

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
in the City of Charleston on the 8th day of September 2026.

CASE NO. 26-0575-E-P

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
Petition for approval of ratemaking
treatment and for certain vegetation
management costs.

COMMISSION ORDER

The Commission grants the Appalachian Power Company (APCo) and
Wheeling Power Company (WPCo) (collectively, Companies) request to continue
to capitalize the referenced costs for distribution to plant purposes and denies the
Companies' request to modify the ratemaking treatment of transmission costs.

BACKGROUND

On June 12, 2026, the Companies filed a petition requesting that the
Commission approve the Companies' proposed ratemaking treatment and
recovery for certain vegetation management costs (Petition).

On June 16, 2026, the Consumer Advocate Division of the Commission
(CAD) filed a Petition to Intervene (CAD Petition).

On July 6, 2026, the West Virginia Energy Users Group (WVEUG) filed a
Petition to Intervene (WVEUG Petition). WVEUG asserted that it had a legal
interest in this proceeding. WVEUG expressed its opposition to the Companies'
request for approval of the Petition without notice and a hearing because of the
potential accounting and ratemaking impacts. WVEUG recommended the
Commission establish a procedural schedule to ensure due process and
development of a complete evidentiary record.

On July 17, 2026, Commission Staff (Staff) filed an Initial Joint Staff
Memorandum and recommended that the Commission deny the Companies'
request to proceed without a hearing and allow the parties to fully develop a record.

DISCUSSION

Petition

The Companies indicated that their affiliate, Southwestern Electric Power Company (SWEPCo) was recently the subject of an audit on various issues conducted in the normal course by the Federal Energy Regulatory Commission's (FERC) Division of Audits and Accounting, including with respect to "compliance with (1) approved terms, rates, and conditions of its transmission formula rate mechanism . . . ; (2) accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities . . . under 18 C.F.R. Part 101; (3) reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities. . . ."¹ The final report pertaining to the audit was filed on March 19, 2026, and is attached to the Petition as APCo/WPCo Attachment 1 (Audit Report).

One of the Audit Report's findings relevant to this petition pertains to whether to expense or capitalize certain categories of vegetation management costs:

Capitalization of Vegetation Management Costs — SWEPCo's vegetation management policy was not consistent with the Commission's accounting regulations. Specifically, SWEPCo (1) improperly capitalized ... vegetation management costs *that were not related to the initial or original clearing of land and rights-of-way (ROW)....*²

Based on a review of the relevant sections of the USofA and its instructions, FERC reasoned:

Under the Commission's accounting regulations, costs of widening an existing ROW, clearing vegetation growing in an existing ROW not previously cleared as part of the initial asset construction, and trimming vegetation bordering an existing ROW not previously cleared are required to be recorded as maintenance expense.³ Under the Commission's accounting regulations, SWEPCo should have ... recorded those costs in the appropriate O&M expense account....⁴

¹ Petition at Bates 6-7.

² Audit Report at 1-2 (emphasis added).

³ Audit Report at 22 (emphasis added).

⁴ Audit Report at 23.

According to the Petition, this was not SWEPCo's accounting practice or approach; instead, SWEPCo, like the Companies, has historically capitalized the italicized-costs described above (Referenced Costs) with respect to both distribution and transmission asset vegetation management activities. SWEPCo disagreed with the Audit Report finding, but is accepting it and the related recommendations.

For FERC accounting and reporting purposes, AEP operating companies, including the Companies, must abide by FERC's determination in the Audit Report as the proper accounting and reporting for the Referenced Costs; that is, for FERC accounting and reporting purposes, to account for the Referenced Costs incurred with respect to both the Companies' distribution and transmission assets as an expense rather than capitalizing such costs effective January 1, 2026.

The Companies requested that, for ratemaking purposes, the Commission authorize the Companies to (1) continue to capitalize the Referenced Costs for distribution to Utility Plant as doing so is more beneficial for the Companies' customers, and (2) modify the ENEC to match the recovery of the increased expense associated with the Referenced Costs for transmission assets through the corresponding increased PJM Open Access Transmission Tariff (OATT) transmission revenue credits already approved to flow through the ENEC.

The Companies requested that the Commission issue an order confirming and authorizing the Companies to continue to capitalize the Referenced Costs incurred with respect to the Companies' distribution assets to Utility Plant, instead of expensing them, for ratemaking purposes because continuing capitalization results in a lower rate impact for customers.

Commission Decision

The Commission grants the Companies' request to continue to capitalize the Referenced Costs associated with distribution assets for West Virginia ratemaking purposes. The Commission declines at this time to approve the Companies' requested modification to the ENEC or any change in the ratemaking treatment for West Virginia purposes for transmission costs. The Companies shall continue to utilize their existing West Virginia accounting and ratemaking treatment for transmission costs pending further review. The Commission finds the appropriate time to consider a change in ratemaking adjustment associated with the FERC audit finding is in the Companies' next base rate case, where a complete evidentiary record can be developed.

The Commission will consider in the next base rate case whether any adjustment to the West Virginia plant balances is warranted to reflect FERC

accounting treatment retroactive to January 1, 2026. If an adjustment is approved, the Commission will consider any associated request for regulatory asset treatment.

The Companies should provide details regarding ongoing changes in expense levels if the capitalization of right-of-way clearing is changed. The Companies should maintain appropriate records sufficient to permit a review and audit of differences between vegetation management right of way capitalized costs for FERC accounting purposes and for West Virginia ratemaking purposes. The Companies shall also be prepared in their next base rate case to quantify any ongoing changes in expense levels attributable to the FERC accounting treatment.

Petitions to Intervene

The CAD and WVEUG have each stated a legal interest in this proceeding and accordingly, the Commission grants their respective petitions to intervene.

FINDINGS OF FACT

1. The Companies filed a Petition and requested that the Commission approve the Companies' proposed ratemaking treatment and recovery for certain vegetation management costs as a result of a recent FERC audit of SWEPCo's accounting.⁵

2. In light of FERC's audit findings and resulting accounting requirements, the Companies requested the Commission authorize them to continue to capitalize the Referenced Costs for distribution to utility plant for ratemaking purposes.⁶

3. The Companies requested the Commission authorize them to modify the ENEC to match the recovery of the increased expense associated with the Referenced Costs for transmission assets with the corresponding increased PJM OATT transmission revenue credits already approved to flow through the ENEC.⁷

4. The CAD seeks to become an intervenor in this case.⁸

⁵ Petition at Bates.

⁶ Id.

⁷ Id.

⁸ CAD Petition.

5. WWEUG seeks to become an intervenor in this case and opposes the Companies' request that the Commission grant the Petition without notice or a hearing.⁹

CONCLUSIONS OF LAW

1. The Companies should continue to capitalize the Referenced Costs associated with the distribution assets for West Virginia ratemaking purposes and should continue their existing accounting and ratemaking treatment for transmission vegetation management costs unless and until otherwise authorized by the Commission.

2. The Commission should deny the Companies' request to change the ratemaking treatment for transmission costs.

3. The Commission should grant the CAD Petition because the CAD stated a legal interest in the proceeding.

4. The Commission should grant the WWEUG Petition because WWEUG stated a legal interest in the proceeding.

ORDER

IT IS THEREFORE ORDERED that Appalachian Power Company and Wheeling Power Company's request to continue to capitalize the Referenced Costs for distribution to utility plant for West Virginia ratemaking purposes is granted.

IT IS FURTHER ORDERED that Appalachian Power Company and Wheeling Power Company's request to modify the ENEC to match recovery of the increased expense associated with the Referenced Costs for transmission assets with the corresponding PJM OATT transmission revenue credits already approved to flow through the ENEC is denied. Such request may be considered in the Companies' next base rate case.

IT IS FURTHER ORDERED that the Petition to Intervene by the Consumer Advocate Division of the Commission is granted.

IT IS FURTHER ORDERED that the Petition to Intervene by the West Virginia Energy Users Group is granted.

⁹ WWEUG Petition.

IT IS FURTHER ORDERED upon entry of this Order this case shall be removed from the Commission docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement and by the United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

A handwritten signature in cursive script that reads "Karen Buckley".

Karen Buckley, Executive Secretary

JMB/bj
260575c

Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
Fax: (304) 340-0325



September 8, 2026

James M. Bailey, Esq.
Counsel, West Virginia Energy Users Group
Spilman Thomas & Battle PLLC
300 Kanawha Boulevard, East
Charleston, WV 25301

RE: Case No. 26-0575-E-P
Appalachian Power Company and Wheeling Power Company

Dear Mr. Bailey:

Enclosed is a copy of a Commission Order issued today in the above-styled proceeding. **Please note all other parties have agreed to receive this order via electronic notification.**

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here:
http://www.psc.state.wv.us/Privacy_Policy/WhatisPII.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field. **You are encouraged to file an Electronic Mail Agreement which allows the commission to serve all orders issued in this matter via electronic notification.**

Sincerely,


Karen Buckley
Executive Secretary

KB/al
Enc.

260930154

*State Corporation Commission
Document Control Center
09/16/2026 - 12:23 PM*

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

PREFILED STAFF TESTIMONY

APPALACHIAN POWER COMPANY

**For a 2026 biennial review of its base rates,
terms and conditions pursuant to § 56-585.8
of the Code of Virginia**

Volume I of XI

Public Version

PUR-2026-00044

September 16, 2026

260930154

TABLE OF CONTENTS

VOLUME I

Confidential and Public Versions

Janille K. Olario

Division of Utility Accounting and Finance

PART A

VOLUMES II & III

Confidential and Public Versions

Hamza S. Ababneh

Division of Utility Accounting and Finance

PART B

VOLUMES IV & V

Confidential and Public Versions

Alexander W. Elmes

Division of Utility Accounting and Finance

PART C

VOLUME VI

Public Version only

Matthew S. Glattfelder

Division of Public Utility Regulation

PART D

Daniel P. Rafferty

Division of Public Utility Regulation

PART E

VOLUME VII

Confidential and Public Versions

Neil P. Joshipura

Division of Public Utility Regulation

PART F

Patrick W. Carr

Division of Utility Accounting and Finance

PART G

260930154

VOLUME VIII
Confidential and Public Versions

Steven E. Smith
Division of Public Utility Regulation

PART H

VOLUMES IX & X
Public Version only

Tanner S. Katsarelis
Division of Public Utility Regulation

PART I

VOLUME XI
Public Version only

Kayla R. Emery
Division of Public Utility Regulation

PART J

Brian S. Pratt
Division of Public Utility Regulation

PART K

Gabriel N. Knight
Division of Public Utility Regulation

PART L

260930154

PART A

260930154

Summary of the Testimony of Janille K. Olario

1 Staff makes the following recommendations for the Commission's consideration:

- 2 • Rate year beginning March 1, 2027 ("Rate Year") Revenue Requirement: Staff
3 recommends a revenue requirement decrease of \$5.55 million based on Staff's analysis
4 of Appalachian Power Company's ("APCo" or "Company") Rate Year cost of service.
- 5 • Revenue Growth: The Commission should approve Staff's Rate Year level of revenues
6 and recommendation regarding the presentation of revenue adjustments.
- 7 • Distribution Expense: Staff makes the following recommendations:
 - 8 ○ If the Commission approves the proposed Variable Cycle-Based Vegetation
9 Management Program ("VMP"), Staff does not oppose the Company's proposal
10 to recover the costs through a Vegetation Management ("VM") rate adjustment
11 clause ("RAC").
 - 12 ○ The Commission should approve Staff's adjustments to vegetation
13 management, inspections, and the amortization of the Worst Performing Circuit
14 ("WPC") Program regulatory asset approved in a prior case.
 - 15 ○ If the Commission does not approve the proposed VMP Program, the
16 Commission should approve Staff's alternative adjustment to vegetation
17 management O&M.
- 18 • Non-Labor Generation Station O&M: The Commission should approve Staff's
19 ratemaking adjustment related to the non-labor generation station O&M.
- 20 • Cash Working Capital: The Commission should approve Staff's recommendations
21 related to the lead/lag study used for calculating the cash working capital in this
22 proceeding.
- 23 • Electric Vehicle ("EV") Pilot Program: If the Commission approves the EV Pilot
24 Program, the Commission should approve Staff's recommended Rate Year level of cost
25 and cost caps. The Commission should approve Staff's regulatory liability
26 recommendation related to the pilot program.
- 27 • Low Income Qualifying Solar Photovoltaic ("PV") Program ("LIQSP") If the
28 Commission approves the LIQSP program, the Commission should approve Staff's
29 recommended Rate Year level of cost and cost caps. The Commission should approve
30 Staff's regulatory liability recommendation related to the LIQSP.
- 31 • O&M Expense Adjustments: The Commission should approve Staff's recommended
32 adjustments to regulatory expense, lobbying expense, and other miscellaneous O&M
33 expense adjustments addressed herein.
- 34 • Coal Combustion Residual Rules ("CCR") Asset Retirement Obligation ("ARO"):
35 Staff does not oppose the Company's alternative proposal to recover ARO costs
36 associated with the 2024 expansion of CCR rules through the E-RAC.
- 37 • Wildfire Mitigation Program: The Commission should approve Staff's
38 recommendation regarding the Wildfire Mitigation Program.

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

Rate Year Analysis				
No.	Issue	Staff Position	Revenue Req. Impact	Staff Witness
			(In Millions) Rate Year	
1	2027 Rate Year Results	Staff's analysis indicates that the Company requires a base rate revenue decrease of \$5.55 million in total for the Rate Year based on a return on equity (ROE) of 9.65%.		Olario
2	Cycle Based Vegetation Management	From a reliability perspective, Staff does not oppose the proposed VMP, but believes the Company's actual reliability improvements, expenditures, and program performance should continue to be monitored as the program is implemented. Additionally, Staff does not oppose the Company's proposal to recover costs through a vegetation management rate adjustment clause. Staff therefore proposes an adjustment to remove a Test Year level of vegetation management costs from base rates. Staff also proposes an adjustment to distribution expense that reflects a normal level of costs. If the Commission does not approve the proposed program, the Commission should approve Staff's alternative adjustment.	(\$36.78)	Olario/Joshupura
3	Rate Year Depreciation on Test Year Plant	Staff proposes adjustments to appropriately reflect a Rate Year level of additional accumulated depreciation on test year plant in service.	(\$15.27)	Carr
4	Return on Equity (ROE)/Capital Structure	The Commission should adopt Staff's recommendation to use the Company's actual ratemaking capital structure as of December 31, 2025 for rate setting purposes for the rate year as well as for applicable rate adjustment clauses. Additionally, the Commission should adopt Staff's recommended cost of capital, including an ROE of 9.65%, for rate setting purposes for the rate year.	(\$12.63)	Elmes
5	Major Storm Damage	Staff defers Major Storm damage pursuant to Subsection G2 that were not securitized that were actually incurred in the Earnings Test periods of 2024 & 2025.	(\$6.60)	Ababneh
6	Forecasted Revenues	Staff proposes adjustments to appropriately reflect a Rate Year level of data center revenue growth. Staff also recommends that forecasted revenue growth be presented separately from the other revenue adjustments in future proceedings.	(\$3.24)	Olario
7	Generation Station Non-Labor O&M	Staff's adjustment to generation station non-labor O&M appropriately reflects a Rate Year level of costs by applying an actuals-to-budget ratio to the forecasted amounts.	(\$2.27)	Olario
8	Incentive Compensation	Staff reduces incentive compensation to 100% of target. Staff also adjusts incentive compensation to reflect a 50/50 sharing of shareholder-driven metrics.	(\$2.22)	Carr
9	Amortization of WPC Regulatory Asset	Staff's WPC Regulatory Asset amortization aligns with the requirements of the 2024 Biennial Review Final Order.	(\$1.46)	Olario
11	Generation and Distribution Riders Allowance for Cash Working Capital	Staff's proposed cash working capital incorporates an allowance for cash working capital associated with the Company's generation and distribution riders.	(\$1.01)	Olario
10	AEPSC Umbrella Trust Plan	Staff recommends the Commission adopt Staff's adjustment to Umbrella Trust plan expense utilizing a three-year historic average of plan expense.	(\$0.89)	Ababneh
12	Rate Year Accumulated Deferred Income Taxes ("ADIT")	Staff adjusts ADIT in a manner synchronized with its other rate base adjustments to reflect a Rate Year level of plant and accumulated depreciation.	(\$0.73)	Carr

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

No.	Issue	Staff Position	Revenue Req. Impact	Staff Witness
			(In Millions) Rate Year	
13	Regulatory Expense	Staff proposes an adjustments to appropriately reflect a normal level of regulatory expense.	(\$0.34)	Olano
14	Coal Stock Inventory	Staff calculates a 35-day average burn for setting a Rate Year level of coal stock inventory.	(\$0.25)	Ababneh
15	EV Pilot Programs	Staff is unopposed to the Company's proposed EV Pilot Program. Staff recommends that the Commission adopt Staff's rate year level of cost and cost caps associated with the EV Pilot Program. The Commission should also approve Staff's regulatory liability recommendation related to the EV Pilot Programs.	(\$0.14)	Olano/Glatfelter
16	Low Income Qualifying Solar PV Program ("LIQSP")	Staff is unopposed to the Company's proposed LIQSP. Staff recommends that the Commission adopt Staff's rate year level of cost and cost caps related to the LIQSP. The Commission should also approve Staff's regulatory liability recommendation related to the LIQSP.	(\$0.07)	Olano/Rafferty
17	Rate Year Capital Investments	Staff proposes comprehensive, synchronized adjustments to reflect Rate Year levels of new plant, CWIP, and accumulated depreciation. Staff also recommends certain requirements for the Company's rate base forecast adjustments in its future biennial review applications.	\$8.98	Carr
18	PJM Ancillary Charges Deferral	Staff recommends the Commission deny deferral treatment for PJM ancillary service charges. Staff recommends the Commission adopt Staff's adjustment to set a rate year level with a banded deferral mechanism.	\$5.20	Ababneh
19	Rate Year Jurisdictional Factors	Staff proposes a series of ratemaking adjustments to reflect revised Rate Year jurisdictional factors to match Staff's revenue adjustments.	\$1.92	Carr
20	Other Rate Base	Staff adjusts certain other rate base components, with the primary difference relating to a correction of the Clinch River depreciation adjustments. Staff is not opposed to an extension of Clinch River's depreciable life.	\$0.20	Carr
21	Capacity Hosting Maps	Staff opposes deferral of O&M costs for the development of a capacity hosting map. Staff develops a Rate Year level of expense and rate base.	\$0.20	Ababneh
22	Adjustments to Cash Working Capital	Staff recommends that the Commission adopt Staff's adjustments and recommendations related to cash working capital.	\$0.17	Olano
23	Payroll, Benefits, & Payroll Taxes	Staff recommends that the Commission adopt Staff's adjustments to appropriately reflect a Rate Year level of payroll, benefits, and payroll taxes.	\$0.04	Ababneh

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

No.	Issue	Staff Position	Revenue Req. Impact	Staff Witness
			(In Millions) Rate Year	
24	Miscellaneous Adjustments	The Commission should adopt Staff's recommendations to other miscellaneous adjustments	\$0.29	Various
25	Capitalization of Vegetation Management	Staff does not take issue with continuing the Company's capitalization policy of recording certain costs in FERC Plant Account 365.		Olario
26	Moving certain ARO costs relating to the Legacy CCR Rule to the E-RAC	Staff does not take issue with the Company's proposed adjustment to recover costs through base rates. Staff also does not oppose the Company's alternative proposal to recover these ARO costs through the E-RAC		Olario
27	Wildfire Mitigation Program	Staff is not opposed to the development of a wildfire mitigation program for APCo's Virginia service territory. Staff also recommends that the Commission direct the Company to directly assign as many wildfire mitigation costs to its operating companies as possible, and to provide testimony in its next biennial proceeding providing an update on the wildfire mitigation plan in Virginia, along with testimony supporting its methodology for allocating wildfire mitigation costs from AEPSC to APCo.		Olario

Earnings Test Analysis

No.	Issue	Staff Description	Staff Witness
28	Staff Earnings Test Results	Staff analysis shows the Company earned an ROE of 2.84% and 6.30% for the 2024 and 2025 Test Years respectively, or a combined return of 4.53%. Staff calculates a deficiency of \$203.21 million below the top of the authorized return.	Ababneh
29	Staff Earnings Test Adjustments	Staff recommends the Commission adopt Staff's earnings test adjustments.	Ababneh
30	Staff Earnings Test Capital Structure	The Commission should approve Staff's recommended Average Earnings Test Capital Structures for the two 12-month test periods in review, calendar year 2024 and calendar year 2025. Staff's Average Earnings Test Capital Structures incorporate 12-month average costs of short-term debt calculated utilizing a methodology consistent with Staff's going-forward cost of short-term debt.	Elmes

Jurisdictional and Class Cost of Service Studies

No.	Issue	Staff Position	Staff Witness
31	Jurisdictional Cost of Service Study	Staff does not oppose the Company's methodology used to develop its jurisdictional cost of service study. Staff recommends the Company use consistent rounding of its external allocation factors, ensure its rate adjustment clause separation step does not pull RAC balances out of an account with a per book balance of \$0, and acknowledge certain jurisdictional allocation factors that are used to allocate certain ratemaking adjustments to the Virginia retail jurisdiction. Staff also recommends that the general and intangible depreciation reserve and expense ratemaking adjustments be grouped into their respective subaccounts rather than being grouped with distribution or production depreciation reserve and expense subaccounts.	Katsarelis
32	Class Cost of Service Study	Staff does not oppose the Company's methodology to classify and allocate costs within its class cost of service study.	Katsarelis

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

Revenue Apportionment and Rate Design			
<u>No.</u>	<u>Issue</u>	<u>Staff Position</u>	<u>Staff Witness</u>
33	Revenue Apportionment	Staff notes that the Company is currently reducing customer generation base rates through its Securitization Base Rate Reduction Rider ("Rider S B.R.R."), which will simultaneously retire in 2027 when new base rates from this instant proceeding go into effect. Therefore, Staff appropriately incorporated the removal of Rider S B.R.R. from its analysis of the Company's going-level revenues, rate of returns ("RORs") and relative RORs (i.e., net of securitization) for the generation function. In order to more accurately examine the impact of APCo's proposed rate increase to customer classes Staff presents an alternative a class revenue apportionment for APCo's proposed increase in its generation revenues or the Commission's consideration. Staff's alternative proposal is intended to balance the objective of parity with rate stability. Staff believes this alternative proposal gives consideration to rate stability and thus produces a more equitable result among the classes. Staff finds the Company's proposed revenue apportionment for its increase in distribution revenues to be generally reasonable. Therefore, Staff does not oppose the Company's resulting class revenue increases for distribution services. Should the Commission approve a revenue requirement that differs from the revenue requirement requested by the Company, Staff recommends that each class's revenue increase be adjusted proportionally in accordance with the revenue apportionment methodology approved by the Commission in this proceeding.	Emery
34	Residential Basic Service Charge	The Company proposes to increase the monthly residential basic service charge of \$7.96 to \$9.00, which is an increase of 13.07%. Staff's analysis indicates that no increase is warranted, however. Therefore, Staff recommends maintaining the current basic service charge of \$7.96.	Emery
	Residential Rate Design Alternatives	The Company presents three alternative rate design proposals for its default standard residential rate structure for the Commission's consideration, referred to as Alternatives 1, 2, and 3. Staff believes the question of whether any of these alternatives should be implemented as the default rate structure for APCo's residential customers is a policy determination for the Commission in this proceeding. Staff takes no position on this question, but offers comments intended to aid the Commission in its determination. If the Commission finds that it is reasonable to change the current default residential rate design, then Staff recommends the adoption of the Company's Alternative 1 proposal. If the Commission determines that the Company should maintain its current residential rate design, then Staff offers that the Commission could implement Alternative 1 as an optional voluntary residential tariff. Lastly, Staff does not recommend the adoption of Alternatives 2 or 3 as a default residential tariff in this proceeding.	Emery
35	Non-Residential Rate Design	If the Commission finds that it is reasonable to change the General Service Secondary voltage rate design, Staff recommends a combination of the Company and stakeholder proposals. Specifically, recommends the Company's proposed rate design for collecting generation revenues, and the stakeholder rate design proposal for collecting distribution revenues. Staff further recommends that the Commission direct a gradual transition toward implementing these rate design changes, with the first step occurring the next biennial review proceeding.	Emery

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

Terms and Conditions			
<u>No.</u>	<u>Issue</u>	<u>Staff Description</u>	<u>Staff Witness</u>
36	Large Load Special Terms and Conditions	The Company has proposed revisions to its Terms and Conditions of Service ("Special Terms and Conditions") applicable to large load customers ("Large Load Customers"). Staff has reviewed these revisions, many of which are clarifying in nature, and does not oppose them.	Pratt
	Line Extension Policy	Staff does not oppose APCo's proposed revisions to its line extension policy, which is contained within the Company's Terms and Conditions of Service. These revisions, if approved, would modify the calculations used to determine a customer's contribution-in-aid-of-construction by excluding the customer's charges for generation services from APCo's revenue projections. Staff notes that the Company's line extension policy does not specifically define which facilities are used to determine a customer's CIAC payment, or under what circumstances. Staff therefore recommends that the Commission direct APCo to clearly define these facilities within its line extension policy in its next biennial review, or another appropriate proceeding.	Pratt
37	Customer Assistance - 18 Month Payment Plan	Staff recommends the Company continue to track the number of customers who opt for the 18-month payment plan, but then default. Staff further recommends that APCo report this information in its next biennial review, in addition to the existing reporting requirement related to bad debt expense.	Knight
38	Customer Assistance - Budget Billing and AMP plans	Staff does not oppose the Company's proposal to close its Budget Billing plan to new customers, or its proposal to make its Average Monthly Payment Plan the primary levelized billing option available to customers going forward.	Knight
39	Customer Assistance - Aggregated Data Fee	Staff does not oppose the Company's proposed hourly aggregated meter data fee of \$53, its proposed one-hour minimum charge provision for this fee, or its proposal to require that aggregated meter data requests be submitted 30 days in advance.	Knight
39	Rider EDR	Staff does not oppose the Company's proposals to limit participation in its existing Rider EDR to new customers, revise the economic development and investments requirements, or limit the adjustment factor applied to Rider EDR customer bills. Staff does not support the Company's proposed eligibility requirement that the service location must be located within an EJ Community, due to concerns pertaining to potential unintended consequences as well as the lack of meaningful community input in the development of APCo's proposal.	Knight
40	Rider NREC	The Company has provided information that is responsive to the reporting requirements that were previously established by the Commission for Rider NREC. Staff recommends that the Company continue to track Rider NREC revenues, along with costs incurred by APCo to procure RECs on behalf of Rider NREC customers, and report this information in the Company's next biennial review.	Knight
41	Cybersecurity for large loads	Staff does not recommend any measures beyond those already proposed by APCo at this time and will continue to monitor APCo's progress as large load customers begin taking service and applicable NERC and PJM requirements continue to develop.	Joshiapura
42	Optional Rider DRS	Staff does not oppose APCo's proposal to revise its Curtailment Demand Credit for voluntary Rider DRS - RTO. Specifically, Staff notes that this revision follows the same pricing structure and methodology that was previously approved by the Commission in APCo's most recent biennial review proceeding.	Pratt

260930154

Appalachian Power Company
Case No. PUR-2026-00044
Issues Matrix

Other Topics			
No.	Issue	Staff Description	Staff Witness
	Customer Classes & Large Load Risk	Staff reviewed the reasonableness of APCo's customer classifications pursuant to Chapter 395 of the 2025 Va. Acts of Assembly. Staff finds that APCo is using rates, tolls, charges, and schedules that contain reasonable classifications of customers for the purpose of setting customer rates in this instant case. Staff further finds that the significant prospective Large Load Customer growth projected by APCo creates the potential for cost shifting risks that are not mitigated by APCo's Special Terms and Conditions. To address these risks, Staff recommends that the Commission direct APCo to present Large Load Customers as a separate customer class within its class cost of service study in its next biennial review.	Pratt
43	Rider VWS	Staff does not oppose the Company's proposal to close Schedule VWS due to lack of participation and an approaching sunset date for the associated PPAs.	Knight
44	VCEA Rider Allocation	Staff does not oppose the Company's proposal to freeze the jurisdictional allocation of generation resources used to meet the Company's compliance obligations of the Virginia Clean Economy Act ("VCEA")	Pratt
45	Operational performance	Staff found that APCo's generating unit performance was generally reliable and efficient and comparable to industry benchmarks, with certain unit-specific exceptions. Reliability results showed recent improvement in SAIDI, although longer-term reliability performance remains a concern and continues to compare unfavorably with certain benchmark utilities. Customer service, as measured by Average Speed of Answer, improved in 2025. APCo's operating efficiency remained relatively stable and generally comparable to benchmark utilities. Overall, Staff does not recommend an increase or decrease to APCo's combined rate of return based on operational performance.	Joshiyura
46	Must-Run Coal Dispatch	Requirements of Must-Run dispatch from 2024 Biennial Final Order. Staff recommends that the Commission make reporting related to the Company's coal unit dispatch a requirement for the Company's biennial filings going forward. Discussion of Company's participation in PJM energy markets and factors impacting participation of coal-fired generation units. Staff agrees that coal units are generally less flexible than gas units but notes that must-run operations reduce the value of the Company's resources and prudent and flexible fuel contracting can help avoid excess self commitment. Discussion of factors that drive additional price volatility in the PJM ancillary services markets for regulation and reserves. Staff recommends the Commission require the Company to provide, in its next biennial rate case, an analysis of potential links between the Company's operation of its fleet and the causal relationship between thermal retirements, increasing penetration of intermittent resources, load growth, and other contributing factors contributing to the increasing ancillary services costs that the Company is facing. This analysis should include the Company's and PJM's forecasted load and generation, as well as the Company's actual load and generation. In addition to any causal link, the Commission should direct the Company to provide potential strategies to mitigate the cost increases and capture value for ratepayers from the Company's units participating in the PJM ancillary services market.	Smith
47	OVEC Prudency Review	Evaluate economic analysis of OVEC. Staff is not making any recommendations regarding OVEC. Staff did find the Company's retire and replace analysis was flawed and recommends some changes to the analysis if the Commission determines that the Company's two analyses are insufficient to support the Company continuing to remain in the ICPA.	Smith
48	Schedule 41	Staff does not oppose the minor clarification and grammatical corrections provided in Schedule 41.	Knight
49	Schedule 47	Staff discusses APCo's Filing Schedule 47, which provides a comparison of "total aggregate regulated rates" to the national rate of inflation. Staff finds that the Company's total aggregate regulated rates have increased at a slightly faster rate than compared to the national inflation rate as measured by CPI-U.	Knight
50	Peer Group Analysis	Staff discusses the Company's per kWh rate and average bill for a typical residential, commercial, and industrial customer competitiveness, in comparison to a peer group of other investor-owned electric utilities. Staff finds that the Company continues to rank among within the middle of the peer group.	Knight

260930154

**PREFILED STAFF TESTIMONY
OF
JANILLE K. OLARIO
APPALACHIAN POWER COMPANY
CASE NO. PUR-2026-00044**

TABLE OF CONTENTS

INTRODUCTION	2
RECOMMENDED REVENUE REQUIREMENT	7
SECURITIZATION PRESENTATION	7
DATA CENTER SALES AND REVENUE GROWTH.....	11
DISTRIBUTION EXPENSE	15
INTRODUCTION	15
VARIABLE CYCLE-BASED VEGETATION MANAGEMENT PROGRAM.....	17
TRADITIONAL VEGETATION MANAGEMENT PROGRAM	21
INSPECTIONS EXPENSE	23
CAPITALIZATION OF ROW	23
AMORTIZATION OF WPC REGULATORY ASSET	25
SUMMARY OF RECOMMENDATIONS	26
NON-LABOR GENERATION STATION O&M.....	27
CASH WORKING CAPITAL.....	29
EV AND LIQSP PROGRAMS	33
EV PILOT PROGRAM	33
LIQSP	37
CCR AROs.....	40
OTHER O&M EXPENSE ADJUSTMENTS.....	42
WILDFIRE MIGATION PROGRAM	44
CONCLUSION.....	45

260930154

**PREFILED STAFF TESTIMONY
OF
JANILLE K. OLARIO
APPALACHIAN POWER COMPANY
CASE NO. PUR-2026-00044**

SEPTEMBER 16, 2026

PUBLIC VERSION

INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND THE POSITION YOU HOLD WITH THE**
2 **STATE CORPORATION COMMISSION (“COMMISSION”).**

3 **A. My name is Janille K. Olario. I am a Senior Utility Specialist with the Commission’s**
4 **Division of Utility Accounting and Finance.**

5 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE COMPANY’S**
6 **APPLICATION.**

7 **A. On May 29, 2026, Appalachian Power Company (“APCo” or “Company”) filed an**
8 **application (“Application”) for a biennial review of its rates, terms, and conditions**
9 **pursuant to § 56-585.8 of the Code of Virginia (“Code”). The Application includes an**
10 **earnings test for the calendar years 2024 and 2025, (“2024 Test Year” and “2025 Test**
11 **Year”) and an analysis of APCo’s going-forward cost of service and its jurisdictional**
12 **revenue requirement for the prospective rate year beginning March 1, 2027 (“Rate**
13 **Year”). The Application asserts, among other things, APCo earned a combined return**
14 **on equity (“ROE”) of 4.66% for the combined generation and distribution function**

260930154

1 during the 2024 and 2025 Test Years, and that APCo requires a \$61.4 million increase
2 to base rates, after accounting for the impacts of its securitization filing, in order to
3 recover its cost of service and provide for a requested 10.5% ROE.¹ The Company also
4 requests unique regulatory accounting treatment for a number of elements of its going-
5 forward cost of service, which are described in more detail later in my testimony.

6 **Q. PLEASE STATE THE PURPOSE OF YOUR TESTIMONY.**

7 **A.** I present Staff's Rate Year revenue requirement and discuss several of the adjustments
8 and proposals in both the Earnings Test and going-forward analyses. Specifically, I
9 address the following topics:

- 10 • Rate Year Revenue Requirement: Staff recommends a revenue requirement
11 decrease of \$5.55 million based on Staff's analysis of APCo's Rate Year cost of
12 service.
- 13 • Revenue Growth: The Commission should approve Staff's Rate Year level of
14 revenues and recommendation regarding the presentation of revenue adjustments.
- 15 • Distribution Expense: Staff makes the following recommendations:
 - 16 ○ If the Commission approves the proposed Variable Cycle-Based Vegetation
17 Management Program ("VMP"), Staff does not oppose the Company's
18 proposal to recover the costs through a Vegetation Management ("VM")
19 rate adjustment clause ("RAC").

¹ See Application at 8.

260930154

- 1 ○ The Commission should approve Staff's adjustments to vegetation
- 2 management, inspections, and the amortization of the Worst Performing
- 3 Circuit ("WPC") Program under-recovery regulatory asset.
- 4 ○ If the Commission does not approve the proposed VMP Program, the
- 5 Commission should approve Staff's alternative adjustment to vegetation
- 6 management operations and maintenance ("O&M") expense.
- 7 • Non-Labor Generation Station O&M: The Commission should approve Staff's
- 8 ratemaking adjustment related to the non-labor generation station O&M.
- 9 • Cash Working Capital: The Commission should approve Staff's recommendations
- 10 related to the lead/lag study used for calculating the cash working capital in this
- 11 proceeding.
- 12 • Electric Vehicle ("EV") Pilot Program: If the Commission approves the EV Pilot
- 13 Program, the Commission should approve Staff's recommended Rate Year level of
- 14 cost and cost caps. The Commission should approve Staff's regulatory liability
- 15 recommendation related to the pilot program.
- 16 • Low Income Qualifying Solar Photovoltaic ("PV") Program ("LIQSP"): If the
- 17 Commission approves the LISQSP program, the Commission should approve
- 18 Staff's recommended Rate Year level of cost and cost caps. The Commission
- 19 should approve Staff's regulatory liability recommendation related to the LIQSP
- 20 • O&M Expense Adjustments: The Commission should approve Staff's
- 21 recommended adjustments to regulatory expense, lobbying expense, and other
- 22 miscellaneous O&M expense adjustments addressed herein.

260930154

- 1 • Coal Combustion Residual Rules (“CCR”) Asset Retirement Obligation (“ARO”):
2 Staff does not oppose the Company’s alternative proposal to recover ARO costs
3 associated with the 2024 expansion of CCR rules though the Company’s
4 environmental regulation compliance recovery mechanism (the “E-RAC”).
5 • Wildfire Mitigation Program: The Commission should approve Staff’s
6 recommendation regarding the Wildfire Mitigation Program.

7 **Q. PLEASE IDENTIFY OTHER STAFF.**

8 **A.** In addition to my testimony, the Division of Utility Accounting and Financing presents
9 the pre-filed testimony of the following witnesses:

10 1. Hamza Ababneh presents Staff’s Earnings Test results. He also addresses
11 Staff’s adjustments to major storms, payroll and benefits, coal inventory, PJM
12 ancillary services charges, capacity hosting map costs, as well as various other
13 Staff adjustments. He also discusses Staff’s investigation of APCo’s coal
14 procurement during 2024 and 2025.

15 2. Alexander W. Elmes presents Staff’s recommended ratemaking capital
16 structure and overall weighted cost of capital. He also addresses Staff’s
17 recommended 2024 and 2025 Earnings Test capital structure.

18 3. Patrick W. Carr addresses Staff’s recommendations regarding the Rate Year
19 forecast of plant-related rate base, updated Rate Year jurisdictional factors,
20 incentive compensation, income and other tax expense.

21 The Division of Public Utility Regulation presents the pre-filed testimony of the
22 following witnesses:

260930154

- 1 1. Brian S. Pratt presents Staff's findings and recommendations regarding the
2 large load tariffs, line extension policy, and the Company's proposal to freeze
3 jurisdictional allocation of VCEA resources. He further addresses certain cost
4 shifting concerns raised by prospective Large Load Customer growth in APCo's
5 Virginia service territory. Lastly, he provides an overview of the Company's
6 proposal to update its Optional Rider D.R.S. – RTO Capacity (Demand
7 Response Service) credit and presents Staff's recommendations related
8 thereto.
- 9 2. Kayla Emery presents the Company's proposed revenue apportionment,
10 residential rate design, and non-residential rate design and discusses certain
11 findings and recommendations for the Commission's consideration.
- 12 3. Tanner Katsarelis presents Staff's findings and recommendation regarding the
13 jurisdictional cost of service study and class cost of service study.
- 14 4. Gabriel N. Knight addresses Staff's recommendations regarding Rider EDR,
15 Rider NREC, Schedule VWS, payment plant extension window, Budget Billing
16 closure, aggregated meter data fee, Filing Schedule 41, Filing Schedule 47, and
17 Peer Group Rate and Bill Comparisons.
- 18 5. Neil Joshipura addresses operational performance such generating unit
19 performance, reliability, customer service, and operating efficiency. He also
20 addresses the technical details of the proposed VMP and the projected reliability
21 improvements as well as cybersecurity.
- 22 6. Daniel P. Rafferty addresses the LISQP proposal, program operations, specific
23 considerations, and budget considerations.

260930154

1 7. Steven E. Smith addresses the Company's coal plant dispatch, Inter-Company
2 Power agreements, rising PJM ancillary service costs, difficulties of coal unit
3 participation in PJM.

4 8. Matthew S. Glattfelder provides an overview of the Company's EV Pilot
5 Program as well as the cost recovery for the EV Pilot Program and LIQSP.

RECOMMENDED REVENUE REQUIREMENT

6 **Q. PLEASE SUMMARIZE YOUR REVENUE REQUIREMENT FINDINGS.**

7 **A.**Staff recommends a Rate Year revenue requirement of (\$5.55) million, comprising a
8 generation function revenue requirement of \$(16.16) million and a distribution function
9 revenue requirement of \$10.61 million.

SECURITIZATION PRESENTATION

10 **Q. PLEASE SUMMARIZE THE IMPACTS OF THE SECURITIZATION CASE**
11 **ON BASE RATES IN THIS PROCEEDING AND STAFF'S PRESENTATION**
12 **OF THE REMOVAL OF CREDIT RIDER SBRR.**

13 **A.**The Company's Filing Schedule 21, Generation and Distribution Fully Adjusted Rate
14 of Return Statement, does not reflect the removal of credit Rider SBRR from base rates.
15 It presents an annual decrease in base revenues of \$104.5 million, however, in the
16 Company's Application, the Company requests a combined incremental revenue

260930154

1 requirement of \$61.4 million. The requested increase includes a \$14.3 million decrease
2 to generation operations and a \$75.7 million increase to distribution function.²

3 Staff appropriately incorporates the removal of Rider SBRR from base rates in
4 Staff's Statement 5, Generation and Distribution Fully Adjusted Rate of Return
5 Statement and Statement 5a, Generation Fully Adjusted Rate of Return Statement. In
6 Staff's Statements 5 and 5a, Staff reflects the value of credit Rider SBRR in Column 4
7 and reflects the removal of credit Rider SBRR in Column 5. Staff's combined
8 incremental revenue requirement reflects the total incremental requirement to be
9 recovered from customers.

10 **Q. PLEASE IDENTIFY THE MAJOR DIFFERENCES BETWEEN STAFF'S AND**
11 **THE COMPANY'S REVENUE REQUIREMENTS.**

12 **A.** Staff's recommended revenue requirement is \$66.90 million less than the revenue
13 requirement requested by the Company in its supplemental filing. The following table
14 identifies the major differences between Staff's and the Company's revenue
15 requirements.

² Application at 8; Company response to Staff Interrogatory No. 1-45.

260930154

Table 1 – Reconciliation of Staff and Company Revenue Requirements

Issue	Revenue Requirement	Impact	Basis Point	Witness
Company Proposed Revenue Requirement per Schedule 21	\$	(104.46)		
Less: Credit Rider SBRR	\$	(165.81)		
Company Proposed Revenue Requirement excluding Credit Rider SBRR	\$	61.4		
To Reflect a Rate Year Level of Vegetation Management	\$	(36.78)	(264.90)	Olario
To Reflect a Rate Year Level of Accumulated Depreciation on Test Year Plant	\$	(15.27)	(110.03)	Carr
To Reflect a 9.65 ROE and Cap Structure	\$	(12.63)	(90.99)	Elmes
To Reflect an Annual Level of Deferred Storm Cost Amortization	\$	(6.60)	(47.51)	Ababneh
To Reflect a Rate Year Level of Revenues	\$	(3.24)	(23.34)	Olario
To Reflect a Rate Year Level of Non-Labor Generation O&M	\$	(2.27)	(16.34)	Olario
To Reflect a Rate Year Level of Incentive Compensation	\$	(2.22)	(15.96)	Carr
To Reflect the Amortization of TCP Vegetation Management	\$	(1.46)	(10.50)	Olario
To Incorporate Riders in the Allowance for CWC	\$	(1.01)	(7.28)	Olario
To Reflect a Rate Year Level of AEPSC Umbrella Trust Plan	\$	(0.89)	(6.38)	Ababneh
To Reflect a Rate Year Level of ADIT	\$	(0.73)	(5.23)	Carr
To Reflect a Normal Level of Regulatory Expense	\$	(0.34)	(2.47)	Olario
To Reflect a Rate Year Level of Coal Inventory	\$	(0.25)	(1.82)	Ababneh
To Reflect a Rate Year Level of Proposed EV and Solar Program O&M	\$	(0.21)	(1.50)	Olario
To Adjust Lobbying Expense	\$	(0.01)	(0.10)	Olario
To Reflect Differences in Gross-Up Rate	\$	(0.00)	(0.03)	Olario
To Reflect a Rate Year Level of Capital Investment	\$	8.98	64.66	Carr
To Reflect a Rate Year Level of PJM Ancillary Services	\$	5.20	37.46	Ababneh
To Reflect Adjusted Rate Year Jurisdictional Factors	\$	1.92	13.81	Carr
To Reflect a Rate Year Level of Other Rate Base and Property Taxes	\$	0.20	1.41	Carr
To Reflect a Rate Year Level of Capacity Hosting Mapping Costs	\$	0.20	1.41	Ababneh
To Reflect CWC Effect of Adjustments Excluding Riders	\$	0.17	1.19	Olario
To Reflect a Rate Year Level of Labor and Labor Related Adjustments	\$	0.04	0.31	Ababneh
Other Accounting Adjustments	\$	0.31	2.22	Various
Staff Revenue Requirement	\$	(5.55)		Olario

1 **Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED REGULATORY**
2 **ACCOUNTING DEFERRAL TREATMENT FOR CERTAIN COSTS.**

3 **A.** The Company requests deferral or other unique regulatory treatment for a number of
4 elements in its going-forward cost of service. In general, Staff does not support the
5 broad use of trackers within base rates. Base rates provide utilities with the reasonable
6 opportunity to recover its Rate Year cost of service. Staff has considered each deferral
7 and other accounting requests, and its recommendations are summarized in Table 2
8 below.

260930154

Table 2 – List of Deferrals Requested by Company

<u>ISSUE</u>	<u>STAFF POSITION</u>	<u>COMPANY POSITION</u>	<u>STAFF WITNESS</u>
PJM ANCILLARY SERVICES	Staff recommends the Commission adopt Staff's adjustment to set a rate year level of PJM Ancillary Service costs. Staff proposes a "banded" deferral approach that allows the Company to defer any amounts that exceed or fall below the band set in this case, to be recovered from or credited to customers in future Biennial proceedings.	The Company proposes to leave PJM Ancillary Service costs at a test year level and to defer any amounts under or over that amount to be recovered from or credited to customers in future Biennial proceedings.	Ababneh
LIQSP	Staff does not oppose the cost caps proposed by the Company. Staff also recommends the Commission direct the Company to track any underspending using a regulatory liability and Staff does not support the recordation of a regulatory asset to be potentially recovered from customers in a future proceeding for cumulative overspending.	The Company proposes to cap spending at the levels set in this proceeding. The Company also proposes to defer as a regulatory liability any amount underspent for disposition in the Company's next biennial	Olario
EV PILOT PROGRAM	Staff recommends the Commission approve cost caps at the levels recommended by Staff. Staff also recommends the Commission direct the Company to track any underspending using a regulatory liability and Staff does not support the recordation of a regulatory asset to be potentially recovered from customers in a future proceeding for cumulative overspending.	The Company proposes to cap spending at the levels set in this proceeding. The Company also proposes to defer as a regulatory liability any amount underspent for disposition in the Company's next biennial	Olario
CAPACITY HOSTING MAP	Staff recommends the Commission adopt Staff's adjustments to include a rate year level of Rate Base and O&M costs for the development and annual maintenance of a Capacity Hosting Map.	The Company proposes to defer all O&M costs for its Capacity Hosting Map. The Company does not build in a level of Rate Base for its development of a Capacity Hosting Map.	Ababneh

260930154

VEGETATION MANAGEMENT RAC	Staff recommends that the Test Year level of vegetation management costs be removed from base rates and be recovered through a vegetation management RAC.	The Company proposes to recover vegetation management costs above or below the amounts established in base rates through a vegetation management RAC.	Olario
CCR ARO RECOVERY THROUGH E- RAC	Staff does not oppose the Company's alternative proposal to recover these costs through the E-RAC.	The Company proposes an adjustment to CCR AROs to be recovered through the E-RAC rather than through base rates.	Olario

DATA CENTER SALES AND REVENUE GROWTH

1 **Q. PLEASE SUMMARIZE THE DATA CENTER LOAD GROWTH THE**
2 **COMPANY IS EXPERIENCING.**

3 **A. The Company has contracted 540 MW of data center load related to two customers**
4 **with executed Electric Service Agreements (“ESA”) in its Virginia service territory.³**
5 **In addition, the Company states there are 36 potential customers with a potential**
6 **customer load of 24,881 MW.⁴ According to the Company, these 36 potential**
7 **customers are still in various stages of negotiation or inquiry with the Company.⁵**

³ See Direct Testimony of Company witness Castle at 4.

