, and Activities during Test Year	\$ 3,449	9250001	Cust	1.000	\$3,449
		\$ 1,846	9260012	A&G	0.985	\$1,819
		\$ 3,202	5880000	GP-DIST	0.999	\$3,199
3	Social Club Membership Dues during Test Year	\$0	-			\$0
4	Charitable Contributions during Test Year*	\$0				\$0
5	Test Year Expenses (Ln 1 + Ln 2 + Ln 3 + Ln 4)					<u>\$8,467 decrease</u>

* Charitable Contributions are in Account 426 and are not included in the Company's Cost of Service.

Witness: Scott E. Bishop

Kentucky Power Company

Annualization of Depreciation Expense (Excluding ARO Depreciation) at Existing Rates
 Test Year Ended March 31, 2023
 W34

Line No.	Account	Description	March 31, 2023 Property Balances				Depreciation Expense						Difference	Jurisdictional Allocation Factor	Adjustment				
			March 31, 2023 Property Balances	Adjustments - Removal of Mitchell FGD (a)	Adjustments - Other (b) (c)	Adjusted March 31, 2023 Property Balances	Current Annual Depreciation Expense	12 Month Depreciation Expense per Property Subledger	Depreciation Expense per General Ledger Journal Entries (c)	12 Month Depreciation Expense Per Books	Adjustments - Removal of Mitchell FGD (a)	Adjustments - Other (b) (c)				Revised Per Books Depreciation Expense			
1	INTANGIBLE PLANT																		
2	30200	Franchises and Consents	\$52,919	\$0	\$0	\$52,919	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-TOT	0.986	0
3		Intangible Property - Masimo	\$7,038,488	\$0	\$0	\$7,038,488	6.07%	\$469,467	\$469,467	\$0	\$469,467	\$0	\$0	\$469,467	\$0	\$0	GP-TOT	0.986	0
4		Intangible Property - Oracle	\$4,553,053	\$0	\$0	\$4,553,053	10.00%	\$455,305	\$455,305	\$0	\$455,305	\$0	\$0	\$455,305	\$0	\$0	GP-TOT	0.986	0
5		Intangible Property - All Other	\$49,581,522	\$0	-\$3,843,227	\$45,738,295	20.00%	\$9,147,659	\$9,147,659	-\$722,995	\$8,776,849	\$0	\$722,995	\$9,499,844	-\$352,185	\$0	GP-TOT	0.986	-\$347,254
6	30300	Intangible Property - Total	\$61,173,063	\$0	-\$3,843,227	\$57,329,836		\$10,072,431	\$10,072,431	-\$722,995	\$9,701,621	\$0	\$722,995	\$10,424,616	-\$352,185	\$0	GP-TOT	0.986	-\$347,254
7	TOTAL INTANGIBLE PLANT																		
8			\$61,225,982	\$0	-\$3,843,227	\$57,382,755		\$10,072,431	\$10,424,616	-\$722,995	\$9,701,621	\$0	\$722,995	\$10,424,616	-\$352,185	\$0	GP-TOT	0.986	-\$347,254
9																			
10	PRODUCTION PLANT																		
11	BIG SANDY PLANT																		
12	31000	Land	\$1,759,541	\$0	\$0	\$1,759,541	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-PTD	0.986	\$0
13	31010	Land Rights	\$5,420	\$0	\$0	\$5,420	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-PTD	0.986	\$0
14	31100	Structures & Improvements	\$24,414,273	\$0	\$0	\$24,414,273	3.06%	\$747,077	\$751,536	\$0	\$751,536	\$0	\$0	\$751,536	-\$4,459	\$0	GP-PTD	0.986	-\$4,459
15	31200	Boiler Plant Equipment	\$77,854,097	\$0	\$0	\$77,854,097	4.45%	\$3,464,507	\$3,460,778	\$0	\$3,460,778	\$0	\$0	\$3,460,778	\$3,729	\$0	GP-PTD	0.986	\$3,729
16	31400	Turbogenerator Units	\$94,086,116	\$0	\$0	\$94,086,116	2.78%	\$1,781,594	\$1,754,900	\$0	\$1,754,900	\$0	\$0	\$1,754,900	\$26,694	\$0	GP-PTD	0.986	\$26,694
17	31500	Accessory Electrical Equip.	\$6,366,497	\$0	\$0	\$6,366,497	1.77%	\$112,687	\$111,093	\$0	\$111,093	\$0	\$0	\$111,093	\$1,594	\$0	GP-PTD	0.986	\$1,594
18	31600	Misc. Power Plant Equip.	\$4,715,546	\$0	\$0	\$4,715,546	2.82%	\$132,978	\$129,228	\$0	\$129,228	\$0	\$0	\$129,228	\$3,750	\$0	GP-PTD	0.986	\$3,750
19	31700	ARO Assets	\$6,618,088	\$0	-\$6,618,088	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-PTD	0.986	\$0
20			\$185,919,578	\$0	-\$6,618,088	\$179,301,490		\$6,238,843	\$6,207,535	\$0	\$6,207,535	\$0	\$0	\$6,207,535	\$31,308	\$0	GP-PTD	0.986	\$31,308
21																			
22	MITCHELL PLANT																		
23	31000	Land	\$3,098,594	\$0	\$0	\$3,098,594	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-PTD	0.986	\$0
24	31100	Structures & Improvements	\$57,467,490	-\$13,114,828	\$0	\$44,352,662	2.58%	\$1,144,299	\$1,479,935	\$0	\$1,479,935	-\$388,180	\$0	\$1,091,755	\$52,544	\$0	GP-PTD	0.986	\$52,544
25	31200	Boiler Plant Equipment	\$898,623,901	-\$313,000,509	\$0	\$585,623,392	2.36%	\$16,979,252	\$26,187,462	\$0	\$26,187,462	-\$9,264,356	\$0	\$16,923,106	\$56,146	\$0	GP-PTD	0.986	\$56,146
26	31300	Boiler Plant Equip SCR Catalyst	\$9,343,999	\$0	\$0	\$9,343,999	12.50%	\$1,168,000	\$812,691	\$0	\$812,691	\$0	\$0	\$812,691	\$355,309	\$0	GP-PTD	0.986	\$355,309
27	31400	Turbogenerator Units	\$57,585,834	-\$315,773	\$0	\$57,270,061	1.67%	\$956,410	\$934,403	\$0	\$934,403	-\$9,346	\$0	\$925,057	\$31,353	\$0	GP-PTD	0.986	\$31,353
28	31500	Accessory Electrical Equip.	\$26,390,008	-\$1,480,413	\$0	\$24,909,595	1.49%	\$371,153	\$389,214	\$0	\$389,214	-\$43,818	\$0	\$345,396	\$25,757	\$0	GP-PTD	0.986	\$25,757
29	31600	Misc. Power Plant Equip.	\$9,513,271	-\$1,793,972	\$0	\$7,719,299	2.63%	\$203,018	\$247,620	\$0	\$247,620	-\$53,099	\$0	\$194,521	\$8,497	\$0	GP-PTD	0.986	\$8,497
