

Kentucky Power Company
KPSC Case No. 2025-00257
Attorney General's Post-Hearing Data Requests
Dated January 20, 2026

DATA REQUEST

- AG** Refer to the Deferred Tax Liability (“DTL”) Credit envisioned in the filed Settlement Agreement (Exhibit TSW-S1) at pages 8-9 of 32 at paragraph 4(A)(i-ii). Refer also to the statement in the hearing by Company witness Hodgson that the DTL recorded on the books available for such credits amounted to approximately \$60 million based on amounts through the filing of the 2024 federal income tax return.
- a. Identify and describe each DTL by temporary difference the Company plans to utilize for the DTL Credit described in the filed Settlement Agreement.
- b. Provide the amount of each DTL by temporary difference and in total by account/subaccount at December 31, 2023, December 31, 2024, and December 31, 2025 or the most recent month for which actual information is available that corresponds to the DTL(s) identified in response to part (a) of this question.

RESPONSE

- a. Please see Company Witness Hodgson’s testimony in support of the Settlement Agreement starting at page 4, line 22 through page 5, line 5. The Company plans to utilize a DTL created by the temporary difference in the recognition of expense classified as a repair expense for tax purposes but as a capital expenditure that is depreciated for book purposes (“Tax Repair Temporary Difference”).
- b. The DTL related to the Tax Repair Temporary Difference is recorded to account 2821001. The actual DTL through the 2023 tax return was \$54,923,847 and through the 2024 tax return was \$60,869,528. The estimated DTL at year-end 2025 was \$65,401,375 and is subject to true-up with the filing of the 2025 tax return.

Witness: David A. Hodgson

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AG Refer to the filed Settlement Agreement (Exhibit TSW-S1) at page 9 of 32
PHDR_2 at paragraph 4(B)(i), which provides the expected operating deferred income tax expense that will be incorporated into the DTL Rider revenue requirement of approximately \$20.2 million in 2026 Rate Case Year and \$13.7 million in 2027 Rate Case Year. Provide the calculation of those amounts in electronic format with all formulas in place.

RESPONSE

Please see KPCO_R_AG_PHDR_2_Attachment1.

Witness: David A. Hodgson

VERIFICATION

The undersigned, David A. Hodgson, being duly sworn, deposes and says he is the Managing Director, Tax Accounting and Regulatory for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief after reasonable inquiry.

David A. Hodgson
David A. Hodgson

State of Ohio)
) Case No. 2025-00257
County of Franklin)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by David A. Hodgson, on January 22, 2026

Pauline A Lutz

Notary Public

Pauline A Lutz
NOTARY PUBLIC
State of Ohio
My Commission Expires 9/12/2026

My Commission Expires _____

Notary ID Number 2016-RE-600919