⁴ *Id.* at 5.

⁵ See Company's extraordinarily sensitive response to Staff Interrogatory No. 4-109 for the list of potential customers; Company's response to Staff Interrogatory No. 12-350; Direct Testimony of Company witness Castle at 4.

260930154

1 **Q. HOW DOES THE COMPANY FORECAST REVENUE GROWTH FOR DATA**
2 **CENTER CUSTOMERS FOR THE RATE YEAR?**

3 **A.** The Company incorporates the projected billing determinants associated with the load
4 additions of the two large load customers expected to take service and begin their load
5 ramp during the Rate Year in its calculation of its proposed Rate Year level of
6 revenues.⁶ The Company utilizes the load ramp as stated in the customers' ESAs for
7 the 2027 calendar year to calculate the projected billing determinants. The following is
8 an illustration of the Company's forecasting methodology for Rate Year revenues.

$$\begin{array}{ccccccc} \text{Revenue} & & & & & & \text{Forecasted} \\ \text{Growth} & & & & & & \text{kWh and} \\ \text{from New} & = & \text{Forecasted} & \times & \text{Current} & + & \text{kW Sales} \\ \text{Large Load} & & \text{Large Load} & & \text{Tariff Rates} & & \text{per Large} \\ \text{Customer} & & \text{Customer} & & & & \text{Load} \\ & & \text{Count} & & & & \text{Customer} \\ & & & & & & \\ & & & & & & \text{Current} \\ & & & & & & \text{Tariff} \\ & & & & & & \text{Rates} \end{array}$$

9 First, the Company calculates the forecasted kWh sales by [BEGIN
10 **CONFIDENTIAL]** [REDACTED]
11 [REDACTED]⁷
12 [REDACTED]⁸ [END
13 **CONFIDENTIAL]** The Company then multiplies the monthly kWh sales and KW for
14 calendar year 2027 by the current tariff rates.

⁶ See Direct Testimony of Company witness Walsh at 8. This is the first biennial review in which the Company projects revenue growth into the Rate Year.

⁷ See Company's confidential response to Staff Interrogatory No. 7-207 and Staff 7-207 Confidential Attachment 1.

⁸ See Company's extraordinarily sensitive response to Staff Interrogatory No. 4-108 for copies of the Company's executed ESAs.

260930154

1 **Q. PLEASE DISCUSS STAFF’S CALCULATION OF THE FORECASTED**
2 **REVENUES FOR THE RATE YEAR.**

3 **A.** Staff reviewed the ESAs and supporting calculations provided by the Company and
4 recommends one change to the calculation. The Company’s projected billing
5 determinants align with the 2027 calendar year, while the Rate Year begins March 1,
6 2027, and extends through February 2028. The Company’s projected billing
7 determinants are therefore understated to the extent that projected sales during the first
8 two months of 2028 (the last two months of the Rate Year) are greater than during the
9 first two months of 2027.

10 Staff updates the projected revenues to align with the Rate Year period ending
11 on March 1, 2028 and the load ramp as stated in the executed ESAs.⁹ As the monthly
12 aggregate capacity for the last two months of the Rate Year differs from the last two
13 months of calendar year 2027 for one of the data centers, the Company’s projection
14 understates the projected Rate Year revenues by \$3.24 million.¹⁰

15 Staff notes that the Company only forecasts the Rate Year revenues for two data
16 centers but does not propose forecasted growth adjustments for any other customers.
17 Despite this lack of comprehensive revenue growth adjustments, the Company
18 proposes adjustments to projected rate base growth.¹¹ This results in revenue
19 adjustments unsynchronized with the projected capital investments in the revenue

⁹ See Company’s extraordinarily sensitive response to Staff Interrogatory No. 4-108; Company’s confidential response to Staff Interrogatory No. 7-207; Staff 7-207 Confidential Attachment 1.

¹⁰ The update to revenues also increases fuel revenues, however, there’s an equal and off-setting increase to fuel expense, therefore it produces no margin.

¹¹ Staff witness Carr discusses Staff’s rate base adjustments in his testimony.

260930154

1 requirement calculation. The Company asserts that non-data center sales growth has
2 been historically flat and that fully projecting revenue would result in lower projected
3 sales (and a higher revenue requirement).¹² Staff reviewed the weather-normalized
4 billing determinants from the past five years and determined that the year-over-year
5 kWh sales has been flat to declining.¹³ As a result, Staff generally does not take issue
6 with the Company's methodology in calculating revenues except for the data center
7 revenue update discussed above. However, if the Company projects a Rate Year level
8 of capital investments in future proceedings, Staff recommends that the Company
9 synchronize projected capital investments with revenues.

10 **Q. DOES STAFF HAVE ANY OTHER RECOMMENDATIONS REGARDING**
11 **THE REVENUE ADJUSTMENTS?**

12 **A.** Yes. The Company RR-1 adjustment presents its annualization of billing determinants
13 to reflect year-end number of customers, usage levels, and annualized base rates as of
14 December 31, 2025 along with the forecasted billing determinants for the data
15 centers.¹⁴ In future biennial reviews, Staff recommends that the Company present its
16 customer growth projections separately from its annualization of billing determinants
17 for transparency reasons and to aid in Staff's review. If the Company projects revenue

¹² See Company response to Staff Interrogatory No. 6-168.

¹³ See Company response to Staff Interrogatory No. 1-39 and Staff 1-39 Attachment 1, and 10-307 and Staff 10-307 Attachment 1 Supplement.

¹⁴ See Direct Testimony of Company witness Walsh at 3.

260930154

1 growth due to additional customers in future proceedings, Staff would be better able to
2 analyze the synchronization of capital investments and revenues.

DISTRIBUTION EXPENSE

INTRODUCTION

3 **Q. WHAT ARE STAFF'S RECOMMENDATIONS CONCERNING**
4 **DISTRIBUTION EXPENSE?**

5 **A.** Staff proposes the following adjustments to vegetation management expenses:

- 6 1. Should the Commission approve the proposed variable cycle-based vegetation
7 management program, Staff recommends the costs be recovered through a VM
8 RAC. Staff's adjustment to Rate Year vegetation management expense decreases
9 expense, on a jurisdictional basis, by \$36.63 million, reflecting a removal of Test
10 Year Worst WPC expense and Test Year traditional vegetation management
11 expense.
- 12 2. Should the Commission deny approval of the proposed VMP, Staff recommends a
13 2025 Test Year level of WPC expense be removed from the Rate Year and a
14 normalized level of traditional vegetation management be incorporated. This
15 decreases distribution expense, on a jurisdictional basis, by \$20.64 million.
- 16 3. Staff increases inspections expense by \$383,000, on a jurisdictional basis,
17 reflecting a normal level of circuit, pole, and underground residential distribution
18 ("URD") inspections and a three-year average cost per inspection.
- 19 4. Staff generally does not oppose the Company's proposal to continue capitalizing,
20 for ratemaking purposes, certain costs related to vegetation management activities.

260930154

1 5. Consistent with the Commission’s final order from APCo’s 2024 biennial review
2 proceeding,¹⁵ Staff’s adjustment to amortize the deferred WPC Program costs
3 excludes deferred costs recorded in the Company’s books after the 2024 Final
4 Order date.

5 See the table below for the revenue requirement impacts of Staff’s recommendations:

Table 3: Revenue Requirement Impact of Staff’s Recommendations

Staff Recommendation No.	Description	Staff Juris. Adjustment	Impact to Revenue Requirement
1	Recovery of Proposed VMP in a VM Rider	\$ (36,632,353)	\$ (37,164,136)
3	To Reflect a Normal Level of Distribution Inspections	\$ 382,979	\$ 388,539
5	To Reflect an Annual Level of WPC Reg Asset Amortization	\$ 3,340,944	\$ (1,457,363)

Table 4: Revenue Req. Impact of Staff’s Alternative Recommendations

Staff Recommendation No.	Description	Staff Juris. Adjustment	Impact to Revenue Requirement
2	Alternative Recommendation: Removal of WPC from Rate Year and Normalization of Traditional Vegetation Management	\$ (20,643,531)	\$ (20,943,208)
3	To Reflect a Normal Level of Distribution Inspections	\$ 382,979	\$ 388,539
5	To Reflect an Annual Level of WPC Reg Asset Amortization	\$ 3,340,944	\$ (1,457,363)

¹⁵ See *Application of Appalachian Power Company, For a 2024 biennial review of its base rates terms and conditions pursuant to § 56-585.8 of the Code of Virginia*, Case No. PUR-2024-00024, 2024 S.C.C. Ann. Rept. 306, Final Order (Nov. 20, 2024) (“2024 Final Order”).

260930154

VARIABLE CYCLE-BASED VEGETATION MANAGEMENT PROGRAM

1 **Q. PLEASE SUMMARIZE THE COMPANY’S PROPOSAL TO IMPLEMENT A**
2 **VARIABLE CYCLE-BASED VEGETATION MANAGEMENT PROGRAM.**

3 **A.** The Company proposes implementing a VMP with two components: (1) three-phase
4 circuit miles and (2) one/two-phase circuit miles, whereby it will perform a ground-to-
5 sky clearing approach that would leave an overhang.¹⁶ The proposed VMP would
6 commence with a reclamation cycle in which the Company plans to address 3,335 miles
7 per year during the 8-year reclamation cycle.¹⁷

8 The proposed VMP is intended to replace the WPC Program, which will end in
9 2026, and the Company’s traditional vegetation management program.¹⁸ The Company
10 plans to budget the \$36.63 million of Test Year vegetation management for the
11 proposed VMP during the Rate Year.¹⁹ The Company also proposes establishing a Test
12 Year level of costs in base rates effective with the Commission final order in this
13 proceeding.²⁰ Should the Commission authorize the VMP, the Company intends to file
14 in 2027 for approval of a vegetation management RAC for recovery (or return) of costs
15 above or below the amount established in base rates.²¹

¹⁶ Staff witness Joshipura discusses the Company’s VMP in more detail.

¹⁷ See Company’s response to Staff Interrogatory Nos. 6-177, 7-210, 9-282, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1.

¹⁸ See Company response to Staff Interrogatory No. 13-378.

¹⁹ *Id.*

²⁰ *Id.*

²¹ See Direct Testimony of Company witness Castle at 17.

260930154

1 **Q. PLEASE SUMMARIZE THE COMPANY'S PROPOSED SPENDING LEVEL.**

2 **A.** The Company's forecasted O&M expense for the first year of the proposed VMP is
3 \$52.15 million, on a jurisdictional basis,²² which is \$15.52 higher than the Company's
4 Test Year level of cost for the WPC Program and traditional vegetation management
5 program combined. During the 2025 Test Year, the Company incurred \$15.81 million²³
6 related to traditional vegetation management and \$20.82²⁴ million related to the WPC.

7 The following is an illustration of the Company's forecasting methodology for
8 the proposed VMP.

$$\begin{array}{ccccccc} \textit{Total} & & & & & & \textit{Forecasted} \\ \textit{Spending for} & = & \textit{Estimated} & \times & \textit{Average Cost Per} & + & \textit{O\&M Related} \\ \textit{Proposed} & & \textit{Number of} & & \textit{Mile} & & \textit{to Other VMP} \\ \textit{VMP} & & \textit{Miles} & & & & \textit{Activities} \end{array}$$

9 To forecast the O&M expense related to the trimming and maintenance of trees, the
10 Company multiplies the 3,335 estimated number of miles²⁵ to be addressed annually
11 by the projected average cost per mile of \$14,764.²⁶ The Company also incorporates a

²² See Company's response to Staff Interrogatory Nos. 6-177, 7-210, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1. Staff applies distribution plant jurisdictional allocation factor to the Company's total forecasted O&M of \$55.2 million.

²³ See Company's response to Staff Interrogatory No. 9-281. Staff applies the distribution plant jurisdictional allocation factor to the Company's total O&M of \$16.75 million.

²⁴ See Company's response to Staff Interrogatory Nos. 6-171, 7-209, Staff 6-171 Attachment 1, and Staff 7-209 Attachment 1. Staff applies the distribution plant jurisdictional allocation factor to the Company's total O&M of \$22.05 million.

²⁵ See Company's response to Staff Interrogatory No. 6-177, 7-210, 9-282, 9-285, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1. The estimate of 3,335 miles is one-eighth of the total 26,684 miles of overhead distribution lines included in the proposed VMP. The Company plans on addressing the 26,684 miles during the 8-year reclamation cycle.

²⁶ See Company's response to Staff Interrogatory Nos. 6-177, 7-210, 9-285, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1.

260930154

1 forecast of \$6 million for O&M expense related to other vegetation management
2 activities.²⁷

3 **Q. DID STAFF REVIEW THE COMPANY'S TEST YEAR AND PROPOSED**
4 **VEGETATION MANAGEMENT SPENDING?**

5 **A.** Yes. Staff notes that the Company's projected average cost per mile of \$14,764 is
6 significantly lower than the 2025 Test Year costs per mile of \$41,771 and \$23,973 for
7 the traditional vegetation management program and WPC, respectively.²⁸

8 **Q. PLEASE DESCRIBE STAFF'S RECOMMENDATIONS REGARDING THE**
9 **PROPOSED VEGETATION MANAGEMENT PROGRAM.**

10 **A.** As discussed by Staff witness Joshipura, Staff generally does not oppose the
11 implementation of the proposed VMP from a reliability and technical perspective. If
12 the Commission approves implementation of the proposed VMP, Staff believes that it
13 is appropriate for the costs and the associated revenue requirement to be recovered
14 through a VM RAC pursuant to § 56-585.1 A 5 f, which allows a utility to petition the
15 Commission for approval of a vegetation management rate adjustment clause. Code §
16 56-585.1 A 5 f addresses RAC recovery of "[p]rojected and actual costs, not currently
17 in rates, for the utility to design, implement, and operate programs approved by the

²⁷ See Company's response to Staff Interrogatory Nos. 6-177, 7-210, 9-285, 10-310, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1.

²⁸ See Company's response to Staff Interrogatory Nos. 6-171, 7-209, 9-281, Staff 6-177 Confidential Attachment 1, and Staff 7-210 Attachment 1.

260930154

1 Commission that accelerate the vegetation management of distribution rights-of-way.”
2 To reflect RAC recovery, Staff removes a Test Year level of WPC and traditional
3 vegetation management O&M of \$36.63 million from base rates. Removing the Test
4 Year level of vegetation management costs ensures that these costs will not be in base
5 rates effective March 1, 2027. The actual VMP costs and revenues recovered through
6 VM RAC will be reviewed in future proceedings.

7 **Q. DOES STAFF HAVE AN ALTERNATIVE RECOMMENDATION**
8 **REGARDING THE PROPOSED VMP?**

9 **A.** Yes. If the Commission rejects the proposed VMP, Staff proposes an alternative
10 adjustment to remove the Test Year level of WPC expense and instead incorporate a
11 normal level of traditional vegetation management cost during the Rate Year. The WPC
12 was approved as a three-year program, and there will be no planned circuits during the
13 Rate Year.²⁹ Staff’s normalization of traditional vegetation management cost is
14 discussed further in my testimony. See Table 5 for the revenue requirement impact of
15 Staff’s alternative recommendation.

²⁹ Company response to Staff Interrogatory No. 6-176.

260930154

Table 5: Revenue Requirement Impact of Alternative VMP Adjustment³⁰

Description	Amount
Juris Adjustment to Remove a Test Year Level of WPC O&M	\$ (20,818,427)
Juris Adjustment to Normalize Traditional VMP	\$ 174,895
Jurisdictional Amount for Staff's Alternative VMP Adjustment	\$ (20,643,531)
1-Effective Tax Rate	76.68%
Net of Taxes	\$ (15,829,559)
Revenue Conversion Factor	75.58%
Revenue Requirement Impact VMP Alternative Adjustment	\$ (20,943,208)

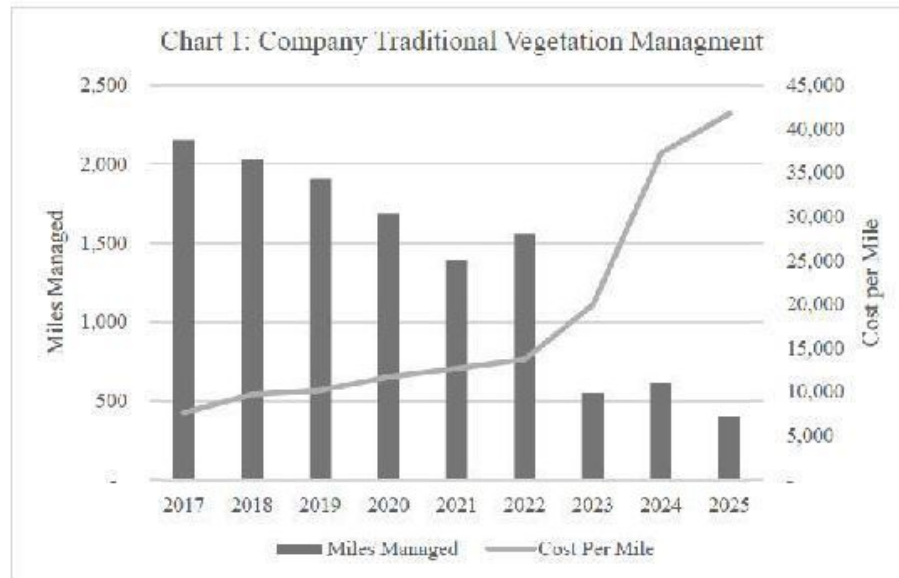
TRADITIONAL VEGETATION MANAGEMENT PROGRAM

- 1 **Q. PLEASE PROVIDE A BRIEF SUMMARY OF THE COMPANY'S**
2 **TRADITIONAL VEGETATION MANAGEMENT PROGRAM.**
- 3 **A.** APCo maintains a traditional vegetation management program that includes service
4 restoration and proactive trimming of problem areas throughout its distribution system.
5 The Company historically trimmed around 1,700 miles per year but saw steep declines
6 from 2023 – 2025. The following chart shows total miles managed and cost per mile
7 from 2017 – 2023 for APCo's Virginia service territory.³¹

³⁰ See also Staff's workpapers in Appendix A.

³¹ See Company's response to Staff Interrogatory No. 9-281 for the O&M expense and number of miles for 2024 and 2025 and Company's Response to OAG Interrogatory No. 3-46 and Staff's workpapers in the 2024 Biennial for the information from 2017 through 2022.

260930154



- 1 Q. PLEASE DISCUSS HOW STAFF NORMALIZES THE TRADITIONAL
2 VEGETATION MANAGEMENT PROGRAM O&M EXPENSE?
- 3 A. If the Commission does not approve of the proposed VMP, Staff recommends
4 normalizing the traditional vegetation management by utilizing an average cost per
5 mile from the most recent three-year period and normalizing the miles trimmed to
6 reflect the average from the most recent three-year period. Staff supports using the most
7 recent three-year average cost per mile and number of miles as the most reasonably
8 predictive Rate Year cost per mile and number of miles. The average cost per mile from
9 2023 – 2025 is \$32,340 and three-year average number of miles addressed is 524
10 miles.³⁹ Traditional vegetation management activities are billed on a time and materials
11 basis and can vary significantly based on location and type of activity required to trim

³⁹ See Company witness Baker's testimony at 3. According to Company witness Baker, the Company addresses approximately 500 right-of-way miles each year.

260930154

1 a given circuit. Using a three-year average smooths these fluctuations while utilizing
2 the most recent information available. Using Staff's recommended mileage and cost
3 per mile results in a jurisdictional revenue requirement impact of \$177,000

INSPECTIONS EXPENSE

4 **Q. PLEASE EXPLAIN HOW STAFF DEVELOPED ITS RATE YEAR**
5 **INSPECTIONS EXPENSE ADJUSTMENT.**

6 **A.** Staff's adjustment increases Test Year inspections expense by \$383,000 to reflect a
7 normalized level of costs.³³ Staff normalizes costs by multiplying the three-year
8 average of inspections of circuits, poles, and underground installation by a three-year
9 average of cost per inspection to arrive at a reasonably predicted to occur Rate Year
10 level.³⁴

CAPITALIZATION OF ROW

11 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S PROPOSAL TO**
12 **CAPITALIZE CERTAIN COSTS RELATED TO VEGETATION**
13 **MANAGEMENT ACTIVITIES.**

14 **A.** As a result of a FERC audit of an APCo affiliate which determined that the affiliate's
15 vegetation management policy was not consistent with FERC accounting regulations,

³³ The proposed VMP does not include inspections. Thus, Staff recommends approval of a normalized level of inspections expense regardless of whether the Commission approves the VMP.

³⁴ Staff notes that the Company did not propose a ratemaking adjustment for inspections expense, but the Company did perform inspections in 2023, 2024, 2025, and 2026. See Company responses to Staff Interrogatory No. 6-174 for 2024-2026 and see Staff's inspection expense adjustment in the 2024 Biennial Review.

260930154

1 all AEP operating companies have stopped capitalizing costs that are not associated
2 with original clearing of land and right-of-way. APCo states it has historically
3 capitalized these costs because they extended the lives and improved the efficiency of
4 transmission and distribution assets.³⁵ Therefore, the Company requests Commission
5 approval to continue this practice of capitalizing certain vegetation management costs
6 in FERC Plant Account 365 and continue using the currently authorized depreciation
7 rate for Account 365.³⁶

8 **Q. DOES STAFF HAVE ANY RECOMMENDATIONS REGARDING THE**
9 **COMPANY'S PROPOSAL TO CAPITALIZE CERTAIN VEGETATION**
10 **MANAGEMENT ACTIVITIES?**

11 **A.** Yes, Staff reviewed the Company's capitalization policy regarding certain vegetation
12 management activities³⁷ and generally does not take issue with continuing the
13 Company's capitalization policy of recording costs in FERC Plant Account 365 and
14 continuing the use of the currently authorized depreciation rates for Account 365. Staff
15 will continue to review vegetation management costs to ensure they are being
16 appropriately accounted for.

³⁵ See Direct Testimony of Company witness Allen at 69.

³⁶ See Company witness Castle's direct testimony at 15; Company witness Allen's direct testimony at 68-71. See also FERC Docket No. FA24-2-000.

³⁷ See Company's response to OAG Interrogatory No. 3-44.

260930154

AMORTIZATION OF WPC REGULATORY ASSET

1 **Q. PLEASE EXPLAIN THE COMPANY’S PROPOSED AMORTIZATION OF**
2 **ITS WPC UNDER -RECOVERY REGULATORY ASSET BALANCE.**

3 **A.** The Company proposes to amortize its WPC regulatory asset balance as of December
4 31, 2024 over a two-year period beginning March 1, 2027. The WPC regulatory asset
5 was ordered by the approval of the 2023 Stipulation, “to address cost over- and under-
6 runs.”³⁸ In the 2024 Final Order, the Commission found that it was reasonable to
7 continue the WPC Pilot Program “without any deferred accounting related thereto, and
8 at the expense recommended by Staff.”³⁹ The Commission’s 2024 Final Order was
9 entered on November 20, 2024. The Company’s WPC regulatory asset includes
10 deferrals through the end of December 31, 2024.

11 **Q. PLEASE DISCUSS STAFF'S ADJUSTMENT TO REFLECT AMORTIZATION**
12 **OF THE WPC REGULATORY ASSET.**

13 **A.** The 2024 Final Order is clear that the WPC Pilot Program could continue, but without
14 any deferral accounting. Staff’s adjustment excludes any deferred accounting related
15 to the WPC Pilot Program as of the 2024 Final Order date of November 20, 2024.
16 Staff’s WPC Regulatory Asset amortization aligns with the requirements of the 2024
17 Final Order. Staff’s adjustment is \$1.46 million less than the Company’s proposed
18 adjustment.

³⁸ 2023 Stipulation at 2. *See Application of Appalachian Power Company for a 2023 triennial review of its rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2023-00002, Doc. Con. Cen. No. 230830215, Motion to Accept Stipulation and Stipulation (Aug. 22, 2023) (“2023 Stipulation”)

³⁹ *See* 2024 Final Order at 310.

260930154

SUMMARY OF RECOMMENDATIONS

1 **Q. PLEASE SUMMARIZE STAFF’S RECOMMENDATIONS REGARDING**
2 **DISTRIBUTION EXPENSE.**

3 **A.** Staff proposes the following adjustments to vegetation management expenses:

- 4 1. Should the Commission authorize approval of the proposed variable cycle-based
5 VMP, Staff recommends the costs be recovered in a future VM RAC. Staff’s
6 adjustment to Rate Year vegetation management expense decreases expense, on a
7 jurisdictional basis, by \$36.63 million, reflecting a removal of Test Year WPC
8 Program and Test Year traditional vegetation management expense.
- 9 2. Should the Commission deny approval of the proposed VMP, Staff recommends a
10 2025 Test Year level of WPC expense be removed from the Rate Year and normal
11 level of traditional vegetation management be incorporated. This decreases
12 distribution expense, on a jurisdictional basis, by \$20.64 million.
- 13 3. Staff increases inspections expense by \$383,000, on a jurisdictional basis,
14 reflecting a normal level of circuit, pole, and URD inspections and a three-year
15 average cost per inspection.
- 16 4. Staff generally does not oppose the Company’s proposal to capitalize certain
17 vegetation management related activities.
- 18 5. Consistent with the Commission’s Final Order from the 2024 Biennial, Staff’s
19 adjustment to amortize the deferred WPC Program costs excludes deferred costs
20 recorded in the Company’s books after the final order date.

260930154

NON-LABOR GENERATION STATION O&M

1 **Q. PLEASE EXPLAIN STAFF'S RATE YEAR ADJUSTMENT TO NON-LABOR**
2 **GENERATING STATION O&M EXPENSE?**

3 **A.** Staff's adjustment to non-labor generating station expense is a \$2.24 million reduction
4 from the Company's projected amount of \$12.31 million. Both Staff and the Company
5 rely on the Company's 2027 and 2028 budgets for generating station O&M expense,
6 but Staff makes three adjustments to the forecast to produce a Rate Year level of
7 expense that is reasonably predicted to occur.

8 First, Staff reviewed the Company's projections as well as its historical budget-
9 to-actual spending and applies an actual-to-budget ratio to the Company's forecasted
10 Rate Year cost. The Company's actual spend was below the budgeted level for two of
11 the three years between 2023 and 2025.⁴⁰ The following table summarizes the budgeted
12 to actual amounts for the previous three years:

Table 6: Budget vs Actuals Over/(Under) Spending

Description	2023	2024	2025	3-Year Average
Actuals	\$ 107,088,095	\$ 104,659,932	\$ 104,310,123	\$ 105,352,717
Budget	\$ 112,661,110	\$ 103,372,932	\$ 115,515,948	\$ 110,516,663
Budget to Actuals Spend	\$ (5,573,015)	\$ 1,287,000	\$ (11,205,825)	\$ (5,163,947)
Budget to Actuals %	95.05%	101.25%	90.30%	95.53%

13 Staff calculates an actuals-to-budget ratio of 95.53% and applies this ratio to
14 the Company's projected Rate Year non-labor generating station O&M expense. As
15 shown above, the Company has historically over-forecasted in the last three years. Staff

⁴⁰ See Company response to Staff Interrogatory No. 9-283 and Staff 9-283 Attachment 1.

260930154

1 believes that this trend is reasonably predicted to occur during the Rate Year. This
2 results in a decrease of \$2.24 million.

3 Second, the Company's budgeting practices tend to allocate all budgeted
4 expense to a single account rather than try to project amounts for each individual
5 expense account.⁴¹ Because some accounts are allocated to Virginia jurisdictional
6 customers on a demand basis while others are allocated on an energy basis, the
7 distribution of expense between the various O&M expense accounts can have a
8 material impact on cost of service for Virginia jurisdictional customers. Staff projects
9 total expense for each generating plant category, then allocates it to individual accounts
10 based on the test period distribution. This change increases Rate Year expense by
11 approximately \$509,000.

12 Lastly, as the Company's proposed adjustment incorporates costs beyond the
13 Rate Year, Staff applies a weighted average to the 2027 and 2028 projected level of
14 costs instead of the simple average utilized by the Company.⁴² Consistent with
15 Commission precedent from Case No. PUE-2009-00019, Staff's adjustment properly
16 excludes costs beyond the Rate Year in this proceeding.⁴³ This change reduces Rate
17 Year expense by approximately \$3,000.

⁴¹ For example, the Company budgets all hydro maintenance expense to account 544 - Maintenance of Electric Plant. During the Test Year, the Company recorded hydro maintenance expense to five different expense accounts.

⁴² As 10 months of 2028 is beyond the rate year, Staff applies a weighted average of 10/12 to the 2027 budget and 2/12 to the 2028 budget.

⁴³ See *Application of Virginia Electric and Power Company, For a 2009 statutory review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2009-00019, Order on Consumer Counsel's Motion In Limine (June 29, 2009). In that proceeding, the Commission determined that, under Code § 56-235.2, a "rate year" is the twelve months following the effective date of new rates.

260930154

CASH WORKING CAPITAL

1 **Q. PLEASE DISCUSS STAFF’S RECOMMENDATIONS REGARDING THE**
2 **CASH WORKING CAPITAL (“CWC”) RESULTS FROM THE LEAD/LAG**
3 **STUDY.**

4 **A.** Staff’s adjustment to CWC decreases rate base by \$125.01 million for the Rate Year.
5 This decreases Staff’s jurisdictional revenue requirement by \$845,000 as compared to
6 the Company. As a result of Staff’s audit of the Company’s lead/lag study, Staff’s CWC
7 balance differs from the Company’s primarily because Staff incorporates an allowance
8 for CWC associated with its generation and distribution riders. Staff’s incorporation of
9 an allowance for CWC associated with its generation and distribution riders reduces
10 the revenue requirement by \$1.01 million.⁴⁴

11 **Q. PLEASE DISCUSS THE LEAD/LAG STUDY PROPOSED BY THE**
12 **COMPANY IN THIS PROCEEDING.**

13 **A.** For ratemaking purposes, CWC is the amount of investor-supplied funds used to sustain
14 the ongoing operations of the regulated utility.⁴⁵ CWC can either increase or decrease

⁴⁴ Because CWC reflects the cash effects of the Company’s Rate Year cost of service, any differences between Staff and Company expense adjustments will also generate a difference in Rate Year CWC.

⁴⁵ The purpose of CWC is to convert the Company’s accrual basis of accounting to a cash basis of accounting by recognizing an allowance for cash needed or provided for ongoing operations for purposes of calculating the Company’s rate base. The CWC is calculated through the lead/lag study, which consists of the income portion statement and BSA. The income statement portion of the lead/lag study applies the net lead/lag days to the various expense components of the Company’s cost of service. The net lead/lag days are the net of the revenue lag and expense lead days. The revenue lag measures the average period of time in days between when the Company provides service and then receives cash payment from its customers. The expense lead measures the average period of time in days between when the Company records an expense for a service and pays for that service. Expense lead days are calculated individually for certain expenses in the income statement (e.g., payroll, interest, etc.). Other items receive zero expense lead days (e.g., depreciation, deferred taxes, etc.), or the expense lead is

260930154

1 rate base depending upon the sources and uses of cash calculated in the lead/lag study.
2 Consistent with previous cases, the Company has calculated the provision for the CWC
3 using a lead/lag study.⁴⁶ The Company has historically excluded an allowance for CWC
4 in its generation and distribution riders.⁴⁷

5 **Q. PLEASE EXPLAIN WHY STAFF INCORPORATES AN ALLOWANCE FOR**
6 **CWC ASSOCIATED WITH THE COMPANY'S GENERATION AND**
7 **DISTRIBUTION RIDERS IN BASE RATES?**

8 **A.** Consistent with Staff Testimony in the most recent Dominion Energy Biennial
9 proceeding⁴⁸ and 2024 Rider DIST and Rider RBB proceedings,⁴⁹ Staff believes it is

set to equal the revenue lag for items that receive zero CWC (e.g., regulatory assets, common equity, etc.). The CWC allowance for each item is the product of the average daily amounts and the net lead/lag days. The balance sheet analysis incorporates sources or requirements of CWC that are not already included elsewhere.

⁴⁶ See 20VAC5-204-90. The Company is required to file a complete lead/lag study every five years. The Company last filed a complete lead/lag study in the 2023 Triennial Review (as defined below). In accordance with the Rate Case Rules, Company reviewed the revenue lag and the BSA. The Company updates the BSA balances through December 2025 and does not update the revenue lag. Staff does not oppose the revenue lag utilized by the Company in the lead/lag study. *See Application of Appalachian Power Company, For a 2023 triennial review of its base rates, terms and conditions pursuant to § 56-585.1 of the Code of Virginia*, Case No. PUR-2023-00002, 2023 S.C.C. Ann. Rept. 356, Final Order (Nov. 30, 2023) ("2023 Triennial Review").

⁴⁷ See Company response to Staff Interrogatory No. 11-338.

⁴⁸ In Case No. PUR-2025-00058, Staff was generally supportive of Dominion Energy's proposal to recover cash working capital associated with its generation riders, excluding Rider OSW, through base rates. In its November 25, 2025, Final Order, the Commission approved Dominion Energy's proposal to recover generation rate adjustment clause-related CWC in base rates (excluding Rider OSW). *See Application of Virginia Electric Power and Company, For a 2025 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUR-2025-00058, 2025 S.C.C. Ann. Rept. 527, Final Order (Nov. 25, 2025).

⁴⁹ In Case Nos. PUR-2024-00137 and PUR-2024-00180, Staff was generally supportive of the Dominion Energy's proposals to recover cash working capital associated with its distribution riders, Rider DIST and Rider RBB, through base rates. In its March 26, 2025 Final Order in Case No. PUR-2024-00180, the Commission approved the Dominion Energy's proposal to remove cash working capital from Rider RBB, subject to true-up. In its April 1, 2025, Final Order in Case No. PUR-2024-00137, the Commission approved Dominion Energy's proposal to

260930154

1 appropriate for the Company to recover the allowance for CWC associated with the
2 Company's generation and distribution riders in base rates. The allowance for cash
3 needed or provided for the Company's ongoing operations should be included in rate
4 base so the Company is provided the opportunity to earn a return if the lead/lag study
5 determines that an allowance for cash is needed or reduce the return if the lead/lag
6 study determines that an allowance for cash is provided by the Company's ongoing
7 operations.

8 The Company asserts that "determining cash working capital attributable to
9 individual rate adjustment clauses would be resource intensive."⁵⁰ The Company also
10 asserts that "[t]he Commission has always treated cash working capital as a base rate
11 item for the Company."⁵¹ Currently, the allowance for CWC associated with generation
12 and distribution riders is not being recovered in either base rates or RACs. Staff
13 believes that including rider-related CWC in base rates produces a reasonable result for
14 ratemaking that is significantly less complex than calculating CWC in various riders.

remove cash working capital from Rider DIST, subject to true-up. *See Petition of Virginia Electric and Power Company, For approval of new broadband capacity projects pursuant to § 56-585.1:9 of the Code of Virginia and for revision of rate adjustment clause: Rider RBB for the Rate Year commencing May 1, 2025*, Case No. PUR-2024-00180, 2025 S.C.C. Ann Rept. 324, 325-26, Final Order (Mar. 26, 2025). *See also Petition of Virginia Electric and Power Company, For approval of a rate adjustment clause, designated Rider DIST, under § 56-585.1:9 of the Code of Virginia and the consolidation of Riders GT and U pursuant to § 56-585.1 A 7 of the Code of Virginia*, Case No. PUR-2024-00137, 2025 S.C.C. Ann Rept. 268, Final Order (May 1, 2025).

⁵⁰ Company response to Staff Interrogatory No. 11-338.

⁵¹ *Id.*

260930154

1 **Q. DOES STAFF HAVE OTHER RECOMMENDATIONS REGARDING**
2 **PAYROLL AND INCENTIVE COMPENSATION IN THE LEAD/LAG**
3 **STUDY?**

4 **A.** Yes, Staff recommends that the Commission direct the Company to present payroll and
5 incentive compensation as separate line items in the income statement portion of the
6 lead/lag study in the next base rate proceeding. The payroll expense (excluding
7 incentive compensation) lead is 28.75 days, and the incentive compensation lead is
8 247.00 days.⁵² Since payroll is typically paid bi-weekly and incentive compensation is
9 paid once a year, the resulting expense lead days are significantly different. For this
10 reason, Staff believes it is appropriate to present these expenses as separate components
11 in the lead/lag study.

12 **Q. DOES STAFF HAVE OTHER RECOMMENDATIONS RELATED TO THE**
13 **LEAD/LAG STUDY?**

14 **A.** Yes. Staff's lead/lag study incorporates zero net lead/lag days for regulatory asset
15 amortization while the Company's lead/lag study provides the full revenue lag days of
16 1.45.⁵³ Staff provides zero allowance on CWC for regulatory asset amortization as
17 regulatory assets are not typically afforded a rate of return in rate base.

⁵² Lead/lag days were last updated in APCo's 2023 Triennial Review. The revenue lag days of 1.45 reflects the Company's accounts receivables factoring process which reduces the revenue lag.

⁵³ Such general practice to exclude regulatory assets from rate base is part of the balancing of interests in that, while a regulatory asset is a benefit not available to non-regulated entities, customers should not be required to pay a return on such balances. As stated by the Commission in its December 18, 2003, Final Order in Case No. PUE-2002-00364 regarding Washington Gas Light's reserve deficiency regulatory asset, "[t]he Commission acknowledges that it is unusual to allow a utility to earn a return on the unamortized balance of a regulatory asset,

260930154

1 **Q. PLEASE SUMMARIZE STAFF’S RECOMMENDATIONS RELATED TO**
2 **CWC AND THE LEAD/LAG STUDY.**

3 **A. Staff makes the following recommendations related to CWC:**
4 1. Staff adjusts CWC to include the impact of the Company’s RACs.
5 2. In the next biennial review, Staff recommends the Commission order the Company
6 to present payroll and incentive compensation as separate items in the lead/lag
7 study.
8 3. Staff incorporates zero net lead/lag days for regulatory asset amortization.

EV AND LIQSP PROGRAMS

EV PILOT PROGRAM

9 **Q. PLEASE SUMMARIZE THE COMPANY’S PROPOSAL REGARDING THE**
10 **EV PILOT PROGRAM.**

11 **A. The Company is proposing to implement an EV Pilot Program with two pathways. The**
12 first pathway is the Managed Charging Pilot Program in which the Company will issue
13 incentives to enrolled customers who own, lease, or regularly charge an electric vehicle
14 at their residence. The second pathway is the Commercial Rebate Pilot Program in
15 which the Company will issue rebates to customers who install qualifying chargers or

but we find that the unique aspects of this proceeding warrant such result in this instance.” *Application of Washington Gas Light Company and Shenandoah Gas Division of Washington Gas Light Company, For general increase in natural gas rates and charges and approval of performance-based rate regulation methodology pursuant to Va. Code § 56-235.6*, Case No. PUE-2002-00364, 2003 S.C.C. Ann. Rept. 383, 389, Final Order (Dec. 18, 2003).

260930154

1 charging infrastructure. The Company expects to launch the pilot programs in early
2 2027.⁵⁴

3 As part of its requested Rate Year revenue requirement in this proceeding, the
4 Company includes a jurisdictional adjustment of \$1.67 million related to the proposed
5 EV pilot programs. In its Application, Company witness Castle states that “the
6 Company proposes to cap the spending at the levels in the proposals and defer as a
7 regulatory liability any amount underspent for disposition in the Company’s next
8 Biennial.⁵⁵

9 **Q. PLEASE DISCUSS THE LEVEL OF COST SUPPORT PROVIDED BY THE**
10 **COMPANY.**

11 **A.** The Company identified the implementation vendors selected through an RFP
12 Process.⁵⁶ The Company provided the basis for the incentives and rebates and the
13 underlying calculations and assumptions utilized by the Company to calculate the
14 annual program budgets for 2027 through 2030.⁵⁷ If the Commission approves the pilot
15 program, the Company will work with the selected implementation vendors to develop
16 the contract terms.⁵⁸

⁵⁴ Staff witness Glattfelder discusses the EV Pilot Program in more detail.

⁵⁵ See Direct Testimony of Company witness Castle at 18.

⁵⁶ Company response to Staff Interrogatory No. 10-322 and Staff 10-326 Attachment 2 and 3.

⁵⁷ Company response to Staff Interrogatory No. 1-44, Staff Attachment 1 and 2, Staff Interrogatory No. 10-326 and Staff 10-326 Attachments 1, 2, and 3. Staff witness Glattfelder discuss the EV Pilot Program further in his testimony.

⁵⁸ Company response to Staff Interrogatory No. 9-286 and Sierra Club No. 2-12.

260930154

1 **Q. WHAT ARE STAFF'S RECOMMENDATIONS REGARDING THE**
2 **COMPANY'S EV PILOT PROGRAM?**

3 **A.** Staff's EV Pilot Program adjustment relies on the Company's forecast, which includes
4 the incentive and rebate levels and the number of customers as the basis for its Rate
5 Year level of costs.⁵⁹ However, Staff's Rate Year level of costs excludes internal labor
6 costs, because those are already adjusted to a Rate Year level in the labor adjustments.⁶⁰
7 In response to Staff interrogatories, the Company identified internal labor costs in the
8 budget and recommended the internal labor costs to be reallocated to the incentives and
9 rebates budgets.⁶¹ Due to the fact the Company does not yet have detailed support such
10 as updated number of qualifying customers for both pathways, Staff has concerns on
11 whether this reallocation of costs, which increases incentives and rebates beyond the
12 levels supported by the underlying customer projections, are reasonably predicted to
13 occur during the Rate Year. Staff recommends removing internal labor from the EV
14 Pilot Program adjustment without increasing other cost categories. This results in a
15 \$114,000 reduction to the EV Pilot Program adjustment.

⁵⁹ Staff reviewed the Company's projected costs and incentive and rebate levels and generally does not take issues with the Company's proposal except for the differences previously discussed. Staff witness Glattfelder discusses the program including incentive and rebate levels further in his testimony. Staff witness Glattfelder discusses cost recovery in base rates further in his testimony.

⁶⁰ Staff witness Ababneh discusses the payroll and related adjustments in his testimony.

⁶¹ Company response to Staff Interrogatory No. 10-326, Staff 10-326 Attachment No. 1, and Company response to Staff Interrogatory 13-376 and Staff 13-376 Attachment 1.

260930154

1 After reviewing the Company's projections, Staff does not take issue with them
2 at this time outside of those differences previously discussed. Staff has prepared tables
3 showing the annual level program expenses by year:

Table 7: Managed Charging Pilot Program Budget

Managed Charging Pilot	2027	2028	2029	2030	Total
Staff Annual Level of Program Expenses	\$ 452,243	\$ 537,493	\$ 726,303	\$1,144,739	\$ 2,860,778
Company Annual Level of Program Expenses	\$ 507,574	\$ 594,551	\$ 785,290	\$1,205,789	\$ 3,093,204
Difference due to Removal of Internal Labor Expenses	\$ (55,331)	\$ (57,058)	\$ (58,987)	\$ (61,050)	\$ (232,426)

Table 8: EV Charger Rebate Pilot Program Budget

EV Charger Rebate Pilot	2027	2028	2029	2030	Total
Staff Annual Level of Program Expenses	\$1,177,021	\$ 847,142	\$ 860,589	\$ 874,015	\$ 3,758,767
Company Annual Level of Program Expenses	\$1,232,352	\$ 904,200	\$ 919,576	\$ 935,065	\$ 3,991,193
Difference due to Removal of Internal Labor Expenses	\$ (55,331)	\$ (57,058)	\$ (58,987)	\$ (61,050)	\$ (232,426)

4 Staff recommends the Commission approve the cost caps at the levels presented
5 by Staff in the tables above. Staff will review actuals as they are incurred in the next
6 proceeding.

7 Staff also recommends the Commission direct the Company to track any
8 underspending, by year, using a regulatory liability.⁶² To the extent that the Company's

⁶² See Company's response to Staff Interrogatory 13-377. The Company states that all costs related to the pilot programs will be associated with a unique project and workorder identifiers. The Company also states that the Company will record the costs incurred above and below the monthly average of the costs built into base rates in a monthly calculation of the over or under recovery of costs.

260930154

1 actual costs fall below amounts for the program included in this proceeding, such
2 cumulative underspending would be captured in a regulatory liability and returned to
3 customers in APCo's next biennial proceeding. Staff does not oppose the Company
4 using reasonable and prudent spending beyond the cost cap in a given year as an offset
5 to underspending in a prior year in the computation of its recommended regulatory
6 liability. However, Staff does not support the recordation of a regulatory asset to
7 potentially be recovered from customers in a future proceeding for cumulative
8 overspending.

LIQSP

9 **Q. PLEASE SUMMARIZE THE COMPANY'S LOW INCOME QUALIFYING**
10 **SOLAR PHOTOVOLTAIC ("PV") PROGRAM ("LIQSP").**

11 **A.** The Company proposes to implement LIQSP whereby it will provide fully funded,
12 small-scale residential solar PV systems to eligible single-family homes within the
13 Company's service territory. The Company proposes to recover two years of the three-
14 year program budget over a two-year period. The Company is proposing a jurisdictional
15 adjustment of \$4.85 million.

16 The Company also proposes to cap spending levels, as Company witness Castle
17 asserts "[b]ecause the spending on [the] programs and the interest in them can be
18 unpredictable, the Company proposes to cap the spending at the levels in the proposals

260930154

1 and defer as a regulatory liability any amount underspent for disposition in the
2 Company's next Biennial."⁶³

3 **Q. PLEASE DISCUSS THE LEVEL OF COST SUPPORT PROVIDED BY THE**
4 **COMPANY.**

5 **A.** The Company identified Community Housing Partners as the implementation vendor
6 for the program.⁶⁴ The Company provided the basis for the incentives and the
7 underlying calculations and assumptions utilized by the Company to calculate the
8 annual program budgets for Year 1 through 3.⁶⁵ If the Commission approves the
9 LIQSP, the Company will work with the selected implementation vendor to develop a
10 contract.⁶⁶ Staff witness Rafferty discusses the program, including the incentive levels,
11 further in his testimony.

12 **Q. WHAT IS STAFF'S RECOMMENDATION REGARDING THE COMPANY'S**
13 **LIQSP?**

14 **A.** Staff's LIQSP adjustment is lower than the Company's proposed adjustment by
15 \$72,0000. Staff's adjustment only incorporates the Company's forecast for Year 1 as

⁶³ Direct Testimony of Company witness Castle at 18.

⁶⁴ See Direct Testimony of Company witness Johannessen at 4.

⁶⁵ Company response to Staff Interrogatory No. 1-44, Staff 1-44 Attachment 3 and Staff Interrogatory No. 10-315 and Staff 10-315 Attachment 1.

⁶⁶ Company response to Staff Interrogatory No. 9-287.

260930154

1 the basis for its Rate Year level of costs,⁶⁷ while the Company utilizes the average of
2 Year 1 and Year 2 forecast. As the Company expects to start in early 2027, the costs
3 related to Year 2 of the program are anticipated to be incurred after the Rate Year end
4 date. As previously discussed in Staff's proposed adjustment to non-labor generation
5 station O&M expense, Staff's adjustment is consistent with Commission precedent
6 from Case No. PUE-2009-00019 and properly excludes costs beyond the Rate Year in
7 this proceeding.

8 After reviewing the Company's projections, Staff does not take issue with them
9 at this time. Please see the tables below for the Company's proposed annual level of
10 expenses.

Table 9: LIQSP⁶⁸

Income Qualified Solar Program	Year 1	Year 2	Year 3	Total
Annual Level of Program Expenses	\$5,000,000	\$5,150,000	\$5,304,500	\$15,454,500

11 Staff recommends the Commission approve the cost caps at the levels as
12 presented in the tables above.⁶⁹ Staff will review actuals as they are incurred in the next
13 proceeding.