30	31700	ARO Assets	\$4,618,331	\$0	-\$4,618,331	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-PTD	0.986	\$0
31			\$104,641,428	-\$329,705,494	-\$4,618,331	\$73,317,603		\$20,822,132	\$30,113,862	\$0	\$30,113,862	-\$9,758,799	-\$62,537	\$20,292,626	\$529,606	\$0	GP-PTD	0.986	\$529,606
32																			
33	TOTAL PRODUCTION PLANT																		
34			\$1,240,461,006	-\$329,705,494	-\$11,236,419	\$899,519,093		\$27,060,975	\$36,321,397	\$0	\$36,321,397	-\$9,758,799	-\$62,537	\$26,500,061	\$560,914	\$0	GP-PTD	0.986	\$560,914
35																			
36	TRANSMISSION PLANT																		
37	35000	Land	\$4,572,967	\$0	\$0	\$4,572,967	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-TRANS	0.985	\$0
38	35010	Land Rights	\$34,840,167	\$0	\$0	\$34,840,167	1.44%	\$501,698	\$496,508	\$0	\$496,508	\$0	\$0	\$496,508	\$5,190	\$0	GP-TRANS	0.985	\$5,190
39	35200	Structures and Improvements	\$14,935,263	\$0	\$0	\$14,935,263	2.08%	\$310,653	\$277,284	\$0	\$277,284	\$0	\$0	\$277,284	\$33,369	\$0	GP-TRANS	0.985	\$33,369
40	35300	Station Equipment	\$271,604,712	\$0	\$0	\$271,604,712	2.15%	\$5,693,901	\$5,669,227	\$0	\$5,669,227	\$0	\$0	\$5,669,227	\$170,274	\$0	GP-TRANS	0.985	\$170,274
41	35316	Station Equipment-SmartGrid	\$6,217,097	\$0	\$0	\$6,217,097	2.15%	\$133,668	\$130,889	\$0	\$130,889	\$0	\$0	\$130,889	\$2,779	\$0	GP-TRANS	0.985	\$2,779
42	35400	Towers and Fixtures	\$101,467,941	\$0	\$0	\$101,467,941	2.61%	\$2,648,313	\$2,636,546	\$0	\$2,636,546	\$0	\$0	\$2,636,546	\$11,767	\$0	GP-TRANS	0.985	\$11,767
43	35500	Poles and Fixtures	\$198,358,349	\$0	\$0	\$198,358,349	3.95%	\$7,835,155	\$7,880,867	\$0	\$7,880,867	\$0	\$0	\$7,880,867	\$154,288	\$0	GP-TRANS	0.985	\$154,288
44	35600	Overhead Conductors, Device	\$164,603,734	\$0	\$0	\$164,603,734	2.91%	\$4,789,969	\$4,726,677	\$0	\$4,726,677	\$0	\$0	\$4,726,677	\$63,292	\$0	GP-TRANS	0.985	\$63,292
45	35610	ROW Clearing OVH Conductors	\$0	\$0	\$0	\$0	2.91%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-TRANS	0.985	\$0
46	35616	OVH Cond-Dev-Smart Grid	\$4,578,792	\$0	\$0	\$4,578,792	2.91%	\$133,243	\$134,343	\$0	\$134,343	\$0	\$0	\$134,343	-\$1,100	\$0	GP-TRANS	0.985	-\$1,100
47	35700	Underground Conduit	\$4,766,497	\$0	\$0	\$4,766,497	2.99%	\$142,518	\$47,562	\$0	\$47,562	\$0	\$0	\$47,562	\$94,956	\$0	GP-TRANS	0.985	\$94,956
48	35800	Underground Conductors Device	\$106,066	\$0	\$0	\$106,066	2.62%	\$2,779	\$2,779	\$0	\$2,779	\$0	\$0	\$2,779	\$0	\$0	GP-TRANS	0.985	\$0
49	35916	Ug Cond-Dev-Smart Grid	\$275,405	\$0	\$0	\$275,405	2.62%	\$7,216	\$7,222	\$0	\$7,222	\$0	\$0	\$7,222	\$6	\$0	GP-TRANS	0.985	\$6
50			\$806,326,990.56	\$0	\$0	\$806,326,991		\$22,344,713	\$21,809,904	\$0	\$21,809,904	\$0	\$0	\$21,809,904	\$534,609	\$0	GP-TRANS	0.985	\$534,609
51																			
52	DISTRIBUTION PLANT																		
53	36000	Land	\$3,372,852	\$0	\$0	\$3,372,852	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	GP-DIST	0.999	\$0
54	36010	Land Rights	\$6,081,674	\$0	\$0	\$6,081,674	3.52%	\$214,075	\$211,830	\$0	\$211,830	\$0	\$0	\$211,830	\$2,245	\$0	GP-DIST	0.999	\$2,245
55	36100	Structures and Improvements	\$9,380,593	\$0	\$0	\$9,380,593	3.52%	\$330,197	\$330,003	\$0	\$330,003	\$0	\$0	\$330,003	\$194	\$0	GP-DIST	0.999	\$194
56	36200	Station Equipment	\$140,524,483	\$0	\$0	\$140,524,483	3.52%	\$4,946,462	\$4,923,421	\$0	\$4,923,421	\$0	\$0	\$4,923,421	\$23,041	\$0	GP-DIST	0.999	\$23,041
57	36216	Station Equipment-SmartGrid	\$3,660,834	\$0	\$0	\$3,660,834	3.52%	\$128,861	\$117,048	\$0	\$117,048	\$0	\$0	\$117,048	\$11,813	\$0	GP-DIST	0.999	\$11,813
58	36400	Poles, Towers and Fixtures	\$294,695,923	\$0	\$0	\$294,695,923	3.52%	\$10,366,256	\$9,947,254	\$0	\$9,947,254	\$0	\$0	\$9,947,254	\$419,002	\$0	GP-DIST	0.999	\$419,002
59	36500	Overhead Conductors, Device	\$314,168,566	\$0	\$0	\$314,168,566	3.52%	\$11,058,734	\$10,707,052	\$0	\$10,707,052	\$0	\$0	\$10,707,052	\$351,682	\$0	GP-DIST	0.999	\$351,682
60	36600	Underground Conduit	\$9,459,130	\$0	\$0	\$9,459,130	3.52%	\$332,961	\$334,777	\$0	\$334,777	\$0	\$0	\$334,777	-\$1,816	\$0	GP-DIST	0.999	-\$1,816
61	36700	Underground Conductors, Device	\$12,829,684	\$0	\$0	\$12,829,684	3.52%	\$451,605	\$445,129	\$0	\$445,129	\$0	\$0	\$445,129	\$6,476	\$0	GP-DIST	0.999	\$6,476
62	36800	Line Transformers	\$158,635,799	\$0	\$0	\$158,635,799	3.52%	\$5,583,980	\$5,490,429	\$0	\$5,490,429	\$0	\$0	\$5,490,429	\$93,551	\$0	GP-DIST	0.999	\$93,551
63	36900	Services	\$74,228,281	\$0	\$0	\$74,228,281	3.52%	\$2,612,539	\$2,568,728	\$0	\$2,568,728	\$0	\$0	\$2,568,728	\$44,111	\$0	GP-DIST	0.999	\$44,111
64	37000	Meters	\$25,431,439	\$0	\$0	\$25,431,439	3.52%	\$895,187	\$892,419	\$0	\$892,419	\$0	\$0	\$892,419	\$2,768	\$0	GP-DIST	0.999	\$2,768
65	37100	Installs Customer Premises	\$19,898,675	\$0	\$0	\$19,898,675	3.52%	\$700,433	\$6										