⁶⁷ Staff reviewed the Company's projected costs and generally does not take issue with the Company's proposal in this proceeding. Staff witness Glattfelder discusses cost recovery in base rates further in his testimony.

⁶⁸ Code § 56-585.1:18 states that "[f]or the first year, each Phase I Utility shall operate such program at an amount of \$5 million, and the Phase I Utility shall continue the pilot program at increased levels of funding each year, with the first year's amount adjusted by the larger of (i) the percentage of change in the Consumer Price Index for All Urban Customers, or (ii) the Phase I Utility's 15-year compound annual growth rate as reported in the most recent integrated resource plan filed pursuant to § 56-599. Such funding shall be incremental to existing programs or funding streams targeted at low-income, elderly, and disabled individuals by the Phase I Utility." Staff witness Rafferty discusses the program budget and costs in his testimony.

⁶⁹ See Company's response to Staff 14-398 and <https://www.bls.gov/opub/ted/2026/consumer-price-index-2025-in-review.htm>. The Company uses a 3% inflation factor to escalate the costs which is consistent with the 2025 CPI of 2.7%. Staff witness Rafferty discusses the cost considerations for Year 2 and 3 further in his testimony.

260930154

1 Staff also recommends the Commission direct the Company to track any
2 under-spending, by year, using a regulatory liability.⁷⁰ To the extent that the
3 Company's actual costs fall below amounts for the program included in this
4 proceeding, such cumulative underspending would be captured in a regulatory liability
5 to potentially be returned to customers in APCo's next biennial proceeding. Staff does
6 not oppose the Company using reasonable and prudent spending beyond the cost cap
7 in a given year as an offset to underspending in a prior year in the computation of its
8 recommended regulatory liability. However, Staff does not support the recordation of
9 a regulatory asset to potentially be recovered from customers in a future proceeding for
10 cumulative overspending.

CCR AROs

11 **Q. HAS STAFF REVIEWED THE COMPANY'S PROPOSAL TO RECOVER**
12 **CERTAIN ARO COSTS THROUGH THE E-RAC?**

13 **A.** Yes. Company witness Castle proposes that costs associated with the U.S.
14 Environmental Protection Agency's 2024 expansion of its CCR rules be recovered
15 through the Company's environmental regulation compliance recovery mechanism,
16 known as the E-RAC, rather than through base rates. Company witness Spitznogle's
17 testimony describes the nature of the remediation costs for which the Company has
18 revised its ARO liability as it has a legal obligation to comply with expanded CCR

⁷⁰ See Company's response to Staff 13-377. The Company states that all costs related to the programs will be associated with a unique project and workorder identifiers. The Company also states that the Company will record the costs incurred above and below the monthly average of the costs built into base rates an over/under recovery in the monthly calculation of the over or under recovery of costs.

260930154

1 rules.⁷¹ Additionally, Company witness Allen quantifies the portion of total Rate Year
2 ARO costs included in its adjustments in the instant case that would be removed should
3 the Commission approve recovery via the E-RAC, for its Rate Year level of costs, while
4 the Company utilizes the average of Year 1 and Year 2 forecast.⁷²

5 **Q. DOES STAFF HAVE ANY RECOMMENDATIONS REGARDING THE**
6 **COMPANY'S PROPOSAL REGARDING THE CCR ARO COSTS?**

7 **A.** Yes. Staff has reviewed the Company's testimony both in the instant case as well as
8 the most recent E-RAC filing,⁷³ both of which describe the nature of the CCR rules
9 expansion. Staff has also reviewed the revisions to the ARO liabilities and the impacts
10 to base rate costs in the instant case. Staff agrees that the revised ARO costs should
11 receive the same treatment of its revised ARO liability costs as the similar existing
12 CCR ARO liability costs and recommends that the Commission approve recovery of
13 these costs through the E-RAC rather than through base rates. The table below
14 summarizes the costs to be removed from the base rate revenue requirement in the
15 instant case should the Commission approve E-RAC recovery.

⁷¹ See Direct Testimony of Company witness Castle at 16.

⁷² See Direct Testimony of Company witness Allen at 50-52.

⁷³ *Petition of Appalachian Power Company, For approval of a rate adjustment clause, the E-RAC, for costs to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia*, Case No. PUR-2025-00001, Doc. Con. Cen. No. 250530199, Application (May 16, 2025); Doc. Con. Cen. No. 250530202, Direct Testimony of Gary O. Spitznogle (May 16, 2025).

260930154

Table 10: CCR ARO Liability Cost Impacts to the Revenue Requirement

Adj. No.	Description	Virginia Juris. Adjustment	Revenue Req. Impact
DE-49	Amortization of ARO Deferral	\$ 2,668,950	\$ 2,707,695
DE-50	ARO Depreciation Expense	\$ 3,880,086	\$ 3,936,412
OE-76	ARO Accretion Expense	\$ 5,292,571	\$ 5,369,402
Total Impact to Revenue Requirement			\$ 12,013,509

OTHER O&M EXPENSE ADJUSTMENTS

1 **Q. ARE YOU SPONSORING ANY OTHER STAFF ADJUSTMENTS THAT YOU**
2 **WOULD LIKE TO DISCUSS IN YOUR TESTIMONY?**

3 **A.** Yes. I will be discussing Staff's adjustments to regulatory expense and lobbying
4 expense. I also sponsor several adjustments, as listed in Appendix A, for which we do
5 not have any material differences from the Company's.⁷⁴

6 **Q. PLEASE EXPLAIN STAFF'S ADJUSTMENT TO REGULATORY EXPENSE.**

7 **A.** Staff's adjustment to regulatory expense incorporates a normalized level, reflecting
8 average regulatory expenses from all proceedings, including an estimate of the current
9 costs of the biennial review, over a two-year period.⁷⁵ In contrast, the Company's
10 adjustment only considers the Rate Year level of costs related to the current biennial
11 proceeding. A two-year normalization of all regulatory expense is appropriate as the

⁷⁴ I am also sponsoring several other adjustments to revenue, expense, and rate base, that are listed in Appendix A. For any adjustments not discussed, Staff either does not have any differences from the corresponding adjustments proposed by the Company, or any differences are the result of other adjustments (such as the impact of adjustment differences on taxes or CWC).

⁷⁵ The Company recovers regulatory expense from all proceedings, including riders, in base rates.

260930154

1 Company's future base rate filings will be on a statutorily mandated two-year cadence.
2 Staff's adjustment is \$338,000 less than the Company's proposed incremental rate case
3 expense adjustment.

4 **Q. PLEASE EXPLAIN STAFF'S EARNINGS TEST ADJUSTMENTS TO THE**
5 **WASHINGTON, D.C. OFFICE LOBBYING EXPENSE.**

6 **A.** In Case No. PUE-2011-00037, the Commission stated in its Final Order, "Lobbying
7 expenses are not included in cost of service and are not recovered from ratepayers. . . .
8 We find that it is reasonable to allocate 90% of the Virginia portion of the expenses of
9 [the Washington, D.C. office] to lobbying activities (not in cost of service)[.]"⁷⁶ Staff
10 reviewed updated time reports for employees at the Washington, D.C. office from 2024
11 through 2025, as well as narrative explanations of the various activity codes to which
12 their time was booked, in order to verify that lobbying expenses are not recovered from
13 ratepayers. Staff identified that approximately 100% of the total time charged in 2024,
14 and approximately 93% in 2025, was for lobbying activities.⁷⁷ Staff's ratemaking
15 adjustment is a decrease of \$360,000. This results in Earnings Test adjustment
16 decreases of \$299,000 in 2024 and \$361,000 in 2025.

⁷⁶ *Application of Appalachian Power Company, For a 2011 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1A of the Code of Virginia*, Case No. PUE-2011-00037, 2011 S.C.C. Ann. Rept. 477, 485, Final Order (Nov. 30, 2011)

⁷⁷ *See* Company Responses to Staff Interrogatory Nos. 5-150 and 7-216.

260930154

WILDFIRE MIGATION PROGRAM

1 **Q. PLEASE DESCRIBE AEPSC’S WILDFIRE MITIGATION PLAN.**

2 **A.**AEPSC established a wildfire mitigation department in late 2025 and released a
3 wildfire mitigation in April 2026.⁷⁸ AEPSC is currently developing individualized
4 wildfire mitigation plans for the geographic regions in which it operates, and anticipates
5 rolling out a Virginia wildfire mitigation plan in 2027.⁷⁹ APCo was billed
6 approximately \$7.4 million from AEPSC for wildfire mitigation costs during the test
7 year.⁸⁰ The majority of those costs related to capitalized software assets that are
8 included in the Company’s 2025 and going forward joint-use asset adjustments. Over
9 the next three years, AEP forecasts total O&M expense related to wildfire mitigation
10 to rise, with a peak of approximately \$5.4 million in 2027.⁸¹ Wildfire mitigation costs
11 are generally allocated from AEPSC to AEP’s operating companies, including APCo,
12 on the basis of total fixed assets.⁸²

13 **Q. DOES STAFF HAVE ANY RECOMMENDATIONS CONCERNING THE**
14 **WILDFIRE MITIGATION PLAN?**

15 **A.**Staff is not opposed to the development of a wildfire mitigation plan for APCo’s
16 Virginia service territory and does not propose any accounting adjustments related to

⁷⁸ See Company Response to Staff Interrogatory No. 2-53.

⁷⁹ See Company Response to Staff Interrogatory No. 5-143.

⁸⁰ See Company Response to Staff Interrogatory No. 5-142, Attachment 1.

⁸¹ See Company Response to Staff Interrogatory No. 5-142, Attachment 2.

⁸² See Company Response to Staff Interrogatory No. 2-53 and Staff Int. 7-204, Confidential Attachment 1.

260930154

1 the wildfire mitigation plan at this time. However, Staff has concerns that as O&M
2 costs related to wildfire mitigation rise in the coming years, a total fixed assets allocator
3 may not be the appropriate means of allocating costs to the operating companies. The
4 Company states individualized wildfire mitigation plans will be first introduced in
5 AEP's Texas service territory, then expanded to other geographic areas prioritized by
6 risk, with a Virginia plan anticipated in 2027.⁸³ This raises the possibility that AEPSC
7 could begin charging APCo for significant O&M expense related to wildfire mitigation
8 before any such activities have been undertaken in its Virginia service territory. Staff
9 recommends the Commission direct the Company to directly assign as many wildfire
10 mitigation costs to its operating companies as possible, and to provide testimony in its
11 next biennial proceeding providing an update on the wildfire mitigation plan in
12 Virginia, along with testimony supporting its methodology for allocating wildfire
13 mitigation costs from AEPSC to APCo.

CONCLUSION

14 **Q. PLEASE SUMMARIZE STAFF'S RECOMMENDATIONS IN THIS CASE.**

15 **A.** My testimony includes the following findings and recommendations:

- 16 • Rate Year Revenue Requirement: Staff recommend a revenue requirement decrease
17 of \$5.55 based on Staff's analysis of APCo's Rate Year cost of service.
- 18 • Revenue Growth: The Commission should approve Staff's Rate Year level of
19 revenues and recommendation regarding the presentation of revenue adjustments.

⁸³ See Company Response to Staff Interrogatory No. 2-53 and 5-143.

260930154

- 1 • Distribution Expense: Staff makes the following recommendations:
 - 2 ○ If the Commission approves the proposed VMP, Staff does not oppose the
 - 3 Company's proposal to recover the costs through a VM RAC.
 - 4 ○ The Commission should approve Staff's adjustments to vegetation
 - 5 management, inspections, and the amortization of the WPC regulatory asset
 - 6 approved in a prior case.
 - 7 ○ If the Commission does not approve of the proposed VMP Program, the
 - 8 Commission should approve Staff's alternative adjustment to the vegetation
 - 9 management O&M.
- 10 • Non-Labor Generation Station O&M: The Commission should approve Staff's
- 11 ratemaking adjustment related to the non-labor generation station O&M.
- 12 • Cash Working Capital: The Commission should approve Staff's recommendations
- 13 related to the lead/lag study used for calculating the cash working capital in this
- 14 proceeding.
- 15 • EV Pilot Program: If the Commission approves the EV Pilot Program, the
- 16 Commission should approve Staff's recommended Rate Year level of cost and cost
- 17 caps levels presented by Staff. The Commission should approve Staff's regulatory
- 18 liability recommendation related to the pilot program.
- 19 • LIQSP: If the Commission approves the LIQSP, the Commission should approve
- 20 Staff's recommended Rate Year level of cost and cost caps levels presented by
- 21 Staff. The Commission should approve Staff's regulatory liability recommendation
- 22 related to the LIQSP.

260930154

- 1 • O&M Expense Adjustments: The Commission should approve of Staff's
2 recommended adjustment to regulatory expense, lobbying expense, and other
3 miscellaneous O&M expense adjustments addressed herein.
- 4 • CCR ARO: Staff does not oppose the Company's alternative proposal to recover
5 ARO costs associated with the 2024 expansion of CCR rules through the E-RAC
- 6 • Wildfire Mitigation Program: The Commission should approve Staff's
7 recommendation regarding the Wildfire Mitigation Program.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 **A.** Yes, it does.

260930154

STATEMENTS

260930154

Witness: Olario
Statement 1
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Revenue Requirement Calculation

Line No.	Description	Generation & Distribution	Generation	Distribution
1	Staff's Adjusted Juris. Rate Base	2,107,344,043	73,462,341	2,033,881,702
2	Staff's Recommended WACC	7.286%	7.286%	7.286%
3	Total Net Requirement	153,536,762	5,352,315	148,184,446
4	Less: Adjusted Operating Income	283,058,920	142,893,903	140,165,017
5	Net Required	(129,522,158)	(137,541,587)	8,019,429
6	Gross-Up Factor	75.58%	75.58%	75.58%
7	Staff Revenue Requirement Calculation	(171,363,558)	(181,973,619)	10,610,060
8	Less: Credit Rider SBRR	(165,814,161)	(165,814,161)	-
9	Total Revenue Requirement	(5,549,397)	(16,159,458)	10,610,060

260930154

Witness: Olario
Statement 2
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Revenue Reconciliation

Line No.	Issue	Revenue Requirement	Impact	Basis Point Impact
1	Company Proposed Revenue Requirement per Schedule 21	(104,458,580)		
2	Less: Credit Rider SBRR	<u>\$ (165,814,161)</u>		
3	Company Proposed Revenue Requirement excluding Credit Rider SBRR	61,355,581		
4	To Reflect a Rate Year Level of Vegetation Management	(36,775,597)		(264.90)
5	To Reflect a Rate Year Level of Accumulated Depreciation on Test Year Plant	(15,274,603)		(110.03)
6	To Reflect a 9.65 ROE and Cap Structure	(12,632,188)		(90.99)
7	To Reflect an Annual Level of Deferred Storm Cost Amortization	(6,595,948)		(47.51)
8	To Reflect a Rate Year Level of Revenues	(3,240,758)		(23.34)
9	To Reflect a Rate Year Level of Non-Labor Generation O&M	(2,267,889)		(16.34)
10	To Reflect a Rate Year Level of Incentive Compensation	(2,215,233)		(15.96)
11	To Reflect the Amortization of TCP Vegetation Management	(1,457,363)		(10.50)
12	To Incorporate Riders in the Allowance for CWC	(1,011,240)		(7.28)
13	To Reflect a Rate Year Level of AEPSC Umbrella Trust Plan	(886,166)		(6.38)
14	To Reflect a Rate Year Level of ADIT	(726,343)		(5.23)
15	To Reflect a Normal Level of Regulatory Expense	(342,855)		(2.47)
16	To Reflect a Rate Year Level of Coal Inventory	(253,209)		(1.82)
17	To Reflect a Rate Year Level of Proposed EV and Solar Program O&M	(207,881)		(1.50)
18	To Adjust Lobbying Expense	(13,919)		(0.10)
19	To Reflect Differences in Gross-Up Rate	(3,501)		(0.03)
20	To Reflect a Rate Year Level of Capital Investment	8,976,948		64.66
21	To Reflect a Rate Year Level of PJM Ancillary Services	5,199,934		37.46
22	To Reflect Adjusted Rate Year Jurisdictional Factors	1,916,534		13.81
23	To Reflect a Rate Year Level of Other Rate Base and Property Taxes	195,080		1.41
24	To Reflect a Rate Year Level of Capacity Hosting Mapping Costs	195,068		1.41
25	To Reflect CWC Effect of Adjustments Excluding Riders	165,799		1.19
26	To Reflect a Rate Year Level of Labor and Labor Related Adjustments	42,705		0.31
27	Other Accounting Adjustments	<u>307,646</u>		2.22
28	Staff Revenue Requirement	(5,549,397)		

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
1	Revenue Requirement Per Schedule 21							(180,152,289)	
2	Staff Adjustments								
3	Adjustments to Revenue								
4	Adjust non-fuel revenues to reflect year-end number of customers and usage levels at current base rates (net increase)	RR-1	3,193,567			2,448,842	75.58%	(3,239,927)	(23.34)
5	Decrease fuel revenues to reflect year-end usage levels and annualized rates	RR-2	4,902,142			3,758,986	75.58%	(4,973,306)	(35.82)
6	Decrease non-fuel revenues to reflect average weather	RR-3	-			-	75.58%	-	-
7	Adjust revenues from a book to billed basis (net increase)	RR-4	-			-	75.58%	-	-
8	Decrease non-firm sales to eliminate the difference between monthly and annual jurisdictional allocation factors	RR-5	0			0	75.58%	(0)	(0.00)
9	Remove PIPP revenue	RR-6	-			-	75.58%	-	-
10	Remove prior period pole attachment revenues	OR-7	-			-	75.58%	-	-
11	Remove renewable energy certificate sales associated with Grand Ridge/Beech Ridge non-RPS wind projects	OR-8	0			0	75.58%	(0)	(0.00)
12	O&M Expense Adjustments								
13	Increase purchased power and fuel expense to eliminate the difference between monthly and annual jurisdictional factors	GE-9	-			-	75.58%	-	-
14	Decrease fuel expense to reflect year-end numbers of customers and usage levels	GE-10	4,902,142			3,758,986	75.58%	4,973,306	35.82
15	Adjust test year Generation non-fuel, non-labor O&M to rate year average level	GE-11	(2,235,436)			(1,714,144)	75.58%	(2,267,889)	(16.34)
16	Remove incremental purchased power costs for Grand Ridge/Beech Ridge non-RPS wind projects	GE-12	0			0	75.58%	0	0.00
17	Remove fees associated with REC sales for Grand Ridge/Beech Ridge non-RPS wind projects and misc. adjustments	GE-13	0			0	75.58%	0	0.00
18	Annotize Voluntary RPS-RAC Over-Recovery Regulatory Liability Over Two Years	GE-14	-			-	75.58%	-	-
19	Remove prior period pole attachment expense credits	DE-15	-			-	75.58%	-	-

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
20	To reflect a normal level of distribution inspection expense	SO-1	-	-	-	-	75.58%	-	-
21	To reflect a rate year level of vegetation management expense	SO-2	-	-	-	-	75.58%	-	-
22	Amortize Targeted Circuits Program (TCP) Vegetation Management Under-Recovery Regulatory Asset Over Two Years	DI-16	-	-	-	-	75.58%	-	-
23	Remove test year amortization of VA Retail deferred major storm costs related to 2023 approved in Case No. PUR-2024-00024 that will be fully amortized in	DI-17	-	-	-	-	75.58%	-	-
24	Remove test year amortization of VA Retail deferred major storm costs related to 2020-2022 approved in Case No. PUR-2023-00002 that will be fully amortized in	DI-18	-	-	-	-	75.58%	-	-
25	Establish Virginia Regulatory Asset to Increase Biennial Earnings for Major Storm Costs Up to Top of ROE Range and Amortize Over 4 Years per VA law	DI-19	-	-	-	-	75.58%	-	-
26	Remove VA PIP Expenses Recorded in A/C 9040002	CA-20	-	-	-	-	75.58%	-	-
27	To include a rate year level of expense associated with the Company's proposed Electric Vehicle Pilot Plan pursuant to Virginia Code 56-585.1:13	CI-21	-	-	-	-	75.58%	-	-
28	To include a rate year level of expense associated with the Company's proposed income-qualified Solar program	CI-22	-	-	-	-	75.58%	-	-
29	Decrease OPFEB expense to pro forma level	AG-23	(0)	(0)	(0)	(0)	75.58%	(0)	(0.00)
30	Increase pension expense to pro forma level	AG-24	(21)	(21)	(21)	(16)	75.58%	(21)	(0.00)
31	Decrease group Life insurance expense to pro forma level	AG-25	1	1	1	1	75.58%	1	0.00
32	Increase group Medical insurance expense to pro forma level	AG-26	113,646	113,646	87,144	87,144	75.58%	115,296	0.83
33	Increase group Long Term Disability insurance expense to pro forma level	AG-27	256	256	197	197	75.58%	260	0.00
34	Increase group Dental insurance expense to pro forma level	AG-28	5,046	5,046	3,870	3,870	75.58%	5,120	0.04
35	Remove non-conforming test year advertising expense	AG-29	-	-	-	-	75.58%	-	-
36	Increase test year rate case expenses to pro forma level amortized over 2 years	AG-30	(161,045)	(161,045)	(123,490)	(123,490)	75.58%	(163,383)	(1.18)
37	Adjust Annual Incentive Compensation for APCo employees	AG-31	0	0	0	0	75.58%	0	0.00

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044
For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
38	Adjust Long-term incentive compensation for APCo employees	AG-32	(0)			(0)	75.58%	(0)	(0.00)
39	Adjust Annual Incentive Compensation for AEPSC employees billed APCo	AG-33	(246,760)			(189,217)	75.58%	(250,342)	(1.80)
40	Adjust Long-term incentive compensation for AEPSC employees billed APCo	AG-34	(2,308)			(1,770)	75.58%	(2,341)	(0.02)
41	To Reflect a Rate Year Level of PJM Ancillary Service Costs	SO-3	5,125,528			3,930,280	75.58%	5,199,934	37.46
42	To reflect a 50/50 sharing of Annual Incentive Compensation for APCo employees	SO-4	(119,012)			(91,259)	75.58%	(120,740)	(0.87)
43	To reflect a 50/50 sharing of Annual Incentive Compensation for AEPSC employees billed to APCo	SO-5	(442,173)			(339,060)	75.58%	(448,592)	(3.23)
44	To reflect a 50/50 sharing of Long Term Incentive Compensation	SO-6	(14,564)			(11,168)	75.58%	(14,775)	(0.11)
45	To reflect a 50/50 sharing of Long Term Incentive Compensation for AEPSC employees billed to APCo	SO-7	(303,170)			(232,472)	75.58%	(307,571)	(2.22)
46	To Reflect Rate Year Capacity Hoisting Map O&M Expense	SO-8	-			-	75.58%	-	-
47	Adjustment to include AEPSC Billing of Joint Use Capital Software Amortization	AG-35	-			-	75.58%	-	-
48	Increase AEPSC Umbrella Trust Plan to pro forma level	AG-36	(423,158)			(324,479)	75.58%	(429,301)	(3.09)
49	Remove lobbying costs related to APCo Industry Dues	AG-37	-			-	75.58%	-	-
50	Remove lobbying costs related to office in Washington D.C.	AG-38	(6,538)			(5,013)	75.58%	(6,633)	(0.05)
51	Adjust aviation expenses to commercial flight equivalent	AG-39	-			-	75.58%	-	-
52	Adjust OPEB expenses from a 20-year Transition Obligation Amortization period per books to a 40-year VA SCC amortization period.	AG-40	(0)			(0)	75.58%	(0)	(0.00)
53	Adjust wage and salaries based on 12/31/25 employment levels	PL-41	0			0	75.58%	0	0.00
54	Provide for wage and salary increases for the rate year beginning 3/1/2027	PL-42	(63,467)			(48,667)	75.58%	(64,389)	(0.46)

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
55	5 year average overtime hours applied to annualized wages with salary increases	PL-43	(23,406)			(17,947)	75.58%	(23,745)	(0.17)
56	Increase savings plan expense related to adjustments to wages and overtime	PL-44	(8,941)			(6,856)	75.58%	(9,071)	(0.07)
57	To Reflect Adjusted Rate Year Jurisdictional Factors for O&M	SO-9	1,071,642			821,740	75.58%	1,087,199	
58	Depreciation and Amortization Expense Adjustments								
59	Increase depreciation expense based on test year end depreciable plant balances and currently approved VA depreciation rates	DE-45	-			-	75.58%	-	-
60	To Reflect Rate Year Capacity Hosting Map Depreciation Expense	SO-10	-			-	75.58%	-	-
61	Decrease depreciation expense on test year-end depreciable plant balances using the new depreciation study rates.	DE-46	2,766,291			2,121,205	75.58%	2,806,449	20.22
62	Adjustment to remove amortization expense related to Joint Use Capital Software	DE-47	-			-	75.58%	-	-
63	Remove test year Corporate Alternative Minimum Tax (CAMT) deferrals credited to Account 407.4	DE-48	-			-	75.58%	-	-
64	Adjustment to amortize deferred Asset Retirement Costs over 14 years	DE-49	-			-	75.58%	-	-
65	Adjustment to Reflect Expected Level of Depreciation Expense on Asset Retirement Obligations (AROs)	DE-50	-			-	75.58%	-	-
66	Remove test year amortization of VA Retail deferred COVID-19 costs approved in PUR-2023-00002 that will be fully amortized in January 2027.	DE-51	-			-	75.58%	-	-
67	Adjustment to remove VA Securitization Depreciation Expense	DE-52	-			-	75.58%	-	-
68	Increase depreciation expense related to post test year plant in service	DE-53	896,757			687,637	75.58%	909,775	6.55
69	To Reflect Adjusted Rate Year Jurisdictional Factors for Depreciation and Amortization Expense	SO-11	344,970			264,524	75.58%	349,977	

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
70	Taxes Other Than Income Adjustments								
71	Increase Social Security tax expense for payroll adjustments	OT-62	(5,103)			(3,913)	75.58%	(5,177)	(0.04)
72	Increase Medicare tax expense for payroll adjustments	OT-63	(1,220)			(935)	75.58%	(1,238)	(0.01)
73	Increase Social Security tax expense related to the FICA base increase	OT-64	0			0	75.58%	0	0.00
74	Adjust VA property taxes based on December 2025 VA property	OT-65	(26,076)			(19,995)	75.58%	(26,454)	(0.19)
75	Adjust TN Property taxes based on December 2025 TN property	OT-66	-			-	75.58%	-	-
76	Adjust OH Property taxes based on December 2025 OH property	OT-67	(51,728)			(39,665)	75.58%	(52,479)	(0.38)
77	Adjust WVA property taxes based on December 2025 WV property	OT-68	(99,821)			(76,543)	75.58%	(101,270)	(0.73)
78	Adjust property taxes on capital leases	OT-69	-			-	75.58%	-	-
79	Adjust TN business franchise tax	OT-70	-			-	75.58%	-	-
80	Adjust NC business franchise tax	OT-71	-			-	75.58%	-	-
81	Adjust VA Minimum Tax for revenue adjustments	OT-72	45,969			35,249	75.58%	46,636	0.34
82	Adjust WV B&O Tax	OT-73	-			-	75.58%	-	-
83	Adjust OH commercial activity tax	OT-74	-			-	75.58%	-	-
84	To Recognize FICA Taxes from APCo Incentive Adjustments	OT-75	(10,020)			(7,683)	75.58%	(10,166)	(0.07)
85	To Reflect Adjusted Rate Year Jurisdictional Factors for Taxes Other than Income	SO-12	153,807			117,940	75.58%	156,040	
86	Other Operating Expense Adjustments								
87	Adjustment to Reflect Forecasted Level of ARO Accretion	OE-76	-			-	75.58%	-	-
88	Adjust Factoring Expense	OE-77	56,185			43,083	75.58%	57,001	0.41

260930154

Witness: Olario
Statement 2a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
89	Adjusted Operating Income Adjustments								
90	Adjustment to reflect pro forma level of interest on VA customer deposits	ICD-78	(198)			(152)	75.58%	(201)	(0.00)
91	RATE BASE ADJUSTMENTS								
92	Allowance for Working Capital Adjustments								
93	Increase Test Year 13-month avg coal stock inventory level to target level	WC-82	(2,853,361)	6.71%	(191,383)		75.58%	(253,209)	(1.82)
94	Reduce Test Year 13-month avg SO2 Allowance Inventory to avg Rate Year Unamortized Level	WC-83	(129,840)	6.71%	(8,709)		75.58%	(11,522)	(0.08)
95	Cash Working Capital Average Balance After Adjustments	WC-84	(8,817,238)	6.71%	(591,398)		75.58%	(782,446)	(5.64)
96	To Reflect Adjusted Rate Year Jurisdictional Factors for Working Capital	SO-13	1,145,438	6.71%	76,828		75.58%	101,647	0.73
97	<u>Net Utility Plant</u>								
98	Remove APO plant in service related to SFAS 143	EP-85	-	6.71%	-		75.58%	-	-
99	To Reflect Rate Year Capacity Hosting Map Plant in Service	SO-14	-	6.71%	-		75.58%	-	-
100	Remove Plant in Service for Joint-Use Capital Software Assets	EP-86	-	6.71%	-		75.58%	-	-
101	Adjustment to Plant In Service net CCR/ELG - VA Securitization	EP-87	-	6.71%	-		75.58%	-	-
102	Increase plant in service for post test year capital	EP-88	27,433,151	6.71%	1,840,021		75.58%	2,434,430	17.54
103	To Reflect Adjusted Rate Year Jurisdictional Factors for Plant in Service	SO-15	5,981,174	6.71%	401,175		75.58%	530,772	
104	Remove property not scheduled for service/refirement within four years	FU-59	-	6.71%	-		75.58%	-	-
105	Increase Construction Work in Progress for post test year capital	CWIP-90	(4,241,161)	6.71%	(284,467)		75.58%	(376,363)	(2.71)
106	To Reflect Adjusted Rate Year Jurisdictional Factors for CWIP	SO-16	580,344	6.71%	38,925		75.58%	51,500	

260930154

Witness: Olario
Statement 2a G
Exhibit No.: ---

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Generation

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
107	Increase A/D for the period 01/01/03-12/31/24 to recognize the difference in depreciation as recorded on the books using composite rates versus the amount which would have been recorded using depreciation rates as approved by the VA SCC.	AD-91	(763,493)	6.71%	(51,210)		75.58%	(67,753)	(0.49)
108	Increase A/D provision for the contra to the increase in depreciation expense based on 12/2025 depreciable plant balances and currently approved VA depreciation rates	AD-92	(62,501,137)	6.71%	(4,192,134)		75.58%	(5,546,379)	(39.95)
109	Decrease A/D provision for the contra to the decrease in depreciation expense based on 12/2025 depreciable plant balances, using new depreciation study rates	AD-93	(2,766,291)	6.71%	(185,543)		75.58%	(245,482)	(1.77)
110	To Reflect Rate Year Capacity Hosting Map Accumulated Depreciation	SO-17	-	6.71%	-		75.58%	-	-
111	Remove A/D on ARO plant in service assets recorded consistent with SEAS 143	AD-94	-	6.71%	-		75.58%	-	-
112	Remove A/D for Joint-Use Capital Software Assets	AD-95	-	6.71%	-		75.58%	-	-
113	Adjustment to remove VA Securitization A/D	AD-96	-	6.71%	-		75.58%	-	-
114	Increase A/D provision for the contra to the increase in depreciation expense based on post test year plant in service	AD-97	(896,757)	6.71%	(60,148)		75.58%	(79,579)	(0.57)
115	To Reflect Adjusted Rate Year Jurisdictional Factors for A/D	SO-18	(4,053,449)	6.71%	(271,877)		75.58%	(359,705)	
116	Rate Base Deduction Adjustments								
117	Adjust Accumulated Deferred Federal Income Tax	ADFIT-98	3,786,794	6.71%	253,991		75.58%	336,042	2.42
118	Adjust Accumulated Deferred Investment Tax Credit	ADFIT-99	-	6.71%	-		75.58%	-	-
119	Remove ADFIT related to Joint Use Assets	ADFIT-100	-	6.71%	-		75.58%	-	-
120	Increase ADFIT to Reflect NOLC on a Separate Return Basis	ADFIT-101	-	6.71%	-		75.58%	-	-

For the Rate Year Beginning March 1, 2027

[illegible]

260930154

Witness: Olatio
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
1	Revenue Requirement Per Schedule 21							75,693,709	
2	Staff Adjustments								
3	Adjustments to Revenue								
4	Adjust non-fuel revenues to reflect year-end number of customers and usage levels at current base rates (net increase)	RR-1	819			628.37	75.58%	(831)	(0.01)
5	Decrease fuel revenues to reflect year-end usage levels and annualized rates	RR-2	-			-	75.58%	-	-
6	Decrease non-fuel revenues to reflect average weather	RR-3	-			-	75.58%	-	-
7	Adjust revenues from a book to billed basis (net increase)	RR-4	-			-	75.58%	-	-
8	Decrease non-firm sales to eliminate the difference between monthly and annual jurisdictional allocation factors	RR-5	-			-	75.58%	-	-
9	Remove PIPP revenue	RR-6	-			-	75.58%	-	-
10	Remove prior period pole attachment revenues	OR-7	-			-	75.58%	-	-
11	Remove renewable energy certificate sales associated with Grand Ridge/Beech Ridge non-RPS wind projects	OR-8	-			-	75.58%	-	-
12	O&M Expense Adjustments								
13	Increase purchased power and fuel expense to eliminate the difference between monthly and annual jurisdictional factors	GE-9	-			-	75.58%	-	-
14	Decrease fuel expense to reflect year-end numbers of customers and usage levels	GE-10	-			-	75.58%	-	-
15	Adjust test year Generation non-fuel, non-labor O&M to rate year average level	GE-11	-			-	75.58%	-	-
16	Remove incremental purchased power costs for Grand Ridge/Beech Ridge non-RPS wind projects	GE-12	-			-	75.58%	-	-
17	Remove fees associated with REC sales for Grand Ridge/Beech Ridge non-RPS wind projects and misc. adjustments	GE-13	-			-	75.58%	-	-
18	Amortize Voluntary RPS-RAC Over-Recovery Regulatory Liability Over Two Years	GE-14	-			-	75.58%	-	-
19	Remove prior period pole attachment expense credits	DI-15	-			-	75.58%	-	-

260930154

Witness: Olato
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
20	To reflect a normal level of distribution inspection expense	SO-1	382,979			293,670	75.58%	388,539	2.80
21	To reflect a rate year level of vegetation management expense	SO-2	(36,632,353)			(28,089,864)	75.58%	(37,164,136)	(267.70)
22	Amortize Targeted Circuits Program (TCP) Vegetation Management Under-Recovery Regulatory Asset Over Two Years	DI-16	(1,436,510)			(1,101,522.72)	75.58%	(1,457,363)	(10.50)
23	Remove test year amortization of VA Retail deferred major storm costs related to 2023 approved in Case No. PUR-2024-00024 that will be fully amortized in	DI-17	-			-	75.58%	-	-
24	Remove test year amortization of VA Retail deferred major storm costs related to 2020-2022 approved in Case No. PUR-2023-00002 that will be fully amortized in January 2027	DI-18	-			-	75.58%	-	-
25	Establish Virginia Regulatory Asset to Increase Biennial Earnings for Major Storm Costs Up to Top of ROE Range and Amortize Over 4 Years per VA law	DI-19	(6,501,566)			(4,985,432.40)	75.58%	(6,595,948)	(47.51)
26	Remove VA PIPP Expenses Recorded in A/C 9040002	CA-20	-			-	75.58%	-	-
27	To include a rate year level of expense associated with the Company's proposed Electric Vehicle Pilot Plan pursuant to Virginia Code 56-585.1:13	CI-21	(133,272)			(102,193.62)	75.58%	(135,207)	(0.97)
28	To include a rate year level of expense associated with the Company's proposed income-qualified Solar program	CI-22	(71,634)			(54,929.30)	75.58%	(72,674)	(0.52)
29	Decrease OPEB expense to pro forma level	AG-23	0			0.03	75.58%	0	0.00
30	Increase pension expense to pro forma level	AG-24	(22)			(16.95)	75.58%	(22)	(0.00)
31	Decrease group Life insurance expense to pro forma level	AG-25	1			0.88	75.58%	1	0.00
32	Increase group Medical insurance expense to pro forma level	AG-26	124,838			95,726.20	75.58%	126,650	0.91
33	Increase group Long Term Disability insurance expense to pro forma level	AG-27	281			215.53	75.58%	285	0.00
34	Increase group Dental insurance expense to pro forma level	AG-28	5,543			4,250.55	75.58%	5,624	0.04
35	Remove non-conforming test year advertising expense	AG-29	-			-	75.58%	-	-
36	Increase test year rate case expenses to pro forma level amortized over 2 years	AG-30	(176,904)			(135,650.84)	75.58%	(179,472)	(1.29)

260930154

Witness: Olatio
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff V. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
37	Adjust Annual Incentive Compensation for APCo employees	AG-31	(0)			(0.29)	75.58%	(0)	(0.00)
38	Adjust Long-term incentive compensation for APCo employees	AG-32	(0)			(0.13)	75.58%	(0)	(0.00)
39	Adjust Annual Incentive Compensation for AEPSC employees billed APCo	AG-33	(203,648)			(156,158.16)	75.58%	(206,604)	(1.49)
40	Adjust Long-term incentive compensation for AEPSC employees billed APCo	AG-34	(1,621)			(1,242.97)	75.58%	(1,645)	(0.01)
41	To Reflect a Rate Year Level of PJM Ancillary Service Costs	SO-3	-			-	75.58%	-	-
42	To Reflect a 50/50 sharing of Annual Incentive Compensation for APCo employees	SO-4	(168,651)			(129,322.36)	75.58%	(171,099)	(1.23)
43	To reflect a 50/50 sharing of Annual Incentive Compensation for AEPSC employees billed to APCo	SO-5	(364,919)			(279,821.36)	75.58%	(370,216)	(2.67)
44	To reflect a 50/50 sharing of Long Term Incentive Compensation	SO-6	(75,462)			(57,864.79)	75.58%	(76,558)	(0.55)
45	To reflect a 50/50 sharing of Long Term Incentive Compensation for AEPSC employees billed to APCo	SO-7	(212,915)			(163,264.31)	75.58%	(216,006)	(1.56)
46	To Reflect Rate Year Capacity Hosting Map O&M Expense	SO-8	83,854			64,299.65	75.58%	85,071	0.61
47	Adjustment to include AEPSC Billing of Joint Use Capital Software Amortization	AG-35	-			-	75.58%	-	-
48	Increase AEPSC Umbrella Trust Plan to pro forma level	AG-36	(450,328)			(345,313.47)	75.58%	(456,865)	(3.29)
49	Remove lobbying costs related to APCo Industry Dues	AG-37	-			-	75.58%	-	-
50	Remove lobbying costs related to office in Washington D.C.	AG-38	(7,182)			(5,507.19)	75.58%	(7,286)	(0.05)
51	Adjust aviation expenses to commercial flight equivalent	AG-39	-			-	75.58%	-	-
52	Adjust OPEB expense from a 20-year Transition Obligation Amortization period per books to a 40-year VA SCC amortization period.	AG-40	(0)			(0.13)	75.58%	(0)	(0.00)
53	Adjust wage and salaries based on 12/31/25 employment levels	PL-41	(0)			(0.30)	75.58%	(0)	(0.00)
54	Provide for wage and salary increases for the rate year beginning 3/1/2027	PL-42	(66,175)			(49,976.59)	75.58%	(66,121)	(0.48)

260930154

Witness: Olato
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff V. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
55	5 year average overtime hours applied to annualized wages with salary increases	PL-43	(24,035)			(18,430.30)	75.58%	(24,384)	(0.18)
56	Increase savings plan expense related to adjustments to wages and overtime	PL-44	(9,181)			(7,040.32)	75.58%	(9,315)	(0.07)
57	To Reflect Adjusted Rate Year Jurisdictional Factors for O&M	SO-9	(7,328)			(5,619.29)	75.58%	(7,435)	(0.05)
58	Depreciation and Amortization Expense Adjustments								
59	Increase depreciation expense based on test year end depreciable plant balances and currently approved VA depreciation rates	DE-45	-			-	75.58%	-	-
60	To Reflect Rate Year Capacity Hosting Map Depreciation Expense	SO-10	78,750			60,385.88	75.58%	79,893	0.58
61	Decrease depreciation expense on test year-end depreciable plant balances using the new depreciation study rates.	DE-46	-			-	75.58%	-	-
62	Adjustment to remove amortization expense related to Joint Use Capital Software	DE-47	0			0.06	75.58%	0	0.00
63	Remove test year Corporate Alternative Minimum Tax (C-AMT) deferrals credited to Account 407.4	DE-48	-			-	75.58%	-	-
64	Adjustment to amortize deferred Asset Retirement Costs over 14 years	DE-49	-			-	75.58%	-	-
65	Adjustment to Reflect Expected Level of Depreciation Expense on Asset Retirement Obligations (AROs)	DE-50	-			-	75.58%	-	-
66	Remove test year amortization of VA Retail deferred COVID-19 costs approved in PUR-2023-00002 that will be fully amortized in January 2027.	DE-51	-			-	75.58%	-	-
67	Adjustment to remove VA Securitization Depreciation Expense	DE-52	-			-	75.58%	-	-
68	Increase depreciation expense related to post test year plant in service	DE-53	1,600,976			1,227,635.87	75.58%	1,624,217	11.70
69	To Reflect Adjusted Rate Year Jurisdictional Factors for Depreciation and Amortization Expense	SO-11	117			89.85	75.58%	119	0.00

260930154

Witness: Ontario
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
70	Taxes Other Than Income Adjustments								
71	Increase Social Security tax expense for payroll adjustments	OT-62	(5,607)			(4,299.13)	75.58%	(5,688)	(0.04)
72	Increase Medicare tax expense for payroll adjustments	OT-63	(1,339)			(1,026.88)	75.58%	(1,359)	(0.01)
73	Increase Social Security tax expense related to the FICA base increase	OT-64	(0)			(0.26)	75.58%	(0)	(0.00)
74	Adjust VA property taxes based on December 2025 VA property	OT-65	448,103			343,607.70	75.58%	454,608	3.27
75	Adjust TN Property taxes based on December 2025 TN property	OT-66	-			-	75.58%	-	-
76	Adjust OH Property taxes based on December 2025 OH property	OT-67	-			-	75.58%	-	-
77	Adjust WVA property taxes based on December 2025 WV property	OT-68	-			-	75.58%	-	-
78	Adjust property taxes on capital leases	OT-69	-			-	75.58%	-	-
79	Adjust TN business franchise tax	OT-70	-			-	75.58%	-	-
80	Adjust NC business franchise tax	OT-71	-			-	75.58%	-	-
81	Adjust VA Minimum Tax for revenue adjustments	OT-72	\$			3.94	75.58%	\$	0.00
82	Adjust WV B&O Tax	OT-73	-			-	75.58%	-	-
83	Adjust OH commercial activity tax	OT-74	-			-	75.58%	-	-
84	To Recognize FICA Taxes from APCo Incentive Adjustments	OT-75	(18,313)			(14,042.17)	75.58%	(18,578)	(0.13)
85	To Reflect Adjusted Rate Year Jurisdictional Factors for Taxes Other than Income	SO-12	(23)			(17.42)	75.58%	(23)	(0.00)
86	Other Operating Expense Adjustments								
87	Adjustment to Reflect Forecasted Level of ARO Accretion	OE-76	-			-	75.58%	-	-
88	Adjust Factoring Expense	OE-77	\$			4.03	75.58%	\$	0.00

260930154

Witness: Olatio
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
89	Adjusted Operating Income Adjustments								
90	Adjustment to reflect pro forma level of interest on VA customer deposits	ICD-78	(89)			(68.56)	75.58%	(91)	(0.00)
91	RATE BASE ADJUSTMENTS								
92	Allowance for Working Capital Adjustments								
93	Increase Test Year 13-month avg coal stock inventory level to target level	WC-82	-	6.71%	-		75.58%	-	-
94	Reduce Test Year 13-month avg SO2 Allowance Inventory to avg Rate Year Unamortized Level	WC-83	-	6.71%	-		75.58%	-	-
95	Cash Working Capital Average Balance After Adjustments	WC-84	(709,888)	6.71%	(47,614)		75.58%	(62,996)	(0.45)
96	To Reflect Adjusted Rate Year Jurisdictional Factors for Working Capital	SO-13	69,026	6.71%	4,630		75.58%	6,125	0.04
97	Net Utility Plant								
98	Remove ARO plant in service related to SEAS 143	EP-85	-	6.71%	-		75.58%	-	-
99	To Reflect Rate Year Capacity Hosting Map Plant in Service	SO-14	363,462	6.71%	24,378		75.58%	32,254	0.23
100	Remove Plant in Service for Joint-Use Capital Software Assets	EP-86	(0)	6.71%	(0)		75.58%	(0)	(0.00)
101	Adjustment to Plant In Service net CCR/ELG - VA Securitization	EP-87	-	6.71%	-		75.58%	-	-
102	Increase plant in service for post test year capital	EP-88	63,084,587	6.71%	4,231,267		75.58%	5,598,154	40.32
103	To Reflect Adjusted Rate Year Jurisdictional Factors for Plant in Service	SO-15	(16,722)	6.71%	(1,122)		75.58%	(1,484)	(0.01)
104	Remove property not scheduled for service/retirement within four years	FU-89	-	6.71%	-		75.58%	-	-
105	Increase Construction Work in Progress for post test year capital	CWIP-90	(10,779,135)	6.71%	(722,988)		75.58%	(956,545)	(6.89)
106	To Reflect Adjusted Rate Year Jurisdictional Factors for CWIP	SO-16	1,100	6.71%	74		75.58%	98	0.00

260930154

Witness: Ontario
Statement 2b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Reconciliation of Staff and Company Revenue Requirement
Distribution

Line No.	Description	Adj. No.	Staff v. Co. Difference	Cost of Capital	Required Income	Net of Tax and Factoring	Revenue Conversion Factor	Revenue Requirement	BP Impact
107	Increase A/D for the period 01/01/93-12/31/24 to recognize the difference in depreciation as recorded on the books using composite rates versus the amount which would have been recorded using depreciation rates as approved by the VA SCC.	AD-91	(574)	6.71%	(39)		75.58%	(51)	(0.00)
108	Increase A/D provision for the contra to the increase in depreciation expense based on 12/2025 depreciable plant balances and currently approved VA depreciation rates	AD-92	(138,484,661)	6.71%	(9,288,570)		75.58%	(12,289,190)	(88.52)
109	Decrease A/D provision for the contra to the decrease in depreciation expense based on 12/2025 depreciable plant balances, using new depreciation study rates	AD-93	-	6.71%	-		75.58%	-	-
110	To Reflect Rate Year Capacity Hosting Map Accumulated Depreciation	SO-17	(24,231)	6.71%	(1,625)		75.58%	(2,150)	(0.02)
111	Remove A/D on ARO plant in service assets recorded consistent with SFAS 143	AD-94	-	6.71%	-		75.58%	-	-
112	Remove A/D for Joint-Use Capital Software Assets	AD-95	0	6.71%	0		75.58%	0	0.00
113	Adjustment to remove VA Securitization A/D	AD-96	-	6.71%	-		75.58%	-	-
114	Increase A/D provision for the contra to the increase in depreciation expense based on post test year plant in service	AD-97	(1,996,170)	6.71%	(133,889)		75.58%	(177,141)	(1.28)
115	To Reflect Adjusted Rate Year Jurisdictional Factors for A/D	SO-18	19,198	6.71%	1,288		75.58%	1,704	
116	Rate Base Deduction Adjustments	ADFIT-98	(11,971,820)	6.71%	(802,985)		75.58%	(1,062,385)	(7.65)
117	Adjust Accumulated Deferred Federal Income Tax	ADFIT-99	-	6.71%	-		75.58%	-	-
118	Adjust Accumulated Deferred Investment Tax Credit	ADFIT-	-	6.71%	-		75.58%	-	-
119	Remove ADFIT related to Joint Use Assets	ADFIT-	-	6.71%	-		75.58%	-	-
120	Increase ADFIT to Reflect NOLC on a Separate Return Basis	ADFIT-	-	6.71%	-		75.58%	-	-

For the Rate Year Beginning March 1, 2027

[illegible]

260930154

Witness: Olario
Statement 2c
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reconcile Capital Structure Differences

Line No.	Description	Generation	Distribution
	<u>ROE Reconciliation</u>		
1	Company Going Level Net Investment	121,558,167	2,134,327,531
2	Company Proposed Capital Structure with Staff's ROE (After Ta	6.71%	6.71%
3	Company Proposed After Tax Weighted Cost of Capital	7.13%	7.13%
		-0.42%	-0.42%
4	Difference Due to ROE	(514,484)	(9,033,345)
	<u>Cap Structure Reconciliation</u>		
5	Company Going Level Net Investment	121,558,167	2,134,327,531
6	Staff Proposed After Tax Cost of Capital with Co ROE	6.71%	6.71%
7	Company Proposed Capital Structure (After Tax)	6.71%	6.71%
		0.00%	0.00%
8	Difference Due to Capital Structure	1	9

260930154

Witness: Olario
Statement 3
Exhibit No.: —

Appalachian Power Company
Case No. PCR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement - Per Books

Line No.	Description	[1] Total Company Per Books	[2] Non- Jurisdictional Business	[3] Virginia Jurisdictional Business	[4] Transmission	[5] Generation	[6] Distribution	[7] Generation and Distribution
1	Operating Revenue							
2	Base Rate	3,466,308,960	2,031,720,549	1,434,588,411	376,779,001	592,041,593	465,767,817	1,057,809,410
3	Fuel Revenues	529,226,897	0	529,226,897	0	529,226,897	0	529,226,897
4	Late Payment Fees	4,492,770	2,240,592	2,252,178	0	1,241,146	558,907	1,800,053
5	Other	252,010,785	127,542,068	124,468,717	106,985,395	612,265	16,871,057	17,483,322
6	Total Operating Revenue	4,252,039,412	2,161,503,209	2,090,536,203	483,764,396	1,123,121,901	483,197,781	1,606,319,682
7	Operating Revenue Deductions							
8	Operation and Maintenance Expense	2,630,934,410	1,367,489,192	1,263,445,218	261,494,327	798,276,954	203,673,937	1,001,950,891
9	Deprecation and Amortization Expense	639,057,808	338,742,370	300,315,438	62,554,883	125,783,168	111,977,388	237,760,555
10	Federal Income Taxes	104,636,348	40,018,945	64,617,403	22,018,334	21,575,282	21,023,786	42,599,068
11	State Income Taxes	5,087,069	4,502,484	584,586	407,850	1,669,704	(1,492,968)	176,736
12	Taxes Other than Income	172,658,935	105,677,010	66,981,925	17,738,663	29,334,829	19,908,434	49,243,263
13	Other	(11,137,805)	(23,047,875)	11,910,069	3,018,312	5,188,411	3,703,347	8,891,758
14	Total Operating Revenue Deductions	3,541,236,765	1,833,382,126	1,707,854,639	367,232,369	981,828,347	358,793,924	1,340,622,271
15	Operating Income (Loss)	710,802,647	328,121,083	382,681,563	116,532,028	141,293,554	124,403,857	265,697,411
16	Plus: AFUDC	27,163,847	27,163,847	0	0	0	0	0
17	Less: Charitable Donations	2,141,179	2,141,179	0	0	0	0	0
18	Less: Interest on Customer Deposits	2,126,576	(0)	2,126,576	426,910	1,171,928	527,737	1,699,666
19	Less: Other Interest	0	0	0	0	0	0	0
20	Adjusted Operating Income	733,698,739	353,143,752	380,554,987	116,105,117	140,121,625	123,876,120	263,997,745
21	Plus: Other Income	18,454,124	18,454,124	0	0	0	0	0
22	Less: Interest Expense	287,935,245	133,448,316	154,486,929	47,930,895	52,898,694	53,657,340	106,556,034
23	Less: Preferred Dividend	0	0	0	0	0	0	0
24	Less: ITC Capital Expense	0	0	0	0	0	0	0
25	Income Available for Common Equity	464,217,617	238,149,559	226,068,058	68,174,222	87,222,931	70,218,780	157,441,711
26	Rate Base							
27	Allowance for Working Capital	850,778,558	394,099,137	456,679,421	12,038,233	337,313,860	107,327,327	444,641,187
28	Net Utility Plant	13,800,889,170	7,081,142,224	6,719,746,946	2,166,059,301	2,159,226,434	2,394,461,211	4,553,687,645
29	Other Rate Base Deductions	2,313,153,438	1,364,110,522	949,042,916	245,998,448	364,188,643	338,855,825	703,044,468
30	Total Rate Base	12,338,514,289	6,111,130,839	6,227,383,450	1,932,099,086	2,132,351,652	2,162,932,713	4,295,284,364
31	Total Capital	12,411,366,570						
32	Common Equity Capital	6,179,996,358		3,100,801,041	962,050,098	1,061,761,858	1,076,989,085	2,138,750,943
33	Rate of Return Earned on Rate Base	5.73%		6.11%	6.01%	6.57%	5.73%	6.15%
34	Rate of Return Earned on Common Equity	7.51%		7.29%	7.09%	8.21%	6.52%	7.36%

260930154

Witness: Olario
Statement 4
Exhibit No.: _____

Appalachian Power Company
Case No. PCR-2024-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement - RAC Removal - Generation and Distribution

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj Clause (RPS-RACs, DR-RAC, EE-RAC, PCAP-RAC, F-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A6	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Operating Revenue					
2	Base Rate	1,057,809,410	77,676,145	40,637,199	0	939,496,066
3	Fuel Revenues	529,226,897	0	0	0	529,226,897
4	Late Payment Fees	1,800,053	0	0	0	1,800,053
5	Other	17,483,322	0	23,603	0	17,459,719
6	Total Operating Revenue	1,606,319,682	77,676,145	40,660,802	0	1,487,982,735
7	Operating Revenue Deductions					
8	Operation and Maintenance Expense	1,601,950,891	54,396,822	5,616,471	0	941,937,598
9	Depreciation and Amortization Expenses	237,760,555	4,450,928	16,145,966	(273,050)	217,436,711
10	Federal Income Taxes	42,599,068	2,408,076	547,582	86,503	39,562,907
11	State Income Taxes	176,736	340,606	(359,532)	(110,299)	305,981
12	Taxes Other than Income	49,243,263	552,942	3,049,789	0	45,640,532
13	Other	8,891,758	3,861,319	1,205	0	5,029,234
14	Total Operating Revenue Deductions	1,340,622,271	69,010,693	25,001,460	(302,845)	1,249,372,963
15	Operating Income (Loss)	265,697,411	11,665,452	15,659,342	302,845	238,069,772
16	Plus: AFUDC	0	0	0	0	0
17	Less: Charitable Donations	0	0	0	0	0
18	Less: Interest on Customer Deposits	1,699,666	0	0	0	1,699,666
19	Less: Other Interest	0	0	0	0	0
20	Adjusted Operating Income	263,997,745	11,665,452	15,659,342	302,845	236,370,106
21	Plus: Other Income	0	0	0	0	0
22	Less: Interest Expense	106,556,034	2,606,500	12,548,572	0	91,400,962
23	Less: Preferred Dividend	0	0	0	0	0
24	Less: ITC Capital Expense	0	0	0	0	0
25	Income Available for Common Equity	157,441,711	9,058,952	3,110,770	302,845	144,969,144
26	Rate Base					
27	Allowance for Working Capital	444,641,187	0	0	0	444,641,187
28	Net Utility Plant	4,553,687,645	107,431,257	529,796,535	0	3,916,450,854
29	Other Rate Base Deductions	703,644,468	2,562,981	23,862,390	0	676,719,097
30	Total Rate Base	4,295,284,364	105,068,276	505,824,145	-	3,684,381,944
31	Total Capital					
32	Common Equity Capital	2,138,750,943	52,316,647	251,869,996	-	1,834,564,300
33	Rate of Return Earned on Rate Base	6.15%	11.10%	3.10%		6.42%
34	Rate of Return Earned on Common Equity	7.36%	17.32%	1.24%		7.90%

260930154

Witness: Olatario
Statement 4a G
Exhibit No.: _____

Appalachian Power Company
Case No. PTCR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement - RAC Removal - Generation

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj Clause (RPS-RACs, DR-RAC, EE-RAC, PCAP-RAC, E-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A6	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Operating Revenue					
2	Base Rate	592,041,593	47,658,451	35,229,407	0	509,153,734
3	Fuel Revenues	529,226,897	0	0	0	529,226,897
4	Late Payment Fees	1,241,146	0	0	0	1,241,146
5	Other	612,265	0	0	0	612,265
6	Total Operating Revenue	1,123,121,901	47,658,451	35,229,407	0	1,040,234,042
7	Operating Revenue Deductions					
8	Operation and Maintenance Expense	798,276,954	26,691,209	5,281,063	0	766,304,682
9	Depreciation and Amortization Expense	125,783,168	4,412,381	17,985,226	(273,050)	103,658,610
10	Federal Income Taxes	21,575,282	1,951,777	(388,225)	80,503	19,931,227
11	State Income Taxes	1,669,704	277,561	(462,520)	(110,299)	1,964,962
12	Taxes Other than Income	29,334,829	549,758	2,882,302	0	25,902,768
13	Other	5,188,411	3,861,319	1,205	0	1,325,888
14	Total Operating Revenue Deductions	981,828,347	37,744,006	25,299,051	(302,845)	919,088,136
15	Operating Income (Loss)	141,293,554	9,914,445	9,930,356	302,845	121,145,906
16	Plus: AFUDC	0	0	0	0	0
17	Less: Charitable Donations	0	0	0	0	0
18	Less: Interest on Customer Deposits	1,171,928	0	0	0	1,171,928
19	Less: Other Interest	0	0	0	0	0
20	Adjusted Operating Income	140,121,625	9,914,445	9,930,356	302,845	119,973,978
21	Plus: Other Income	0				
22	Less: Interest Expense	52,898,694	2,572,047	10,340,004	0	39,986,643
23	Less: Preferred Dividend	0	0	0	0	0
24	Less: ITC Capital Expense	0	0	0	0	0
25	Income Available for Common Equity	87,222,931	7,342,398	(409,648)	302,845	79,987,335
26	Rate Base					
27	Allowance for Working Capital	337,313,860	0	0	0	337,313,860
28	Net Utility Plant	2,159,226,434	106,007,037	440,312,730	0	1,612,906,668
29	Other Rate Base Deductions	364,188,643	2,327,594	23,596,175	0	338,354,874
30	Total Rate Base	2,132,351,652	103,679,443	416,806,555	-	1,611,865,654
31	Total Capital					
32	Common Equity Capital	1,061,761,858	51,625,105	207,540,488		802,596,265
33	Rate of Return Earned on Rate Base	6.57%	9.56%	2.38%		7.44%
34	Rate of Return Earned on Common Equity	8.21%	14.22%	-0.20%		9.97%

260930154

Witness: Olanio
Statement 4a D
Exhibit No.: _____

Appalachian Power Company
Case No. PCR-2024-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement – RAC Removal - Distribution

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj Clause (RPS-RAC, DR-RAC, EE-RAC, PCAP-RAC, E-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A6	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Operating Revenue					
2	Base Rate	465,767,617	30,017,694	5,407,792	0	430,342,332
3	Fuel Revenues	0	0	0	0	0
4	Late Payment Fees	558,907	0	0	0	558,907
5	Other	16,871,057	0	23,603	0	16,847,454
6	Total Operating Revenue	483,197,781	30,017,694	5,431,395	0	447,748,693
7	Operating Revenue Deductions					
8	Operation and Maintenance Expense	203,673,937	27,705,613	335,408	0	175,632,916
9	Depreciation and Amortization Expense	111,977,388	38,547	(1,839,260)	0	113,778,101
10	Federal Income Taxes	21,023,786	456,299	935,808	0	19,631,689
11	State Income Taxes	(1,492,968)	63,045	102,968	0	(1,658,981)
12	Taxes Other than Income	19,908,434	3,183	167,486	0	19,737,764
13	Other	3,703,347	0	0	0	3,703,347
14	Total Operating Revenue Deductions	358,793,924	28,266,687	(297,591)	-	330,824,827
15	Operating Income (Loss)	124,403,857	1,751,006	5,728,985	0	116,923,866
16	Plus: AFUDC	0	0	0	0	0
17	Less: Charitable Donations	0	0	0	0	0
18	Less: Interest on Customer Deposits	527,737	0	0	0	527,737
19	Less: Other Interest	0	0	0	0	0
20	Adjusted Operating Income	123,876,120	1,751,006	5,728,985	-	116,396,128
21	Plus: Other Income	0				
22	Less: Interest Expense	53,657,340	34,453	2,208,568	0	51,414,319
23	Less: Preferred Dividend	0	0	0	0	0
24	Less: ITC Capital Expense	0	0	0	0	0
25	Income Available for Common Equity	70,218,780	1,716,553	3,520,417	-	64,981,809
26	Rate Base					
27	Allowance for Working Capital	107,327,327	0	0	0	107,327,327
28	Net Utility Plant	2,894,461,211	1,424,220	89,483,805	0	2,308,553,186
29	Other Rate Base Deductions	338,855,825	35,387	456,215	0	338,364,223
30	Total Rate Base	2,162,932,713	1,388,833	89,027,590	-	2,072,516,290
31	Total Capital	0				
32	Common Equity Capital	1,076,989,085	691,542	44,329,508		1,031,968,035
33	Rate of Return Earned on Rate Base	5.73%	126.08%	6.44%		5.62%
34	Rate of Return Earned on Common Equity	6.52%	248.22%	7.94%		6.30%

260930154

Witness: Ohio
Statement 5
Exhibit No.: —

Appalachian Power Company
Case No. PUC.2026-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement – Fully Adjusted – Generation and Distribution

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Ratemaking Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments	[4] To Reflect Current Credit Rider SBRR	[5] Additional Revenue Requirement and Excluding Rider SBRR	[6] Amounts After Additional Revenue Requirement and Excluding Rider SBRR
1	Operating Revenue						
2	Base Rate	939,496,066	(3,232,459)	936,273,607		(171,363,558)	764,910,049
3	Credit Rider SBRR				(165,814,161)	165,814,161	0
4	Fuel Revenues	529,226,897	(92,116,160)	437,110,737			437,110,737
5	Late Payment Fees	1,800,053	0	1,800,053			1,800,053
6	Other	17,459,719	(3,276,186)	14,183,533			14,183,533
7	Total Operating Revenue	1,487,982,735	(98,614,804)	1,389,367,931		(5,549,397)	1,218,004,373
8	Operating Revenue Deductions						
9	Operation and Maintenance Expense	941,937,593	(103,418,264)	838,519,334			838,519,334
10	Depreciation and Amortization Expense	217,436,711	(66,068,887)	151,367,824			151,367,824
11	Federal Income Taxes	39,562,907	16,194,973	55,757,880		(34,429,941)	21,327,939
12	State Income Taxes	305,981	2,709,688	3,015,669		(4,996,487)	(1,980,818)
13	Taxes Other than Income	45,640,552	5,336,122	50,976,674		(1,225,695)	49,750,959
14	Other	5,029,234	159,580	5,188,814		(1,189,377)	3,999,537
15	Total Operating Revenue Deductions	1,249,912,963	(145,086,788)	1,104,826,175		(41,841,399)	1,062,984,775
16	Operating Income (Loss)	238,069,772	46,471,984	284,541,756		36,292,003	155,019,598
17	Plus: AFUDC	0	0	0			0
18	Less: Charitable Donations	0	0	0			0
19	Less: Interest on Customer Deposits	1,699,666	(216,829)	1,482,836			1,482,836
20	Less: Other Interest	0	0	0			0
21	Adjusted Operating Income	236,370,106	46,688,813	283,058,920		36,292,003	153,536,761
22	Plus: Other Income	0	0	0			0
23	Less: Interest Expense	91,400,962	(39,122,673)	52,278,289			52,278,289
24	Less: Preferred Dividend	0	0	0			0
25	Less: ITC Capital Expense	0	0	0			0
26	Income Available for Common Equity	144,969,144	85,811,487	230,780,631			101,258,472
27	Rate Base						
28	Allowance for Working Capital	444,641,187	(320,588,260)	224,052,927			224,052,927
29	Net Utility Plant	3,916,459,854	(1,359,400,783)	2,557,059,071			2,557,059,071
30	Other Rate Base Deductions	676,719,097	(2,951,142)	673,767,955			673,767,955
31	Total Rate Base	3,684,381,944	(1,577,037,900)	2,107,344,043			2,107,344,043
32	Total Capital						
33	Common Equity Capital	1,834,564,300	(795,253,699)	1,049,310,601			1,049,310,601
34	Rate of Return Earned on Rate Base	6.42%		13.43%			7.29%
35	Rate of Return Earned on Common Equity	7.90%		21.99%			9.65%

260930154

Witness: Ohio
Statement 5a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR 2026-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement – Fully Adjusted - Generation

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Ratemaking Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments	[4] To Reflect Current Credit Rider SERR	[5] Additional Revenue Requirement and Excluding Rider SERR	[6] Amount After Additional Revenue Requirement and Excluding Rider SERR
1	Operating Revenue						
2	Base Rate	509,153,734	13,951,792	523,105,526		(181,973,619)	341,131,908
3	Rider SERR	0	0	0	(165,814,161)	165,814,161	0
4	Fuel Revenues	529,236,897	(92,116,160)	437,110,737			437,110,737
5	Late Payment Fees	1,241,146	0	1,241,146			1,241,146
6	Other	612,265	(3,385,799)	(2,773,534)			(2,773,534)
	Total Operating Revenue	1,040,234,042	(81,530,167)	958,683,875		(16,159,456)	776,710,257
7	Operating Revenue Deductions						
8	Operation and Maintenance Expense	766,304,682	(64,392,466)	701,912,216			701,912,216
9	Depreciation and Amortization Expense	103,658,610	(60,501,718)	43,156,892			43,156,892
10	Federal Income Taxes	19,931,227	13,954,881	33,886,108		(36,561,688)	(2,675,580)
11	State Income Taxes	1,964,962	1,969,710	3,934,671		(5,305,847)	(1,371,176)
12	Taxes Other than Income	25,902,768	4,772,434	30,675,202		(1,301,385)	29,373,817
13	Other	1,325,888	376,572	1,702,460		(1,262,911)	439,549
14	Total Operating Revenue Deductions	919,088,136	(104,320,566)	814,767,549		(44,432,031)	770,335,519
15	Operating Income (Loss)	121,145,906	22,770,430	143,916,336		28,272,573	6,374,738
16	Plus: AFLJDC	0	0	0			0
17	Less: Charitable Donations	0	0	0			0
18	Less: Interest on Customer Deposits	1,171,928	(149,505)	1,022,423			1,022,423
19	Less: Other Interest	0	0	0			0
20	Adjusted Operating Income	119,973,978	22,919,925	142,893,903		28,272,573	5,352,315
21	Plus: Other Income	0	0	0			0
22	Less: Interest Expense	39,956,643	(38,164,214)	1,822,429			1,822,429
23	Less: Preferred Dividend	0	0	0			0
24	Less: ITC Capital Expense	0	0	0			0
25	Income Available for Common Equity	79,987,335	61,084,138	141,071,473			3,529,886
26	Rate Base						
27	Allowance for Working Capital	337,313,860	(172,769,005)	164,544,855			164,544,855
28	Net Utility Plant	1,612,906,668	(1,376,327,040)	236,579,628			236,579,628
29	Other Rate Base Deductions	338,354,874	(10,692,732)	327,662,142			327,662,142
30	Total Rate Base	1,611,865,654	(1,538,403,313)	73,462,341			73,462,341
31	Total Capital						
32	Common Equity Capital	802,596,265	(766,017,134)	36,579,131			36,579,131
33	Rate of Return Earned on Rate Base	7.44%		194.51%			7.29%
34	Rate of Return Earned on Common Equity	9.97%		385.66%			9.65%

260930154

Witness: Olatia
Statement 5b D
Exhibit No.: _____

Appalachian Power Company
Case No. PCR-2024-00044

For the Rate Year Beginning March 1, 2027
Rate of Return Statement - Fully Adjusted - Distribution

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Rate-making Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments	[4] Revenue Requirement	[5] Amounts After Revenue Requirement
1	Operating Revenue	430,342,332	(17,174,251)	413,168,081	10,608,364	423,776,445
2	Base Rate	0	0	0	0	0
3	Fuel Revenues	0	0	0	0	0
4	Late Payment Fees	558,907	0	558,907	1,696	558,907
5	Other	16,847,454	109,613	16,957,067	1,696	16,958,763
6	Total Operating Revenue	447,748,693	(17,064,638)	430,684,055	10,610,060	441,294,115
7	Operating Revenue Deductions					
8	Operation and Maintenance Expense	175,632,916	(38,525,798)	137,107,118		137,107,118
9	Depreciation and Amortization Expense	113,778,101	(5,567,169)	108,210,932		108,210,932
10	Federal Income Taxes	19,631,680	2,240,092	21,871,772	2,131,747	24,003,519
11	State Income Taxes	(1,638,981)	739,979	(919,002)	309,360	(609,642)
12	Taxes Other than Income	19,737,764	563,688	20,301,452	75,890	20,377,342
13	Other	3,703,347	(216,993)	3,486,354	73,635	3,559,988
14	Total Operating Revenue Deductions	330,824,827	(40,766,202)	290,058,625	2,590,631	292,649,256
15	Operating Income (Loss)	116,923,866	23,701,564	140,625,430	8,019,429	148,644,859
16	Plus: AFUDC	0	0	0	0	0
17	Less: Charitable Donations	0	0	0	0	0
18	Less: Interest on Customer Deposits	527,737	(67,324)	460,413	460,413	460,413
19	Less: Other Interest	0	0	0	0	0
20	Adjusted Operating Income	116,396,128	23,768,889	140,165,017	8,019,429	148,184,446
21	Plus: Other Income	0	0	0	0	0
22	Less: Interest Expense	51,414,319	(958,460)	50,455,859	50,455,859	50,455,859
23	Less: Preferred Dividend	0	0	0	0	0
24	Less: ITC Capital Expense	0	0	0	0	0
25	Income Available for Common Equity	64,981,809	24,727,348	89,709,157		97,728,586
26	Rate Base					
27	Allowance for Working Capital	107,327,327	(47,819,255)	59,508,072		59,508,072
28	Net Utility Plant	2,303,553,186	16,926,257	2,320,479,443		2,320,479,443
29	Other Rate Base Deductions	538,364,223	7,731,589	546,095,813		546,095,813
30	Total Rate Base	2,072,516,290	(38,634,587)	2,033,881,702		2,033,881,702
31	Total Capital					
32	Common Equity Capital	1,076,989,085	(64,257,615)	1,012,731,470		1,012,731,470
33	Rate of Return Earned on Rate Base	5.62%		6.89%		7.29%
34	Rate of Return Earned on Common Equity	6.03%		8.86%		9.65%

260930154

Witness: Olario
Statement 6
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - Per Books

Line No.	Description	[1] Total Company Per Books	[2] Non- Jurisdictional Business	[3] Virginia Jurisdictional Business	[4] Transmission	[5] Generation	[6] Distribution	[7] Generation and Distribution
1	Allowance for Working Capital							
2	Materials & Supplies	404,559,915	211,496,605	193,063,310	5,897,105	168,581,203	18,585,002	187,166,205
3	Cash Working Capital	-	-	-	-	-	-	-
4	Deferred Fuel - Net of Tax	85,856,841	-	85,856,841	-	85,856,841	-	85,856,841
5	Other	360,361,802	182,602,532	177,759,270	6,141,128	82,875,817	88,742,325	171,618,142
6	Total Allowance for Working Capital	850,778,558	394,099,137	456,679,421	12,038,233	337,313,860	107,327,327	444,641,187
7	Net Utility Plant in Service							
8	Utility Plant in Service	20,184,525,814	10,253,077,433	9,931,448,381	2,547,937,354	3,996,313,736	3,387,197,291	7,383,511,027
9	Acquisition Adjustment	-	-	-	-	-	-	-
10	Construction Work in Progress	802,361,037	440,640,844	361,720,193	110,483,566	89,028,182	162,208,446	251,236,628
11	Plant Held for Future Use	3,374,772	1,689,136	1,685,636	759,284	194,682	731,669	926,351
12	Less: Accumulated Depreciation	7,186,257,744	3,612,780,497	3,573,477,246	493,120,903	1,926,310,166	1,154,046,178	3,080,356,344
13	Less: Customer Advances	3,114,709	1,484,691	1,630,017	-	-	1,630,017	1,630,017
14	Total Net Utility Plant in Service	13,800,889,170	7,081,142,224	6,719,746,946	2,166,059,301	2,159,226,434	2,394,461,211	4,553,687,645
15	Other Rate Base Deductions							
16	Customer Deposits	87,030,963	35,495,271	51,535,692	10,345,790	28,400,650	12,789,252	41,189,902
17	Accumulated Deferred Income Taxes	2,290,316,769	1,392,809,545	897,507,224	235,652,658	335,787,993	326,066,573	661,854,566
18	Other Cost Free Capital	(64,194,294)	(64,194,294)	-	-	-	-	-
19	Total Other Rate Base Deductions	2,313,153,438	1,364,110,522	949,042,916	245,998,448	364,188,643	338,855,825	703,044,468
20	Total Rate Base	12,338,514,289	6,111,130,839	6,227,383,450	1,932,099,086	2,132,351,652	2,162,932,713	4,295,284,364

260930154

Witness: Olatio
Statement 7
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - RAC Removal - Generation and Distribution

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj. Clause (RPS-RACs, DR-RAC, EE-RAC, PCAP-RAC, E-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj. Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A6	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Allowance for Working Capital					
2	Materials & Supplies	187,166,205	-	-	-	187,166,205
3	Cash Working Capital	-	-	-	-	-
4	Deferred Fuel - Net of Tax	85,856,841	-	-	-	85,856,841
5	Other	171,618,142	-	-	-	171,618,142
6	Total Allowance for Working Capital	444,641,187	-	-	-	444,641,187
7	Net Utility Plant in Service					
8	Utility Plant in Service	7,383,511,027	115,635,095	521,356,799	-	6,746,519,132
9	Acquisition Adjustment	-	-	-	-	-
10	Construction Work in Progress	251,236,628	212,622	76,497,341	-	174,526,665
11	Plant Held for Future Use	926,351	-	-	-	926,351
12	Less: Accumulated Depreciation	3,080,356,344	8,416,461	68,057,605	-	3,093,882,278
13	Less: Customer Advances	1,650,017	-	-	-	1,650,017
14	Total Net Utility Plant in Service	4,553,687,645	107,431,257	529,796,535	-	3,916,459,854
15	Other Rate Base Deductions					
16	Customer Deposits	41,189,902	-	-	-	41,189,902
17	Accumulated Deferred Income Taxes	661,854,566	2,362,981	23,962,390	-	635,529,195
18	Other Cost Free Capital	-	-	-	-	-
19	Total Other Rate Base Deductions	703,044,468	2,362,981	23,962,390	-	676,719,897
20	Total Rate Base	4,295,264,364	105,068,276	505,834,145	-	3,684,381,944

260930154

Witness: Olatia
Statement 7a G
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - RAC Removal - Generation

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj. Clause (RPS-RACs, DR-RAC, EE-RAC, PCAP-RAC, E-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj. Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A6	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Allowance for Working Capital					
2	Materials & Supplies	168,581,203	-	-	-	168,581,203
3	Cash Working Capital	-	-	-	-	-
4	Deferred Fuel - Net of Tax	85,856,841	-	-	-	85,856,841
5	Other	82,875,817	-	-	-	82,875,817
6	Total Allowance for Working Capital	337,313,860	-	-	-	337,313,860
7	Net Utility Plant in Service					
8	Utility Plant in Service	3,996,313,736	114,336,023	499,285,312	-	3,382,692,400
9	Acquisition Adjustment	-	-	-	-	-
10	Construction Work in Progress	89,028,182	-	6,924,387	-	82,103,795
11	Plant Held for Future Use	194,682	-	-	-	194,682
12	Less: Accumulated Depreciation	1,926,310,166	8,328,987	65,896,969	-	1,852,084,210
13	Less: Customer Advances	-	-	-	-	-
14	Total Net Utility Plant in Service	2,159,226,434	106,007,037	440,312,730	-	1,612,906,668
15	Other Rate Base Deductions					
16	Customer Deposits	28,400,650	-	-	-	28,400,650
17	Accumulated Deferred Income Taxes	335,787,993	2,327,594	23,506,175	-	309,994,224
18	Other Cost Free Capital	-	-	-	-	-
19	Total Other Rate Base Deductions	364,188,643	2,327,594	23,506,175	-	338,354,874
20	Total Rate Base	2,132,351,652	103,679,443	416,806,555	-	1,611,865,654

260930154

Witness: Olario
Statement 7b D
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - RAC Removal - Distribution

Line No.	Description	[1] Virginia Jurisdictional Including RACs	[2] Rate Adj. Clause (RPS-RACs, DR-RAC, EE-RAC, PCAP-RAC, E-RAC) Pursuant to § 56-585.1 A5	[3] Rate Adj. Clause (G-RAC, RPS-RAC, Broadband RAC) Pursuant to § 56-585.1 A5	[4] Prospective RAC (Glen Lyn ARO E-RAC) Pursuant to § 56-585.1 A5	[5] Virginia Juris. Cost of Service Excluding Rate Adjustment Clauses
1	Allowance for Working Capital					
2	Materials & Supplies	18,585,002	-	-	-	18,585,002
3	Cash Working Capital	-	-	-	-	-
4	Deferred Fuel - Net of Tax	-	-	-	-	-
5	Other	88,742,325	-	-	-	88,742,325
6	Total Allowance for Working Capital	107,327,327	-	-	-	107,327,327
7	Net Utility Plant in Service					
8	Utility Plant in Service	3,387,197,291	1,299,072	22,071,487	-	3,363,826,732
9	Acquisition Adjustment	-	-	-	-	-
10	Construction Work in Progress	162,208,446	212,622	69,572,953	-	92,432,870
11	Plant Held for Future Use	731,669	-	-	-	731,669
12	Less: Accumulated Depreciation	1,154,046,178	87,474	2,160,636	-	1,151,798,068
13	Less: Customer Advances	1,650,017	-	-	-	1,650,017
14	Total Net Utility Plant in Service	2,394,461,211	1,424,220	\$9,483,805	-	2,303,553,186
15	Other Rate Base Deductions					
16	Customer Deposits	12,789,252	-	-	-	12,789,252
17	Accumulated Deferred Income Taxes	326,066,573	35,387	456,215	-	325,574,971
18	Other Cost Free Capital	-	-	-	-	-
19	Total Other Rate Base Deductions	338,855,825	35,387	456,215	-	338,364,223
20	Total Rate Base	2,162,932,713	1,388,833	89,027,590	-	2,072,516,290

260930154

Witness: Olario
Statement 8
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - Fully Adjusted - Generation and Distribution

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Regulatory Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments
1	Allowance for Working Capital			
2	Materials & Supplies	187,166,205	(96,789,656)	90,376,549
3	Cash Working Capital	-	(125,013,068)	(125,013,068)
4	Deferred Fuel - Net of Tax	85,856,841	-	85,856,841
5	Other	171,618,142	1,214,464	172,832,606
6	Total Allowance for Working Capital	444,641,187	(220,588,260)	224,052,927
7	Net Utility Plant in Service			
8	Utility Plant in Service	6,746,519,132	(2,476,133,160)	4,270,385,972
9	Acquisition Adjustment	-	-	-
10	Construction Work in Progress	174,526,665	581,444	175,108,110
11	Plant Held for Future Use	926,351	(832,645)	93,706
12	Less: Accumulated Depreciation	3,003,882,278	(1,116,983,578)	1,886,898,700
13	Less: Customer Advances	1,630,017	-	1,630,017
14	Total Net Utility Plant in Service	3,916,459,854	(1,359,400,783)	2,557,059,071
15	Other Rate Base Deductions			
16	Customer Deposits	41,189,902	-	41,189,902
17	Accumulated Deferred Income Taxes	635,529,195	(1,075,799)	634,453,396
18	Other Cost Free Capital	-	(1,875,343)	(1,875,343)
19	Total Other Rate Base Deductions	676,719,097	(2,951,142)	673,767,955
20	Total Rate Base	3,684,381,944	(1,577,037,900)	2,107,344,043

260930154

Witness: Olario
Statement 8a G
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - Fully Adjusted - Generation

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Regulatory Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments
1	Allowance for Working Capital			
2	Materials & Supplies	168,581,203	(96,789,656)	71,791,547
3	Cash Working Capital	-	(77,124,787)	(77,124,787)
4	Deferred Fuel - Net of Tax	85,856,841	-	85,856,841
5	Other	82,875,817	1,145,438	84,021,255
6	Total Allowance for Working Capital	337,313,860	(172,769,005)	164,544,855
7	Net Utility Plant in Service			
8	Utility Plant in Service	3,382,692,400	(2,604,272,102)	778,420,299
9	Acquisition Adjustment	-	-	-
10	Construction Work in Progress	82,103,795	580,344	82,684,139
11	Plant Held for Future Use	194,682	(194,682)	0
12	Less: Accumulated Depreciation	1,852,084,210	(1,227,559,400)	624,524,810
13	Less: Customer Advances	-	-	-
14	Total Net Utility Plant in Service	1,612,906,668	(1,376,327,040)	236,579,628
15	Other Rate Base Deductions			
16	Customer Deposits	28,400,650	-	28,400,650
17	Accumulated Deferred Income Taxes	309,954,224	(8,784,150)	301,170,074
18	Other Cost Free Capital	-	(1,908,582)	(1,908,582)
19	Total Other Rate Base Deductions	338,354,874	(10,692,732)	327,662,142
20	Total Rate Base	1,611,865,654	(1,538,403,313)	73,462,341

260930154

Witness: Olario
Statement 8b D
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Rate Base Statement - Fully Adjusted - Distribution

Line No.	Description	[1] Per Books Virginia Juris. Cost of Service	[2] Regulatory Accounting Adjustments	[3] Virginia Jurisdictional Cost of Service after Adjustments
1	Allowance for Working Capital			
2	Materials & Supplies	18,585,002	-	18,585,002
3	Cash Working Capital	-	(47,888,281)	(47,888,281)
4	Deferred Fuel - Net of Tax	-	-	-
5	Other	88,742,325	69,026	88,811,351
6	Total Allowance for Working Capital	107,327,327	(47,819,255)	59,508,072
7	Net Utility Plant in Service			
8	Utility Plant in Service	3,363,826,732	128,138,941	3,491,965,673
9	Acquisition Adjustment	-	-	-
10	Construction Work in Progress	92,422,870	1,100	92,423,971
11	Plant Held for Future Use	731,669	(637,963)	93,706
12	Less: Accumulated Depreciation	1,151,798,068	110,575,822	1,262,373,890
13	Less: Customer Advances	1,630,017		1,630,017
14	Total Net Utility Plant in Service	2,303,553,186	16,926,257	2,320,479,443
15	Other Rate Base Deductions			
16	Customer Deposits	12,789,252	-	12,789,252
17	Accumulated Deferred Income Taxes	325,574,971	7,708,350	333,283,322
18	Other Cost Free Capital	-	33,239	33,239
19	Total Other Rate Base Deductions	338,364,223	7,741,589	346,105,813
20	Total Rate Base	2,072,516,290	(38,634,587)	2,033,881,702

260930154

Witness: Orlacio
Statement 9
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00644
For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Staff	Adj. No.	Company	Description	Staff	Generation Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
RR-1	RR-1		Adjustments to Revenue									
			Adjust non-fuel revenues to reflect year-end number of customers and usage levels at current base rates (net increase)	14,748,030	11,273,644	3,194,386	14,815,608	11,622,041	3,193,567	(47,578)	(48,397)	819
RR-2	RR-2		Decrease fuel revenues to reflect year-end usage levels and annualized rates	(90,447,273)	(95,349,415)	4,902,142	(90,447,273)	(95,349,415)	4,902,142	-	-	-
RR-3	RR-3		Decrease non-fuel revenues to reflect average weather	(801,037)	(801,037)	-	(234,173)	(234,173)	-	(546,864)	(546,864)	-
RR-4	RR-4		Adjust revenues from a book to billed basis (net increase)	755,976	755,976	-	(609,443)	(609,443)	-	1,365,619	1,365,619	-
RR-5	RR-5		Decrease non-firm sales to eliminate the difference between monthly and annual jurisdictional allocation factors	(1,668,887)	(1,668,887)	0	(1,668,887)	(1,668,887)	0	-	-	-
RR-6	RR-6		Remove PIPP revenue	(17,945,428)	(17,945,428)	-	-	-	-	(17,945,428)	(17,945,428)	-
OR-7	OR-7		Remove prior period pole attachment revenues	109,613	109,613	-	-	-	-	109,613	109,613	-
OR-8	OR-8		Remove renewable energy certificate sales associated with Grand Ridge-Beech Ridge non-RPS wind projects	(3,385,799)	(3,385,799)	0	(3,385,799)	(3,385,799)	0	-	-	-
			Total Adjustments to Revenue	(98,614,804)	(106,711,333)	8,096,529	(81,550,167)	(89,445,576)	8,095,709	(17,064,638)	(17,065,457)	819
GE-9	GE-9		O&M Expense Adjustments									
			Increase purchased power and fuel expense to eliminate the difference between monthly and annual jurisdictional factors	10,953,152	10,953,152	-	10,953,152	10,953,152	-	-	-	-
GE-10	GE-10		Decrease fuel expense to reflect year-end numbers of customers and usage	(90,447,273)	(95,349,415)	4,902,142	(90,447,273)	(95,349,415)	4,902,142	-	-	-
GE-11	GE-11		Adjust test year Generation non-fuel, non-labor O&M to rate year average level	10,075,762	12,311,200	(2,235,438)	10,075,762	12,311,200	(2,235,438)	-	-	-
GE-12	GE-12		Remove incremental purchased power costs for Grand Ridge-Beech Ridge non-RPS wind projects	(11,397,098)	(11,397,098)	0	(11,397,098)	(11,397,098)	0	-	-	-
GE-13	GE-13		Remove fees associated with REC sales for Grand Ridge-Beech Ridge non-RPS wind projects and raise adjustments	(258,563)	(258,563)	0	(258,563)	(258,563)	0	-	-	-
GE-14	GE-14		Amortize Voluntary RPS RAC Over Recovery Regulatory Liability Over Two Years	(410,871)	(410,871)	-	(410,871)	(410,871)	-	-	-	-
DI-15	DI-15		Remove prior period pole attachment expense credits	154,681	154,681	-	-	-	-	154,681	154,681	-
DI-16	DI-16		Amortize Turbine Circuits Program (TCP) Vegetation Management Under-Recovery Regulatory Asset Over Two Years	3,340,944	4,777,454	(1,436,510)	-	-	-	3,340,944	4,777,454	(1,436,510)
SO-1	SO-1		To reflect a normal level of distribution inspection expense	382,979	-	382,979	-	-	-	382,979	-	382,979
SO-2	SO-2		To reflect a rate year level of vegetation management expense	(36,632,353)	-	(36,632,353)	-	-	-	(36,632,353)	-	(36,632,353)

260930154

Witness: Orlacio
Statement 9
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2024-00644
For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Staff	Adj. No.	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
DI-17	DI-17		Remove test year amortization of VA Retail Deferred major stem costs related to 2023 approved in Case No. PUR-2024-00024 that will be fully amortized in December 2026	(3,759,465)	(3,759,465)	-	-	-	-	(3,759,465)	(3,759,465)	-
DI-18	DI-18		Remove test year amortization of VA Retail Deferred major stem costs related to 2026-2022 approved in Case No. PUR-2023-00092 that will be fully amortized in January 2027	(12,478,682)	(12,478,682)	-	-	-	-	(12,478,682)	(12,478,682)	-
DI-19	DI-19		Establish Virginia Regulatory Asset to Increase Biennial Earnings for Major Stem Costs Up to Top of ROE Range and Amortize Over 4 Years per VA law	16,899,052	16,899,052	(6,501,566)	-	-	-	10,397,486	16,899,052	(6,501,566)
CA-20	CA-20		Remove VA PIPP Expenses Recorded in A.C. 9940002	(17,885,826)	(17,885,826)	-	-	-	-	(17,885,826)	(17,885,826)	-
CI-21	CI-21		To include a rate year level of expense associated with the Company's proposed Electric Vehicle Pilot Plan pursuant to Virginia Code 56-585.1.13	1,538,192	1,671,464	(133,272)	-	-	-	1,538,192	1,671,464	(133,272)
CI-22	CI-22		To include a rate year level of expense associated with the Company's proposed income-qualified Solar program	4,775,610	4,847,244	(71,634)	-	-	-	4,775,610	4,847,244	(71,634)
AG-23	AG-23		Decrease OPEB expense to pro forma level	(584,812)	(584,812)	(0)	(278,684)	(278,684)	(0)	(306,128)	(306,128)	(0)
AG-24	AG-24		Increase pension expense to pro forma level	3,089,410	3,089,453	(43)	1,472,216	1,472,217	(0)	1,617,194	1,617,216	(22)
AG-25	AG-25		Decrease group Life insurance expense to pro forma level	(4,092)	(4,094)	2	(1,950)	(1,951)	1	(2,143)	(2,143)	1
AG-26	AG-26		Increase group Medical insurance expense to pro forma level	940,023	710,539	229,484	452,244	338,598	113,646	406,779	371,941	124,838
AG-27	AG-27		Increase group Long Term Disability insurance expense to pro forma level	20,282	19,745	537	9,465	9,409	56	10,617	10,516	281
AG-28	AG-28		Increase group Dental insurance expense to pro forma level	24,992	14,402	10,590	11,909	6,863	5,046	13,082	7,539	5,543
AG-29	AG-29		Remove non-conforming test year advertising expense	(153,963)	(153,963)	-	(73,369)	(73,369)	-	(80,594)	(80,594)	-
AG-30	AG-30		Increase test year rate case expense to pro forma level amortized over 2 years	(233,741)	104,208	(337,949)	(111,286)	49,659	(161,045)	(122,555)	54,549	(176,904)
AG-31	AG-31		Adjust Annual Incentive Compensation for APCo employees	(2,486,332)	(2,486,332)	(0)	(1,028,647)	(1,028,647)	0	(1,457,685)	(1,457,685)	(0)
AG-32	AG-32		Adjust Long-term incentive compensation for APCo employees	(83,784)	(83,784)	(0)	(13,554)	(13,554)	(0)	(70,230)	(70,230)	(0)
AG-33	AG-33		Adjust Annual Incentive Compensation for AEPSC employees billed APCo	(2,787,290)	(2,336,890)	(450,400)	(1,577,048)	(1,280,385)	(296,763)	(1,260,250)	(1,056,603)	(203,648)
AG-34	AG-34		Adjust Long-term incentive compensation for AEPSC employees billed APCo	(480,303)	(476,374)	(3,929)	(282,150)	(279,843)	(2,307)	(198,153)	(196,333)	(1,821)

260930154

Witness: Clarice
Statement 9
Exhibit No.: ---

Appalachian Power Company
Case No. PUR-2026-00644
For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Staff	Adj. No.	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
SO-3			To Revert a Rate Year Level of PAM Ancillary Service Costs	5,125,528	-	5,125,528	5,125,528	-	-	-	-	-
SO-4			To reflect a 50/50 sharing of Annual Incentive Compensation for APCo	(287,663)	-	(287,663)	(119,012)	(168,651)	(168,651)	-	-	(168,651)
SO-5			To reflect a 50/50 sharing of Annual Incentive Compensation for AEPSC employees billed to APCo	(807,092)	-	(807,092)	(442,173)	(364,919)	(364,919)	-	-	(364,919)
SO-6			To reflect a 50/50 sharing of Long Term Incentive Compensation	(89,026)	-	(89,026)	(34,564)	(75,462)	(75,462)	-	-	(75,462)
SO-7			To reflect a 50/50 sharing of Long Term Incentive Compensation for AEPSC employees billed to APCo	(516,085)	-	(516,085)	(303,170)	(212,915)	(212,915)	-	-	(212,915)
SO-8			To Revert Rate Year Capacity Housing Map O&M Expense	83,854	-	83,854	-	83,854	-	-	-	83,854
AG-35		AG-35	Adjustment to include AEPSC Billing of Joint Use Capital Software	20,426,409	20,426,409	-	9,753,970	9,753,970	-	10,692,529	10,692,529	-
AG-36		AG-36	Increase AEPSC Umbrella Trust Plan to pro forma level	(147,252)	728,234	(875,486)	(77,081)	346,077	(423,158)	(70,171)	380,157	(450,328)
AG-37		AG-37	Remove lobbying costs related to APCo Redistricting	-	-	-	-	-	-	-	-	-
AG-38		AG-38	Remove lobbying costs related to office in Washington D.C.	(359,545)	(345,823)	(13,720)	(171,346)	(164,398)	(6,938)	(188,209)	(181,027)	(7,182)
AG-39		AG-39	Adjust various expenses to commercial flight equivalent	(662,965)	(662,965)	-	(347,022)	(347,022)	-	(315,943)	(315,943)	-
AG-40		AG-40	Adjust OPEB expense from a 20-year Transition Obligation Amortization period per books to a 40-year VA SOC amortization period	789,564	789,564	(0)	376,256	376,256	(0)	413,308	413,308	(0)
PL-41		PL-41	Adjust wage and salaries based on 12/31/25 employment levels	2,625,020	2,625,020	(0)	1,295,077	1,295,077	0	1,329,943	1,329,943	(0)
PL-42		PL-42	Provide for wage and salary increases for the rate year beginning 3/1/2027	3,085,360	3,214,002	(128,642)	1,522,190	1,585,657	(63,467)	1,583,170	1,638,445	(55,175)
PL-43		PL-43	5 year average overtime hours applied to annualized wages with salary increases	400,800	448,241	(47,441)	197,738	221,144	(23,406)	201,062	227,097	(24,035)
PL-44		PL-44	Increase savings plan expense related to adjustments to wages and overtime	233,367	251,490	(18,123)	115,134	124,075	(8,941)	118,234	127,415	(9,181)
SO-9			To Revert Adjusted Rate Year Instructional Factor for O&M	1,064,314	-	1,064,314	1,071,542	-	1,071,542	(7,328)	-	(7,328)
			Total O&M Expense Adjustments	(103,418,264)	(61,641,315)	(38,776,949)	(61,892,466)	(72,060,725)	7,108,362	(38,535,796)	7,419,413	(45,955,211)