Kentucky Power Company
Annualization of ARO Depreciation Expense
Test Year Ended March 31, 2023
W35

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Adjustment to Increase Test Year ARO Depreciation Expense due to Annualization Adjustment	403.1	\$ 478,422
2	Allocation Factor - PDAF		<u>0.985</u>
3	KPSC Jurisdictional Adjustment to Increase ARO Depreciation Expense		<u>\$ 471,246</u>

Witness: H.M. Whitney

Kentucky Power Company
Annualization of ARO Accretion Expense
Test Year Ended March 31, 2023
W36

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Adjustment to Increase Test Year ARO Accretion Expense due to Annualization Adjustment	411.1	<u>259,461</u>
2	Allocation Factor - PDAF		<u>0.985</u>
3	KPSC Jurisdictional Adjustment to Increase ARO Accretion Expense		<u>\$ 255,569</u>

Witness: H.M. Whitney

Kentucky Power Company
Annualization of Kentucky Public Service Commission
Maintenance Assessment to Reflect Going Level Assessment Fee
Test Year Ended 03/31/2023
W37

Test Year KPSC Maint Fee Amount	\$ 953,393
Most Recent Assessment Amount	\$ 924,284
Difference	\$ (29,109)
KY Retail Allocator - Specific	1.00
KY Retail Adjustment	\$ (29,109) Decrease 9280006

Witness: Katharine Walsh

Kentucky Power Company
AFUDC Offset Adjustment
Test Year Ended March 31, 2023
W38

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	CWIP Balance at 3/31/2023 (Section V, S-4, C 2, Ln 213) (1)		\$144,447,404			
2	Portion of Line 1 Subject to AFUDC		\$125,813,394			
3	Overall Cost of Capital (Section V, S-2, P 1, C6, Ln 5)		<u>6.930%</u>			
4	AFUDC Recalculation (Ln 2 X Ln 3)		\$8,718,868	GP-TOT	0.986	\$8,596,804
5	Booked AFUDC in Test Year (Section V, S-8, C 13, Ln 13)		<u>\$3,727,299</u>	GP-TOT	0.986	<u>\$3,675,117</u>
6	AFUDC Offset Adjustment - Increase (Ln 4 - Ln 5)	AFUDC Offset	<u>\$4,991,569</u>			<u>\$4,921,688</u>
	(1) Portion of Line 1 Not Subject to AFUDC		\$ 18,634,010			

Witness: H.M. Whitney

Kentucky Power Company
Mitchell Coal Stock Adjustment (Coal Inventory Adjustment)
Test Year Ended March 31, 2023
W39

Line No. (1)	Description (2)	Tons (3)	Average \$/Ton (4)	Amount (5)	FERC Account (6)
1	Balance End of Test Year (Low Sulfur)	183,777	\$ 132.52	24,353,263	151/152
2	Balance End of Test Year (High Sulfur)	<u>257,556</u>	<u>\$ 55.75</u>	<u>14,358,133</u>	151/152
3	Daily Burn Rate (Low Sulfur)	2,683			
4	Daily Burn Rate (High Sulfur)	4,995			
5	Days Supply on Hand - Low Sulfur (Ln 1 / Ln 3)	68			
6	Days Supply on Hand - High Sulfur (Ln 2 / Ln 4)	52			
7	Day Supply Requested (Low Sulfur)	35			
8	Day Supply Requested (High Sulfur)	<u>35</u>			
9	Fuel Stock Requested - Low Sulfur (Ln 3 X Ln 7)	93,905	\$ 132.52	12,443,862	
10	Fuel Stock Requested - High Sulfur (Ln 4 X Ln 8)	<u>174,825</u>	<u>\$ 55.75</u>	<u>9,746,074</u>	
11	Adjustment to Test Year - Low Sulfur (Ln 9 - Ln 1)	(89,872)		(11,909,402)	
12	Adjustment to Test Year - High Sulfur (Ln 10 - Ln 1)	<u>(82,731)</u>		<u>(4,612,059)</u>	
13	KPCo's Adjustment Test Year (Ln 11 + Ln 12)	<u>(172,603)</u>		<u>(16,521,461)</u>	
14	Allocation Factor - EAF			<u>0.986</u>	
15	KPSC Jurisdictional Amount (Ln 13 X Ln 14)			<u>(16,290,160)</u>	151/152

Witness: H.M. Whitney

Kentucky Power Company
Remove Big Sandy Unit 2 from Capitalization
Test Year Ended March 31, 2023
W40

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	Remove Big Sandy Unit 2 Asset / (Liability) Balances From Capitalization:					
2	Cost of Removal - Big Sandy Unit 2	1823376	(25,047,332)	PDAF	0.985	\$ (24,671,622)
3	Materials & Supplies - Big Sandy Unit 2	1823378	3,015,785	PDAF	0.985	\$ 2,970,549
4	Unrecovered Plant - Big Sandy Unit 2	1823379	256,509,062	PDAF	0.985	\$ 252,661,426
5	Spent AROs - Big Sandy Unit 2	1823380	110,018,096	PDAF	0.985	\$ 108,367,825
6	Big Sandy Unit 2 Recoverable O/U Balancing	1823517	(55,071,303)	SPECIFIC	1.000	\$ (55,071,303)
7	Big Sandy Unit 2 O&M	1823518	932,164	PDAF	0.985	\$ 918,182
8	Total Big Sandy Unit 2 Regulatory Asset Balance at Test Year End		<u>\$ 290,356,472</u>			<u>\$ 285,175,055</u>
9						
10	Accumulated Deferred Income Taxes	283	\$ (60,341,544) (3)			\$ (59,262,946) (3)
11	Unprotected Excess Deferred Income Taxes Resulting from 2017 Tax Reform	283	\$ (34,709,612) (1)	SPECIFIC	1.000	\$ (34,709,612)
12	Unprotected Excess Deferred Income Tax Amortization Through Test Year End	283	\$ 27,159,139 (2)	SPECIFIC	1.000	\$ 27,159,139
13	Total Big Sandy Unit 2 Accumulated Deferred Income Tax Liability Balance at Test Year End		<u>\$ (67,892,018)</u>			<u>\$ (66,813,420)</u>
14						
15	Big Sandy Unit 2 Net Asset Balance as of Test Year End		<u>\$ 222,464,455</u>			<u>\$ 218,361,636</u>
16	Net Capitalization Decrease to Remove Big Sandy Unit 2 (Decommissioning Rider) Balances		<u>\$ (222,464,455)</u>			<u>\$ (218,361,636)</u>

- (1) As described in the Company's annual filings to update its Decommissioning Rider in Case No. 2017-00179 (Post-Case Correspondence File), excess unprotected deferred taxes resulting from 2017 Tax Reform related to Big Sandy Unit 2 were (\$34,709,612). The Decommissioning Rider reflects the amortization of the excess unprotected accumulated deferred income taxes over 18 years beginning January 1, 2018 as ordered by the Kentucky Public Service Commission in its June 28, 2018 order in Case No. 2018-00035. As a result of the order in Case No. 2020-00174, Kentucky Power is required to amortize remaining excess unprotected accumulated deferred income taxes over 3 years effective January 14, 2021.
- (2) Represents 63 months of unprotected excess deferred income tax amortization (January 2018 through March 2023), consistent with orders in Case Nos. 2018-00035 and 2020-00174.
- (3) Represents sum of Line 2 and Lines 4-7, multiplied by the Federal Income Tax Rate of 21%. There is not a book/tax timing difference related to Line 3, Materials & Supplies - Big Sandy Unit 2; therefore, there are no associated deferred income taxes.
- (4) Represents sum of Lines 10-12

Witness: H.M. Whitney

Kentucky Power Company

**Adjustment to recognize accrued surcharge revenue differences
 Test Year Twelve Months Ended 3/31/2023
 W41**

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
1	<u>Off System Sales</u> 44x Retail Revenue	\$ (364,641)	Specific	1.00	\$ (364,641) Decrease Firm Sales