260930154

Witness: Orlacio
Statement 9
Exhibit No. —

Appalachian Power Company
Case No. PUR-2026-00644
For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Staff	Adj No	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
DE-45	DE-45		Depreciation and Amortization Expense Adjustments									
			Increase depreciation expense based on test year end depreciable plant balances and currently approved VA depreciation rates	3,696,671	3,696,671	-	1,712,834	1,712,834	-	1,983,837	1,983,837	-
SO-10			To Reflect Rate Year Capacity Hoisting Map Depreciation Expense	78,750	-	78,750				78,750		78,750
DE-46	DE-46		Decrease depreciation expense on test year end depreciable plant balances using the new depreciation study rates	(2,887,955)	(5,654,246)	2,766,291	(2,887,955)	(5,654,246)	2,766,291	-	-	-
DE-47	DE-47		Adjustment to remove amortization expense related to Joint Use Capital Software Assets	(21,909,592)	(21,909,592)	0	(21,909,592)	(21,909,592)	-	(11,500,282)	(11,500,282)	0
DE-48	DE-48		Remove test year Corporate Alternative Minimum Tax (CAMT) deferrals credited to Account 407.4	12,693,150	12,693,150	-	12,693,150	12,693,150	-	-	-	-
DE-49	DE-49		Adjustment to amortize deferred Asset Retirement Costs over 14 years	2,668,950	2,668,950	-	2,668,950	2,668,950	-	-	-	-
DE-50	DE-50		Adjustment to Reflect Expected Level of Depreciation Expense on Asset Retirement Obligations (AROs)	(1,582,200)	(1,582,200)	-	(1,582,200)	(1,582,200)	-	-	-	-
DE-51	DE-51		Remove test year amortization of VA Retail deferred COVID-19 costs approved in PUR-2023-00002 that will be fully amortized in January 2027	(2,352,772)	(2,352,772)	-	(455,460)	(455,460)	-	(1,896,372)	(1,896,372)	-
DE-52	DE-52		Adjustment to remove VA Securitization Depreciation Expense	(65,513,382)	(65,513,382)	-	(65,513,382)	(65,513,382)	-	-	-	-
DE-53	DE-53		Increase depreciation expense related to post test year plant in service	8,754,406	6,356,674	2,497,732	2,987,626	2,990,869	896,757	5,766,781	4,165,805	1,600,976
SO-11			To Reflect Adjusted Rate Year Jurisdictional Factors for Depreciation and Amortization Expense	345,087	-	345,087	344,270	-	344,970	117	-	117
			Total Depreciation and Amortization Adjustments	(66,968,487)	(71,756,747)	5,687,860	(66,501,715)	(64,509,735)	4,008,017	(6,567,169)	(7,247,012)	1,679,843
			Income Tax Adjustments									
			To Reflect the FIT impact of Staff's adjustments									
FIT-54	FIT-54		Reflect Current FIT impact of adjustments other than interest and IDC	11,783,014	768,521	11,019,493	6,652,103	6,532,941	319,562	5,150,911	(5,569,020)	10,699,931
FIT-55	FIT-55		Reflect APCo Current FIT impact of adjustments to interest and IDC	8,215,761	7,441,007	773,854	8,014,485	7,763,919	250,566	201,277	(322,012)	523,289
FIT-56	FIT-56		Adjust for Corporate Alternative Minimum Tax	(6,947,884)	(6,947,484)	-	(3,497,120)	(3,497,120)	-	(3,450,364)	(3,450,364)	-
FIT-57	FIT-57		Adjustment to Deferred FIT	1,453,084	4,548,224	(2,794,240)	1,110,234	2,076,463	(966,129)	343,750	2,171,861	(1,828,111)
FIT-58	FIT-58		Adjust Protected VA Excess ADEFIT To 2023 Level	(175,291)	(175,291)	-	(74,391)	(74,391)	-	(101,000)	(101,000)	-

For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Adj. No.	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
HTL-59	HTL-59	Reflect NOLC on a Separate Return Basis for DFTT	1,702,765	1,702,765	-	1,702,765	1,702,765	-	-	-	-
HTL-60	HTL-60	Adjust 2022 VA Protected Excess based on 2023 Excess	162,224	162,224	-	46,705	46,705	-	115,519	115,519	-
SIT-61	SIT-61	Adjust APC's state income taxes on a separate return basis	2,769,688	1,181,898	1,577,790	1,969,710	2,030,433	(60,723)	739,979	(848,535)	1,588,514
		<u>Total Income Tax Adjustments</u>	<u>18,904,661</u>	<u>8,377,764</u>	<u>10,526,897</u>	<u>15,924,591</u>	<u>16,381,315</u>	<u>(456,724)</u>	<u>2,980,070</u>	<u>(8,005,551)</u>	<u>10,883,621</u>
		Taxes Other Than Income Adjustments									
OT-62	OT-62	Increase Social Security tax expense for payroll adjustments	369,505	380,215	(10,710)	176,023	181,186	(5,103)	193,422	198,029	(5,607)
OT-63	OT-63	Increase Medicare tax expense for payroll adjustments	88,833	91,392	(2,559)	42,332	43,452	(1,220)	46,501	47,840	(1,339)
OT-64	OT-64	Increase Social Security tax expense related to the FICA base increase	22,941	22,941	(0)	10,932	10,932	0	12,009	12,009	(0)
OT-65	OT-65	Adjust VA property taxes based on December 2025 VA property	\$73,435	451,407	422,028	231,168	277,644	(36,076)	621,866	173,763	448,103
OT-66	OT-66	Adjust TN Property taxes based on December 2025 TN property									
OT-67	OT-67	Adjust OH Property taxes based on December 2025 OH property									
OT-68	OT-68	Adjust WVA property taxes based on December 2025 WV property	365,334	417,062	(51,728)	365,334	417,062	(51,728)	-	-	-
OT-69	OT-69	Adjust property taxes on capital leases	466,854	566,675	(99,821)	466,854	566,675	(99,821)	-	-	-
OT-70	OT-70	Adjust TN business franchise tax	38,503	38,503	-	17,901	17,901	-	20,602	20,602	-
OT-71	OT-71	Adjust NC business franchise tax	(161,381)	(161,381)	-	(86,830)	(86,830)	-	(74,551)	(74,551)	-
OT-72	OT-72	Adjust VA Minimum Tax for revenue adjustments	(66)	(66)	-	(60)	(60)	-	(30)	(30)	-
OT-73	OT-73	Adjust WV B&O Tax	(681,915)	(727,889)	45,974	(559,075)	(605,944)	45,969	(122,840)	(123,845)	5
OT-74	OT-74	Adjust OH commercial activity tax	4,022,159	4,022,159	-	4,022,159	4,022,159	-	-	-	-
OT-75	OT-75	To Recognize FICA Taxes from APC's Incentive Adjustments	(221,133)	(192,890)	(28,243)	(88,302)	(78,182)	(10,020)	(338)	-	(338)
SG-12		To Further Adjust Last Year's Intercompany Factors for Taxes Other than	153,785	153,785	-	153,807	153,807	-	(23)	-	(23)
		<u>Total Taxes Other Than Income Adjustments</u>	<u>5,136,121</u>	<u>4,907,486</u>	<u>438,636</u>	<u>4,772,134</u>	<u>4,766,615</u>	<u>5,809</u>	<u>563,889</u>	<u>140,861</u>	<u>472,828</u>

260930154

Witness: Orlacio
 Statement 9
 Exhibit No.: —

Appalachian Power Company
 Case No. PUR-2026-00644
 For the Rate Year Beginning March 1, 2027
 Statement of Adjustments

Staff	Adj No	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
OE-76	OE-76		Other Operating Expense Adjustments	1,124,653	1,124,653	-	1,124,653	1,124,653	-	-	-	-
OE-77	OE-77		Adjustment to Reflect Forecasted Level of ARO Accretion	(965,073)	(1,021,264)	56,191	(748,081)	(804,366)	56,185	(216,993)	(216,993)	5
			Adjust Factoring Expense									
			Total Other Operating Expense Adjustments	159,580	103,389	56,191	376,572	320,387	56,185	(216,993)	(216,993)	5
KCD-78	KCD-78		Adjusted Operating Income Adjustments	(216,829)	(216,542)	(287)	(149,205)	(149,207)	(199)	(67,235)	(67,235)	(89)
			Adjustment to reflect pro forma level of interest on VA customer deposits									
			Total Adjusted Operating Income Adjustments	(216,829)	(216,542)	(287)	(149,205)	(149,207)	(199)	(67,235)	(67,235)	(89)
IE-79	IE-79		Income Available for Common Equity Adjustments									
			Adjust Virginia jurisdictional interest expense to reflect the effects of ratemaking adjustments									
PD-80	PD-80		Adjust Virginia jurisdictional preferred dividends to reflect the effects of ratemaking adjustments	(39,122,673)	(35,437,674)	(3,684,999)	(38,164,214)	(36,971,667)	(1,193,147)	(958,460)	1,533,393	(2,491,853)
JDC-81	JDC-81		Adjust Virginia jurisdictional JDC capital expense to reflect the effects of ratemaking adjustments									
			Total Income Available for Common Equity Adjustments	(39,122,673)	(35,437,674)	(3,684,999)	(38,164,214)	(36,971,667)	(1,193,147)	(958,460)	1,533,393	(2,491,853)
			RATE BASE ADJUSTMENTS									
WC-82	WC-82		Allowance for Working Capital Adjustments									
WC-83	WC-83		Increase Test Year 13-month avg coal stock inventory level to target level	(94,582,376)	(91,729,015)	(2,853,361)	(94,582,376)	(91,729,015)	(2,853,361)	-	-	-
			Reduce Test Year 13-month avg SO2 Allowance Inventory to avg Rate Year Unamortized Level	(2,287,280)	(2,077,440)	(129,840)	(2,287,280)	(2,077,440)	(129,840)	-	-	-
WC-84	WC-84		Cash Working Capital Average Balance After Adjustments	(125,013,068)	(115,485,942)	(9,527,126)	(77,124,787)	(68,307,549)	(8,817,238)	(47,588,281)	(47,178,393)	(709,888)
SO-13	SO-13		To Reflect Adjusted Rate Year Jurisdictional Factors for Working Capital	1,214,464	-	1,214,464	1,145,438	-	1,145,438	69,026	-	69,026
			Total Allowance for Working Capital Adjustments	(220,598,560)	(209,292,397)	(11,296,163)	(172,709,085)	(162,114,084)	(10,655,001)	(47,519,255)	(47,178,393)	(616,862)
EP-85	EP-85		Net Utility Plant									
SO-14	SO-14		Remove ARO plant in service related to SFAS 143	(128,323,677)	(128,323,677)	-	(127,950,413)	(127,950,413)	-	(373,064)	-	-
EP-86	EP-86		To Reflect Rate Year Capacity Housing Map Plant in Service	363,462	-	363,462	-	-	-	363,462	-	363,462
EP-87	EP-87		Remove Plant in Service for Joint-Use Capital Software Assets	(127,173,032)	(127,173,032)	(0)	(60,602,766)	(60,602,766)	-	(66,570,456)	(66,570,456)	(0)
EP-88	EP-88		Adjustment to Plant in Service net CCR/ELG - VA Securitization	(2,513,096,121)	(2,513,096,121)	-	(2,513,096,121)	(2,513,096,121)	-	-	-	-
			Increase plant in service for post test year capital	286,131,757	195,614,019	90,517,738	91,396,055	63,962,884	27,433,151	194,725,722	131,651,155	63,084,587
SO-15	SO-15		To Reflect Adjusted Rate Year Jurisdictional Factors for Plant in Service	5,964,451	-	5,964,451	5,981,174	-	5,981,174	(16,722)	-	(16,722)

260930154

Witness: Orlacio
Statement 9
Exhibit No.: —

Appalachian Power Company
Case No. PUR-2026-00644
For the Rate Year Beginning March 1, 2027
Statement of Adjustments

Staff	Adj. No.	Company	Description	Staff	Generation and Distribution Company	Difference	Staff	Generation Company	Difference	Staff	Distribution Company	Difference
FU-89	FU-89		Remove property not scheduled for service retirement within four years	(832,645)	(832,645)	-	(194,682)	(194,682)	-	(637,963)	(637,963)	-
CWIP-90	CWIP-90		Increase Construction Work in Progress for next test year capital	-	15,020,296	(15,020,296)	-	4,241,161	(4,241,161)	-	10,779,135	(10,779,135)
SO-16			To Reflect Adjusted Rate Year Jurisdictional Factors for CWP	581,444	-	581,444	580,444	-	580,344	1,100	-	1,100
AD-91	AD-91		Increase A/D for the period 01/01-12/31/24 to recognize the difference in depreciation as recorded on the books using composite rates versus the amount which would have been recorded using depreciation rates as approved by the	152,907,084	152,143,017	764,067	151,543,843	150,780,330	763,493	1,363,241	1,362,467	574
AD-92	AD-92		based on 12/2025 depreciable plant balances and currently approved VA depreciation rates	204,682,469	3,696,671	200,985,798	64,213,971	1,712,834	62,501,137	140,488,498	1,993,837	138,484,661
AD-93	AD-93		Decrease A/D provision for the contra to the decrease in depreciation expense based on 12/2025 depreciable plant balances, using new depreciation study	(2,887,955)	(5,654,246)	2,766,291	(2,887,595)	(5,654,246)	2,766,291	-	-	-
SO-17			To Reflect Rate Year Capacity Housing Map Accumulated Depreciation	24,231	-	24,231	-	-	-	24,231	(246,920)	24,231
AD-94	AD-94		Remove A/D on ARO plant in service assets recorded consistent with SFAS	(41,108,104)	(41,108,104)	-	(46,861,184)	(40,861,184)	-	(246,920)	(246,920)	-
AD-95	AD-95		Remove A/D for Joint-Use Capital Software Assets	(71,019,272)	(71,019,272)	(0)	(33,843,267)	(33,843,267)	-	(37,176,005)	(37,176,005)	(0)
AD-96	AD-96		Adjustment to remove VA Securitization A/D	(1,372,765,883)	(1,372,765,883)	-	(1,372,765,883)	(1,372,765,883)	-	-	-	-
AD-97	AD-97		Increase A/D provision for the contra to the increase in depreciation expense based on post test year plant in service	9,140,601	6,236,674	2,903,927	2,987,626	2,090,869	896,757	6,161,975	4,165,805	1,996,170
SO-18			To Reflect Adjusted Rate Year Jurisdictional Factors for A/D	4,034,251	-	4,034,251	4,033,449	-	4,033,449	(10,198)	(10,198)	-
			Total Net Utility Plant Adjustments	(3,593,367,939)	(3,887,242,303)	293,874,364	(3,831,445,840)	(3,932,180,474)	100,734,634	238,977,901	44,938,171	193,139,730
ADFTT-98	ADFTT-98		Rate Base Deduction Adjustments	10,716,490	2,531,464	8,185,026	(3,164,695)	622,099	(3,786,794)	13,881,185	1,909,365	11,971,820
ADFTT-99	ADFTT-99		Adjust Accumulated Deferred Investment Tax Credit	-	-	-	-	-	-	-	-	-
ADFTT-100	ADFTT-100		Remove ADFTT related to Joint Use Assets	(11,792,290)	(11,792,290)	-	(5,619,855)	(5,619,855)	-	(6,172,835)	(6,172,835)	-
ADFTT-101	ADFTT-101		Increase ADFTT to Reflect NOIC on a Separate Return Basis	-	-	-	-	-	-	-	-	-
ADFTT-102	ADFTT-102		Adjust 2026 VA Protected Excess based on 2025 Excess	-	-	-	-	-	-	-	-	-
SO-19			To Reflect Adjusted Rate Year Jurisdictional Factors for ADIT	(0)	-	(0)	(0)	-	(0)	0	-	0
ORB-103	ORB-103		Increase rate base for after-tax effect of cumulative ARO expenses incurred since Oct 2006 per of cash settlements	(1,875,343)	(1,875,343)	-	(1,908,382)	(1,908,382)	-	33,239	33,239	-
			Total Rate Base Deduction Adjustments	(2,951,142)	(11,136,160)	8,185,026	(10,692,232)	(6,905,298)	(3,786,794)	7,741,589	(4,230,231)	11,971,820

260930154

Witness: Olario
Lead/Lag
Exhibit No.:

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Cash Working Capital - Generation

Line No.	Description	Virginia Juris. Per Books Amounts	Ratemaking Adjustments	Amounts After Adj.	Average		Expense (Lead)/Lag Days	Revenue Lag	Net (Lead)/Lag Days	Working Capital (Provided)/ Required
					Daily Amount	Amount				
O&M Expenses:										
1	Account 501/547 - Fuel Clause	343,005,654	(79,494,121)	263,511,533	721,949		(27.19)	1.45		(18,582,978)
2	Deferred Fuel	84,325,551	-	84,325,551	231,029		(27.19)	1.45		(5,946,684)
3	Payroll Expense	28,364,378	2,529,961	30,893,338	84,639		(45.04)	1.45		(3,689,426)
4	OPEB Expense	(2,763,581)	97,571	(2,667,010)	(7,307)		-	1.45		(10,595)
5	Other O&M Expenses	345,346,954	11,974,123	357,321,076	978,962		(27.04)	1.45		(25,051,634)
Depreciation Expense:										
6	Depreciation Expense	138,771,700	(49,576,008)	89,195,692	244,372		-	1.45	1.45	354,339
7	Amortization Expense	176,016	(10,469,310)	(10,293,294)	(28,201)		-	1.45	1.45	(40,891)
8	Amortization of Regulatory Assets	(13,164,548)	(456,400)	(13,620,948)	(37,318)		(1.45)	1.45	-	-
Federal Income Taxes:										
9	Current	18,049,797	12,872,233	30,922,029	84,718		(37.00)	1.45	(35.55)	(3,011,721)
10	Deferred	3,525,486	1,082,648	4,608,134	12,625		-	1.45	1.45	18,306
11	Deferred ITC	-	-	-	-		-	1.45	1.45	-
12	State Income Tax Expense	1,669,704	1,969,710	3,639,413	9,971		(37.00)	1.45	(35.55)	(354,469)
Taxes Other Than Income:										
13	State Franchise Taxes	202,337	(86,866)	115,471	316		(37.00)	1.45	(55.55)	(11,247)
14	Property Tax Expense	8,982,757	1,101,658	10,084,415	27,629		(401.51)	1.45	(400.06)	(11,052,942)
15	Business and Occupation Tax Expense	13,091,360	4,022,159	17,113,519	46,886		(41.88)	1.45	(40.43)	(1,895,615)
16	Payroll Tax Expense	2,159,936	141,145	2,301,081	6,304		(40.95)	1.45	(39.50)	(249,021)
17	State Minimum Tax	4,910,184	(559,075)	4,351,109	11,921		(32.11)	1.45	(30.66)	(365,526)
18	Other Taxes	(11,747)	153,413	141,667	388		120.34	1.45	121.79	47,270
19	Other Expense	5,188,411	376,572	5,564,983	15,247		(1.45)	1.45	-	-
20	Charitable Donations	-	-	-	-		(1.45)	1.45	-	-
21	Interest on Customer Deposits	1,171,928	(149,505)	1,022,423	2,801		(90.70)	1.45	1.45	4,062
22	Interest Expense	52,898,694	(38,164,214)	14,734,480	40,368		-	1.45	(89.25)	(3,602,883)
23	Preferred Dividends	-	-	-	-		-	1.45	1.45	-
24	Income Available for Common Equity	87,222,931	61,084,138	148,307,069	406,321		-	1.45	1.45	589,165
25	Totals	1,123,121,901	(81,550,167)	1,041,571,734	2,853,621		-	1.45	-	(72,852,490)
26	Plus: Customer Utility Taxes	-	-	-	-		-	-	-	-
27	Balance Sheet Items	-	-	-	-		-	-	-	(4,272,297)
28	Total Cash Working Capital	-	-	-	-		-	-	-	(77,124,787)

260930154

Witness: Olario

Work Area

Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Work Area

Description	Generation	Distribution
<u>FIT-54 - To Reflect the Income Tax Effect of Staff's Adjustments</u>		
Total Operating Revenues	(81,550,167)	(17,064,638)
Operations and Maintenance	(64,892,466)	(38,525,798)
Depreciation and Amortization	(60,501,718)	(5,567,169)
Taxes Other Than Income Taxes	4,772,434	563,688
Other Expense	376,572	(216,993)
Interest on Customer Deposits/Supplier Refunds	(149,505)	(67,324)
Interest Expense	(38,164,214)	(958,460)
Total Operating Deductions	(158,558,896)	(44,772,056)
Book Income Before Taxes	77,008,729	27,707,419
Permanent Difference:	-	-
State Book Taxable Income	77,008,729	27,707,419
State Income Tax Expense	1,969,710	739,979
Federal Book Taxable Income	75,039,020	26,967,440
FIT Rate	21%	21%
Federal Income Tax Expense	15,758,194	5,663,162
<u>Book vs Tax Adjustments</u>		
6017 - PT Method/Life - FT	18,628	12,774
6018 - PT Method/Life - NORM	(236,565)	(169,083)
Removal for Joint Use	(860,568)	(262,496)
7032 - ACCRUED BK PENSION EXPENSE	309,165	339,611
7048 - ACCRD COMPANYWIDE INCENTV PLAN	(241,008)	(341,531)
7094 - Accrued COVID-19 Incremental Costs - non-TX	(95,844)	(398,238)
7451 - REG ASSET-VA Major Storm Exp Def	-	1,226,539
7542 - REG ASSET - VA VMP Under-Recovery	-	(701,598)
7575 - ACCRD SFAS 106 PST RETIRE EXP	20,490	22,508
APCo LTIP	(5,905)	(59,461)
Federal Income Tax Expense	14,666,588	5,332,187

260930154

Witness: Olario

Work Area

Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Work Area

Description	Generation	Distribution
<u>FIT-57 - To Adjust Deferred FIT</u>		
6018 - PT Method/Life - NORM	236,565	169,083
Removal for Joint Use	860,568	262,496
7032 - ACCRUED BK PENSION EXPENSE	(309,165)	(339,611)
7048 - ACCRD COMPANYWIDE INCENTV PLAN	241,008	341,531
7094 - Accrued COVID-19 Incremental Costs - non-TX	95,844	398,238
7451 - REG ASSET-VA Major Storm Exp Def	-	(1,226,539)
7542 - REG ASSET - VA VMP Under-Recovery	-	701,598
7575 - ACCRD SFAS 106 PST RETIRE EXP	(20,490)	(22,508)
APCo LTIP	5,905	59,461
	1,110,234	343,750
 <u>FIT-55 - To Adjust FIT Impact of Interest Adjustment</u>	 8,014,485	 201,277
 <u>FIT-54 - To Reflect the Income Tax Effect of Staff's Adjust</u>	 6,652,103	 5,130,911
 <u>Adj. IE-79 - To Adjust Interest Expense</u>		
Rate Year Rate Base	73,462,341	2,033,881,702
Weighted Cost of Debt	2.481%	2.481%
 Rate Year Interest Expense	 1,822,429	 50,455,859
Test Year Interest Expense	39,986,643	51,414,319
 Interest Expense Adjustment	 (38,164,214)	 (958,460)

260930154

Witness: Olario
Work Area
Exhibit No.: ____

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Work Area

Description	Generation	Distribution
<u>Adj. OE-77 - To Adjust Factoring Expense</u>		
Total Virginia Receivables Factored	2,046,801,097	2,046,801,097
A/R Factoring Expense (Acct 4265009)	11,121,454	11,121,454
Effective Carrying Charge Rate	0.5434 %	0.5434 %
Test Year Collection Experience Rate	0.1507%	0.1507%
Test Year Factoring Rate	0.6940%	0.6940%
Per Books Base, Fuel, and RAC Revenue	1,121,268,490	465,767,817
Non-Firm Sales per Schedule 40B	(86,955,476)	
Rate Year Revenue Adjustments	(78,164,368)	(17,174,251)
Non-Firm Sales Revenue Adjustments per Schedule 40B	1,668,887	
Rate Year Juris. Revenue Subject to Factoring Expense	957,817,533	448,593,566
Factoring Rate	0.6940%	0.6940%
Rate Year Juris. Factoring Expense	6,647,329	3,113,274
Test Year Juris. Factoring Expense	7,395,409	3,330,267
To Adjust Factoring Expense	(748,081)	(216,993)
<u>To Reconcile Staff and Company Tax Calculations</u>		
Staff State Taxes - Schedule M	(9,920,525)	(2,503,789)
Company State Taxes - Schedule M	(9,801,492)	(10,273,192)
	(119,033)	7,769,403
Tax Rate	2.94%	2.94%
Difference	(3,495)	228,110
<u>To Reconcile Differences in Staff and Company Gross-Up Factor</u>		
Company Net Requirement	(136,208,626)	57,230,114
Staff Gross-Up Factor	1.323	1.323
Company Gross-Up Factor	1.323	1.323
Difference	0.00004	0.00004
Impact on Revenue Requirement	(6,039)	2,537

260930154

Witness: Olario
State Income Tax
Exhibit No.: ____

**Appalachian Power Company
Case No. PUR-2026-00044**

**For the Rate Year Beginning March 1, 2027
State Income Tax Expense**

Line	Description	Generation	Distribution
<u>West Virginia State Income Tax Expense</u>			
1	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
2	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
3	Federal Taxable Income	67,088,204	25,203,629
4	Apportionment Factor	40.93%	40.93%
5	Apportioned State Taxable Income	27,459,202	10,315,846
6	State Income Tax Rate	6.5%	6.5%
7	WV Current State Income Tax	1,784,848	670,530
<u>Virginia State Income Tax Expense</u>			
8	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
9	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
10	Federal Taxable Income	67,088,204	25,203,629
11	Apportionment Factor	0.00%	0.00%
12	Apportioned State Taxable Income	-	-
13	State Income Tax Rate	6.0%	6.0%
14	VA Current State Income Tax	-	-
<u>Tennessee State Income Tax Expense</u>			
15	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
16	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
17	Federal Taxable Income	67,088,204	25,203,629
18	Apportionment Factor	3.84%	3.84%
19	Apportioned State Taxable Income	2,576,187	967,819
20	State Income Tax Rate	6.5%	6.5%
21	TN Current State Income Tax	167,452	62,908

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
State Income Tax Expense

Line	Description	Generation	Distribution
<u>Michigan State Income Tax Expense</u>			
22	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
23	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
24	Federal Taxable Income	67,088,204	25,203,629
25	Apportionment Factor	0.01%	0.01%
26	Apportioned State Taxable Income	6,709	2,520
27	State Income Tax Rate	6.0%	6.0%
28	MI Current State Income Tax	403	151
<u>Kentucky State Income Tax Expense</u>			
29	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
30	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
31	Federal Taxable Income	67,088,204	25,203,629
32	Apportionment Factor	0.07%	0.07%
33	Apportioned State Taxable Income	46,962	17,643
34	State Income Tax Rate	5.0%	5.0%
35	KY Current State Income Tax	2,348	882
<u>Illinois State Income Tax Expense</u>			
36	Pre-Tax Book Income Before S.I.T.	77,008,729	27,707,419
37	Add: Temporary Federal Schedule M Adjustments (Excl DSIT)	(9,920,525)	(2,503,789)
38	Federal Taxable Income	67,088,204	25,203,629
39	Apportionment Factor	0.23%	0.23%
40	Apportioned State Taxable Income	154,303	57,968
41	State Income Tax Rate	9.5%	9.5%
42	IL Current State Income Tax	14,659	5,507
43	Total State Income Tax	1,969,710	739,979

260930154

APPENDIX A

WORKPAPERS SUPPORTING RATEMAKING ADJUSTMENTS

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Adjust Revenues and Fuel Expenses:
Year-End Customer Annualization, Fuel Revenues & Expenses, Weather Normalization, and Book to Bill Adjustments
Adj. Nos. RR-1 - 4 and GE-10

Line No.	Description	Generation	Distribution	Total	Adj. No.
1	Increase non-fuel revenues to reflect year-end number of customers and usage levels at current base rates [a]	14,815,608	(47,578)	\$ 14,768,030	RR-1
2	Decrease fuel revenues to reflect year-end usage levels and annualized rates [b]	(90,447,273)	-	\$ (90,447,273)	RR-2
3	Decrease non-fuel revenues to reflect average weather	(254,173)	(546,864)	\$ (801,037)	RR-3
4	Adjust revenues from a book to billed basis	(609,643)	1,365,619	\$ 755,976	RR-4
5	Decrease fuel expense to reflect year-end usage levels and annualized rates [b]	(90,447,273)	-	\$ (90,447,273)	GE-10

[a] Staff Revenues Workpaper A
[b] Staff Revenues Workpaper B

Appalachian Power Company
Case No. PER-2015-00044
To Adjust Fuel Revenue and Expenses
Adj No. RE-1 Worksheet A

Tariff	Current			Going-Forward			Proposed			Revenue Difference		
	Generation Revenue	Distribution Revenue	Total Revenue	Generation Revenue	Distribution Revenue	Total Revenue	Generation Revenue	Distribution Revenue	Total Revenue	Generation Revenue	Distribution Revenue	Total Revenue
LPS - Secondary (142)	12,300,216.87	3,659,016	16,179,233	10,237,622	3,661,762	13,919,384	7,908,466	4,755,421	12,663,887	(2,328,127)	1,073,659	-1,255,468
LPS - Primary (100)	116,205,056.96	20,590,570	136,855,627	95,080,472	19,487,309	114,577,840	74,743,265	24,008,803	98,752,148	(20,337,207)	4,511,515	-16,825,692
LPS - Subtransmission (180)	79,857,618.24	591,421	80,439,039	70,026,900	598,028	70,624,928	55,672,335	637,225	56,309,560	(14,353,755)	51,197	-14,302,558
LPS - Subtransmission (189)	21,423,983.50	7,322	21,431,306	18,508,406	7,322	18,515,728	14,806,529	8,279	14,815,107	(3,701,577)	957	-3,700,620
LPS - Subtransmission (188,189)	101,281,681.74	588,743	101,870,425	88,534,466	593,350	89,127,846	70,478,164	645,504	71,124,667	(18,055,332)	52,153	-18,003,179
LPS - Transmission (310) [4]	26,084,222.11	285,943	26,350,165	64,974,260	264,776	65,239,035	52,104,667	294,745	52,399,433	(12,869,572)	28,970	-12,839,603
OL (09 to 142)	2,941,266.74	10,690,345	13,550,612	2,377,284	10,640,285	13,015,579	2,499,311	11,148,289	13,646,610	122,018	501,013	623,031
OAD SCS - Secondary (830, 833)	0.00	15,440	15,440	0	15,238	15,238	0	18,172	18,172	0	2,934	2,934
OAD SCS - Primary (831)	0.00	624	624	0	621	621	0	745	745	0	124	124
OAD MGS - Secondary (840)*	0.00	0	0	0	0	0	0	0	0	0	0	0
OAD MGS - Primary (841)*	0	0	0	0	0	0	0	0	0	0	0	0
OAD GS - Secondary (870)	0	92,731	92,731	0	93,098	93,098	0	109,732	109,732	0	16,634	16,634
OAD GS - Primary (871)	0	323,155	323,155	0	324,466	324,466	0	326,240	326,240	0	1,755	1,755
OAD LPS - Primary (861)	0	638,301	638,301	0	640,011	640,011	0	792,311	792,311	0	152,299	152,299
OAD LPS - Subtransmission (862)	0	30,141	30,141	0	29,836	29,836	0	30,792	30,792	0	957	957
OAD LPS - Primary (866)	0	0	0	0	0	0	0	0	0	0	0	0
OAD OL (911, 913, 916)	0	1,433	1,433	0	1,433	1,433	0	1,487	1,487	0	54	54
Total Retail	951,152,404	413,762,523	1,364,914,926	875,266,566	413,688,081	1,288,954,647	693,559,501	488,882,908	1,182,442,409	(181,707,065)	75,694,827	(106,012,238)

260930154

260930154

Appendix A
Page 4 of 28

Appalachian Power Company Case No. PUR-2026-00044				
To Adjust Fuel Revenues and Expenses Adj No. RR-2 and GE-10 Worksheet B				
Tariff	Per Books 2025 Fuel Revenue	Annualized Fuel Revenue	Difference	Percent
Residential - Standard (011.012.013.014.015.059)	238,688,206	186,907,495	(51,780,712)	-21.69%
Residential - Employee (020.061)	714,791	550,969	(163,822)	-22.92%
Residential - TOD (030)	124,409	104,864	(19,545)	-15.71%
Residential Smart Demand (019)	17,379	20,818	3,439	19.79%
Residential Smart Time of Use (036)	14,619	13,977	(642)	-4.74%
Residential - Total	239,559,404	187,598,072	(51,961,332)	-21.69%
SWS (221)	1,251,223	976,977	(274,246)	-21.92%
SGS - Secondary (213.231.233.281)	27,701,789	21,883,523	(5,818,267)	-21.00%
SGS - Primary (234)	138,264	112,984	(25,280)	-18.28%
SGS - LMTOD (225)	0	0	0	0.00%
SGS - Total	27,840,053	21,996,506	(5,843,547)	-20.99%
MGS - Secondary (213)	0	0	0	0.00%
GS-TOD Secondary (229.230)	1,254,166	988,085	(266,081)	-21.22%
MGS - Total Secondary	1,254,166	988,085	(266,081)	-21.22%
MGS - Primary (217)	0	0	0	0.00%
GS-TOD Primary (227)	0	0	0	0.00%
MGS - Total Primary	0	0	0	0.00%
MGS - Subtransmission (236)	0	0	0	0.00%
MGS - Transmission (239)	0	0	0	0.00%
GS - Secondary (261)	85,375,185	67,282,529	(18,092,656)	-21.19%
GS - Primary (221.263)	8,416,537	6,620,004	(1,796,533)	-21.35%
GS - Subtransmission (265)	609,963	487,391	(122,571)	-20.09%
GS - Transmission (267)	62,157	49,313	(12,843)	-20.66%
LGS-TOD Secondary (337)	1,004,292	794,312	(209,979)	-20.91%

260930154

Appendix A
Page 5 of 28

Appalachian Power Company Case No. PUR-2026-00644 To Adjust Fuel Revenues and Expenses Adj. No. RR 2 and GE 10 Worksheet B				
Tariff	Per Books 2025 Fuel Revenue	Annualized Fuel Revenue	Difference	Percent
LPS - Secondary (302)	7,354,942	5,504,468	(1,850,474)	-25.16%
LPS - Primary (306)	73,076,209	54,295,731	(18,780,478)	-25.70%
LPS - Subtransmission (308)	50,791,741	40,541,686	(10,250,055)	-20.18%
LPS - Subtransmission (309)	13,883,695	10,968,117	(2,915,578)	-21.00%
LPS - Total Subtransmission	64,675,436	51,509,803	(13,165,633)	-20.36%
LPS - Transmission (310)	16,246,668	38,732,507	22,485,839	138.40%
OL (093 to 162)	2,500,663	1,943,926	(556,736)	-22.26%
OAD SGS - Secondary (830, 833)	0	0	0	0.00%
OAD SGS - Primary (831)	0	0	0	0.00%
OAD MGS - Secondary (840)	0	0	0	0.00%
OAD MGS - Primary (841)	0	0	0	0.00%
OAD GS - Secondary (870)	0	0	0	0.00%
OAD GS - Primary (871)	0	0	0	0.00%
OAD LPS - Primary (861)	0	0	0	0.00%
OAD LPS - Subtransmission (862)	0	0	0	0.00%
OAD LPS - Primary (866)	0	0	0	0.00%
OAD OL (911, 912, 913, 916)	0	0	0	0.00%
Total Retail	519,226,897	438,779,625	(90,447,273)	-17.09%

260930154

Large Power Service - Trun - 310

Description	Block Analysis	Function	Per Books		Going-Level			Pro Forma			Difference	
			Jan 1 2025 Rates	Revenue	Block Analysis	Rates	Revenue	Block Analysis	Proposed Rates	Proposed Revenue	Revenue	Revenue
			(\$)	(\$)		(\$)	(\$)		(\$)	(\$)	(\$)	(\$)
Fuel Revenue		G		16,246,668	1,236,275,360	0.03133	38,732,507	1,236,275,360	0.03133	38,732,507		0
G-RAC		G		672,535								
RPS-RAC		G		-								
T-RAC		T		8,025,744								
EE-RAC		D		757,192								
DR-RAC		D		-								
E-RAC		G		720,212								
Broadband RAC		D		50,982								
RPS A.5 Energy D, E & F		G		371,887								
RPS A.5 Capacity - PCAP		G		31,408								
RPS A.6 Capacity & Energy		G		23,511								
PIPP		D		540,278								
NBC Rider		G		-								
Unbilled Revenue				45,106			45,106			45,106		0
Total Billed & Accrued Revenue				37,543,914			65,239,035			52,399,433		(12,839,603)

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Non-Labor Generation O&M Expense
Adj. No. GE-11

Line No.	Description	Juris. Rate Year		Juris. Test Year		Adjustment
		Amount		Amount		
1	Steam O&M Expense	[a]		43,819,491		7,643,675
2	Hydro O&M Expense	51,463,166		4,337,592		1,642,627
3	Other Gen O&M Expense (Less Dresden)	5,980,219		486,398		789,460
4	Total Juris Generation O&M Expense	1,275,858		48,643,481		10,075,762

[a] Forecast amounts from Workpaper A.

260930154

Appendix A
Page 9 of 28

Appalachian Power Company
Case No. PUR-2026-00044
For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Non-Labor Generation O&M Expense
Adj. No. GE-11 Worksheet A

Description	Actuals	2025	2027	Forecast	2028	Rate Year Normalized Expense	Allocation Type	Jurisdictional Factor	Juris. Expense	TY Juris. Per Books
	(a)									
Hydro Generation										
Maintenance										
541 Maint Supr & Engineering	154,123	9,244	-	-	-	11,025	Demand	0.48262	5,321	4,461
542 Maintenance of Structures	4,184,041	3,557,865	-	-	-	4,243,250	Demand	0.48262	2,047,877	1,717,697
543 Maint Reservoirs Dam&Wtrways	2,187,189	1,380,930	-	-	-	1,527,688	Demand	0.48262	737,293	618,202
544 Maintenance of Electric Plant	2,553,976	1,610,351	8,256,593	7,964,427	-	1,920,568	Energy	0.45106	866,291	726,365
545 Maint of Misc Hydraulic Plant	77,961	116,108	-	-	-	138,475	Demand	0.48262	66,831	56,036
	9,157,290	6,574,498	7,887,523	7,608,417	-	7,841,066			3,723,613	3,122,162
Operations										
545 Oper Supervision & Engineering	1,895,391	439,078	-	-	-	815,206	Demand	0.48262	393,435	211,908
546 Water for Power	30,399	19,719	-	-	-	36,611	Demand	0.48262	17,669	9,317
537 Hydraulic Expenses	713,110	456,688	-	-	-	847,901	Demand	0.48262	409,214	220,407
538 Electric Expenses	213,544	4,760	-	-	-	8,838	Demand	0.48262	4,265	2,297
539 Misc Hydr Power Generation Exp	3,386,788	1,230,446	4,863,659	5,048,861	-	2,284,485	Demand	0.48262	1,102,538	593,838
540 Rents	335,113	367,709	-	-	-	682,760	Demand	0.48262	329,485	177,464
	6,576,345	2,518,400	4,646,253	4,823,177	-	4,675,741			2,256,606	1,215,430
Total Hydro Generation	15,735,635	9,092,898	12,533,777	12,431,594	-	12,516,746			5,980,219	4,337,592
Other Generation										
Maintenance										
551 Maint Supr & Eng-Gas Turbine	372	-	-	-	-	-	Demand	0.48262	-	-
552 Maint of Sm&rt - Gas Turbine	-	27	-	-	-	124	Demand	0.48262	60	13
553 Maint of Gen Plant - Gas Turb	294,744	551,743	2,704,588	2,837,112	-	2,524,064	Demand	0.48262	1,218,159	266,282
554 Maint of Oth Pwr Gen Pk-GT	-	17,622	-	-	-	86,615	Demand	0.48262	38,907	8,505
	295,116	569,392	2,583,693	2,710,293	-	2,604,793			1,257,125	274,800
Operations:										
546 Oper Supervision & Engineering	94,125	38,071	-	-	-	3,371	Demand	0.48262	1,627	18,374
548 Generation Expenses	342,151	366,656	40,520	41,192	-	32,461	Demand	0.48262	15,666	176,956
549 Misc Other Pwr Generation Exp	50,806	33,710	-	-	-	2,984	Demand	0.48262	1,440	16,269
550 Rents - Gas Turbine	-	-	-	-	-	-	Demand	0.48262	-	-
	487,082	438,437	38,709	39,351	-	38,816			18,733	211,598
Total Other Generation	782,198	1,007,829	2,622,402	2,749,644	-	2,643,609			1,275,858	486,398

260930154

Appendix A
Page 10 of 28

Appalachian Power Company
Case No. PUR-2026-00044
For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Non-Labor Generation O&M Expense
Adj. No. GE-11 Worksheet A

Description	Actuals	2025	2027	Forecast	2028	Rate Year Normalized Expense	Allocation Type	Jurisdictional Factor	Juris. Expense	TY Juris. Per Books
Steam Generation										
Maintenance										
510 Maint Supv. & Engineering	313,961	385,790	4,978,990	5,077,952		488,416	Energy	0.43106	220,305	174,014
511 Maintenance of Structures	3,860,701	4,634,760	915,350	557,559		5,867,681	Demand	0.48262	2,831,860	2,236,828
512 Maintenance of Boiler Plant	37,465,501	40,536,006	70,326,315	71,474,769		51,066,037	Energy	0.45106	23,033,847	18,193,959
513 Maintenance of Electric Plant	11,576,554	11,491,367	3,551,148	2,836,384		14,346,237	Energy	0.45106	6,562,137	5,183,296
514 Maintenance of Misc. Steam Pl.	4,282,562	3,827,019	275,546	275,122		4,845,068	Demand	0.48262	2,338,327	1,846,996
	57,239,279	60,674,942	76,831,352	76,635,997		76,815,460			34,986,416	27,635,093
Operations										
500 Oper Supervision & Engineering	13,217,165	15,431,332	21,781,716	21,846,592		15,710,024	Demand	0.48262	7,581,922	7,447,469
502 Steam Expenses	4,456,068	5,406,534	1,138,422	1,161,066		3,504,167	Demand	0.48262	2,656,421	2,609,297
505 Electric Expenses	223,729	407,516	-	-		414,876	Demand	0.48262	200,227	196,675
506 Misc. Steam Power Expenses	12,970,543	12,345,363	12,770,489	12,882,169		12,466,516	Demand	0.48262	6,016,590	5,909,837
507 Rents	57,315	43,719	13,733	13,733		44,509	Demand	0.48262	21,481	21,100
508 IPP Operations	-	-	-	-		-	Demand	0.48262	-	-
	30,904,820	33,554,454	34,108,375	34,298,671		34,146,691			16,476,691	16,184,396
Total Steam Generation	88,144,089	94,209,396	110,959,728	110,934,668		110,955,551			51,463,166	43,819,491
Total Generation Non-O&M	104,659,932	104,110,123	126,115,906	126,115,906		126,115,906			58,719,344	48,643,481

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Non-Labor Generation O&M Expense
Adj. No. GE-11 Worksheet B

Line No.	Description	2023	2024	2025	3-Year Average
1	Actuals	\$ 107,088,095	\$ 104,659,932	\$ 104,310,123	\$ 105,352,717
2	Budget	\$ 112,661,110	\$ 103,372,932	\$ 115,515,948	\$ 110,516,663
3	Budget to Actuals Spend	\$ (5,573,015)	\$ 1,287,000	\$ (11,205,825)	\$ (5,163,947)
4	Budget to Actuals %	95.05%	101.25%	90.30%	95.53%

[a] Staff 9-283 Attachment 1

260930154

260930154

Appendix A
Page 12 of 28

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Distribution Inspection Activities
Adj. No. SO-1

Line No.	Description	Amount	Total
1	3-Year Avg Circuit Inspection Cost Per Mile	240.56	[a]
2	3-Year Avg Circuit Inspection Miles	<u>3,466</u>	[a]
3	Rate Year Circuit Inspection Expense		833,829
4	3-Year Avg Pole Inspection Cost Per Pole	35.31	[a]
5	3-Year Avg Pole Inspections	<u>22,873</u>	[a]
6	Rate Year Pole Inspections Expense		807,580
7	3-Year Avg URD Cost per Inspection	10.45	[a]
8	3-Year Avg URD Inspections	<u>10,114</u>	[a]
9	Rate Year URD Inspection Expense		<u>105,732</u>
10	Rate Year Inspections Expense		1,747,141
11	Test Year Inspections Expense		<u>1,341,487</u> [b]
12	Inspections Adjustment		405,654
13	VA Only Distribution Plant Allocator		<u>94.41%</u>
14	Juris. ROW Inspections Adjustment		382,979

- [a] 3-Year Avg from Inspections Adj Workpaper A.
[b] 2025 O&M expense from Inspections Adj Workpaper A.

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Distribution Inspection Activities
Adj. No. SO-1 Worksheet A

Line No.	Description	2023 [a]			2024 [b]			2025 [b]			3-Year Average Cost Per Mile
		Miles/ Inspections	O&M Expense	Cost Per Mile	Miles/ Inspections	O&M Expense	Cost Per Mile	Miles/ Inspections	O&M Expense	Cost Per Mile	
1	Circuit Inspections	5,547	\$ 730,116	\$ 131.62	1,307	\$ 803,574	\$ 614.59	3,544	\$ 967,796	\$ 273.08	\$ 240.56
2	Pole Inspections	29,736	\$ 798,165	\$ 26.84	35,591	\$ 1,412,999	\$ 39.70	3,291	\$ 211,577	\$ 64.29	\$ 35.31
3	URD Inspections	20,015	\$ 117,641	\$ 5.88	10,327	\$ 37,441	\$ 3.63	0	\$ 162,114	\$ -	\$ 10.45

[a] PUR-2024-00024 Staff Adjustment No. DI-19, WP A

[b] Response to Staff Interrogatory No. 6-174

260930154

260930154

Appalachian Power Company

Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027

To Reflect Rate Year Vegetation Management

Adj. No. SO-2

Line No.	Description	Amount
1	Test Year Vegetation Management O&M	38,801,251 [a]
2	VA Only Distribution Plant Allocator	94.41%
3	Jurisdictional Amount to Remove from Rate Year	(36,632,353)
[a]	From Staff VMP Workpaper A and B	

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Traditional VMP Expense
Adj. No. SO-2 Workpaper A

Line No.	Year	O&M Expense	Miles	
			Managed	Cost Per Mile
1	2017	16,526,898	2,153	7,676 [a]
2	2018	19,839,033	2,031	9,768 [a]
3	2019	19,532,589	1,909	10,232 [a]
4	2020	19,847,099	1,688	11,758 [a]
5	2021	17,653,800	1,388	12,719 [a]
6	2022	21,398,646	1,555	13,761 [a]
7	2023	11,031,215	552	19,984 [a]
8	2024	23,024,984	618	37,257 [b]
9	2025	16,750,224	401	41,771 [b]

[a] From 2024 Biennial Case No. PUR-2024-00024 and Company Response to OAG Interrogatory No. 3-46

[b] From Company's Response to Staff Interrogatory No. 9-281

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Worst Performing Circuit Program Expense
Adj. No. SO-2 Workpaper B

Line No.	Station/Circuit	Miles Requiring Maintenance in 2025
<u>2025 Worst Performing Circuits Target List</u>		
1	BLAINE STATION BURNTCHIM	101.91
2	BOONESBORO STATION BLUE RIDGE FARM	12.8
3	BRUSH TAVERN STA RAINBOW FORREST*	12.8
4	BURLINGTON HEIGHTS JAMISON	18.4
5	EXPRESSWAY #1 MURRAY PLACE	20.7
6	FIELDALE STATION RANGELEY**	62.18
7	BUCKHORN BLUEFIELD	75.7
8	GRAVES MILL STA BLUMONT	7.53
9	HILLMAN HIGHWAY SALTWORKS	30.48
10	HILLMAN HIGHWAY BRADLEY ST	27
11	KIMBALLTON STATION PEMBROKE***	53.4
12	MOSELEY STATION UNION CHURCH	139.48
13	WILLIS GAP ARARAT****	130.87
14	WOLF GLADE LOW GAP	226.57
15	Total	919.82
16	Total O&M	22,051,027
17	Cost Per Mile	\$ 23,973

[a] From Staff 6-171 Attachment 1 and Staff 7-209 Attachment 1

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Vegetation Management
Staff Alternative Adjustment: Adj. No. SO-2

Line No.	Description	Amount
1	Juris Adjustment to Remove a Test Year Level of WPC O&M	(20,818,427) [a]
2	Juris Adjustment to Normalize Traditional VMP	<u>174,895 [b]</u>
3	Jurisdictional Rate Year Adjustment	(20,643,531)
[a]	From Staff Alternative Adjustment SO-2 Workpaper A	
[b]	From Staff Alternative Adjustment SO-2 Workpaper B	

Appendix A
Page 18 of 28

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Worst Performing Circuits Program Expense
Staff Alternative Adjustment: Adj. No. SO-2 Workpaper

Line No.	Description	Amount
1	Test Year WPC O&M	22,051,027 [a]
2	VA Only Distribution Plant Allocator	<u>94.41%</u>
3	Jurisdictional Amount to Remove from Rate Year	(20,818,427)
[a]	From Staff VMP Workpaper A and B	

260930154

Appendix A
Page 19 of 28

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Traditional VMP Expense
Staff Alternative Recommendation: Adj. No. SO-2 Workpaper B

Line No.	Description	Amount
1	3-Year Avg ROW Expense Per Mile	32,340 [a]
2	3-Year Avg Miles	<u>524 [b]</u>
3	Rate Year Right of Way Maintenance Expense	16,935,474
4	Test Year Right of Way Maintenance Expense	<u>16,750,224</u>
5	Right of Way Maintenance Adjustment	185,250
6	VA Only Distribution Plant Allocator	<u>94.41%</u>
7	Jurisdictional Adjustment	174,895
[a]	Three-year average cost per mile from Staff VMP Workpaper A	
[b]	Three-year average miles from Staff VMP Workpaper A.	