Witness: Katharine Walsh

Kentucky Power Company

Adjust per books firm sales revenue to billing analysis level of firm sales revenue
Test Year Twelve Months Ended 3/31/2023
W42

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
1	<u>Off System Sales</u> 44x Retail Revenue	\$ (732,523)	Specific	1.00	\$ (732,523) Decrease Firm Sales

Witness: Katharine Walsh

Kentucky Power Company
Vegetation Management Tree Trimming
Test Year Ended 03/31/2023
W43

Line No.	Description	FERC Account	Amount
(1)	(2)	(2)	(3)
1	Going Forward VM O&M		\$ 22,421,864
2	Test Year VM O&M		\$ 22,421,864
3	Change to O&M (Ln 1 - Ln 2)		<u>\$ -</u>
4	Allocation Factor - Specific		1.000
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	593	<u><u>\$0</u></u>

Witness: E.G. Phillips

Kentucky Power Company
 Remove Adjustment to Joint Use Pole Rental Revenue and Expense Related to a Prior Period
 Test Year Ended March 31, 2023
 W44

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Remove Prior Period Adjustment to Pole Rental Revenues, Resulting in an Increase to Test Year Pole Rental Revenues	454	4,270
2	Allocation Factor - GP-DIST		0.999
3	KPSC Jurisdictional Amount of Revenue Increase (Ln 1 X Ln 2)		<u>\$ 4,266</u>
4	Remove Prior Period Adjustment to Pole Rental Expenses, Resulting in an Increase to Test Year Pole Rental Expenses	589	9,074
5	Allocation Factor - GP-DIST		0.999
6	KPSC Jurisdictional Amount of Expense Increase (Ln 4 X Ln 5)		<u>\$ 9,065</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Non-Ongoing Expense Related to the COVID-19 Pandemic
Test Year Ended March 31, 2023
W45

Line No.	Account (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	5060000	5060	(2,755)	PDAF	0.985	(2,714)
2	5830000	5830	(1,309)	GP-DIST	0.999	(1,308)
3	5880000	5880	(6,698)	GP-DIST	0.999	(6,691)
4	9200000	9200	(15,970)	A&G	0.985	(15,730)
5	9210001	9210	(10,540)	A&G	0.985	(10,381)
6	9230001	9230	(49,895)	A&G	0.985	(49,146)
7	9260055	9260	2,792	A&G	0.985	2,750
8	9310005	9310	(1)	A&G	0.985	(1)
			<u>\$ (84,376)</u>	KPSC Jurisdictional Adjustment to Decrease O&M Expense		<u>\$ (83,222)</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Insurance Proceeds Related to Prior Period
Test Year Ended March 31, 2023
W46

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Remove Insurance Proceeds Recorded in the Test Year That Relate To a Prior Period (Increase Acct 513 Expense)	5130	\$ 51,106
2	Allocation Factor - O&M		0.989
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)		<u><u>\$ 50,544</u></u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Rockport UPA Non-Fuel Expense, Net of Deferral
Test Year Ended March 31, 2023
W47

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Remove Rockport UPA Non-Fuel Expense	5550.027	\$ (46,035,951)
	Remove Rockport Capacity Deferral	5550.153	\$ 10,322,581
	Total		<u>\$ (35,713,370)</u>
2	Allocation Factor - SPECIFIC		1.000
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)		<u><u>\$ (35,713,370)</u></u>

Witness: H.M. Whitney

Kentucky Power Company
Amortization of Deferred Plant Maintenance Costs
Test Year Ended March 31, 2023
W48

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Plant Maintenance Regulatory Liability Pursuant to Order Dated January 18, 2018 in Case No. 2017-00179		\$ (2,097,760)
2	Number of Amortization Periods		3
3	Annual Amortization Amount, decreasing Maintenance Expense (Ln 1 / Ln 2)		<u>(699,253)</u>
4	Test Year Amortization Expense - Deferred Plant Maintenance	512	232,065
5	Decrease to Annual Amortization (Ln 3 + Ln 4)	512	<u>\$ (931,318)</u>
6	Allocation Factor - SPECIFIC		<u>1.000</u>
7	KPSC Jurisdictional Amount (Ln 5 X Ln 6)		<u>\$ (931,318)</u>

Witness: H.M. Whitney

Kentucky Power Company
Annualization of Property Taxes
Twelve Months Ended 3/31/2023
W49

Line No.	Description	Amount
	Net Estimated Property Tax Based on December 31, 2022 Assessible Property Value and Latest Actual	
1	Property Rates	\$18,211,651
	Net Property Tax Charged 4081005, 4081029 & 4081036	
2	12 Months Ended 03/31/2023	<u>\$15,587,676</u>
3	Adjustment to Property Tax Expense (Ln 3 - Ln 6)	\$2,623,974
	Allocation Factor - Gross Plant Total	0.986 <u><u>\$2,587,239</u></u>

Witness: Linda Shlessman

**KENTUCKY POWER COMPANY
 SALES AND USE TAX ADJUSTMENT
 FOR THE TEST YEAR ENDED MARCH 31, 2023
 W50**

Explanation of adjustment:

To remove an Out-of-Period Sales and Use Tax Audit Adjustment.

	TOTAL COMPANY
Per Books Sales and Use Tax Expense (Acct 4081019)	\$ (120,271)
Proforma Sales and Use Tax Expense	<u>(186,918)</u>
Total Company Adjustment	(66,648)
Allocation Factor (Gross Plant - Total)	<u>0.986000</u>
SALES AND USE TAX ADJUSTMENT	<u>\$ (65,715)</u>

Witness: Linda M Schlessman

**KENTUCKY POWER COMPANY
STATE BUSINESS & OCCUPATION TAX ADJUSTMENT
FOR THE TEST YEAR ENDED MARCH 31, 2023
W51**

Explanation of adjustment:

To remove an Out-of-Period State Business & Occupation Tax Adjustment.

	TOTAL COMPANY
Per Books State Business & Occupation Tax Expense (Acct 4081020)	\$ 6,340,624
Proforma State Business & Occupation Tax Expense	<u>6,344,920</u>
Total Company Adjustment	4,296
Allocation Factor (Demand)	<u>0.985000</u>
STATE BUSINESS & OCCUPATION TAX ADJUSTMENT	<u><u>\$ 4,231</u></u>

Witness: Linda Schlessman

Kentucky Power Company

**Adjustment to remove Federal Tax Cut Rider credits from test year firm sales revenue
 Test Year Twelve Months Ended 3/31/23
 W52**

LINE NO.	DESCRIPTION	KPCO TOTAL COMPANY ADJUSTMENT	ALLOCATION METHOD	ALLOCATION FACTOR	KENTUCKY PSC RETAIL JURISDICTION ADJUSTMENT
1	<u>Retail Revenue</u> 44x Retail Revenue	\$ 38,853,304	Specific	1.00	\$ 38,853,304 Increase Firm Sales

Witness: Katharine Walsh

Kentucky Power Company
 Remove NERC Compliance and Cybersecurity Net Plant from Rate Base
 Test Year Ended March 31, 2023
 W53
 Page 1 of 2

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	Net Plant in Service Related to NERC Compliance and Cybersecurity Projects (1)	101/106/108	1,868,501	SPECIFIC	1.000	\$ 1,868,501
2						
3	Remove Net Plant in Service Related to NERC Compliance and Cybersecurity Projects from Rate Base		\$ (1,868,501)			\$ (1,868,501)

(1) Per KPSC order dated June 25, 2015, Case No. 2014-00396, KPCo was authorized to defer depreciation expense and debt and equity carrying charges for NERC and cyber security assets placed in service post June 30, 2015.

Witness: H.M. Whitney

Kentucky Power Company
Remove NERC Compliance and Cybersecurity Investment from Capitalization
Test Year Ended March 31, 2023
W53
Page 2 of 2

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	Remove Net Plant in Service Related to NERC Compliance and Cybersecurity Projects and Related Regulatory Asset / (Liability) Balances from Capitalization (1)					
2	Net Plant in Service Related to NERC Compliance and Cybersecurity Projects	101/106/108	1,868,501	SPECIFIC	1.000	\$ 1,868,501
3						
4	Def Depr-NERC Compli/Cybersec	1823538	1,853,193	SPECIFIC	1.000	\$ 1,853,193
5	CC-NERC Compliance/Cyber Sec	1823537	552,734	SPECIFIC	1.000	\$ 552,734
6	CC-NERC Compl/Cyber Unrec Eqty	1823536	(272,230)	SPECIFIC	1.000	\$ (272,230)
7	Regulatory Asset Related to NERC Compliance and Cybersecurity Projects		<u>2,133,697</u>			<u>2,133,697</u>
8						
9	Accumulated Deferred Income Taxes (21% Federal Tax Rate)	283	\$ (840,462)	SPECIFIC	1.000	\$ (840,462)
10	Net Capitalization Decrease to Remove NERC Compliance and Cybersecurity Projects and Regulatory Asset / (Liability) Balances		<u><u>\$ (3,161,736)</u></u>			<u><u>\$ (3,161,736)</u></u>

(1) Per KPSC order dated June 25, 2015, Case No. 2014-00396, KPCo was authorized to defer depreciation expense and debt and equity carrying charges for NERC and cyber security assets placed in service post June 30, 2015.

Witness: H.M. Whitney

Kentucky Power Company
Interest Synchronization Adjustment
Test Year Ended March 31, 2023
W54

Line No.	Description	Amount
(1)	(2)	(3)
1	Rate Base (Section V, Sch 4, C F, Ln 47)	\$(87,119,368)
2	Weighted Average Cost of Long-Term Debt (Section V, Sch 2, P 1, C 6, Ln 1)	2.61%
3	Weighted Average Cost of Short-Term Debt (Section V, Sch 2, P 1, C 6, Ln 2)	0.20%
4	Annualized Interest (Ln 1 x (Ln 2 + Ln3))	<u>\$(2,448,054)</u>
5	Allowance for Borrowed Funds Used During Construction	\$4,921,687
6	SPECIFIC Allocator	1.00
7	Retail Interest (Ln 5 X Ln 6)	<u>\$4,921,687</u>
8	Decrease Interest Expense (Ln 4 - Ln 7)	<u>\$(7,369,741)</u>
9	SIT Rate (Section V, Sch 2, P2, C 3, LN 5)	5.0065%
10	SIT Adjustment (Ln 8 X Ln 9)	<u>\$368,966</u>
11	Net Change for FIT (Ln 8 + Ln 10)	<u>\$(7,000,775)</u>
12	FIT Rate	0.21
13	FIT Adjustment (Ln 11 X Ln 12)	<u>\$1,470,163</u>
14	Total State and Federal Income Tax Expense (Ln 10 + Ln 13)	<u>\$1,839,129</u>

Witness: Linda Schlessman

Kentucky Power Company
Cost of Removal Adjustment
Test Year Ended March 31, 2023
W55