Appendix A
Page 20 of 28

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
Regulatory Asset
Adj. No. DI-16

Line No.	Description		Distribution
1	APCo TCP Under-Recovery Regulatory Asset Balance as of December 31, 2025 - Account 1823733	(a)	6,681,888
2	Divide: Number of Years		<u>2</u>
3	Jurisdictional Allocation Factor (Direct VA Retail)		100%
4	Rate Year Amortization		3,340,944

(a) Staff 1-42 Attachment 1. Staff excludes the over/under amounts after November 20, 2024.

260930154

Appendix A
Page 21 of 28

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Include Rate Year Electric Vehicle Pilot Programs
Adj. No. CI-21

Line No.	Description	Program Year 1
1	Annual Level of Program Expenses	1,629,264 [a]
2	Jurisdictional Factor - VA Only Distribution Plant	<u>94.41%</u>
3	Jurisdictional Rate Year Adjustment	1,538,192
[a] EV Pilot Program Workpaper A		

260930154

Appendix A
Page 22 of 28

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Include Rate Year Electric Vehicle Pilot Programs
Adj. No. CI-21 Workpaper A

Line No.	Description	Managed Charging Pilot	EV Charger Rebate Pilot	Total
1	Incentives	77,748	377,465	455,213 [a]
2	Contractor Program Costs	172,326	597,387	769,713 [b]
3	Evaluation & Measurement	7,500	7,500	15,000 [b]
4	Utility Promotion	175,000	175,000	350,000 [b]
5	Utility Administration	19,669	19,669	39,338 [b]
		452,243	1,177,021	1,629,264

[a] Staff 10-326 Attachment 2 and 3

[b] Staff 10-326 Attachment 1

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Include Rate Year Income-Qualified Solar Program
Adj. No. CI-22

Line No.	Description	Program Year 1	Total
1	Incentives	3,930,610	
2	CHP Admin (25.7%)	1,013,554	
3	APCo Admin non-labor	20,837	
4	APCo Marketing	25,000	
5	APCo EM&V	10,000	
		5,000,000	
6	Annual Level of Program Expenses		5,000,000
7	Jurisdictional Factor (Direct)		95.51%
8	Jurisdictional Rate Year Adjustment		4,775,610

[a] Staff 10-315 Attachment 1

260930154

Appendix A
Page 24 of 28

Appalachian Power Company
Case No. PUR-2026-00044
For the Rate Year Beginning Mar. 1 2027
Adjust Rate Case Expense For Virginia Biennial Rate Case
Adj. No. AG-30

Line No.	Description	Amount	Total	Annotation
1	2024 Regulatory Expense (external costs)	\$ 2,605,560		[1]
2	2025 Regulatory Expense (external costs)	\$ 3,735,454		[1]
3	Estimated Incremental 2026 APCo Virginia Biennial Rate Case Expense (external costs)	<u>\$ 661,061</u>		[2]
4	2 Year Total		\$ 7,002,075	
5	Divided by: Period (years)	<u>2</u>		
6	Annual Amount		\$ 3,501,038	
7	Less Test Year Regulatory Expense	<u>\$ 3,735,454</u>		[1]
8	Adjustment		\$ (234,417)	
	<u>Ratemaking</u>	<u>Generation</u>	<u>Distribution</u>	<u>Total</u> <u>Annotation</u>
9	Functional Factor (Payroll)	0.4751630	0.5219550	[3]
10	Funtionalized	\$ (111,386)	\$ (122,355)	
11	Adjustment	\$ (111,386)	\$ (122,355)	\$(233,741) AG-30

[1] Staff DR 3-96
[2] OAG DR 4-103
[3] Sch. 40B

Appendix A
Page 25 of 28

260930154

Appalachian Power Company
Case No. PUR-2026-00044
For the Rate Year Beginning Mar. 1, 2027
Remove Lobbying Costs Related to Office in Washington D.C.
Adj. No. AG-38

Line	Description	Amount	Annotation			
1	Total DC Office Expense charged to APCo from AEPSC	\$ 917,566	[1]			
2	Reduced by 93% to exclude lobbying activities	\$ 64,230	[2]			
3	DC Office amount charged to above the line accounts	\$ 785,626	[1]			
4	Adjustment to remove 93% of lobbying activities	\$ (721,397)				
5	Rate-making	Generation	Distribution	Total	Annotation	
6	Functional Factor (Payroll)	0.475163	0.521955		[3]	
7	Functional Adjustment	\$ (342,781)	\$ (376,537)	\$ (719,318)		
8	Jurisdictional Factor (Payroll)			0.499842	[3]	
9	VA Adjustment	\$ (171,336)	\$ (188,209)	\$ (359,545)	AG-38	
10	[1]	DR 2-55				
11	[2]	DRs 5-150, 7-216				
12	[3]	Schedule 40B				

Appendix A
Page 26 of 28

260930154

Appalachian Power Company
Case No. PUR-2026-00044

For the Rate Year Beginning March 1, 2027
To Reflect Rate Year Interest on Customer Deposits
Adj. No. ICD-78

Line No.	Description	Amount
1	VA Retail Customer Deposits as of 12/31/2025	51,535,692
2	Commission-Authorized Interest Rate Effective 1/1/2026	<u>3.60%</u>
3	Rate Year Interest on Customer Deposits	1,855,285
4	Test Year Juris. Interest on Customer Deposits	<u>2,126,576</u>
5	Adjustment to Interest on Customer Deposits	(271,291)
6	To Functionalize - Revenue Functional Factors	
7		Generation Distribution
8		55.11% 24.82%
9		(149,505) (67,324)

260930154

Appendix A
Page 27 of 28

Appalachian Power Company
Case No. PUR-2026-00044
For the Test Year Ended Dec. 31, 2025
Remove Lobbying Costs Related to Office in Washington D.C.
Adj. No. ET-10

Line No.	Description	Amount	Annotation		
1	Total DC Office Expense charged to APCo from AEPSC	\$ 917,566	[1]		
2	Reduced by 93% to exclude lobbying activities	\$ 64,230	[2]		
3	DC Office amount charged to above the line accounts	\$ 785,626	[1]		
4	Adjustment to remove 93% of lobbying activities	\$ (721,397)			
5	Ratemaking	Generation	Distribution	Total	Annotation
6	Functional Factor (Payroll)	0.475895	0.521236		[3]
7	Functional Adjustment	\$ (343,309)	\$ (376,018)	\$ (719,327)	
8	Jurisdictional Factor (Payroll)			0.501496	[3]
9	VA Adjustment	\$ (172,168)	\$ (188,571)	\$ (360,740)	ET-10
10	[1]	DR 2-55			
11	[2]	DRs 5-150, 7-216			
12	[3]	Schedule 40A			

260930154

Appendix A
Page 28 of 28

Appalachian Power Company
Case No. PUR-2026-00044
For the Test Year Ended Dec. 31, 2024
Remove Lobbying Costs Related to Office in Washington D.C.
Adj. No. ET-11

Line No.	Description	Amount	Annotation
1	Total DC Office Expense charged to APCo from AEPSC	\$ 712,534	[1]
2	Reduced by 100% to exclude lobbying activities	\$ -	[2]
3	DC Office amount charged to above the line accounts	\$ 597,836	[1]
4	Adjustment to remove 100% of lobbying activities	\$ (597,836)	
5	Ratemaking	Generation	Distribution
6	Functional Factor (Payroll)	0.500804	0.49735
7	Functional Adjustment	\$ (299,399)	\$ (297,334)
8	Jurisdictional Factor (Payroll)		0.500538
9	VA Adjustment	\$ (149,880)	\$ (148,827)
			\$ (298,687)
10	[1]	DR 2-55	
11	[2]	DR 5-150	
12	[3]	Schedule 40A	

260930154

APPENDIX B

DISCOVERY RESPONSES CITED IN TESTIMONY

260930154

Appalachian Power Company
Case No. PUR-2026-0044
Table of Contents of Discovery Responses and Other Support

Party	Set	Number	Topic	Confidential/ES
Staff	1	39	Revenues	
Staff	1	44	EV and Solar Programs	
Staff	1	45	Securitization	
Staff	2	53	Wildfire Mitigation	Confidential
Staff	2	60	Generation Station O&M Non-Labor	
Staff	3	96	Regulatory Expense	
Staff	4	108	Data Centers	Extraordinarily Sensitive
Staff	4	109	Data Centers	Extraordinarily Sensitive
Staff	5	142	Wildfire Mitigation	
Staff	5	143	Wildfire Mitigation	
Staff	5	144	Wildfire Mitigation	
Staff	5	150	Lobbying Expense	
Staff	6	168	Revenues	
Staff	6	171	Vegetation Management	
Staff	6	174	Distribution Expense	
Staff	6	176	Vegetation Management	
Staff	6	177	Vegetation Management	Confidential
Staff	7	204	Wildfire Mitigation	Confidential
Staff	7	207	Revenues	Confidential
Staff	7	209	Vegetation Management	
Staff	7	210	Vegetation Management	
Staff	7	216	Lobbying Expense	
Staff	9	281	Vegetation Management	
Staff	9	282	Vegetation Management	
Staff	9	283	Generation Station O&M Non-Labor	
Staff	9	284	Generation Station O&M Non-Labor	
Staff	9	285	Vegetation Management	
Staff	9	286	EV Pilot Program	
Staff	9	287	Solar Program	
Staff	10	307	Revenues	
Staff	10	315	Solar Program	
Staff	10	322	EV Pilot Program	
Staff	10	326	EV Pilot Program	
Staff	11	338	Cash Working Capital	
Staff	12	350	Data Centers	
Staff	13	376	EV Pilot Program	
Staff	13	377	EV and Solar Programs	
Staff	13	378	Vegetation Management	
Staff	13	379	Vegetation Management	
Staff	13	380	Vegetation Management	
Staff	14	398	Solar Program	
OAG	3	44	Vegetation Management Capitalization	Confidential
OAG	3	46	Vegetation Management Cost	
OAG	4	103	Regulatory Expense	
Sierra Club	2	12	EV Pilot Program	

260930154

Appendix B
Page 1 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 1
To Appalachian Power Company**

Interrogatory Staff 1-39:

Refer to Adj. RR-3. Please provide all data and workpapers necessary to calculate the weather normalization adjustment.

Response Staff 1-39:

Please see Staff 1-39 Attachment 1. The calculations within the file developed ratios utilized in the Company's proprietary software to adjust billing determinants. Additionally, please see Schedule 42 WP 2 which calculates the dollar impact of the total adjusted kWh by rate schedule.

The foregoing response is made by Katharine I. Walsh, Mng Dir Reg Pricing&Analysis on behalf of Appalachian Power Company.

Appendix B
Page 2 of 108

260930154
Case No. PUR-2026-00044
Staff 1-39
Attachment 1
Page 1 of 2

JURIS	REVCLS	YEAR	MONTH	Billed kWh	Billing Cycle Weather Impact	Normalized Billed kWh	Weather Adjusted Ratio
APV	Residential	2025	1	839,677,907	74,852,485	764,825,422	0.910855716
APV	Residential	2025	2	742,937,357	49,793,931	693,143,426	0.932976946
APV	Residential	2025	3	582,765,517	1,834,862	580,930,655	0.996851458
APV	Residential	2025	4	398,190,437	(39,263,379)	437,453,816	1.098604525
APV	Residential	2025	5	356,560,546	149,637	356,410,909	0.999580333
APV	Residential	2025	6	375,708,429	(27,582,546)	403,290,975	1.073414764
APV	Residential	2025	7	530,663,736	26,834,382	503,829,354	0.949432418
APV	Residential	2025	8	492,777,538	(11,500,876)	504,278,414	1.023338879
APV	Residential	2025	9	399,445,731	(55,126,507)	454,572,238	1.1380075
APV	Residential	2025	10	341,329,864	(11,984,001)	353,313,865	1.035109736
APV	Residential	2025	11	389,787,821	(14,010,918)	403,798,739	1.035944987
APV	Residential	2025	12	571,596,002	30,189,319	541,406,683	0.947184167
APV	Commercial	2025	1	292,907,804	11,666,046	281,241,758	0.960171612
APV	Commercial	2025	2	264,908,790	7,750,573	257,158,217	0.970742485
APV	Commercial	2025	3	230,174,370	160,817	230,013,553	0.999301324
APV	Commercial	2025	4	204,511,548	(4,788,468)	209,300,016	1.02341417
APV	Commercial	2025	5	214,952,768	1,137,395	213,815,373	0.994708626
APV	Commercial	2025	6	234,486,637	(8,980,508)	243,467,145	1.038298592
APV	Commercial	2025	7	272,370,045	8,938,555	263,431,490	0.967182313
APV	Commercial	2025	8	262,006,168	(3,834,475)	265,840,643	1.014635055
APV	Commercial	2025	9	238,791,833	(18,416,055)	257,207,888	1.077121795
APV	Commercial	2025	10	217,504,078	(3,410,126)	220,914,204	1.015678448
APV	Commercial	2025	11	206,585,057	(3,031,546)	209,616,603	1.014674565
APV	Commercial	2025	12	238,105,756	4,648,259	233,457,497	0.980478175
APV	Industrial	2025	1	396,464,721	-	396,464,721	
APV	Industrial	2025	2	388,532,963	-	388,532,963	
APV	Industrial	2025	3	392,958,467	-	392,958,467	
APV	Industrial	2025	4	393,484,907	-	393,484,907	
APV	Industrial	2025	5	395,280,253	-	395,280,253	
APV	Industrial	2025	6	383,715,587	-	383,715,587	
APV	Industrial	2025	7	397,591,497	-	397,591,497	
APV	Industrial	2025	8	412,947,220	-	412,947,220	
APV	Industrial	2025	9	398,136,414	-	398,136,414	
APV	Industrial	2025	10	369,441,208	-	369,441,208	
APV	Industrial	2025	11	364,467,507	-	364,467,507	
APV	Industrial	2025	12	385,700,798	-	385,700,798	

Account	Revenue Class	Bill Component	Bill Component Type	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
02VA_011	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_015	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_019	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_020	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_022	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_030	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_036	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_051	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9109	0.9330	0.9969	1.0986	0.9996	1.0734	0.9494	1.0233	1.1380	1.0351	1.0359	0.9472
02VA_213	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_222	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_229	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_231	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_232	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_235	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_237	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_249	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_261	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_262	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_263	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_264	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_265	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_281	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_301	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_302	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_306	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_307	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_308	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_320	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_337	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_347	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_349	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_830	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_831	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_833	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_861	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_870	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805
02VA_871	NA	Adjustment - Target Rate Code Metered kWh Input	Target	2025	0.9602	0.9707	0.9993	1.0234	0.9947	1.0383	0.9672	1.0146	1.0771	1.0157	1.0147	0.9805

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 1
To Appalachian Power Company**

Interrogatory Staff 1-44:

Please provide all supporting workpapers and calculations with formulas intact for Adj.CI-21 and CI-22.

Response Staff 1-44:

Please see Staff 1-44 Attachment 1 for the support to adjustment CI-22.

Please refer to Figure SMS-12 and SMS-13 in witness Saunders direct testimony for the support to adjustment CI-21. Additionally, please see Staff 1-44 Attachment 2 and Staff 1-44 Attachment 3 for additional support to adjustment CI-21. Adjustments were made to Staff 1-44 Attachment 2 and Staff 1-44 Attachment 3 to be consistent with the most recent Virginia EE-RAC filing (PUR-2026-00031). Witness Morris discusses the adjustments made to assumption inputs in his testimony on page 3 and pages 6-9.

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord and Jason Johannessen, EE&Consumer Program Coord on behalf of Appalachian Power Company.

Appendix B
 Page 5 of 108

Case No. PUR-2026-00044
 Staff 1-44 Attachment 1
 Page 1 of 1

New Budget 5 mill per year	Year 1	Year 2	Year 3	Total
Incentives	\$3,656,250	\$3,765,000	\$3,884,625	\$11,305,875
CHP Admin	\$1,218,750	\$1,255,000	\$1,294,875	\$3,768,625
APCo Admin	\$90,000	\$90,000	\$90,000	\$270,000
Marketing	\$25,000	\$25,000	\$25,000	\$75,000
EM&V	\$10,000	\$15,000	\$10,000	\$35,000
Total	\$5,000,000	\$5,150,000	\$5,304,500	\$15,454,500

Total APCo Expense	\$125,000	\$130,000	\$125,000	\$4,113,625
Remainder	\$4,875,000	\$5,020,000	\$5,179,500	\$11,340,875

5 Mill Budget Original	Year 1	Year 2	Year 3	Total
Incentives	\$1,303,333.33	\$1,303,333.33	\$1,303,333.33	\$3,909,999.99
CHP Admin	\$335,906.64	\$335,906.64	\$335,906.64	\$1,007,719.92
APCo Admin	\$27,426.69	\$27,426.69	\$27,426.69	\$82,280.07
Total	\$1,666,666.66	\$1,666,666.66	\$1,666,666.66	\$4,999,999.98

Cost of system	
3kw	5kw
\$ 12,000.00	\$ 20,000.00

# of households				
	Year 1	Year 2	Year 3	
3 kw	304.69	313.75	323.72	
5 kw	182.81	188.25	194.23	Total
4kw	244	251	259	754

	Year 1	Year 2	Year 3
4kw	244	251	259

260930154

Appendix B
Page 6 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 1
To Appalachian Power Company**

Interrogatory Staff 1-45:

Please refer to pages 4 and 5 of Company witness Walsh's direct testimony regarding the requested incremental revenue requirement increase of \$61.4 million which excludes the impacts of securitization authorized in the 2025 Securitization Case. The Company's Schedule 21 shows an incremental revenue requirement decrease of \$104.5 million which includes securitization. Provide supporting workpapers and calculations with formulas intact showing the \$165.9 million difference between the \$104.5 million decrease and \$61.4 million increase.

Response Staff 1-45:

Please see Staff 1-45 Attachment 1. The value of the securitization adjustments EP-87, AD-96 and DE-52 is estimated to be approximately -\$166 million of revenue requirement.

$-\$1.14 \text{ billion} * 8.8\% + -\$66 \text{ million} = -\$166 \text{ million}$

This is comparable to the value of the Securitization Base Rate Reduction Rider (SBRR) currently being applied to customer bills as an interim credit associated with the estimated reduction of the return on and of the securitized plant balances. The SBRR was designed to credit approximately -\$167.4 million annually to customers.

The foregoing response is made by Katharine I. Walsh, Mng Dir Reg Pricing&Analysis on behalf of Appalachian Power Company.

Appendix B
Page 7 of 108

260930154
Case No. PUR-2026-00044
Staff 1-45 Attachment 1
Page 1 of 1

1	\$	(2,513,096,121)	EP-87
2	\$	(1,372,765,883)	AD-96
3 = 1 - 2	\$	(1,140,330,238)	Net Plant Decrease
4	\$	(65,513,382)	DE-52
5			8.8% Pre-Tax WACC - Compliance PUR-2024-00024
6 = 3 * 5 + 4	\$	(165,814,161)	

260930154

Appendix B
Page 8 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 2
To Appalachian Power Company**

Interrogatory Staff 2-53:

Please provide a detailed narrative describing AEPSC's wildfire mitigation program. Include in the narrative the following information:

- (a) The date the program was established;
- (b) A description of the types of activities undertaken as part of the wildfire mitigation program;
- (c) The geographic locations being addressed by the program;
- (d) A list of third party vendors contracted to perform work as part of the wildfire mitigation program;
- (e) Copies of any vendor contracts with a total payment amount of over \$500,000 or a contracted length beyond one year;
- (f) A description of how costs related to the wildfire mitigation program are recorded on AEPSC's books and billed to APCo.

Response Staff 2-53:

This response contains confidential information that is provided pursuant to the Hearing Examiner's June 25, 2026 Protective Ruling.

- a) AEP's Wildfire Mitigation Plan was established on 4/26/2026.
- b) Please refer to Staff 2-53 Confidential Attachment 1 for the requested information.
- c) AEP has a department dedicated to wildfire plans and is actively developing individualized wildfire mitigation plans for the geographic locations where it operates, beginning in Texas. After the wildfire mitigation plans are rolled out in Texas, AEP will move on to develop plans for the rest of AEP, which will be prioritized by fire risk.
- d) The work will be performed by internal employees.
- e) Please refer to Staff 2-53 Confidential Attachment 2 for the requested information.
- f) AEPSC wildfire mitigation program costs are recorded to applicable Workorder(s) that define the benefitting AEP affiliates, which includes APCo. Most internal and external costs for the wildfire mitigation program are billed to Transmission and Distribution and are allocated based on total fixed assets.

The foregoing response is made by Jeffrey W. Maynor, Dir Reliability & Grid Mod; Brian T. Lysiak, Accounting Sr Mgr; William K. Castle, Dir Regulatory Svcs; and Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

VOLUMINOUS

Confidential Attachments 1 and 2 to the Company's Response to
Staff Interrogatory No. 2-53 are voluminous but are available on request.

260930154

Appendix B
Page 10 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 2
To Appalachian Power Company**

Interrogatory Staff 2-60:

Please refer to Company adjustment GE-11. Provide a descriptive narrative that explains the Rate Year increase in expense for the following:

- (a) Maintenance of Electric Plant (544)
- (b) Misc Hydr Power Generation Exp (539).
- (c) Maint of Gen Plant - Gas Turb (553).
- (d) Maint Supv & Engineering (510).
- (e) Maintenance of Boiler Plant (512).
- (f) Supervision & Engineering (500). (g): Misc Steam Power Expenses (506).

Response Staff 2-60:

Generation O&M is typically budgeted to placeholder accounts, while the actual expenses flow back to the actual accounts related to the work performed. Comparing forecasted years down to the account level with actual historical account level data will inherently create inaccuracies. Given the variable nature of O&M, trying to predict the O&M sub-account for tens of thousands of transactions would be impractical, if not impossible. In addition, it is important to understand plants do not have separate "operations" budgets or "maintenance" budgets. Rather, plants are asked to put together a single O&M budget to cover all O&M related expenses, no matter how those expenses may eventually be categorized within sub-accounts. Very simply put, it is typical for forecasted budgets to use one sub-account as a placeholder for costs that will eventually be incurred over multiple accounts.

Notwithstanding the foregoing, the following narrative descriptions are provided to explain the Rate Year increase in expense at the FERC account group level:

- (a) For accounts Hydro Maintenance (541-545), increases from 2025 actuals to 2027/2028 forecast average are primarily the result of scheduled outage work at Smith Mountain and Marmet, as well as painting and addressing post license requirements at Claytor.
- (b) For accounts Hydro Operations (535-540), the 2027/2028 forecast is influenced by FERC annual hydropower administrative fees.

260930154

Appendix B
Page 11 of 108

- (c) For accounts Other Generation Maintenance (546-550), an increasing annual total number of unit starts has resulted in a requirement for more frequent routine maintenance of the Ceredo gas combustion turbines. The increased frequency of routine turbine maintenance is the primary contributor to the increase from 2025 actuals to the 2027/2028 forecast average for this grouping of accounts.
- (d) For accounts Steam Generation Maintenance (510-514), the increase in O&M expenses is primarily attributable to the Mountaineer scheduled outage and NOMI reliability work planned for 2027/2028. The increase was additionally contributed to by 2027/2028 forced outage contingency. However, since the O&M forecast was provided for the Biennial, this contingency has largely been allocated to the plants through our annual budgeting process to improve reliability.
- (e) See response to part (d).
- (f) For accounts Steam Generation Operations (500, 502-508), when taken as an account grouping there was a marginal decrease in Steam Ops from 2025 to the 2027/2028 forecast. This was primarily the result of a cancelled project to convert Amos Unit 3 and Mountaineer Unit 1 to Dry Sorbent Injection. This resulted in a CWIP 183 write-off in 2025.
- (g) See response to part (f).

The foregoing response is made by Robert A. Jessee, VP Generating Assets East on behalf of Appalachian Power Company.

260930154

Appendix B
Page 12 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 3
To Appalachian Power Company**

Interrogatory Staff 3-96:

Please provide a breakdown of regulatory expenses, by case, for 2024 and 2025.

Response Staff 3-96:

See Staff 3-96 Attachment 1 for APCo's Virginia regulatory expenses, by case, for 2024 and 2025.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr on behalf of
Appalachian Power Company.

Appendix B
Page 13 of 108

260930154
Case No. PUR-2026-00044
Staff Set 3
3-96 Attachment 1
Page 1 of 1

**Regulatory Commission Expense Accounts
APCo Post-Allocated O&M Excluding Labor (VA)**

By Work Order	2024	2025
S23VAERC01 23 VA APCO EE RAC Filing	21,530	
S23VGLCP01 23 VA Glade Whitetop CPCN	10,194	
S24APCVA01 24 APCO VA Triennial Rate Case	533	
S24VABRC01 APCO VA 24 Biennial Rate Case	941,335	9,969
S24VCEAV01 24 APCO VA Annual VCEA Filing	259,860	
SAPCOF1801 2018 APCo VA Fuel Filing	759	360
SAPCOF2001 Regulatory VA Fuel filing		887
SAPCOTRI01 2020 VA Triennial	1,137	
SF00000501 Reg/Leg Act-Virginia	13,177	28,328
STRAC00001 VAT-RAC	14,597	
SVA23FUL01 23 APCO VA Fuel Factor Filing	9,957	
SVA23VCF01 23 APCO VA Annual VCEA filing	(364)	
SVABRDBN01 VA Broadband Filings	4,509	
SVAER2101 2021 APCo VA EE RAC Filing	1,780	2,336
SVARAC2201 2022 APCO VA E RAC	162	
SVATRA2301 2023 VA Triennial Filing	20,220	
SVGRAC1801 APCo VA GRAC - 2018	162	
UT23VERC01 23 VA APCO EE RAC Filing	4,470	
UT23VGLC01 23 VA Glade Whitetop CPCN	972	
UT24VABR01 APCO VA 24 Biennial Rate Case	641,351	25,388
UT24VCEA01 24 APCO VA Annual VCEA Filing	122,520	
UTATRA2301 2023 VA Triennial Filing	28,083	
UTVA23FL01 23 APCO VA Fuel Factor Filing	1,620	
UTVABRBD01 VA Broadband Filings	445	38
SVANETMT01 APCo VA Net Energy Metering	60,654	134,288
SVAOFFYR01 2026 VA Biennial Review		194,582
SVAERC2401 2024 APCo VA E RAC Filing	28,225	220,279
S5VAVCEA01 25 APCo VA Annual VCEA	28,611	1,312,598
S25VASEC01 2025 APCo VA Securitization		213,196
S6VAVCEA01 26 APCo VA Annual VCEA		188,714
UTVA25FL01 2025 APCo VA FAC		20,485
UTVA24FL01 Virginia Fuel Factor 2024	21,575	4,934
UTVAGR2401 24 APCO VA GRAC Dresden	5,091	21,779
UTVATRAC01 APCo VA T-RAC		21,167
UTVAOFYR01 2026 VA Biennial Review		2,334
UTVANETM01 APCo VA Net Energy Metering	179,669	471,980
UTVAER2401 2024 APCo VA E RAC Filing	107	79,971
UTVAREAC01 VA Small Modular Reactor	256	21,507
UT25VASC01 2025 APCo VA Securitization		38,984
UT26VERC01 2026 APCo VA EE RAC		17
UTVAVCEA01 25 APCo VA Annual VCEA		144,051
UTVATPEL01 25 APCo VA Transp Elec Plan	30,002	108,784
UTVAGRID01 VA Grid Transformation Filing		20,963
UTVASOLR01 VA Shared Solar		66,123
SVATRAC001 APCo VA T-RAC		25,855
SVATPELC01 25 APCo VA Transp Elec Plan		76,933
SVA24FUL01 Virginia Fuel Factor 2024	43,627	60,509
S26VAPRU01 2026 APCo VA Prudency		14,318
SVAGRA2401 24 APCO VA GRAC Dresden	37,039	37,641
SVAGRIDT01 VA Grid Transformation Filing	49,701	85,373
SVASOLAR01 VA Shared Solar		23,734
SVAREACT01 VA Small Modular Reactor	21,994	16,404
SVA25FUL01 2025 APCo VA FAC		40,646

260930154

Appendix B
Page 14 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 4
To Appalachian Power Company**

Interrogatory Staff 4-108:

Please refer to page 8 of Company witness Castle's testimony. For the two customers who have signed an electric service agreement ("ESA"), please provide the ESAs, the anticipated date the customers will begin taking service, the anticipated load for each, the load ramp schedule, their rate class(es), a transaction listing in Microsoft Excel format for the infrastructure investment projects installed to serve these two customers, and the in-service date of the investment.

Response Staff 4-108:

The Company will make this information available for inspection by Staff pursuant to the protections afforded to extraordinarily sensitive information in 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure and the Hearing Examiner's June 25, 2026 Protective Ruling.

The foregoing response is made by William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 4-108 are
Extraordinarily Sensitive

260930154

Appendix B
Page 16 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 4
To Appalachian Power Company**

Interrogatory Staff 4-109:

Please refer to page 8 of Company witness Castle's testimony. For the 36 potential customers, please provide a listing of each customer's requested load, the status of each request, and if available the anticipated connection date, any estimates of required plant investment, the amount of any spending to date included in construction work in progress or plant in service for these customers, and the anticipated rate class to which these customers would take service.

Response Staff 4-109:

The Company will make this information available for inspection by Staff pursuant to the protections afforded to extraordinarily sensitive information in 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure and the Hearing Examiner's June 25, 2026 Protective Ruling.

The foregoing response is made by William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

REDACTED

Portions of the Company's Response to Staff Interrogatory No.
4-109 are Extraordinarily Sensitive

260930154

Appendix B
Page 18 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 5
To Appalachian Power Company**

Interrogatory Staff 5-142:

Refer to the Company's response to Staff Interrogatory 2-53. Please provide actual and forecast wildfire mitigation costs, at both an AEP and APCo level, for 2025, 2026, 2027, and 2028.

Response Staff 5-142:

Please reference Staff 5-142 Attachment 1 for the Actual AEP and APCO level wildfire mitigation costs for 2025 and 2026, through June. APCo does not have a forecast of wildfire mitigation costs for 2026-2028. Please refer to Staff 5-142 Attachment 2 for AEP's wildfire mitigation forecast.

The foregoing response is made by Brian T. Lysiak, Accounting Sr Mgr, Jason E. Baker, VP Dist Region Opers and Kathleen Zappitelli, Manager, Transmission Finance and Analysis on behalf of Appalachian Power Company.

260930154

Appendix B
Page 19 of 108

AEPC Billed Costs
From dedicated Wildfire Mitigation Department
AEP and APCO Level
2025 YTD and 2026 (YTD June) - ACTUALS

Case No. PUR-2026-00044
Staff 5-142
Attachment 1

Company	FERC	ACTUALS	
		2025 YTD	2026 YTD (June)
APCO	1070	7,018,284	(20,250)
APCO	5000	13,511	
APCO	5600	1,227	10,405
APCO	9200	135,011	124,713
APCO	9210	308	2,502
APCO	9230	23,972	
APCO	9352	10,932	90,624
APCO Total		7,203,244	207,994
Other AEP Affiliates	1070	45,432,000	(132,799)
Other AEP Affiliates	5000	71,891	
Other AEP Affiliates	5600	8,043	69,022
Other AEP Affiliates	9200	739,145	822,532
Other AEP Affiliates	9210	1,618	16,677
Other AEP Affiliates	9230	125,494	
Other AEP Affiliates	9352	70,767	597,553
Other AEP Affiliates Total		46,448,959	1,372,985
AEP Total		53,652,203	1,580,979

260930154

Appendix B
Page 21 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 5
To Appalachian Power Company**

Interrogatory Staff 5-143:

Refer to the Company's response to Staff Interrogatory 2-53, part c. When does the Company anticipate rolling out a wildfire mitigation plan in Virginia?

Response Staff 5-143:

The Company anticipates rolling out a wildfire mitigation plan in Virginia in early 2027.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 22 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 5
To Appalachian Power Company**

Interrogatory Staff 5-144:

Please provide a narrative explaining how the Company tracks wildfire events and costs resulting from wildfires in its service territory. Provide a list of all wildfire events in the Company's Virginia service territory. Provide the date of the event, total number of outages related to the event, and restoration costs by FERC account.

Response Staff 5-144:

The Company tracks wildfire-related events through a combination of outage management systems, incident reporting processes, emergency response procedures, work management systems, field assessments, weather intelligence, and third-party wildfire monitoring resources. A work order is created for all associated labor, materials, equipment, and other costs are charged to and tracked through that work order.

The Company had one wildfire-related event during the Earnings Test Period. The event occurred on March 12, 2025 and no interruptions or restoration costs resulted from the event.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 23 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 5
To Appalachian Power Company**

Interrogatory Staff 5-150:

Please refer to Adjustments ET-11 (2024), ET-10 (2025), and AG-38. What percentage of the work performed by the employees in the DC office is related to lobbying? Please provide time reports by employees as support.

Response Staff 5-150:

For employees located in the DC office in 2024 and 2025, approximately 27% and 28% of their reported labor hours were respectively classified to Activity-based Management (ABM) code of 289, Manage/Participate in Legislative Affairs-Lobbying, which is used for tracking lobbying activities. Please see Staff 5-150 Attachment 1 for an extract of reported labor hours for personnel located in the DC Office in 2024 and 2025 to ABM code 289 versus all other ABM codes.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr and Brian T. Lysiak, Accounting Sr Mgr on behalf of Appalachian Power Company.

Appendix B
Page 24 of 108

260930154
Case No. PUR-2026-00044
Staff 5-150
Attachment
Attachment 1

**DC Office Personnel
Labor Hours 2024 and 2025
By ABM Activity Code**

Location	ABM Category	2024 Labor	
		Hours	%
Washington DC Office	289 Man/Par Lgsltve Afrs Lobby	1,984	27%
Washington DC Office	Other Non-Lobby ABM Activities	5,476	73%
Washington DC Office Total		7,460	100%

Location	ABM Category	2025 Labor	
		Hours	%
Washington DC Office	289 Man/Par Lgsltve Afrs Lobby	2,447	28%
Washington DC Office	Other Non-Lobby ABM Activities	6,320	72%
Washington DC Office Total		8,767	100%

260930154

260930154

Location	ABM Category	Cost	Report ID #	GL BU-Regional ID #	Department	Account ID #	Periods	Years	Benefiting Loc	ABM Activity	Act Units		
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(12) Dec	2024	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	106
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(12) Dec	2024	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	24
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(12) Dec	2024	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	26
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(12) Dec	2024	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	72
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(12) Dec	2024	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	36
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(12) Dec	2024	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	108
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(12) Dec	2024	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	36
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(12) Dec	2024	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	108
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	84
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(01) Jan	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	40
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	12
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(01) Jan	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	76
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	40
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(01) Jan	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	80
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	18
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(01) Jan	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	84
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	36
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(01) Jan	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	108
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(01) Jan	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	40
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(02) Feb	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	80
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(02) Feb	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	30
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(02) Feb	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	122
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(02) Feb	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	40
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(02) Feb	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	120
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(02) Feb	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	80
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(03) Mar	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	24
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(03) Mar	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	16
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(03) Mar	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	56
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(03) Mar	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	64
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(03) Mar	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	40
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(03) Mar	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	40
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264001	(03) Mar	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	72
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9300000	(03) Mar	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	120
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(03) Mar	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	160
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(03) Mar	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	72
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(03) Mar	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	80
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(04) Apr	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	40
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(04) Apr	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	156
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(04) Apr	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	3
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(04) Apr	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	160
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(04) Apr	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	60
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(04) Apr	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	60
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(04) Apr	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	92
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(04) Apr	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	120
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(04) Apr	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	1
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(05) May	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	166
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(05) May	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	60
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(05) May	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	216
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(05) May	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	180
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(05) May	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	60
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(05) May	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	16
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(05) May	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	156
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(05) May	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	62
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(06) Jun	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	132
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9302000	(06) Jun	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	142
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(06) Jun	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	20
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(06) Jun	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	11
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(06) Jun	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	114
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(06) Jun	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	36
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(06) Jun	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	108
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(06) Jun	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	38
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(07) Jul	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	28
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(07) Jul	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	5
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(07) Jul	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	26
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9300000	(07) Jul	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	8
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(07) Jul	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	148
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(07) Jul	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	34
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(07) Jul	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	112
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(07) Jul	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	18
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(07) Jul	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	112
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9300000	(07) Jul	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	84
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(08) Aug	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	104
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264001	(08) Aug	2025	1445	SWPCO All Bus Units	289	Man/Par Lgative Affrs Lobby	32
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(08) Aug	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	64
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9300000	(08) Aug	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	78
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(08) Aug	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	90
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9300000	(08) Aug	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	88
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(08) Aug	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	71
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(08) Aug	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	2
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(08) Aug	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	134
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(08) Aug	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	26
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(09) Sep	2025	100	American Electric Power Inc	289	Man/Par Lgative Affrs Lobby	72
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	9302000	(09) Sep	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	142
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9302000	(09) Sep	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	112
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(09) Sep	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	10
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	9300000	(09) Sep	2025	1171	All Companies Excl Serv Corp	299	LEGISLATIVE AFFRS NON-BOYBING	80
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs	4264000	(09) Sep	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	85
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562	Federal Affairs	4264000	(09) Sep	2025	1171	All Companies Excl Serv Corp	289	Man/Par Lgative Affrs Lobby	38
Washington DC Office	289 Man/Par Lgative Affrs Lobby	11E	103	10562	Federal Affairs								

Appendix B
Page 27 of 108

260930154
Case No. 2025-00044
Staff 5-150
DC office Time Extract
Attachment 1

Location	ABM Category	Cost Component ID #	GL BU-Regional ID #	Department	Account ID #	Periods #	Years #	Benefiting Loc	ABM Activity	Act Units
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(10) Oct	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	16
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(10) Oct	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	72
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(10) Oct	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	9
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(10) Oct	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	115
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(10) Oct	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	174
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(10) Oct	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	125
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(10) Oct	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	156
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(11) Nov	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	38
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(11) Nov	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	160
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(11) Nov	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	16
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(11) Nov	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	84
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(11) Nov	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	114
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(11) Nov	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	67
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(11) Nov	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	102
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(11) Nov	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	68
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(11) Nov	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	139
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(11) Nov	2025	1436 Transmission - All Companies	263 PERF STRATEGIC PLNG ANALYSIS	13
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(11) Nov	2025	100 American Electric Power Inc	289 Man/Par Lgslvte Affrs Lobby	128
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264001	(11) Nov	2025	1445 SWEPCO All Bus Units	289 Man/Par Lgslvte Affrs Lobby	32
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(11) Nov	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	8
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(12) Dec	2025	1436 Transmission - All Companies	263 PERF STRATEGIC PLNG ANALYSIS	28
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264001	(12) Dec	2025	1445 SWEPCO All Bus Units	289 Man/Par Lgslvte Affrs Lobby	42
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(12) Dec	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	144
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(12) Dec	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	76
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(12) Dec	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	108
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(12) Dec	2025	100 American Electric Power Inc	289 Man/Par Lgslvte Affrs Lobby	56
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9200000	(12) Dec	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	68
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(12) Dec	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	1
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(12) Dec	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	141
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	5600000	(12) Dec	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	116
Washington DC Office	Other Non-Lobby ABM Activities	11E	103	10562 Federal Affairs	9302000	(12) Dec	2025	1171 All Companies Excl Serv Corp	299 LEGISLATIVE AFFRS NON-LOBBYING	106
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(12) Dec	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	3
Washington DC Office	Other Non-Lobby ABM Activities	U3E	103	10562 Federal Affairs	5600000	(12) Dec	2025	1436 Transmission - All Companies	264 DEV ADM LNG RANGE BUS PLANS	20
Washington DC Office	289 Man/Par Lgslvte Affrs Lobby	11E	103	10562 Federal Affairs	4264000	(12) Dec	2025	1171 All Companies Excl Serv Corp	289 Man/Par Lgslvte Affrs Lobby	36

260930154

Appendix B
Page 28 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 6
To Appalachian Power Company**

Interrogatory Staff 6-168:

Please refer to Adjustment RR-1-1, Schedule 42. Please provide an updated Schedule 42, and all related going forward revenue adjustment, inclusive of projected rate year customer counts and usage for all rate classes.

Response Staff 6-168:

The Company objects to Staff 6-168 as the request exceeds the requirements of 5VAC5-20-260 and would require the creation of extensive new work product and would be overburdensome to prepare.

The Company has sufficiently adjusted to a projected level of rate year customer counts, energy, demand and other billing units. The Company's Year End Customer adjustment adjusts the number of customers over the test year to the number of customers at the end of the test year. This adjustment captures fixed, known and measurable customer growth or decline, as well as corresponding energy and demand growth or decline, expected to occur in the rate year. In addition to the Year End Customer adjustment, the Company has also included two large load customer additions expected to begin taking service during the rate year in accordance with their Electric Service Agreements (ESA).

Aside from the two large load customers, which have already been included in the Company's as-filed case, the 2027 VA forecast is flat to declining relative to the test year. It is anticipated that an update to forecast levels would result in an overall reduction to billing determinants and an increase to the as-filed revenue requirement.

The foregoing response is made by Katharine I. Walsh, Mng Dir Reg Pricing&Analysis and Tim Biller, Counsel, on behalf of Appalachian Power Company.

260930154

Appendix B
Page 29 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 6
To Appalachian Power Company**

Interrogatory Staff 6-171:

Please provide the number of circuits completed, miles trimmed, and expenses incurred to date related to the Worst Performing Circuits program.

Response Staff 6-171:

Please refer to Staff 6-171 Attachment 1 for the requested information.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

Appendix B
Page 30 of 108

260930154
Case No. PUR-2026-00044
Staff 6-171 Attachment 1
Page 1 of 1

GIS Circuit ID	District	Area	Substation Name	Circuit Name	Total miles complete
2512703	Kingsport	Lebanon	ELK GARDEN STA	ROSEDALE	233.7
2713105	Roanoke	Rocky Mount	FRANKLIN STATION	FERRUM	216.1
2518704	Kingsport	Glade Spring	GLADE STATION	WHITETOP DIST	242.8
2973202	Kingsport	Grundy	HALES BRANCH	SLATE CREEK	53.6
2510203	Kingsport	Clintwood	HAYSI STATION	PRATERCRE	72.5
2619902	Christiansburg	Glen Lyn	KIMBALLTON STATION	ROUTE 100	229.6
1521701	Kingsport	Gate City	NAGEL	KERMIT	66.7
2513702	Kingsport	Glade Spring	SMYTH STATION	SUGARGROVE	124.3
2509102	Kingsport	Gate City	SUNBRIGHT STATION	NATURAL TUNNEL	40.4
2937905	Kingsport	Tazewell	TAZEWELL STATION	THOMPSON VALLEY	181.8
					1461.6

Total Cost: \$28,266,224

260930154

Appendix B
Page 31 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 6
To Appalachian Power Company**

Interrogatory Staff 6-174:

For each of the years 2024, 2025, and 2026 (to-date), please provide the following information for the Company's Virginia service territory:

- a: Circuit miles inspected and O&M expenses related to circuit inspections.
- b: Number of pole inspections and O&M expenses related to pole inspections.
- c: Number of URD inspections and O&M expenses related to URD inspections.

Response Staff 6-174:

2024	Units	O&M Expenses
Circuit Inspection Miles	1307.49	\$ 803,574
Pole Inspections Poles	35591	\$ 1,412,999
URD Inspections Units	10327	\$ 37,441

2025	Units	O&M Expenses
Circuit Inspection Miles	3544	\$ 967,796
Pole Inspections Poles	3291	\$ 211,577
URD Inspections Units	0	\$ 162,114

2026 (YTD)	Units	O&M Expenses
Circuit Inspection Miles	3711	\$ 254,288
Pole Inspections Poles	4504	\$ 380,803
URD Inspections Units	7383	\$ *

* Waiting on invoices from our contractor

The foregoing response is made by Jeffrey W. Maynor, Dir Reliability & Grid Mod on behalf of Appalachian Power Company.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 6
To Appalachian Power Company**

Interrogatory Staff 6-176:

Please provide a list of circuits planned for maintenance under the Worst Performing Circuits Program for 2026 and the 2027 rate year. As part of the response, please provide the Substation Name, Circuit Name, Total Circuit Miles, and Miles Requiring Vegetation Management in 2026 and the 2027 rate year.

Response Staff 6-176:

Please refer to the Company's response to Staff 6-171 for the miles requiring vegetation management in 2026. The Worst Performing Circuit program was approved as a 3- year program with an end date of 12/31/2026, so there are no planned circuits for 2027 related to the Worst Performing Circuits program.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 33 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 6
To Appalachian Power Company**

Interrogatory Staff 6-177:

Please refer to pages 12 through 14 of the direct testimony of Company witness Baker and Figure JEB-4 – Proposed Estimated VMP Costs (Rounded). Please provide the following information (in Microsoft excel format with formulas intact):

- a: Annual number of distribution miles for each year
- b: “Total estimated cost of vegetation management expenditures,” identify the type of costs such as labor and equipment
- c: Other factors such as actual costs and vegetation management contract rates

Response Staff 6-177:

This response contains confidential information that is provided pursuant to the Hearing Examiner’s June 25, 2026 Protective Ruling.

Please refer to Staff 6-177 Confidential Attachment 1 as well as the Company’s response to Staff 6-173 for the requested information.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

VOLUMINOUS

Confidential Attachment 1 to the Company's Response to
Staff Interrogatory No. 6-177 is voluminous but is available on request

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 7
To Appalachian Power Company**

Interrogatory Staff 7-204:

Refer to the Company's response to Staff Int. 5-141, Attachment 1. For each month and line item, provide the allocation basis used to allocate costs to APCo (i.e., Net Plant Factor, Direct Assign, etc) as well as the actual percentage of AEP costs allocated to APCo for each month and line item.

Response Staff 7-204:

This response contains confidential information that is provided pursuant to the Hearing Examiner's June 25, 2026 Protective Ruling.

See Staff 7-204 Confidential Attachment 1 for the requested information.

The foregoing response is made by Brian T. Lysiak, Accounting Sr Mgr on behalf of Appalachian Power Company.

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 7-204 are
Confidential

260930154

Appendix B
Page 37 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 7
To Appalachian Power Company**

Interrogatory Staff 7-207:

Please refer to Schedule 42, the revenue adjustments, and Company's ES response to Staff Interrogatory 4-108. Please provide updated rate year projections (March 1, 2027 – February 28, 2028) for Schedule 42 and revenue adjustments that align with the ESAs provided in Staff Interrogatory 4-108 and rate year period

Response Staff 7-207:

This response contains confidential information that is provided pursuant to the Hearing Examiner's June 25, 2026 Protective Ruling.

The Company objects to Staff 7-207 to the extent the request exceeds the requirements of 5VAC5-20-260 and would require the creation of extensive new work product and would be overburdensome to prepare. Subject to and without waiving this objection, the Company states as follows:

Please see Staff 7-207 Confidential Attachment 1, which updates Confidential – New Large Load Qualifying Customer – Rate Year 2027 to 12 months-ended February 2028 billing determinant values for the large load ESAs.

Additionally, please see Staff 7-207 Confidential Attachment 2 which updates APCo Exhibit No. ___ (JNC) 2025 Adjusted Demand and Energy Study Schedule 3 to 12 months-ended February 2028 adjusted jurisdictional demand and energy values. If Staff were to consider an update to large load ESA billing determinants and revenue, a corresponding update to the jurisdictional demand and energy allocators must also be incorporated in Schedule 40B. The cost and revenue associated with large load customers are currently matched in the Company's as-filed case, an update to advance the billing units must be made in conjunction with the same update to cost allocation or cost and revenue become inappropriately mismatched.

Additionally, please see the Company's response to OAG 6-160 generally describing the use of Calendar Year 2027 for certain rate year adjustments.

The foregoing response is made by Katharine I. Walsh, Mng Dir Reg Pricing&Analysis; Jaclyn N. Cost, Reg Pricing & Analysis Mgr; and Tim Biller, Counsel on behalf of Appalachian Power Company.

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 7-207 are
Confidential

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 7-207 are
Confidential

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 7-207 are
Confidential

REDACTED

Portions of the Company's Response to Staff Interrogatory No. 7-207 are
Confidential

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 7
To Appalachian Power Company**

Interrogatory Staff 7-209:

Please refer to the testimony of Company witness Baker. Please provide a schedule that quantifies the cost per mile from the past 3 years, by year for the Worst Performing Circuits.

Response Staff 7-209:

Please refer to Staff 7-209 Attachment 1 for the cost per mile for the Worst Performing Circuits for 2024, 2025, and 2026 to-date. Please note that the Worst Performing Circuits program began in 2024, so the Company cannot provide three full years of cost per mile data for the Worst Performing Circuits Program.

The foregoing response is made by Jason E. Baker, VP Dist Region Opers on behalf of Appalachian Power Company.

Appendix B
Page 43 of 108

260930154
Case No. PUR-2026-00044
Staff 7-209 Attachment 1
Page 1 of 3

GIS Circuit ID	District	Area	Substation Name	Circuit Name	Total miles complete
2512703	Kingsport	Lebanon	ELK GARDEN STA	ROSEDALE	233.70
2713105	Roanoke	Rocky Mount	FRANKLIN STATION	FERRUM	216.13
2518704	Kingsport	Glade Spring	GLADE STATION	WHITETOP DIST	242.84
2973202	Kingsport	Grundy	HALES BRANCH	SLATE CREEK	53.62
2510203	Kingsport	Clintwood	HAYSI STATION	PRATERCRE	72.50
2619902	Christiansburg	Glen Lyn	KIMBALLTON STATION	ROUTE 100	229.59
1521701	Kingsport	Gate City	NAGEL	KERMIT	66.74
2513702	Kingsport	Glade Spring	SMYTH STATION	SUGARGROVE	124.29
2509102	Kingsport	Gate City	SUNBRIGHT STATION	NATURAL TUNNEL	40.42
2937905	Kingsport	Tazewell	TAZEWELL STATION	THOMPSON VALLEY	181.81
					1461.64

Total Cost:	\$28,266,224
Cost Per Mile	\$19,338.70

Appendix B
Page 44 of 108

260930154
Case No. PUR-2026-00044
Staff 7-209 Attachment 1
Page 2 of 3

GIS Circuit ID	District	Area	Substation Name	Circuit Name	Total miles complete
2714503	Roanoke	Rocky Mount	BLAINE STATION	BURNTCHIM	101.91
2815102	Roanoke	Lynchburg	BOONESBORO STATION	BLUE RIDGE FARM	12.80
2815303	Roanoke	Lynchburg	BRUSH TAVERN STA	RAINBOW FORREST*	12.80
2723601	Roanoke	Roanoke	BURLINGTON HEIGHTS	JAMISON	18.40
2813403	Roanoke	Lynchburg	EXPRESSWAY #1	MURRAY PLACE	20.70
2750104	Roanoke	Fieldale	FIELDAL STATION	RANGELEY**	62.18
2952301	Christiansburg	Bluefield	BUCKHORN	BLUEFIELD	75.70
2816901	Roanoke	Lynchburg	GRAVES MILL STA	BLUMONT	7.53
2516202	Kingsport	Glade Spring	HILLMAN HIGHWAY	SALTWORKS	30.48
2516203	Kingsport	Glade Spring	HILLMAN HIGHWAY	BRADLEY ST	27.00
2619901	Christiansburg	Glen Lyn	KIMBALLTON STATION	PEMBROKE***	53.40
2720301	Roanoke	Moneta	MOSELEY STATION	UNION CHURCH	139.48
2762702	Roanoke	Stuart	WILLIS GAP	ARARAT****	130.87
2776501	Christiansburg	Woodlawn	WOLF GLADE	LOW GAP	226.57
					919.82

Total Cost: \$22,051,027
Cost Per Mile \$23,973.20

*partial circuit total 17.6
**partial circuit total 143.3
***partial circuit total 226.5
****partial circuit total 181.6

Appendix B
Page 45 of 108

260930154
Case No. PUR-2026-00044
Staff 7-209 Attachment 1
Page 3 of 3

GIS Circuit ID	District	Area	Substation Name	Circuit Name	Total Circuit miles Requiring Vegetation Management	Total miles complete YTD
2815303	Roanoke	Lynchburg	BRUSH TAVERN STA	RAINBOW FORREST*	4.73	1.70
2718601	Roanoke	Roanoke	CLEARBROOK STA	BOONES MILL	61.5	2.00
2509901	Kingsport	Lebanon	CLINCHFIELD STA.	CARBO12KV	97.46	
2750104	Roanoke	Fieldale	FIELDALE STATION	RANGELEY**	81.11	20.46
2608003	Christiansburg	Floyd	FLOYD STATION	WILLIS	177.49	137.00
2507501	Kingsport	Gate City	GATE CITY STATION	MIDWAY	113.75	59.00
2619901	Christiansburg	Glen Lyn	KIMBALLTON STATION	PEMBROKE***	53.7	6.00
2525304	Kingsport	Glade Springs	MEADOWVIEW STA	CEDAR CREEK	40.11	22.50
2619403	Christiansburg	Christiansburg	MERRIMAC STATION	STROUBLES CREEK	28.9	
2616001	Christiansburg	Glen Lyn	PEARISBURG	PEARISBURG	22.05	1.20
2732101	Roanoke	Roanoke	POAGES MILL STA	POAGE	66.54	43.50
2607702	Christiansburg	Christiansburg	S. CHRISTIANSBURG	PILOT	80.02	
2607703	Christiansburg	Christiansburg	S. CHRISTIANSBURG	PHLEGAR STREET	13.09	3.50
2513701	Kingsport	Glade Springs	SMYTH STATION	MARION	56.28	
2763804	Roanoke	Moneta	WESTLAKE	DUDLEY	88.24	87.20
2762702	Roanoke	Stuart	WILLIS GAP	ARARAT****	50.73	32.60
2624906	Christiansburg	Pulaski	WURNO STATION	SNOWVILLE	188.28	
					1223.98	414.96

Total Cost YTD: \$6,083,360
YTD Cost Per Mile \$14,660.11

**Please note that the 2026 YTD Cost Per Mile does not reflect the total 2026 Cost Per Mile.
The total 2026 Cost Per Mile is expected to be approximately \$19,000 Per Mile.**

*partial circuit total 17.6
**partial circuit total 143.3
***partial circuit total 226.5
****partial circuit total 181.6

260930154

Appendix B
Page 46 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 7
To Appalachian Power Company**

Interrogatory Staff 7-210:

Please refer to the testimony of Company witness Baker. Please provide a schedule that quantifies the cost per mile for the initial 8 years, by year for the Company's proposed Cycle-Based Vegetation Program.

Response Staff 7-210:

Please refer to Staff 7-210 Attachment 1 for the requested information.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 47 of 108

Case No. PUR-2026-00044
Staff 7-210 Attachment 1
Page 1 of 2

VIRGINIA PROPOSED 4 YEAR/8 YEAR COMBO CYCLE WITH VARIABLE SPECS

TOTAL OH PRIMARY/SECONDARY MILES = 26684

Breakdown of Miles: Single/Double phase = 21,588 3 Phase = 5096

\$18,000 per mile - O&M cost on 3 phase with ground-to-sky specs (Trim / Maintain)

\$14,000 per mile - O&M cost on single / double phase with established overhang (Trim / Maintain)

Average O&M cost across all primary miles = \$14,764

Deferred O&M - Tree Removal = \$5,000 per mile, Danger Tree Removal = \$1,000 per mile

															Directed O&M - Tree Removal = \$5,000 per mile, Danger Tree Removal = \$3,000 per mile					
YEAR	RECLAIM MILES TO CUT	3 Phase MILES TO CUT	1 & 2 phase MILES TO CUT	TOTAL MILES TO CUT	O&M Cost To Trim / Maintain	Capital Cost for Tree Removal	1 phase & 2 phase DANGER TREE CUT ONLY	Capital Cost of Danger Tree Work	Additional 1 & 2 phase Spray Miles to Maintain Spray on a 4 year cycle	O&M Cost of Intermediate Spray	Current O&M to retain for Station Zones, Reliability, Spray and Hotspots	Capital to retain for Station Zones, Reliability, and Hotspots	Total Funds Required		1% Loadings		Cost Per Mile			
	1/8 of total miles each year	Starts in year 5	Starts in year 9		O&M	Capital		Capital		O&M	O&M	Capital	O&M	Capital	Total O&M including Loadings	Capital + 1% Loading Factor	Total O&M Cost Per Mile	Capital Cost Per Mile		
1	3335			3335	\$49,237,940	\$16,675,000							\$6,000,000	\$2,000,000	\$55,237,940	\$18,675,000	\$55,790,319	\$18,861,750	\$16,729	\$5,656
2	3335			3335	\$50,715,078	\$17,175,250							\$6,000,000	\$2,000,000	\$56,715,078	\$19,175,250	\$57,282,229	\$19,367,003	\$17,176	\$5,807
3	3335			3335	\$52,236,531	\$17,690,508							\$6,000,000	\$2,000,000	\$58,236,531	\$19,690,508	\$58,818,896	\$19,887,413	\$17,637	\$5,963
4	3335			3335	\$53,803,626	\$18,221,223							\$6,000,000	\$2,000,000	\$59,803,626	\$20,221,223	\$60,401,663	\$20,423,435	\$18,111	\$6,124
5	3335	637		3972	\$63,886,013	\$20,919,008	2698	\$2,698,000	2698	\$2,204,266	\$4,000,000	\$1,500,000	\$70,090,279	\$25,117,008	\$70,791,182	\$25,368,178	\$17,823	\$6,387		
6	3335	637		3972	\$65,802,594	\$21,546,579	2698	\$2,778,940	2698	\$2,270,394	\$3,000,000	\$1,000,000	\$71,072,988	\$25,325,519	\$71,783,718	\$25,578,774	\$18,072	\$6,440		
7	3335	637		3972	\$67,776,671	\$22,192,976	2698	\$2,862,308	2698	\$2,338,506	\$2,000,000	\$500,000	\$72,115,177	\$25,555,284	\$72,836,329	\$25,810,837	\$18,337	\$6,498		
8	3335	637		3972	\$69,809,972	\$22,858,765	2698	\$2,948,177	2698	\$2,408,661	\$0	\$0	\$72,218,633	\$25,806,943	\$72,940,819	\$26,065,012	\$18,364	\$6,562		
9		1274	2698	3972	\$59,429,064	\$15,093,600	2698	\$3,036,623	2698	\$2,480,921	\$0	\$0	\$61,909,985	\$18,130,223	\$62,529,085	\$18,311,525	\$15,742	\$4,610		
10		1274	2698	3972	\$61,211,936	\$15,546,408	2698	\$3,127,721	2698	\$2,555,348	\$0	\$0	\$63,767,284	\$18,674,129	\$64,404,957	\$18,860,871	\$16,215	\$4,748		
11		1274	2698	3972	\$63,048,294	\$16,012,800	2698	\$3,221,553	2698	\$2,632,009	\$0	\$0	\$65,680,303	\$19,234,353	\$66,337,106	\$19,426,697	\$16,701	\$4,891		
12		1274	2698	3972	\$64,939,743	\$16,493,184	2698	\$3,318,200	2698	\$2,710,969	\$0	\$0	\$67,650,712	\$19,811,384	\$68,327,219	\$20,009,498	\$17,202	\$5,038		
13		1274	2698	3972	\$66,887,935	\$16,987,980	2698	\$3,417,746	2698	\$2,792,298	\$0	\$0	\$69,680,233	\$20,405,725	\$70,377,036	\$20,609,783	\$17,718	\$5,189		
14		1274	2698	3972	\$68,894,573	\$17,497,619	2698	\$3,520,278	2698	\$2,876,067	\$0	\$0	\$71,770,640	\$21,017,897	\$72,488,347	\$21,238,076	\$18,250	\$5,344		
15		1274	2698	3972	\$70,961,410	\$18,022,548	2698	\$3,625,886	2698	\$2,962,349	\$0	\$0	\$73,923,760	\$21,648,434	\$74,662,997	\$21,864,918	\$18,797	\$5,505		
16		1274	2698	3972	\$73,090,253	\$18,563,224	2698	\$3,734,663	2698	\$3,051,220	\$0	\$0	\$76,141,472	\$22,297,887	\$76,902,887	\$22,520,866	\$19,361	\$5,670		

Note 1--During years 1-7 of the phase-in process, a portion of the current base budgets will be needed to manage first zones, hotspots, and reliability-based work on the circuits slated for the latter part of the first cycle. It is expected that starting in year 8, the entire current base budget will be used to help supplement this program, thereby limiting the need for substantial additional funding in year 8 and beyond except for inflation adjustments.

The timesheet tab represents 2026 invoiced timesheets YTD for Veg. management activities with a breakdown of manhours, total cost, labor cost, and equipment cost (refer to "Timesheet" tab and columns AJ, AK, AL, and AO). Labor represents approximately 71% of total cost. Equipment costs comprise the remaining 29%. This selection represents the estimated costs for labor vs. equipment for a future cycle based vegetation management program

260930154

Appendix B
Page 48 of 108

Case No. PUR-2026-00044
Staff 7-210 Attachment 1
Page 2 of 2

FINANCIAL ASSUMPTIONS

Assume year 1 is 2027

Assume inflation, contract cost increases and cost of deferred maintenance to be 5% per year

Combo 4yr-8yr Cycle 3 phase / 1 or 2 phase

Average O&M Cost Per Mile to Trim / Maintain-Year 1	\$14,764	
Average O&M Deferred Cost Per Mile for Tree Removal-Year 1	\$5,000	
Average O&M Cost Per Mile to Trim / Maintain- Year 5	\$13,294	Assume 80% of year 1 costs adjusted annually for inflation(4 times)
Average Deferred O&M Cost Per Mile ofr Tree Removal- Year 5	\$3,377	Assume 60% of year 1 costs adjusted annually for inflation(4 times)
Average O&M Cost Per Mile to Trim / Maintain- Year 9	\$14,962	Assume 80% of year 1 costs adjusted annually for inflation(8 times)
Average O&M Deferred Cost Per Mile for Tree Removal- Year 9	\$3,800	Assume 60% of year 1 costs adjusted annually for inflation(8 times)
Average O&M Deferred Cost for Danger Tree Work only per mile-Year 5	\$1,000	

UNIT LVF= \$400/AC

Average spray acres per mile = 1.7 acres based on historical data

Average Cost per mile for Spray-Year 2	\$748	$(\$400 \times 1.7) \times 1.03 \times 1.03$
Average Cost per mile for Spray-Year 5	\$817	$\$748 \times 1.03 \times 1.03 \times 1.03$
Average Cost per mile for Spray-Year 6	\$842	$\$748 \times 1.03 \times 1.03 \times 1.03 \times 1.03$
Average Cost per mile for Spray-Year 8	\$893	$\$748 \times 1.03 \times 1.03 \times 1.03 \times 1.03 \times 1.03$

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 7
To Appalachian Power Company**

Interrogatory Staff 7-216:

Please refer to the Company's response to Staff Interrogatory 5-150 and Staff 5-150 Attachment 1. Please provide a narrative describing the work charged to each of the following ABM activity codes:

- (a) 263
- (b) 264

Response Staff 7-216:

- (a) 263-Perform Strategic Planning & Analysis This activity includes all tasks involved in developing and articulating AEP's overall financial and operating objectives and monitoring progress toward achieving them. The activity involves formulating the corporation's mission statement and developing strategic plans for the entire organization. Also includes efforts devoted to studies that support strategic decision-making.

The major tasks for this activity may include any of the following:
Identify major market, regulatory, competitive and technological trends affecting the organization;
Perform strategic analysis, including gathering and analysis of data;
Define planning parameters and assumptions;
Perform competitive studies;
Define corporate mission;
Develop corporate and operating company strategic plans;
Prepare for, coordinate and participate in executive team planning sessions;
Provide strategic direction;
Perform risk assessments;
Prepare financial studies to support the strategic planning process, including dividend policy studies, capital structure studies and external benchmarking of financial data;
Develop and support strategic initiatives;
Perform all legal tasks in support of this activity.

During 2024 and 2025, the work performed by DC Office personnel who charged ABM activity code 263 was associated with work orders ***SIJJAPRE01 IJJA Grant Planning Work, SGRIP2AP01 APCO GRIP 2 Grant Application, SAPCOTN401 APCO TN 40101D***

260930154

Appendix B
Page 50 of 108

Submission, SGAPCOAP01 APCO Amos Submittal, and SGAPCOMP01 APCO Mountaineer Submittal and project IIJAPRECI IIJA Grant Writing as well as work order T000000101 ALL TRANS CO and project ETNANDA Transmission Anda.

- (b) 264-Develop & Administer Long-Range Business Plans This activity includes all work creating business plans. Also includes efforts devoted to studies that support the business planning process. Business Plans are more specific and implementation-oriented than strategic plans.

The major tasks for this activity may include any of the following:

- Support business study initiatives;
- Attend planning meetings;
- Provide tactical direction;
- Develop goals and objectives;
- Prepare financial studies to support the business planning process (dividend policy studies, capital structure studies, external benchmarking of financial data);
- Perform risk assessments;
- Perform legal tasks in support of this activity.

During 2024 and 2025, the work performed by DC Office personnel who charged ABM activity code 264 was associated with work order ***T000000101 ALL TRANS CO*** and project ***ETNANDA Transmission Anda.***

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr and Brian T. Lysiak, Accounting Sr Mgr on behalf of Appalachian Power Company.

260930154

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-281:

Please provide the number of miles and expenses incurred for 2024, 2025, and to-date related to the traditional vegetation management program.

Response Staff 9-281:

Please refer to the table below for the requested information.

Traditional Veg. Management	2024	2025	2026 To-date
Miles	616	401	216
O&M	\$23,027,250	\$16,750,224	\$10,167,077

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-282:

Please provide the expected number of miles and expenses for the rate year related to the traditional vegetation management program.

Response Staff 9-282:

With Commission approval of the proposed VMP, the Company would expect to trim approximately 3,335 miles and spend approximately \$55.8 million in O&M in the rate year.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 53 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-283:

Please refer to Adjustment No. GE-11, Non-labor Generation O&M Expense. Please provide budget to actuals for calendar years 2021 through 2025.

Response Staff 9-283:

Please see Staff 9-283 Attachment 1.

The foregoing response is made by Robert A. Jessee, VP Generating Assets East on behalf of Appalachian Power Company.

260930154

Appendix B
Page 54 of 108

Case No. PUR-2026-00044
Staff 9-283
Attachment 1
Page 1 of 2

Row Labels	2021 Sum of Act \$	2021 Sum of Fore \$	2021 Sum of Act Minus FC	2022 Sum of Act \$	2022 Sum of Fore \$	2022 Sum of Act Minus FC	2023 Sum of Act \$	2023 Sum of Fore \$
Hydro Generation	\$11,470,826.64	\$13,924,795.76	(\$2,453,969.11)	\$15,078,020.35	\$15,177,130.16	(\$99,109.81)	\$12,164,659.36	\$16,391,700.78
Maintenance	\$6,017,481.09	\$6,796,680.29	(\$779,199.20)	\$8,655,798.01	\$7,823,033.34	\$832,764.67	\$7,034,977.30	\$8,654,675.40
541 Maint Supv & Engineering	\$128,521.69	\$0.00	\$128,521.69	\$117,595.20	\$0.00	\$117,595.20	\$181,305.73	\$0.00
542 Maintenance of Structures	\$1,679,367.84	\$0.00	\$1,679,367.84	\$3,328,098.80	\$0.00	\$3,328,098.80	\$1,765,682.66	\$0.00
543 Maint Reservoirs,Dams&Wtrways	\$2,143,498.21	\$0.00	\$2,143,498.21	\$2,048,208.66	\$0.00	\$2,048,208.66	\$1,915,484.99	\$0.00
544 Maintenance of Electric Plant	\$1,969,786.94	\$6,796,680.29	(\$4,826,893.35)	\$3,023,647.58	\$7,823,033.34	(\$4,799,385.76)	\$2,962,497.36	\$8,654,675.40
545 Maint of Misc Hydraulic Plant	\$96,306.40	\$0.00	\$96,306.40	\$138,247.77	\$0.00	\$138,247.77	\$210,006.56	\$0.00
Operations	\$5,453,345.56	\$7,128,115.47	(\$1,674,769.91)	\$6,422,222.34	\$7,354,096.82	(\$931,874.48)	\$5,129,682.06	\$7,737,025.38
555 Oper Supervision & Engineering	\$1,330,598.43	\$0.00	\$1,330,598.43	\$1,516,066.46	\$0.00	\$1,516,066.46	\$1,476,864.28	\$0.00
536 Water for Power	\$23,282.40	\$0.00	\$23,282.40	\$25,091.82	\$0.00	\$25,091.82	\$26,751.79	\$0.00
537 Hydraulic Expenses	\$754,881.36	\$0.00	\$754,881.36	\$1,317,585.49	\$0.00	\$1,317,585.49	\$149,746.46	\$0.00
538 Electric Expenses	\$397,988.30	\$0.00	\$397,988.30	\$260,357.53	\$0.00	\$260,357.53	\$156,175.29	\$0.00
539 Misc Hydr Power Generation Exp	\$2,584,089.49	\$7,128,115.47	(\$4,544,025.98)	\$2,955,926.80	\$7,354,096.82	(\$4,398,170.02)	\$2,973,257.79	\$7,737,025.38
540 Rents	\$362,505.58	\$0.00	\$362,505.58	\$347,194.24	\$0.00	\$347,194.24	\$346,886.45	\$0.00
Other Generation	\$584,404.93	\$771,216.00	(\$186,811.07)	\$539,169.69	\$524,348.81	\$14,820.88	\$1,046,047.62	\$2,276,844.59
Maintenance	\$143,626.63	\$547,248.41	(\$403,621.78)	\$166,949.42	\$389,710.75	(\$222,761.33)	\$495,573.15	\$1,903,029.88
551 Maint Supv & Engr-Gas Turbine							\$11.60	\$0.00
552 Maint of Struct - Gas Turbine								
553 Maint of Gen Plant - Gas Turb	\$143,626.63	\$547,248.41	(\$403,621.78)	\$166,949.42	\$389,710.75	(\$222,761.33)	\$495,573.15	\$1,903,029.88
554 Maint of Oth Pwr Gen Plt-GT								
Operations	\$440,778.30	\$223,967.60	\$216,810.71	\$372,220.27	\$134,638.06	\$237,582.21	\$550,462.87	\$373,814.70
546 Oper Supervision & Engineering	\$121,413.86	\$0.00	\$121,413.86	\$122,297.40	\$0.00	\$122,297.40	\$123,973.47	\$0.00
548 Generation Expenses	\$133,160.16	\$223,967.60	(\$90,807.44)	\$101,645.26	\$134,638.06	(\$32,992.80)	\$158,331.22	\$373,814.70
549 Misc Other Pwr Generation Exp	\$186,204.28	\$0.00	\$186,204.28	\$148,277.61	\$0.00	\$148,277.61	\$268,158.18	\$0.00
550 Rents - Gas Turbine				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Steam Generation	\$84,183,721.47	\$81,356,528.24	\$2,827,193.23	\$103,204,584.53	\$100,781,599.19	\$2,422,985.33	\$93,877,388.12	\$93,992,564.41
Maintenance	\$53,952,144.51	\$50,728,553.82	\$3,223,590.69	\$69,863,449.59	\$57,340,829.59	\$12,522,620.01	\$62,310,725.91	\$62,024,251.10
510 Maint Supv & Engineering	\$1,723,404.98	(\$4,048,218.05)	\$5,771,623.03	\$1,537,045.14	\$3,196,704.24	(\$1,659,659.10)	\$2,654,463.08	\$2,371,164.79
511 Maintenance of Structures	\$3,313,639.75	\$1,110,386.32	\$2,203,253.43	\$5,082,240.06	\$478,547.56	\$4,603,692.50	\$4,374,478.42	\$398,426.08
512 Maintenance of Boiler Plant	\$37,318,923.14	\$48,838,063.96	(\$11,519,140.82)	\$46,675,026.07	\$50,213,642.99	(\$3,538,616.92)	\$38,823,292.07	\$54,588,932.66
513 Maintenance of Electric Plant	\$8,221,950.09	\$4,648,424.21	\$3,573,525.88	\$12,639,312.64	\$3,141,865.85	\$9,497,446.79	\$12,566,352.87	\$3,162,171.18
514 Maintenance of Misc Steam Plt	\$3,374,226.55	\$179,897.37	\$3,194,329.18	\$3,929,825.68	\$310,068.94	\$3,619,756.75	\$3,892,139.47	\$1,503,556.39
Operations	\$30,231,576.96	\$30,627,974.42	(\$396,397.46)	\$33,341,134.94	\$43,440,769.61	(\$10,099,634.67)	\$31,566,662.21	\$31,968,313.31
500 Oper Supervision & Engineering	\$16,316,675.20	\$19,887,752.75	(\$3,571,077.55)	\$18,648,216.50	\$29,578,919.62	(\$10,930,703.12)	\$15,201,349.74	\$20,088,895.30
502 Steam Expenses	\$3,548,406.25	\$756,851.37	\$2,791,554.88	\$3,478,121.02	\$928,684.79	\$2,549,436.24	\$4,861,419.48	\$1,175,076.60
505 Electric Expenses	\$192,323.33	\$23,272.70	\$169,050.63	\$173,957.91	\$14,567.69	\$159,390.22	\$132,037.03	\$0.00
506 Misc Steam Power Expenses	\$10,135,098.75	\$9,957,884.70	\$177,214.05	\$10,998,476.51	\$12,916,384.62	(\$1,917,908.12)	\$11,331,291.41	\$10,702,542.97
507 Rents	\$39,073.43	\$2,212.90	\$36,860.53	\$42,363.00	\$2,212.90	\$40,150.10	\$40,564.56	\$1,798.44
508 IPP Operations							(\$0.01)	\$0.00
Grand Total	\$96,238,953.04	\$96,052,539.99	\$186,413.05	\$118,821,774.57	\$116,483,078.17	\$2,338,696.40	\$107,088,095.10	\$112,661,109.77

260930154

Appendix B
Page 55 of 108

Case No. PUR-2026-00044
Staff 9-283
Attachment 1
Page 2 of 2

2023	2024	2024	2024	2025	2025	2025	2021-25	2021-25	2021-25
Sum of Act Minus FC	Sum of Act \$	Sum of Fore \$	Sum of Act Minus FC	Sum of Act \$	Sum of Fore \$	Sum of Act Minus FC	Total Act \$	Total Fore \$	Total Act Minus FC
(\$4,227,041.42)	\$15,733,634.61	\$17,012,575.30	(\$1,278,940.69)	\$9,092,897.36	\$14,077,988.84	(\$4,985,091.48)	\$63,540,038.32	\$76,584,190.84	(\$13,044,152.52)
(\$1,619,698.09)	\$9,157,289.92	\$10,179,741.54	(\$1,022,451.62)	\$6,574,497.14	\$7,066,245.74	(\$491,748.60)	\$37,440,043.46	\$40,520,376.30	(\$3,080,332.84)
\$181,305.73	\$154,122.91	\$0.00	\$154,122.91	\$9,244.11	\$0.00	\$9,244.11	\$590,789.64	\$0.00	\$590,789.64
\$1,765,682.66	\$4,184,040.77	\$0.00	\$4,184,040.77	\$3,557,864.69	\$0.00	\$3,557,864.69	\$14,515,054.76	\$0.00	\$14,515,054.76
\$1,915,484.99	\$2,187,189.19	\$0.00	\$2,187,189.19	\$1,280,929.81	\$0.00	\$1,280,929.81	\$9,575,310.86	\$0.00	\$9,575,310.86
(\$5,692,178.03)	\$2,553,976.28	\$10,179,741.54	(\$7,625,765.26)	\$1,610,350.54	\$7,066,245.74	(\$5,455,895.20)	\$12,120,258.70	\$40,520,376.30	(\$28,400,117.60)
\$210,006.56	\$77,960.77	\$0.00	\$77,960.77	\$116,107.99	\$0.00	\$116,107.99	\$638,629.49	\$0.00	\$638,629.49
(\$2,607,343.32)	\$6,576,344.69	\$6,832,833.76	(\$256,489.07)	\$2,518,400.22	\$7,011,743.11	(\$4,493,342.89)	\$26,099,994.87	\$36,063,814.55	(\$9,963,819.68)
\$1,476,864.28	\$1,895,390.62	\$0.00	\$1,895,390.62	\$439,077.75	\$0.00	\$439,077.75	\$6,657,997.54	\$0.00	\$6,657,997.54
\$26,751.79	\$30,399.06	\$0.00	\$30,399.06	\$19,719.20	\$0.00	\$19,719.20	\$125,244.27	\$0.00	\$125,244.27
\$149,746.46	\$715,110.40	\$0.00	\$715,110.40	\$456,688.37	\$0.00	\$456,688.37	\$3,394,012.08	\$0.00	\$3,394,012.08
\$156,175.29	\$213,543.51	\$0.00	\$213,543.51	\$4,760.09	\$0.00	\$4,760.09	\$1,032,824.72	\$0.00	\$1,032,824.72
(\$4,763,767.59)	\$3,386,787.89	\$6,832,833.76	(\$3,446,045.87)	\$1,230,445.61	\$7,011,743.11	(\$5,781,297.50)	\$13,130,507.58	\$36,063,814.55	(\$22,933,306.97)
\$346,886.45	\$335,113.21	\$0.00	\$335,113.21	\$367,709.20	\$0.00	\$367,709.20	\$1,759,408.68	\$0.00	\$1,759,408.68
(\$1,230,796.97)	\$782,196.99	\$2,487,529.87	(\$1,705,332.88)	\$1,007,829.31	\$1,392,333.94	(\$384,504.63)	\$3,959,648.54	\$7,452,273.21	(\$3,492,624.67)
(\$1,407,445.13)	\$295,115.34	\$2,370,321.60	(\$2,075,206.26)	\$569,392.34	\$1,156,308.11	(\$586,915.77)	\$1,670,668.48	\$6,366,618.75	(\$4,695,950.27)
\$11.60	\$371.55	\$0.00	\$371.55	\$26.70	\$0.00	\$26.70	\$383.15	\$0.00	\$383.15
(\$1,407,456.73)	\$294,743.79	\$2,370,321.60	(\$2,075,577.81)	\$551,743.22	\$1,156,308.11	(\$604,564.89)	\$1,652,636.21	\$6,366,618.75	(\$4,713,982.54)
				\$17,622.42	\$0.00	\$17,622.42	\$17,622.42	\$0.00	\$17,622.42
\$176,648.17	\$487,081.65	\$117,208.27	\$369,873.38	\$438,436.97	\$236,025.83	\$202,411.14	\$2,288,980.06	\$1,085,654.45	\$1,203,325.61
\$123,973.47	\$94,124.78	\$0.00	\$94,124.78	\$38,070.82	\$0.00	\$38,070.82	\$499,880.33	\$0.00	\$499,880.33
(\$215,483.48)	\$342,151.15	\$117,208.27	\$224,942.88	\$366,656.08	\$236,025.83	\$130,630.25	\$1,101,943.87	\$1,085,654.45	\$16,289.42
\$268,158.18	\$50,805.72	\$0.00	\$50,805.72	\$33,710.07	\$0.00	\$33,710.07	\$687,155.86	\$0.00	\$687,155.86
\$0.00				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(\$115,176.29)	\$88,144,099.94	\$83,872,826.74	\$4,271,273.20	\$94,209,396.66	\$100,045,625.54	(\$5,836,228.88)	\$463,619,190.72	\$460,049,144.11	\$3,570,046.61
\$286,474.81	\$57,239,279.79	\$52,137,194.02	\$5,102,085.77	\$60,674,942.66	\$66,153,488.69	(\$5,478,546.03)	\$304,040,542.46	\$288,384,317.21	\$15,656,225.25
\$283,298.29	\$313,961.24	\$309,657.01	\$4,304.23	\$385,790.39	\$5,418,829.87	(\$5,033,039.48)	\$6,614,664.83	\$7,248,137.87	(\$633,473.04)
\$3,976,052.34	\$3,860,701.11	\$475,860.97	\$3,384,840.14	\$4,634,759.83	\$635,039.96	\$3,999,719.87	\$21,265,819.17	\$3,098,260.89	\$18,167,558.28
(\$15,765,640.59)	\$37,405,501.35	\$48,379,542.31	(\$10,974,040.96)	\$40,336,006.45	\$54,858,389.96	(\$14,522,383.51)	\$200,558,749.08	\$256,878,571.88	(\$56,319,822.80)
\$9,404,181.69	\$11,376,554.13	\$2,544,733.40	\$8,831,820.73	\$11,491,367.10	\$5,039,808.43	\$6,451,558.67	\$56,295,536.83	\$18,537,003.07	\$37,758,533.76
\$2,388,583.08	\$4,282,561.96	\$427,400.33	\$3,855,161.63	\$3,827,018.89	\$201,420.48	\$3,625,598.41	\$19,305,772.55	\$2,622,343.50	\$16,683,429.05
(\$401,651.10)	\$30,904,820.15	\$31,735,632.72	(\$830,812.57)	\$33,534,454.00	\$33,892,136.84	(\$357,682.84)	\$159,578,648.26	\$171,664,826.90	(\$12,086,178.64)
(\$4,887,545.56)	\$13,217,164.63	\$18,559,898.63	(\$5,342,734.00)	\$15,431,332.00	\$18,832,260.57	(\$3,400,928.57)	\$78,814,738.07	\$106,947,726.86	(\$28,132,988.79)
\$3,686,342.89	\$4,436,068.17	\$1,214,611.39	\$3,221,456.78	\$5,406,523.71	\$1,206,900.93	\$4,199,622.78	\$21,730,538.63	\$5,282,125.07	\$16,448,413.56
\$132,037.03	\$223,729.35	\$0.00	\$223,729.35	\$407,516.17	\$0.00	\$407,516.17	\$1,129,563.79	\$37,840.39	\$1,091,723.40
\$628,748.44	\$12,970,542.77	\$11,961,122.70	\$1,009,420.07	\$12,245,363.47	\$13,839,022.42	(\$1,593,658.95)	\$57,680,772.91	\$59,376,957.42	(\$1,696,184.51)
\$38,766.12	\$57,315.23	\$0.00	\$57,315.23	\$43,718.65	\$13,952.93	\$29,765.72	\$223,034.87	\$20,177.16	\$202,857.71
(\$0.01)							(\$0.01)	\$0.00	(\$0.01)
(\$5,573,014.67)	\$104,659,931.54	\$103,372,931.91	\$1,286,999.63	\$104,310,123.33	\$115,515,948.32	(\$11,205,824.99)	\$531,118,877.58	\$544,085,608.16	(\$12,966,730.58)

260930154

Appendix B
Page 56 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-284:

Please refer to Adjustment No. GE-11, Non-labor Generation O&M Expense. Please provide a narrative that explains the increase from 2025 to 2027 and 2028 for the following accounts:

- (a) 544 - Maintenance of Electric Plant
- (b) 539 - Misc Hydr Power Generation Exp
- (c) 553 - Maint of Gen Plant - Gas Turb
- (d) 510 - Maint Supv & Engineering
- (e) 512 - Maintenance of Boiler Plant
- (f) 500 - Oper Supervision & Engineering

Response Staff 9-284:

Please see the Company's response to Staff 2-60 for a general discussion regarding the Company's practice of O&M budgeting to a few placeholder accounts while actual expenses will flow back to actual accounts related to the work performed. The O&M budgets are managed as a whole and not to a specific sub account and comparisons between forecast to actuals should be done similarly. FERC Accounts 544, 539, 553, 510, 512, and 500 are the accounts that are used as placeholders for budgeting purposes. Notwithstanding this explanation, please see the Company's responses to the request for a narrative explanation of increases to the above-mentioned FERC accounts.

- a. When considered together, the Hydro Gen accounts are showing an increase in 2027 and 2028 as a result of general inflation and projects required to restore aging infrastructure. Preventative maintenance projects and FERC licensing requirements are additional drivers to the increase in 2027 and 2028.
- b. Please see the Company response to subpart a.
- c. For accounts in Other Generation Maintenance (546-550), an increasing annual total number of unit starts and service hours has resulted in a requirement for more frequent routine maintenance of the Ceredo gas combustion turbines and their ancillary equipment. The increased frequency of routine turbine maintenance is the primary contributor to the increase from 2025 actuals to the 2027/2028 forecast average for this grouping of accounts.

260930154

Appendix B
Page 57 of 108

- d. When considered together, the overall Steam Generation increase in 2027 and 2028 is a result of general inflation and an increase in preventative maintenance intended to support reliability ahead of an anticipated increase in operational hours for the facilities. The preventative maintenance is comprised of Routine Outage Inspection and Repairs along with NOMI (Non-Outage Maintenance) Projects targeted at critical equipment and systems needed for safe, compliant, and reliable operations.
- e. Please see the Company's response to subpart d.
- f. Please see the Company's response to subpart d.

The foregoing response is made by Robert A. Jessee, VP Generating Assets East on behalf of Appalachian Power Company.

260930154

Appendix B
Page 58 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-285:

Please refer to Staff 6-177 Confidential Attachment 1. Please provide a narrative that explains the cost per mile for Year 1. Please also provide the supporting calculations with formulas intact, and any other supporting workpapers such as contracts and invoices.

Response Staff 9-285:

In Year 1, the proposed vegetation management cycle targets 3,335 total miles for routine maintenance activities. These miles represent the first one-eighth of the total 26,684 overhead primary and secondary miles included in the program.

The Year 1 O&M cost for trimming and maintaining these miles was calculated using the average O&M unit cost of \$14,764 per mile, which was derived from the weighted average of:

- \$18,000 per mile for three-phase circuits with ground-to-sky specifications, and
- \$14,000 per mile for single-phase and double-phase circuits with established overhang specifications.

Applying the average O&M cost to the 3,335 miles scheduled for maintenance produced a Year 1 trimming and maintenance cost of approximately \$49.24 million.

In addition to routine maintenance, Year 1 includes a tree removal program. Capital costs for tree removal were calculated using a planning factor of \$5,000 per mile across the same 3,335 miles, resulting in a capital requirement of \$16.675 million.

Additional funding was included through the initial reclamation phase (years 1-8) for station zones, reliability corridors, targeted spraying, and hotspot mitigation activities. The Year 1 supplemental costs consisted of:

- \$6.0 million in O&M funding, and
- \$2.0 million in capital funding.

A 1% loading factor was then applied to account for administrative and program-related overheads, resulting in final Year 1 funding requirements of:

- Total O&M including loadings: \$55,790,319
- Total Capital including loadings: \$18,861,750

Therefore, the Year 1 budget requirement is approximately \$74.65 million, consisting of \$55.79 million in O&M funding and \$18.86 million in capital funding after applying the 1% loading factor.

Please note that Staff 6-177 Confidential Attachment 1 contains a contractor timesheet that reflects pricing. Additionally, please refer to the Company's response to Staff 6-173 for the Company's vegetation management contracts.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 60 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-286:

Please refer to Adjustment No. CI-21 and Figure SMS-12. Please provide the supporting workpapers with underlying assumptions for the Annual Budget for the Managed Charging Pilot Program. Please also provide any other supporting documentation such as contracts and invoices.

Response Staff 9-286:

Please refer to discovery response for Staff 1-44 and Staff 1-44 Attachment 2 for supporting workpapers and adjustments made to assumption inputs associated with the Managed Charging Pilot Program budget.

Contract terms have not yet been finalized. If the Commission approves the proposed pilot program, the Company will work with the selected vendor to develop a pilot-specific Statement of Work and related contractual terms, including invoicing terms. At this time, there are no invoices associated with the pilot proposal.

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord on behalf of Appalachian Power Company.

260930154

Appendix B
Page 61 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 9
To Appalachian Power Company**

Interrogatory Staff 9-287:

Please refer to Adjustment No. CI-22. Please provide supporting documentation such as contracts, invoices, and supporting calculations that support the annual program budget for Year 1 through 3.

Response Staff 9-287:

Please see Staff 9-287 Attachment 1 for supporting calculations to CI-22. Contracts with implementation contractors and subsequent invoices will not be generated until after a final order is issued.

The foregoing response is made by Jason Johannessen, EE&Consumer Program Coord on behalf of Appalachian Power Company.

260930154

Appendix B
Page 62 of 108

Case No. PUR-2026-00044
Staff Set 9
9-287 Attachment 1
Page 1 of 1

APPALACHIAN POWER COMPANY
Adjustment to Include Income-qualified Solar Expenses
For The Rate Year Ended 12/31/2027

To include a rate year level of expense associated with The Company's proposed Income-qualified Solar Program pursuant to Virginia Code Section 56-596.2:1 and HB 1062

Account	Description	Amount	Explanation
908 Program expenses		\$ 5,075,000	Annual level of program expenses for Proposed Income-qualified Solar Program
Jurisdictional Factor (Direct)		0.95512	
		<u>\$ 4,847,244</u>	CI-21

260930154

Appendix B
Page 63 of 108

Case No. PUR-2026-00044
Staff Set 9
9-287 Attachment 1
Page 1 of 1

Month	Rates Effective	Program Operational	Reference	Description	Amount
Apr 2027	1	1	A	Year 1	\$ 5,000,000
May 2027	1	1	B=A*1.03	9 months of Year 2	5,150,000
Jun 2027	1	1	C	% of Year 1 to apply	100%
Jul 2027	1	1	D	% of Year 2 to apply	100%
Aug 2027	1	1	E = A*C	Year 1 to be recovered	5,000,000
Sep 2027	1	1	F = B * D	Year 2 to be recovered	5,150,000
Oct 2027	1	1	G = E + F	Total Program Expense to be recovered through 26 Biennial	\$ 10,150,000
Nov 2027	1	1	H = G / 2	Annualized amount to be recovered through 26 Biennial	\$ 5,075,000
Dec 2027	1	1			
Jan 2028	1	1			
Feb 2028	1	1			
Mar 2028	1	1			
Apr 2028	1	1			
May 2028	1	1			
Jun 2028	1	1			
Jul 2028	1	1			
Aug 2028	1	1			
Sep 2028	1	1			
Oct 2028	1	1			
Nov 2028	1	1			
Dec 2028	1	1			
Jan 2029	1	1			
Feb 2029	1	1			
Mar 2029	1	1			
Total	24	24			

260930154

Appendix B
Page 64 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 10
To Appalachian Power Company**

Interrogatory Staff 10-307:

Please refer to Schedule 42 and the Company's revenue adjustments. Please provide the actual weather normalized billing determinants for 2021-to-date for the following rate schedules:

- (a) 011 RS-LMWH
- (b) 015 RS
- (c) 020 RS EMP
- (d) 030 RS-TOD
- (e) 059 RS ELEC VHCL
- (f) 222 SWS
- (g) 229 GS-TOD SEC
- (h) 231 SGS SEC
- (i) 234 SGS PRI
- (j) 261 GS SEC
- (k) 263 GS PRI
- (l) 281 SGS FIXED
- (m) 302 LPSTODSEC
- (n) 306 LPS PRI
- (o) 308 LPS SUB
- (p) 309 LPSTODRES
- (q) 310 LPS TRANS
- (r) 337 LGS TOD-SEC
- (s) 861 LPS PRI
- (t) 862 LPS SUB

Response Staff 10-307:

The Company does not maintain weather normalized billing units by rate schedule. Please see Staff 10-307 Attachment 1 for weather normalized energy by revenue class. This attachment updates Staff 1-39 to include 2021-2024 data.

The foregoing response is made by Katharine I. Walsh, Mng Dir Reg Pricing&Analysis on behalf of Appalachian Power Company.