Line No.	TOTAL COST OF REMOVAL & OTHER REG ASSET
1 Cost of Removal Reg Asset - 12/31/2022	\$32,842,728
2 Cost of Removal Reg Asset - 01/01/2023 - 03/31/2023	<u>\$514,173</u>
3 Total Tweleve Months Ended March 31, 2023	\$33,356,902
4 20 YEARS	<u>20</u>
5 AMORTIZE OVER 20 YEARS	<u><u>\$1,667,845</u></u>

Witness: Linda Schlessman

Kentucky Power Company
Adjustment for Replacement Capacity Due To Expiration of Rockport UPA
Test Year Ended 03/31/2023
W56

<u>Line</u> <u>No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Estimated Replacement Capacity Costs	\$1,288,661
2	<i>Less</i> Replacement Capacity During Test-Year (555)	\$868,680
3	<i>Equals</i> Adjusted Replacement Capacity Costs	<u>\$419,981</u>
4	Allocation Method	PDAF
5	<i>Multiplied By</i> Allocation Factor	0.985
6	<i>Equals</i> KY Retail Jurisdictional Amount	<u><u>\$413,681</u></u>

Witness: Lerah M. Kahn

Kentucky Power Company
 Normalize Non-F.A.C Eligible Purchased Power Expense
 Test Year Ended March 31, 2023
 W57

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
	Establish Normalized Level of Non-F.A.C Eligible Purchased Power Expense in Base Rates Based on Three-Year Average (Excluding Winter Storm Elliott)	501	\$ 1,651,936	SPECIFIC	1.000	\$ 1,651,936
1						
2	Remove Actual Test-Year Non-F.A.C Eligible Purchased Power Expense	501	\$ (14,720,086)	SPECIFIC	1.000	\$ (14,720,086)
3	KPSC Jurisdictional Adjustment to Decrease Expense		<u>\$ (13,068,150)</u>			<u>\$ (13,068,150)</u>

Witness: H.M. Whitney

Kentucky Power Company
 Recover Actual, Incremental Non-F.A.C Eligible Purchased Power Expense Since Last Base Case (Excluding Winter Storm Elliott)
 Test Year Ended March 31, 2023
 W58

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
				SPECIFIC	1.000	
1	Unrecovered Non F.A.C Eligible Purchased Power Costs Since Prior Base Case	501	\$ 4,020,055			\$ 4,020,055
2	Amortization Period					3 Years
3	KPSC Jurisdictional Adjustment to Increase Expense					<u>\$ 1,340,018</u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Certain Regulatory Asset Amortizations Not Recovered Through Base Rates
Test Year Ended March 31, 2023
W59

Line No.	Description (a)	FERC Account (b)	Amount (c)
1	Storm regulatory asset amortization recovered through base rates as authorized in KPSC orders in Case Nos. 2012-00445 and 2016-00180	593	\$ 1,649,914
2	GreenHat default charge regulatory asset amortization recovered through Tariff S.S.C as authorized per order dated January 13, 2021 in Case No. 2020-00174	561	16,451
3	GreenHat default charge regulatory asset amortization recovered through base rates as authorized per order dated January 13, 2021 in Case No. 2020-00174	561	101,153
4	ELG regulatory asset amortization recovered through the Environmental Surcharge as authorized in KSPC order in Case No. 2021-00004	506	663,208
5	Rate case expense regulatory asset amortization recovered through base rates as authorized per order dated January 13, 2021 in Case No. 2020-00174	928	112,254
6	Adjustment to Remove Certain Regulatory Asset Amortizations		<u>\$ (2,542,980)</u>
7	Allocation Factor - SPECIFIC		1.000
8	KPSC Jurisdictional Amount (Ln 7 X Ln 8)		<u><u>\$ (2,542,980)</u></u>

Witness: H.M. Whitney

Kentucky Power Company
Remove Rockport Deferral from Capitalization
Test Year Ended March 31, 2023
W60

Line No.	Description (a)	FERC Account (b)	Amount (c)	Allocation Factor (d)	Factor (e)	KPSC Jurisdictional Amount (f) = (c * e)
1	Remove Rockport Deferral Asset / (Liability) Balances from Capitalization (1)					
2	Rockport Capacity Def-Eqty CC	1823429	(4,131,989)	SPECIFIC	1.000	\$ (4,131,989)
3	Rockport Capacity CC Deferral	1823430	8,457,483	SPECIFIC	1.000	\$ 8,457,483
4	Rockport Capacity Deferral	1823431	46,333,182	SPECIFIC	1.000	\$ 46,333,182
5	Total Rockport Capacity Deferral Regulatory Asset Balance at Test Year End		<u>50,658,676</u>			<u>50,658,676</u>
6	Accumulated Deferred Income Taxes (21% Federal Tax Rate)	283	(10,638,322)	SPECIFIC	1.000	(10,638,322)
7	Net Capitalization Decrease to Remove Rockport Deferral Balances		<u>\$ (40,020,354)</u>			<u>\$ (40,020,354)</u>

(1) Per KPSC order dated January 18, 2018 in Case No. 2017-00179, KPCo was authorized to defer \$50 million of Rockport Plant Unit Power Agreement (UPA) non-fuel, non-environmental expenses. The Rockport Plant UPA expenses were deferred to a regulatory asset and are subject to carrying charges based on a weighted-average cost of capital (WACC). Per KPSC order dated December 8, 2022 in Case No. 2022-00283, KPCO was authorized to recover the Rockport Deferral Regulatory Asset through Tariff PPA over a five year period beginning December 9, 2022.