Appendix B
Page 66 of 108

260930154

JURIS	REVCLS	YEAR	MONTH	Billed kWh	Billing Cycle Weather Impact	Normalized Billed kWh
APV	Residential	2021	1	796,577,668	(17,403,750)	813,981,418
APV	Residential	2021	2	761,970,701	7,942,011	754,028,690
APV	Residential	2021	3	627,529,142	(1,771,078)	629,300,220
APV	Residential	2021	4	452,390,894	(44,047,897)	496,438,791
APV	Residential	2021	5	379,663,484	(306,510)	379,969,994
APV	Residential	2021	6	413,894,997	11,537,909	402,357,088
APV	Residential	2021	7	490,304,284	4,796,987	485,507,297
APV	Residential	2021	8	508,846,181	27,916,055	480,930,126
APV	Residential	2021	9	497,959,676	46,195,459	451,764,217
APV	Residential	2021	10	376,252,751	18,716,730	357,536,021
APV	Residential	2021	11	399,948,488	(11,665,692)	411,614,180
APV	Residential	2021	12	630,960,144	(26,565,259)	657,525,403
APV	Commercial	2021	1	276,176,667	(2,748,829)	278,925,496
APV	Commercial	2021	2	259,836,853	1,248,765	258,588,088
APV	Commercial	2021	3	236,149,407	(361,890)	236,511,297
APV	Commercial	2021	4	221,924,800	(7,225,200)	229,150,000
APV	Commercial	2021	5	206,891,949	(194,917)	207,086,866
APV	Commercial	2021	6	233,141,850	3,789,187	229,352,663
APV	Commercial	2021	7	260,905,030	1,488,314	259,416,716
APV	Commercial	2021	8	264,438,416	8,698,393	255,740,023
APV	Commercial	2021	9	259,983,595	14,338,696	245,644,899
APV	Commercial	2021	10	228,435,769	7,001,659	221,434,110
APV	Commercial	2021	11	214,150,611	(913,197)	215,063,808
APV	Commercial	2021	12	252,038,118	(4,274,985)	256,313,103
APV	Industrial	2021	1	424,325,310	-	424,325,310
APV	Industrial	2021	2	407,486,534	-	407,486,534
APV	Industrial	2021	3	408,149,746	-	408,149,746
APV	Industrial	2021	4	425,742,470	-	425,742,470
APV	Industrial	2021	5	414,065,198	-	414,065,198
APV	Industrial	2021	6	429,459,482	-	429,459,482
APV	Industrial	2021	7	436,140,167	-	436,140,167
APV	Industrial	2021	8	435,008,560	-	435,008,560
APV	Industrial	2021	9	424,099,455	-	424,099,455
APV	Industrial	2021	10	415,232,016	-	415,232,016
APV	Industrial	2021	11	412,399,681	-	412,399,681
APV	Industrial	2021	12	432,699,497	-	432,699,497
APV	Other Retail	2021	1	73,916,441	(609,442)	74,525,883
APV	Other Retail	2021	2	69,942,733	277,030	69,665,703
APV	Other Retail	2021	3	66,908,089	(73,449)	66,981,538
APV	Other Retail	2021	4	61,384,035	(1,575,258)	62,959,293
APV	Other Retail	2021	5	58,401,308	(31,406)	58,432,714
APV	Other Retail	2021	6	61,927,834	678,186	61,249,648

Appendix B
Page 67 of 108

260930154

APV	Other Retail	2021	7	65,803,777	269,577	65,534,200
APV	Other Retail	2021	8	66,604,100	1,566,827	65,037,273
APV	Other Retail	2021	9	72,263,687	2,593,102	69,670,585
APV	Other Retail	2021	10	65,337,421	1,215,082	64,122,339
APV	Other Retail	2021	11	61,278,266	(273,748)	61,552,014
APV	Other Retail	2021	12	69,358,098	(932,084)	70,290,182
APV	Residential	2022	1	698,604,957	(105,613,132)	804,218,089
APV	Residential	2022	2	792,400,368	42,610,948	749,789,420
APV	Residential	2022	3	546,563,505	(80,328,535)	626,892,040
APV	Residential	2022	4	454,420,697	(38,967,214)	493,387,911
APV	Residential	2022	5	378,908,730	4,284,256	374,624,474
APV	Residential	2022	6	418,104,699	15,721,289	402,383,410
APV	Residential	2022	7	496,990,969	28,008,425	468,982,544
APV	Residential	2022	8	502,238,087	27,218,915	475,019,172
APV	Residential	2022	9	452,726,002	3,509,088	449,216,914
APV	Residential	2022	10	371,332,960	(7,583,443)	378,916,403
APV	Residential	2022	11	402,104,203	(18,694,597)	420,798,800
APV	Residential	2022	12	634,875,084	(6,091,793)	640,966,877
APV	Commercial	2022	1	264,444,997	(16,528,838)	280,973,835
APV	Commercial	2022	2	267,744,016	6,668,444	261,075,572
APV	Commercial	2022	3	235,452,782	(12,570,731)	248,023,513
APV	Commercial	2022	4	217,270,670	(6,415,957)	223,686,627
APV	Commercial	2022	5	212,961,204	1,761,907	211,199,297
APV	Commercial	2022	6	237,518,147	5,178,696	232,339,451
APV	Commercial	2022	7	260,682,224	8,775,478	251,906,746
APV	Commercial	2022	8	265,097,469	8,520,758	256,576,711
APV	Commercial	2022	9	256,611,401	1,110,944	255,500,457
APV	Commercial	2022	10	221,420,592	(2,620,631)	224,041,223
APV	Commercial	2022	11	208,230,409	(3,042,627)	211,273,036
APV	Commercial	2022	12	257,003,574	(564,042)	257,567,616
APV	Industrial	2022	1	423,626,123	-	423,626,123
APV	Industrial	2022	2	407,809,452	-	407,809,452
APV	Industrial	2022	3	416,873,878	-	416,873,878
APV	Industrial	2022	4	418,902,781	-	418,902,781
APV	Industrial	2022	5	415,987,166	-	415,987,166
APV	Industrial	2022	6	434,336,008	-	434,336,008
APV	Industrial	2022	7	435,501,509	-	435,501,509
APV	Industrial	2022	8	419,768,573	-	419,768,573
APV	Industrial	2022	9	441,215,586	-	441,215,586
APV	Industrial	2022	10	426,443,132	-	426,443,132
APV	Industrial	2022	11	383,366,994	-	383,366,994
APV	Industrial	2022	12	417,581,209	-	417,581,209
APV	Other Retail	2022	1	71,625,556	(3,371,716)	74,997,272
APV	Other Retail	2022	2	74,069,524	1,361,116	72,708,408

Appendix B
Page 68 of 108

260930154

APV	Other Retail	2022	3	65,376,608	(2,565,931)	67,942,539
APV	Other Retail	2022	4	63,008,706	(1,296,877)	64,305,583
APV	Other Retail	2022	5	61,385,585	313,816	61,071,769
APV	Other Retail	2022	6	65,787,045	942,890	64,844,155
APV	Other Retail	2022	7	65,010,914	1,606,826	63,404,088
APV	Other Retail	2022	8	69,988,551	1,558,608	68,429,943
APV	Other Retail	2022	9	70,527,747	202,361	70,325,386
APV	Other Retail	2022	10	63,048,623	(472,759)	63,521,382
APV	Other Retail	2022	11	61,045,624	(612,499)	61,658,123
APV	Other Retail	2022	12	70,775,027	(130,489)	70,905,516
APV	Residential	2023	1	785,286,475	(22,666,442)	807,952,917
APV	Residential	2023	2	607,073,800	(131,627,698)	738,701,498
APV	Residential	2023	3	490,175,537	(128,217,302)	618,392,839
APV	Residential	2023	4	446,795,548	(21,124,070)	467,919,618
APV	Residential	2023	5	361,311,769	(5,277,324)	366,589,093
APV	Residential	2023	6	354,955,151	(37,088,363)	392,043,514
APV	Residential	2023	7	441,429,605	(12,837,153)	454,266,758
APV	Residential	2023	8	482,699,673	10,470,322	472,229,351
APV	Residential	2023	9	459,730,869	27,512,386	432,218,483
APV	Residential	2023	10	351,051,736	(6,502,726)	357,554,462
APV	Residential	2023	11	395,794,349	(19,744,514)	415,538,863
APV	Residential	2023	12	598,955,007	(40,364,549)	639,319,556
APV	Commercial	2023	1	281,189,211	(3,643,754)	284,832,965
APV	Commercial	2023	2	238,733,651	(21,157,750)	259,891,401
APV	Commercial	2023	3	220,844,102	(20,418,227)	241,262,329
APV	Commercial	2023	4	215,394,046	(2,594,435)	217,988,481
APV	Commercial	2023	5	207,556,717	(1,010,133)	208,566,850
APV	Commercial	2023	6	219,669,705	(11,425,801)	231,095,506
APV	Commercial	2023	7	245,107,543	(4,041,842)	249,149,385
APV	Commercial	2023	8	250,676,330	3,297,278	247,379,052
APV	Commercial	2023	9	257,412,048	8,664,302	248,747,746
APV	Commercial	2023	10	217,868,258	(1,342,440)	219,210,698
APV	Commercial	2023	11	209,478,872	(2,057,357)	211,536,229
APV	Commercial	2023	12	250,774,682	(6,500,887)	257,275,569
APV	Industrial	2023	1	408,783,747	-	408,783,747
APV	Industrial	2023	2	385,696,678	-	385,696,678
APV	Industrial	2023	3	414,480,989	-	414,480,989
APV	Industrial	2023	4	390,058,420	-	390,058,420
APV	Industrial	2023	5	413,628,176	-	413,628,176
APV	Industrial	2023	6	411,243,336	-	411,243,336
APV	Industrial	2023	7	414,979,631	-	414,979,631
APV	Industrial	2023	8	417,212,397	-	417,212,397
APV	Industrial	2023	9	425,577,310	-	425,577,310
APV	Industrial	2023	10	387,093,454	-	387,093,454

Appendix B
Page 69 of 108

260930154

APV	Industrial	2023	11	376,278,867	-	376,278,867
APV	Industrial	2023	12	396,530,417	-	396,530,417
APV	Other Retail	2023	1	75,771,292	(695,608)	76,466,900
APV	Other Retail	2023	2	67,714,685	(4,045,376)	71,760,061
APV	Other Retail	2023	3	64,152,897	(3,880,943)	68,033,840
APV	Other Retail	2023	4	62,007,033	(436,294)	62,443,327
APV	Other Retail	2023	5	60,455,300	(199,873)	60,655,173
APV	Other Retail	2023	6	60,224,752	(2,490,351)	62,715,103
APV	Other Retail	2023	7	64,711,695	(882,341)	65,594,036
APV	Other Retail	2023	8	66,572,851	718,188	65,854,663
APV	Other Retail	2023	9	70,031,504	1,889,804	68,141,700
APV	Other Retail	2023	10	63,533,378	(269,383)	63,802,761
APV	Other Retail	2023	11	60,653,976	(312,288)	60,966,264
APV	Other Retail	2023	12	69,630,780	(1,214,044)	70,844,824
APV	Residential	2024	1	763,249,367	(47,345,774)	810,595,141
APV	Residential	2024	2	652,489,619	(73,136,047)	725,625,666
APV	Residential	2024	3	498,545,955	(112,609,932)	611,155,887
APV	Residential	2024	4	424,138,779	(48,892,129)	473,030,908
APV	Residential	2024	5	345,076,555	2,532,412	342,544,143
APV	Residential	2024	6	393,624,700	14,917,464	378,707,236
APV	Residential	2024	7	524,028,979	50,607,899	473,421,080
APV	Residential	2024	8	491,661,092	28,761,450	462,899,642
APV	Residential	2024	9	429,500,366	(16,226,237)	445,726,603
APV	Residential	2024	10	346,835,785	1,130,820	345,704,965
APV	Residential	2024	11	353,861,660	(33,966,383)	387,828,043
APV	Residential	2024	12	602,869,764	3,141,682	599,728,082
APV	Commercial	2024	1	270,950,103	(7,685,656)	278,635,759
APV	Commercial	2024	2	255,077,097	(11,750,751)	266,827,848
APV	Commercial	2024	3	222,348,839	(18,343,097)	240,691,936
APV	Commercial	2024	4	215,436,852	(7,585,340)	223,022,192
APV	Commercial	2024	5	208,705,449	4,078,600	204,626,849
APV	Commercial	2024	6	235,562,021	5,840,538	229,721,483
APV	Commercial	2024	7	267,346,317	18,203,934	249,142,383
APV	Commercial	2024	8	262,074,985	10,339,733	251,735,252
APV	Commercial	2024	9	247,063,187	(5,818,074)	252,881,261
APV	Commercial	2024	10	217,624,653	753,210	216,871,443
APV	Commercial	2024	11	203,274,594	(4,798,884)	208,073,478
APV	Commercial	2024	12	253,643,284	984,889	252,658,395
APV	Industrial	2024	1	404,074,432	-	404,074,432
APV	Industrial	2024	2	392,918,304	-	392,918,304
APV	Industrial	2024	3	384,792,645	-	384,792,645
APV	Industrial	2024	4	398,098,801	-	398,098,801
APV	Industrial	2024	5	389,025,922	-	389,025,922
APV	Industrial	2024	6	417,229,259	-	417,229,259

Appendix B
Page 70 of 108

260930154

APV	Industrial	2024	7	410,743,304	-	410,743,304
APV	Industrial	2024	8	408,257,255	-	408,257,255
APV	Industrial	2024	9	411,710,703	-	411,710,703
APV	Industrial	2024	10	386,016,223	-	386,016,223
APV	Industrial	2024	11	381,278,708	-	381,278,708
APV	Industrial	2024	12	389,425,292	-	389,425,292
APV	Other Retail	2024	1	75,025,859	(1,613,366)	76,639,225
APV	Other Retail	2024	2	72,117,380	(2,480,676)	74,598,056
APV	Other Retail	2024	3	62,760,512	(3,856,450)	66,616,962
APV	Other Retail	2024	4	63,538,075	(1,630,364)	65,168,439
APV	Other Retail	2024	5	60,791,788	498,098	60,293,690
APV	Other Retail	2024	6	63,184,212	893,054	62,291,158
APV	Other Retail	2024	7	68,683,264	2,842,822	65,840,442
APV	Other Retail	2024	8	67,706,962	1,612,959	66,094,003
APV	Other Retail	2024	9	69,386,239	(908,228)	70,294,467
APV	Other Retail	2024	10	63,182,720	102,215	63,080,505
APV	Other Retail	2024	11	58,890,135	(1,076,434)	59,966,569
APV	Other Retail	2024	12	71,206,449	159,943	71,046,506
APV	Residential	2026	1	679,540,637	(2,643,975)	682,184,612
APV	Residential	2026	2	830,444,832	97,887,127	732,557,705
APV	Residential	2026	3	596,932,452	(27,542,769)	624,475,221
APV	Residential	2026	4	447,322,538	(18,424,868)	465,747,406
APV	Residential	2026	5	344,921,266	(4,646,677)	349,567,943
APV	Residential	2026	6	431,633,154	6,380,833	425,252,321
APV	Commercial	2026	1	250,996,752	(417,340)	251,414,092
APV	Commercial	2026	2	278,906,912	15,434,173	263,472,739
APV	Commercial	2026	3	242,030,108	(3,826,384)	245,856,492
APV	Commercial	2026	4	235,634,111	(499,515)	236,133,626
APV	Commercial	2026	5	209,478,479	(314,579)	209,793,058
APV	Commercial	2026	6	250,834,899	1,925,728	248,909,171
APV	Industrial	2026	1	352,424,383	-	352,424,383
APV	Industrial	2026	2	370,781,479	-	370,781,479
APV	Industrial	2026	3	378,894,614	-	378,894,614
APV	Industrial	2026	4	410,251,142	-	410,251,142
APV	Industrial	2026	5	388,266,909	-	388,266,909
APV	Industrial	2026	6	410,673,596	-	410,673,596
APV	Other Retail	2026	1	67,561,539	(88,137)	67,649,676
APV	Other Retail	2026	2	75,139,191	3,257,686	71,881,505
APV	Other Retail	2026	3	68,643,339	(770,319)	69,413,658
APV	Other Retail	2026	4	68,117,917	70,888	68,047,029
APV	Other Retail	2026	5	59,437,323	(35,693)	59,473,016
APV	Other Retail	2026	6	68,621,590	473,011	68,148,579

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 10
To Appalachian Power Company**

Interrogatory Staff 10-315:

Please refer Company witness Johannessen's Schedule 1 pages 3 and 5. The Schedule states on page 3 that the program implementation fee is "approximately 26% of the incentive budget", however page 5 shows that CHP administrative fees in the Company's program budget for Year 1 through 3 are 33.33% of the total incentive budget. Please provide a narrative explaining how the Company calculated the CHP Admin fees.

	Program	Program	Program
	Year 1	Year 2	Year 3
Incentives	3,656,250	3,765,000	3,884,625
CHP Admin (25.7%)	1,218,750	1,255,000	1,294,875
CHP Admin as % of Incentives	33.33%	33.33%	33.33%

Response Staff 10-315:

In Company witness Johannessen's Schedule 1, the CHP Admin amount equals 25.77% of the total budget remaining after all utility expenses. Following discussions internally and with CHP, the Company has provided an updated, clarified budget table. Please see Staff 10-315 Attachment 1. APCo labor expense has been removed from the program's APCo Admin budget, and a reduction has been applied to the CHP Admin fee. The incentive budget was increased by an amount equal to the decrease in the admin budget resulting in no change to the overall program budget and an increase in the approximate number of participating households.

The foregoing response is made by Jason Johannessen, EE&Consumer Program Coord on behalf of Appalachian Power Company.

260930154

Appendix B
Page 72 of 108

Case No. PUR-2026-00044
Staff 10-315 Attachment 1
Page 1 of 1

Proposed Income Qualifying Solar Photovoltaic Program Budget				
Bucket	Year 1	Year 2	Year 3	Total
Total Program Budget	\$5,000,000	\$5,150,000	\$5,304,500	\$15,454,500
Implementation & Incentive Budget	\$4,944,164	\$5,091,323	\$5,253,234	\$15,288,720
Installer Incentives (79.5%)	\$3,930,610	\$4,047,601	\$4,176,321	\$12,154,532
CHP Admin/Implementation (20.5%)	\$1,013,554	\$1,043,721	\$1,076,913	\$3,134,187
Total APCo Budget	\$55,837	\$58,678	\$51,267	\$165,781
APCo Admin non-labor	\$20,837	\$18,678	\$16,267	\$55,781
APCo Marketing	\$25,000	\$25,000	\$25,000	\$75,000
APCo EM&V	\$10,000	\$15,000	\$10,000	\$35,000

Roof Mount System		Approximate # of Participating Households			
Size	Cost	Year 1	Year 2	Year 3	Total
3 kW	\$12,000	328	337	348	1013
4 kW	\$16,000	246	253	261	760
5 kW	\$20,000	197	202	209	608
Average		257	264	273	793

Updated CHP admin fee is 20.5% of the combined implementation and incentive budget. This comes to ~25.7% of installer incentive. Additionally, internal labor has been removed from the program's APCo admin budget (C12:F12), and applied to the combined implementation and incentive budget (C7:F7). The total program budget has not changed.

260930154

Appendix B
Page 73 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 10
To Appalachian Power Company**

Interrogatory Staff 10-322:

Please refer to Saunders Direct at page 14 which states “The Company will implement the Residential Managed EV Charging Pilot using an implementation vendor which was selected through a competitive RFP process in 2026 and is expected to launch in 2027, contingent on Commission approval.” Please identify the selected implementation vendor.

Response Staff 10-322:

The Company has selected WeaveGrid as the implementation vendor for the Residential Managed EV Charging Pilot.

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord on behalf of Appalachian Power Company.

260930154

Appendix B
Page 74 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 10
To Appalachian Power Company**

Interrogatory Staff 10-326:

Please refer to Figures SMS-12: Annual Budget for Managed Charging Pilot Program and SMS-13: Annual Budget for EV Charger Rebate Pilot Program on page 31 of Saunders Direct. Please provide the workpapers used to produce these tables with underlying formulae intact.

Response Staff 10-326:

Please see the Company's Staff 10-326 Attachment 1 to support the marketing and labor budgets for the pilot programs, Staff 10-326 Attachment 2 to support the EV Charger Rebate Pilot, and Staff 10-326 Attachment 3 to support the Residential Managed EV Charging Pilot.

The utility labor was removed from the utility admin budget and increased the incentive budget by the same amount such that the total program budget remained the same.

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord on behalf of Appalachian Power Company.

Appendix B
Page 75 of 108

260930154

EV Rebates

	2027	2028	2029	2030
Labor Rate (loaded)	\$138,327	\$142,645	\$147,467	\$152,626
% of FTE	0.4	0.4	0.4	0.4
Total	\$55,331	\$57,058	\$58,987	\$61,050
Utility Admin	\$75,000	\$77,250	\$79,568	\$81,955
Non Labor Expenses	\$19,669	\$20,192	\$20,581	\$20,905

Recommendation to Move Utility Labor to Incentive Budget

Revised Incentive Budget	\$432,796	\$415,163	\$418,385	\$421,357
Revised Utility Admin Budget	\$19,669	\$20,192	\$20,581	\$20,905

Filed Incentive Budget (source EV Charger Workpaper, lines 19 and 31)	\$377,465	\$358,105	\$359,398	\$360,307
--	-----------	-----------	-----------	-----------

Utility Promotion	\$175,000	\$180,250	\$185,658	\$191,227
-------------------	-----------	-----------	-----------	-----------

EV Educational Tool (1/3 of annual cost)	\$9,000	\$4,000	\$4,000	\$4,000
Marketing Agency (Website, Digital Marketing, Media Placement, etc)	\$123,500	\$133,750	\$139,158	\$144,277
Paid Social Media	\$5,000	\$5,000	\$5,000	\$5,000
Outreach Events	\$7,500	\$7,500	\$7,500	\$7,500
Educational Material	\$5,000	\$5,000	\$5,000	\$5,000
Program Collateral	\$5,000	\$5,000	\$5,000	\$5,000
Newsletter	\$5,000	\$5,000	\$5,000	\$5,000
NEF Educational Campaign	\$15,000	\$15,000	\$15,000	\$15,000

Total	\$175,000	\$180,250	\$185,658	\$190,777
-------	-----------	-----------	-----------	-----------

260930154

Revised Table (Saunders Direct Testimony, Figure SMS-13)

EV Charger Rebate Pilot	2027	2028	2029	2030	Total
Incentives	\$432,796	\$415,163	\$418,385	\$421,357	\$1,687,701
Contractor Program Costs	\$597,387	\$278,595	\$286,952	\$291,076	\$1,454,010
Evaluation & Measurement	\$7,500	\$10,000	\$8,000	\$10,500	\$36,000
Utility Promotion	\$175,000	\$180,250	\$185,658	\$191,227	\$732,135
Utility Administration	\$19,669	\$20,192	\$20,581	\$20,905	\$81,347
Total	\$1,232,352	\$904,200	\$919,576	\$935,065	\$3,991,193

Appendix B
Page 77 of 108

260930154

Utility Admin

Managed Charging

	2027	2028	2029	2030
Labor Rate (loaded)	\$138,327	\$142,645	\$147,467	\$152,626
% of FTE	0.4	0.4	0.4	0.4
Total Utility Labor	\$55,331	\$57,058	\$58,987	\$61,050
Utility Admin (As Filed)	\$75,000	\$77,250	\$79,568	\$81,955
Non Labor Expenses	\$19,669	\$20,192	\$20,581	\$20,905

Recommendation to Move Utility Labor to Incentive Budget

Revised Incentive Budget	\$133,079	\$218,794	\$310,742	\$522,618
Revised Utility Admin Budget	\$19,669	\$20,192	\$20,581	\$20,905

Filed Incentive Budget (source Managed Charger workpaper, line 13)	\$77,748	\$161,736	\$251,755	\$461,568
--	----------	-----------	-----------	-----------

Utility Promotion **\$175,000** **\$180,250** **\$185,658** **\$191,227**

EV Educational Tool (1/3 of annual cost)	\$9,000	\$4,000	\$4,000	\$4,000
Marketing Agency (Website, Digital Marketing, Media Placement, etc)	\$123,500	\$133,750	\$139,158	\$144,777
Paid Social Media	\$5,000	\$5,000	\$5,000	\$5,000
Outreach Events	\$7,500	\$7,500	\$7,500	\$7,500
Educational Material	\$5,000	\$5,000	\$5,000	\$5,000
Program Collateral	\$5,000	\$5,000	\$5,000	\$5,000
Newsletter	\$5,000	\$5,000	\$5,000	\$5,000
NEF Educational Campaign	\$15,000	\$15,000	\$15,000	\$15,000

Total	\$175,000	\$180,250	\$185,658	\$191,227
-------	-----------	-----------	-----------	-----------

Appendix B
Page 78 of 108

260930154

Revised Table (Saunders Direct Testimony, Figure SMS 12)

Managed Charging Pilot	2027	2028	2029	522618	Total
Incentives	\$133,079	\$218,794	\$310,742	\$522,618	\$1,185,233
Contractor Program Costs	\$172,326	\$165,315	\$260,309	\$460,539	\$1,058,489
Evaluation & Measurement	\$7,500	\$10,000	\$8,000	\$10,500	\$36,000
Utility Promotion	\$175,000	\$180,250	\$185,658	\$191,227	\$732,135
Utility Administration	\$19,669	\$20,192	\$20,581	\$20,905	\$81,347
Total	\$507,574	\$594,551	\$785,290	\$1,205,789	\$3,093,204

260930154

Appendix B
Page 79 of 108

Franklin Energy

Program: Commercial Charging Rebates

Professional Services

Deliverable / Milestone	Est. Weeks	Service List	Discount	Service Net
Program Startup Services				
Start up - Technology Services and Program Enabling Technology	12	\$ 134,172		\$134,172
Start up - Initial Marketing and Outreach Services	12	\$ 52,401		\$52,401
Start up - Program Operations and Administration	12	\$ 83,850		\$83,850
Marketing and Outreach Services				
Outreach Technical Assistance & QA/QC	52 weeks a year	\$ 379,616		\$379,616
Marketing	52 weeks a year	\$ 125,893		\$125,893
Customer Care Center	52 weeks a year	\$ 362,952		\$362,952
Program Operations & Administration	52 weeks a year	\$ 264,789		\$264,789
Technology Services	52 weeks a year	\$ 42,090		\$42,090
				\$0
Subtotal				
Contractor Costs				\$0
				\$0
Application Rebate and Processing (included in the incentive budget)	52 weeks a year	\$ 195,274		\$195,274
				\$0
Total Professional Services				-

Incentives

	Projected Rebates	Rebate Amount*
Residential Level 2 Charger	300	\$ 200
Residential Level 2 EV Charger (Rural/Low Income)	50	\$ 500
Commercial/Multifamily (MUD) Level 2 Charger	12	\$ 2,500
Commercial/Multifamily (MUD) Level 2 Charger (Rural/Low Income)	8	\$ 5,000
DC Fast Charger	4	\$ 20,000
DC Fast Charger (Rural/Low Income)	2	\$ 40,000

* Rebates Amount is the not to exceed (maximum) amount

260930154

Appendix B
Page 80 of 108

Virginia								
Year 1 Fixed Fee	Year 1 Est. Travel	Year 2 Fixed Fee	Year 2 Est. Travel	Year 3 Fixed Fee	Year 3 Est. Travel	Year 4 Fixed Fee	Year 4 Est. Travel	Total
\$134,172								\$134,172
\$52,401								\$52,401
\$83,850	\$3,200							\$87,050
\$90,739		\$93,461		\$96,265		\$99,152		\$379,616
\$41,654		\$28,916		\$29,784		\$25,539		\$125,893
\$115,851		\$79,945		\$82,343		\$84,813		\$362,952
\$63,449	\$2,012	\$65,074	\$836	\$67,026	\$861	\$69,240	\$1,337	\$269,836
\$10,061		\$10,363		\$10,673		\$10,994		\$42,090
								\$0
\$592,175	\$5,212	\$277,758	\$836	\$286,091	\$861	\$289,738	\$1,337	\$1,454,010
								\$0
\$62,465		\$43,105		\$44,398		\$45,307		\$195,274
								\$0
\$654,640	\$10,424	\$320,863	\$1,673	\$330,489	\$1,723	\$335,045	\$2,675	\$1,649,284
\$60,000		\$60,000		\$60,000		\$60,000		\$240,000
\$25,000		\$25,000		\$25,000		\$25,000		\$100,000
\$30,000		\$30,000		\$30,000		\$30,000		\$120,000
\$40,000		\$40,000		\$40,000		\$40,000		\$160,000
\$80,000		\$80,000		\$80,000		\$80,000		\$320,000
\$80,000		\$80,000		\$80,000		\$80,000		\$320,000
\$315,000		\$315,000		\$315,000		\$315,000		\$1,260,000

260930154

Appendix B
Page 82 of 108

WeaveGrid, Inc

Program: Managed Charging (Residential)

Software & Support

Product Number	Product Name	Metric	Unit List	Discount	Annual Unit Net
WG AMC SaaS Platform	WeaveGrid Platinum EVMS Active w/ OEM Direct + Qualified EVSE - Platform	User count	\$ 204	34%	\$135
WG AMC SaaS Tranches	WeaveGrid Platinum EVMS Active w/ OEM Direct + Qualified EVSE - Over Platform	User count	\$ 204	34%	\$135
WG DISCO SaaS Tranches	WeaveGrid Platinum EVMS DISCO w/ OEM Direct + Qualified EVSE	User count	\$ 48	50%	\$24
WG PMC SaaS Platform	WeaveGrid Platinum EVMS Passive w/ OEM Direct - Platform	User count	\$ 66	24%	\$50
WG PMC SaaS Tranches	WeaveGrid Platinum EVMS Passive w/ OEM Direct - Over Platform	User count	\$ 66	24%	\$50
Set Up Fee Active Managed Charging	One Time Set Up Fee - APCo Active Managed Charging	Flat rate	\$ 35,000	12%	\$30,800
Set Up Fee Passive Managed Charging	One Time Set Up Fee - APCo Passive Managed Charging	Flat rate	\$ 35,000	12%	\$30,800
Incentives	Customer Incentives for Passive and Active Programs	User count	Varies		Varies
Total Software & Support			-	18%	-

260930154

Appendix B
Page 83 of 108

Virginia								
Qty Y1	Qty Y2	Qty Y3	Qty Y4	Year 1 Annual Net	Year 2 Annual Net	Year 3 Annual Net	Year 4 Annual Net	Total
600	600	600	600	\$80,784	\$80,784	\$80,784	\$80,784	\$323,136
97	538	1,152	2,761	\$6,530	\$42,748	\$113,771	\$263,423	\$426,472
697	1,138	1,752	3,361	\$8,364	\$22,020	\$34,680	\$61,356	\$126,420
300	300	300	300	\$15,048	\$15,048	\$15,048	\$15,048	\$60,192
0	188	451	1,141	\$0	\$4,715	\$16,026	\$39,927	\$60,669
1	0	0	0	\$30,800	\$0	\$0	\$0	\$30,800
1	0	0	0	\$30,800	\$0	\$0	\$0	\$30,800
995	1,625	2,503	4,802	\$77,748	\$161,736	\$251,755	\$461,568	\$952,807
2,691	4,389	6,758	12,965	\$250,074	\$327,051	\$512,064	\$922,107	\$2,011,296

260930154

Appendix B
Page 85 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 11
To Appalachian Power Company**

Interrogatory Staff 11-338:

Please refer to the Company's Schedules 17, 18, 27, and 28. Please provide a narrative explaining if the Company's rate adjustment clauses include cash working capital. If not, please explain why cash working capital is not being recovered in the Company's rate adjustment clauses.

Response Staff 11-338:

The Company has not included cash working capital in rate base in its rate adjustment clause filings to date.

The term "cash working capital" refers to the net funds required by the Company to finance goods and services used to provide service to customers from the time those goods and services are paid for by the Company to the time that payment is received from customers. Determining cash working capital attributable to individual rate adjustment clauses would be resource intensive, imprecise and of questionable value. The Commission's filing rules require the Company to complete a lead/lag analysis every five years as part of base rate filings to compute cash working capital. Lead/lag studies are time-consuming analyses of the Company's operations comparing differences between the Company's revenue lag and expense leads usually under the supervision of a third-party expert consultant. The Commission has always treated cash working capital as a base rate item for the Company.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr and William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 12
To Appalachian Power Company**

Interrogatory Staff 12-350:

Please refer to Company's response to Staff Interrogatory 4-109. Please provide any updates to the status of the potential data center customers listed in the Company's response. For data center customers in the LOA phase, please provide the LOAs and the projected revenues associated.

Response Staff 12-350:

The Company requires Large Load customers to execute LOAs and ESAs at the same time. There are no large load customers currently, "in the LOA phase." There are no meaningful updates to the response provided in Staff 4-109.

The foregoing response is made by William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

260930154

Appendix B
Page 87 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 13
To Appalachian Power Company**

Interrogatory Staff 13-376:

Please refer to Adjustment No. CI-21, Figure SMS-12, and Figure SMS-13. Do the Managed Charging Pilot Program and EV Charger Rebate Pilot Program budgets include internal labor costs? If yes, please quantify the budgeted internal labor costs associated with the pilot programs.

Response Staff 13-376:

Yes. Please see the response to Staff 10-326 for the internal labor costs and the proposed recommendation to move the internal labor costs to the incentive budgets. Additionally, see Staff 13-376 Attachment 1 for the revised SMS Figure 12 and SMS Figure 13.

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord on behalf of Appalachian Power Company.

Figure SMS-12: Annual Budget for Managed Charging Pilot Program

Managed Charging Pilot	2027	2028	2029	522618	Total
Incentives	\$133,079	\$218,794	\$310,742	\$522,618	\$1,185,233
Contractor Program Costs	\$172,326	\$165,315	\$260,309	\$460,539	\$1,058,489
Evaluation & Measurement	\$7,500	\$10,000	\$8,000	\$10,500	\$36,000
Utility Promotion	\$175,000	\$180,250	\$185,658	\$191,227	\$732,135
Utility Administration	\$19,669	\$20,192	\$20,581	\$20,905	\$81,347
Total	\$507,574	\$594,551	\$785,290	\$1,205,789	\$3,093,204

Figure SMS-13: Annual Budget for EV Charger Rebate Pilot Program

EV Charger Rebate Pilot	2027	2028	2029	2030	Total
Incentives	\$432,796	\$415,163	\$418,385	\$421,357	\$1,687,701
Contractor Program Costs	\$597,387	\$278,595	\$286,952	\$291,076	\$1,454,010
Evaluation & Measurement	\$7,500	\$10,000	\$8,000	\$10,500	\$36,000
Utility Promotion	\$175,000	\$180,250	\$185,658	\$191,227	\$732,135
Utility Administration	\$19,669	\$20,192	\$20,581	\$20,905	\$81,347
Total	\$1,232,352	\$904,200	\$919,576	\$935,065	\$3,991,193

260930154

Appendix B
Page 89 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 13
To Appalachian Power Company**

Interrogatory Staff 13-377:

Please refer to Adjustment No. CI-21 and CI-22.

- (a) Provide a detailed narrative describing how the Company will account for the pilot programs. Are the entries recording the costs related to the pilot programs distinguishable from other transactions?
- (b) Provide a detailed narrative describing how the Company will account for costs above (and below) the amounts established in base rates, and how it plans to distinguish those costs from other transactions.

Response Staff 13-377:

- a. Electric Transportation and Low Income Solar program costs will be associated with unique project and workorder identifiers.
- b. A result of this case should be an amount of electric transportation and low income solar program costs to include in base rates. All electric transportation and low income solar program costs will be identifiable as described in the response to part a. The Company will include the costs incurred above the monthly average of electric transportation and low income solar program O&M costs built into base rates as an under-recovery in the monthly calculation of the over or under-recovery of costs. If actual electric transportation and low income solar program O&M costs are less than the average in base rates for any month after approval of the program, APCo will record the amount of costs below the monthly average as an over-recovery in that month's calculation of the over or under-recovery of program costs.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr, Samuel M. Saunders, EE&Consumer Program Coord, Jason Johannessen, EE&Consumer Program Coord, and William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

260930154

Appendix B
Page 90 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 13
To Appalachian Power Company**

Interrogatory Staff 13-378:

Please refer to Company witness Baker's direct testimony ("Baker Direct") at 3 and 6 and the Company's responses to Staff Interrogatories Nos. 6-171, 7-209, and 9-281.

- (a) Does the Company intend to transition from the current vegetation management program which includes traditional vegetation management and the Worst Performing Circuits Program ("WPC") to the new variable cycle-based vegetation management program (i.e., the Company plans on replacing the traditional vegetation management program and WPC with the proposed variable cycle-based vegetation management program?)
- (b) If yes, does the Company intend to repurpose the \$22.1 million and \$16.75 incurred during the 2025 test year for the WPC and traditional vegetation management program, respectively, for the proposed variable cycle-based vegetation management program?

Response Staff 13-378:

- a. Yes.
- b. Yes.

The foregoing response is made by William K. Castle, Dir Regulatory Svcs and Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 91 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 13
To Appalachian Power Company**

Interrogatory Staff 13-379:

Please refer to Company witness Castle's direct testimony ("Castle Direct") at 17, which states that "[i]f the cycle-based approach is approved, the Company expects to file for approval of a Vegetation Management rate adjustment clause under Code § 56-585.1 A.5.f. for recovery (return) of those costs above (and below) the amount established in base rates in 2027 with an effective date of January 1, 2028."

- (a) Provide a detailed narrative describing how the Company will account for vegetation management costs in base rates, and how it plans to distinguish those costs from other transactions.
- (b) Provide a detailed narrative describing how the Company will account for vegetation management costs above (and below) the amounts established in base rates, and how it plans to distinguish those costs from other transactions.

Response Staff 13-379:

- a. Vegetation management costs are associated with unique project and workorder identifiers. APCo currently uses a unique project to identify and track the costs associated with Virginia vegetation management activities and the Company plans to continue using the same project to identify and track the vegetation management costs in base rates going forward.
- b. A result of this case should be an amount of vegetation management to include in base rates. All vegetation management will be identifiable as described in the response to part a. The Company will include the costs incurred above the monthly average of vegetation management O&M costs built into base rates as an under-recovery in the monthly calculation of the over or under-recovery of costs. If actual vegetation management O&M costs are less than the average in base rates for any month after approval of the program, APCo will record the amount of costs below the monthly average as an over-recovery in that month's calculation of the over or under-recovery of program costs.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr and William K. Castle, Dir Regulatory Svcs on behalf of Appalachian Power Company.

260930154

Appendix B
Page 92 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 13
To Appalachian Power Company**

Interrogatory Staff 13-380:

Please refer to Staff 7-210 Attachment 1. Please provide the capitalized costs not related to the original clearing of land and rights-of-way ("ROW") such as widening an existing ROW, clearing vegetation growing in an existing ROW not previously cleared, and trimming vegetation bordering an existing ROW not previously cleared for Year 1 through 8 of the proposed variable cycle-based vegetation management program.

Response Staff 13-380:

The capitalized costs in Staff 7-210 Attachment 1 are all related to vegetation management activities not related to the original clearing of land and rights-of-way. Capitalized costs associated with the original clearing of the ROW are charged to the specific project where the work is done (i.e. the construction of a line) and cannot be separately identified.

The foregoing response is made by Jason E. Baker, VP Dist Region Ops on behalf of Appalachian Power Company.

260930154

Appendix B
Page 93 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the STAFF OF THE STATE CORPORATION COMMISSION
Staff Set 14
To Appalachian Power Company**

Interrogatory Staff 14-398:

Please refer to the Company's updated low income qualifying solar program budget in Staff Interrogatory No. 10-315 Attachment 1. Please also refer to Chapter 727 of the 2026 Virginia Acts of Assembly (HB 1062), where it states "For the first year, each Phase I Utility shall operate such program at an amount of \$5 million, and the Phase I Utility shall continue the pilot program at increased levels of funding each year, with the first year's amount adjusted by the larger of (i) the percentage of change in the Consumer Price Index for All Urban Customers, or (ii) the Phase I Utility's 15-year compound annual growth rate as reported in the most recent integrated resource plan filed pursuant to § 56-599." Please clarify which of these two methods the Company used to scale the low income qualifying solar program budget.

Response Staff 14-398:

The Company used 3% to escalate the program levels. This is consistent with 2025 CPI of 2.7%. The Company's most recent IRP (2022) had projected 15-year growth rate of -0.4%.

The foregoing response is made by Jason Johannessen, EE&Consumer Program Coord, and by William K. Castle, Dir Regulatory Svcs, on behalf of Appalachian Power Company.

260930154

Appendix B
Page 94 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the OFFICE OF THE ATTORNEY GENERAL'S DIVISION OF
CONSUMER COUNSEL
OAG Set 3
To Appalachian Power Company**

Interrogatory OAG 3-44:

Please provide total annual vegetation management costs for APCO's Virginia service area that were capitalized by FERC account for each year since 2020 and as forecasted for the Rate Year, along with APCO's capitalization policy that addresses the basis for capitalizing or expensing vegetation management costs.

Response OAG 3-44:

This response contains confidential information that is provided pursuant to the Hearing Examiner's June 25, 2026 Protective Ruling.

Please refer to the Company's response to OAG 2-19 for the requested capitalized vegetation management costs. The capital costs are recorded in FERC account 36500.

Additionally, please refer to OAG 3-44 Confidential Attachment 1 for the Company's accounting policy regarding capitalizing or expensing vegetation management costs in effect during the 2024 and 2025 test years.

Please also refer to Company witness Allen's testimony, pp. 68-72, for a discussion of a change beginning January 2026 to APCo's policy of capitalizing certain costs related to vegetation management activities as a result of a recent FERC audit of an AEP-affiliated utility.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr; Jeffrey W. Maynor, Dir Reliability & Grid Mod; and Jason E. Baker, VP Dist Region Opers on behalf of Appalachian Power Company.

Appendix B
Page 95 of 108

260930154

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

Appendix B
Page 96 of 108

260930154

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

REDACTED

Portions of the Company's Response to OAG Interrogatory No. 3-44 are Confidential

260930154

Appendix B
Page 103 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the OFFICE OF THE ATTORNEY GENERAL'S DIVISION OF
CONSUMER COUNSEL
OAG Set 3
To Appalachian Power Company**

Interrogatory OAG 3-46:

Please provide the annual distribution line miles addressed by APCO's vegetation management program and annual vegetation management costs for each year since 2020 for APCO's Virginia service area.

Response OAG 3-46:

Please see the table below for APCo Virginia's vegetation management line miles. Please also refer to the Company's response to OAG 2-19 for APCo Virginia's vegetation management costs since 2020.

APCo VA Annual Vegetation Management Program (Distribution Line Miles Addressed)					
2020	2021	2022	2023	2024	2025
1,687	1,388	1,555	552	2,079	1,321

The foregoing response is made by Jason E. Baker, VP Dist Region Opers on behalf of Appalachian Power Company.

260930154

Appendix B
Page 104 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the OFFICE OF THE ATTORNEY GENERAL'S DIVISION OF
CONSUMER COUNSEL
OAG Set 4
To Appalachian Power Company**

Interrogatory OAG 4-103:

Rate Case Expense.

- a. Identify the test year, filing date and rate effective date for the Company's last five rate cases.
- b. Please provide the level of rate case expense incurred for the last five rate cases broken down by payee or type of activity.
- c. Indicate which cases were settled and which were litigated. For the settled cases, also indicate at which stage they were settled (e.g., before rebuttal, after rebuttal, before hearings, after hearings, etc.).
- d. For Rate Years 2026 and 2027, indicate the proposed normalization period for rate case expense in this proceeding.
- e. For Rate Years 2026 and 2027, please break out the estimated rate case related legal and consulting firm fees by firm.
- f. Please identify by category, the amount of each type of rate case expense incurred through June 30, 2026.
- g. Please provide a breakout of the AEPSC costs incurred in rate case expense through June 30, 2026 as it relates to the Company's prospective rate filing. Show by category of AEPSC personnel how much time and labor cost was charged to the APCo rate case, and show the hourly rate that was used for such AEPSC charges. Also show in detail all non-labor costs charged to APCo from AEPSC for rate case expense.
- h. Has the Company included any rate case expense in rate base? If so, explain fully why and identify by amount and account.

Response OAG 4-103:

This response contains confidential information that is provided pursuant to the Hearing Examiner's June 25, 2026 Protective Ruling.

- a. PUE-2011-00037; filed March 31, 2011; test year 2010; effective January 29, 2012
PUE-2014-00026; filed March 31, 2014; test year 2013; effective January 25, 2015

260930154

Appendix B
Page 105 of 108

PUR-2020-00015; filed March 31, 2020; test year 2019; effective April 12, 2021
PUR-2023-00002; filed March 31, 2023; test year 2022; effective January 29, 2024
PUR-2024-00024; filed March 29, 2024; test year 2023; effective January 1, 2025

- b. Please see OAG 4-103 Attachment 1 for rate case expense incurred in the Company's last four rate cases. The Company objects to this request as it relates to rate case expense for prior cases. Rate case expense for cases prior to the Company's last four rate cases is not readily available and would be unduly burdensome to obtain.
- c. PUR-2023-0002 was settled prior to hearing; all other cases were litigated.
- d. The Company has proposed to recover the rate case expenses over two years as shown in Adjustment AG-30.
- e. Please see OAG 4-103 Attachment 2 for the break out of estimated rate case related legal and consulting firm fees for the rate year.
- f. Please see OAG 4-103 Attachment 3 for rate case expense incurred through May 31, 2026 by category.
- g. Please see OAG 4-103 Confidential Attachment 4 for the requested information through May 31, 2026.
- h. No.

The foregoing response is made by A. Wayne Allen, Accounting Sr Mgr; William K. Castle, Dir Regulatory Svcs; Jaclyn N. Cost, Reg Pricing & Analysis Mgr; and Elisabeth Bruce, Senior Counsel, on behalf of Appalachian Power Company.

Appalachian Power Company
 Estimated Rate Years Rate Case Expense by Category

Legal Fees - Hunton Andrews Kurth LLP	\$ 193,786
Legal Fees - Troutman Sanders LLP	353,775
Consultant Costs	89,662
Printing	23,838
	<u>\$ 661,061</u>

260930154

Appendix B
Page 107 of 108

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
APPLICATION OF
APPALACHIAN POWER COMPANY
SCC CASE NO. PUR-2026-00044
Interrogatories and Requests for the Production
of Documents by the SIERRA CLUB
SC Set 2
To Appalachian Power Company**

Interrogatory SC 2-12:

Refer to Saunders Direct, page 14. Please provide details about the Company's selected implementation vendor for the Residential Managed EV Charging Pilot, including:

- a. Contract duration and renewal terms,
- b. Compensation structure (e.g. fixed fees, cost sharing, etc.),
- c. Roles and responsibilities of the vendor,
- d. Roles and responsibilities of the Company,
- e. Whether the vendor will communicate with customer devices via vehicle telematics or via charging equipment,
- f. Performance metrics, and
- g. Data to be collected from participants.

Response SC 2-12:

- a. Contract duration and renewal terms have not yet been finalized. If the Commission approves the proposed program, the Company will work with the selected vendor to develop a pilot-specific Statement of Work and related contractual terms, including contract duration and any renewal provisions.
- b. The compensation structure has not yet been finalized and will be determined as part of the negotiation of the pilot-specific Statement of Work.
- c. The following represent the roles and responsibilities of the vendor:
 - Provide an end-to-end, turnkey managed charging program, including both passive and active managed charging options
 - Provide both a customer and a utility portal
 - Support marketing efforts from the Company and eligible-device partners
 - Provide data, reporting, and other analysis needed to support the Company in evaluating the pilot and providing updates to stakeholders
 - Fulfill incentive payments to eligible customers
- d. The following represent the roles and responsibilities of the Company:

260930154

Appendix B
Page 108 of 108

- Provide a customer-facing webpage and marketing communications to drive awareness of the program
 - Assist vendor in launching the pilot and use weekly operational calls to continuously improve the pilot for customers
 - Verify customer and incentive eligibility
 - Provide oversight of customer-facing pages and communications and coordinate across other customer communications platforms.
- e. Both communication pathways will be supported. Customers with both a qualifying EV and qualifying EVSE may choose their preferred participation pathway. Vehicle telematics communication will be available through direct OEM-authorized integrations, while EVSE communication will be available through direct EVSE API integrations. Offering both pathways provides customers with greater flexibility and expands eligibility for participation in the pilot.
- f. Pilot evaluation metrics are identified on page 33 of Saunders Direct. Vendor-specific performance requirements have not yet been finalized and will be addressed through the pilot-specific Statement of Work.
- g. The following categories of data are expected to be collected from participants:
- Customer name, address, phone number, and email address
 - EV/EVSE make and model
 - Charging preferences
 - Vehicle and charger telematics data

The foregoing response is made by Samuel M. Saunders, EE&Consumer Program Coord on behalf of Appalachian Power Company.

VERIFICATION

The undersigned, Amy J. Elliott, being duly sworn, deposes and says she is the Vice President of Regulatory and External Affairs for Kentucky Power, 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.

Amy J. Elliott

Amy J. Elliott

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Amy J. Elliott, on September 30, 2026.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