Witness: H.M. Whitney

Kentucky Power Company
Cash Working Capital
Test Year Ended March 31, 2023
W61

Line No.	Description (a)	Adjusted Test Year Amount (c)	Prepayments (d)	Cash Working Capital Amount (e)	Avg. Daily Expense (f)	Revenue Lag Days (h)	Expense Lead Days (l)	Net (Lead)/Lag (J)	Working Capital Requirement (k)
1	Fuel Expense	\$ 94,599,256	\$ —	\$ 94,599,256	\$ 259,176	51.49	(23.00)	28.49	\$ 7,383,925
2									
3	Purchased Power	\$ 244,724,183	\$ —	\$ 244,724,183	\$ 670,477	51.49	(27.92)	23.57	\$ 15,803,148
4									
5	Operation & Maintenance Expense	\$ 175,223,920	\$ 2,131,433	\$ 173,092,487	\$ 474,226	51.49	(58.44)	(6.95)	\$ (3,295,871)
6									
7	Payroll	\$ 26,836,561	\$ —	\$ 26,836,561	\$ 73,525	51.49	(13.82)	37.67	\$ 2,769,680
8									
9	Depreciation	\$ 102,854,473	\$ —	\$ 102,854,473	\$ 281,793	—	—	—	\$ —
10									
11	Federal Excise Taxes	\$ 5,698	\$ —	\$ 5,698	\$ 16	51.49	(76.42)	(24.93)	\$ (389)
12									
13	Kentucky Sales and Use Tax - Energy Exemption Annual Return	\$ 39,162	\$ —	\$ 39,162	\$ 107	51.49	(59.42)	(7.93)	\$ (851)
14									
15	Local Street Lighting Fee	\$ 137,624	\$ —	\$ 137,624	\$ 377	51.49	(207.23)	(155.74)	\$ (58,722)
16									
17	Property / Real Estate Tax	\$ 21,165,018	\$ —	\$ 21,165,018	\$ 57,986	51.49	(264.85)	(213.36)	\$ (12,371,968)
18									
19	Federal Unemployment Taxes	\$ 13,073	\$ —	\$ 13,073	\$ 36	51.49	(75.24)	(23.75)	\$ (851)
20									
21	State Unemployment Taxes - Kentucky	\$ 3,246	\$ —	\$ 3,246	\$ 9	51.49	(75.21)	(23.72)	\$ (211)
22									
23	State Unemployment Taxes - West Virginia	\$ 19,254	\$ —	\$ 19,254	\$ 53	51.49	(75.31)	(23.82)	\$ (1,257)
24									
25	Federal Income Taxes								
26	Current	\$ 12,750,804	\$ —	\$ 12,750,804	\$ 34,934	51.49	(37.88)	13.61	\$ 475,448
27	Deferred	\$ (8,715,252)	\$ —	\$ (8,715,252)	(23,877)	—	—	—	\$ —
28	Total FIT	\$ 4,035,552	\$ —	\$ 4,035,552					\$ 475,448
29									
30	State Income Taxes								
31	Current	\$ 2,627,349	\$ —	\$ 2,627,349	\$ 7,198	51.49	(37.88)	13.61	\$ 97,968
32	Deferred	\$ 223,187	\$ —	\$ 223,187	\$ 611	—	—	—	\$ —
33		\$ 2,850,536	\$ —	\$ 2,850,536					\$ 97,968
34									
35	Interest on Long Term Debt	\$ 50,397,009	\$ —	\$ 50,397,009	\$ 138,074	51.49	(82.05)	(30.56)	\$ (4,219,541)
36									
37	Return	\$ 73,891,700	\$ —	\$ 73,891,700	\$ 202,443	—	—	—	\$ —
38									
39	Subtotal	\$ 796,796,264	\$ 2,131,433	\$ 794,664,831					\$ 6,580,509
40									
41	Working Funds and Other								\$ 1,105,953
42									
43	Total								\$ 7,686,462

Note: Refer to Section V, Tab "CWC" for a copy of this adjustment, with spreadsheet formulas in-tact that link certain amounts reported in column (b) "Adjusted Test Year Amount" to Section V, Schedule 4 - Jurisdictional Cost-of-Service and Section V, Schedule 2 - Revenue Requirement, as appropriate.

Witness: H.M. Whitney

Kentucky Power Company
Remove FIT Expenses - Excess Related to Tax Rider
Test Year Ended March 31, 2023
W62

Line No.	Total Co Electric Utility	KY Jurisdictional Allocation Factor	KY Jurisdictional Allocated Amount	Allocation Basis	KY Jurisdictional Adjustment
1	(200,261)	1.000000	(200,261)	SPECIFIC	\$200,261
2	(549,697)	1.000000	(549,697)	SPECIFIC	\$549,697
3	(17,802,341)	1.000000	(17,802,341)	SPECIFIC	\$17,802,341
4	(11,114,134)	1.000000	(11,114,134)	SPECIFIC	\$11,114,134
5	(29,666,433)		(29,666,433)		\$29,666,433

Witness: Linda Schlessman

Kentucky Power Company
Adjustments to ADFIT
Test Year Ended March 31, 2023
W63

	Amount	Source:
1	\$ 110,888,023.43	ADFIT Schedule
2	\$ 39,784,726.00	Adjustment W04
3 = 1-2	\$ 71,103,297.43	Net Increase to ADFIT. Accounts 1901001, 2821001, 2831001

Witness: Linda Schlessman

KYPCO NOLC Adjustment to Capitalization
 12 Months Ended March 31, 2023

Total Company

	<u>3/31/2023</u>	Depr Allocator	KY		
Consol NOLC	0	0.986000	0		
Stand Alone NOLC	<u>42,095,998</u>	0.986000	<u>41,506,654</u>		<u>3/31/2023</u>
NOLC 1901001 - DTA	42,095,998		41,506,654	NOLC 28201001 Excess KY Adjustment	10,300,444
Total Adjustment to Capitalization			51,807,098		

Witness: Linda Schlessman