DATA REQUEST

KPSC RH 1_17	Provide any testimony, explanation, or other evidence that Kentucky Power contends supports the assertions made in Kentucky Power's motion for rehearing, limited to the issues for which rehearing was granted in the Commission's April 9, 2026 Order.

RESPONSE

In addition to the information provided in the Company's motion for rehearing, Kentucky Power supports the assertions made in its motion for rehearing in the following:

- Treatment of Vegetation Management Expense: Rehearing Testimony of Amy J. Elliott and the Company's responses to Commission Staff Rehearing Data Requests RH 1-1 and RH 1-6 through RH 1-10.
- Treatment of PJM OATT Expense: Rehearing Testimony of Amy J. Elliott and the Company's response to Commission Staff Rehearing Data Requests RH 1-2 through RH 1-4.
- Treatment of Incentive Compensation tied to reliability: Rehearing Testimony of Amy J. Elliott.
- Treatment of Other Compensation: The Company's response to Commission Staff Rehearing Data Requests RH 1-11 through RH 1-13, RH 1-15 and RH 1-16.
- Calculation of recoverable rate case expense: The Company's response to Commission Staff Rehearing Data Request RH 1-14.

August 24, 2026 Supplemental Response

As explained in the Company's Motion for Rehearing[1] and Post-Rehearing Brief[2], the five issues on which the Company was granted rehearing equate to approximately $15M in annual revenue requirement that was denied in the Commission's February 28, 2026 Final Order ("Original Order"). This is before considering the potential write-off of approximately $17M in prudently incurred vegetation management investments since the end of the Company's test year in this case. These issues represent a significant financial impact to the Company and further diminish the Company's opportunity to earn the authorized return on equity (ROE) of 9.75%.

[1] See KPCO_Motion_for_Rehearing at Pg.9
[2] See KPCO_Post_Rehearing_Brief at Pg.2

The denial of the Company's ability to recover standard labor costs and prudently incurred transmission costs together comprise an approximate 2% reduction in the Company's earned ROE potential. Indeed, four months after the Commission's Original Order took effect, the Company's earned ROE for the 12 months ended June 2026 was only 4.06%, far less than the Commission authorized return of 9.75%.

Furthermore, while the portion of the Commission's Original Order regarding the treatment of the Company's vegetation management programs increased the annual revenue requirement by approximately $0.5M, it resulted in an annual reduction in funds to be used in the Company's planned Trees Outside of Rights-of-Way ("TOR") program of roughly $11M in 2026. That reduction increases to $18M in 2027 and in 2028.

Company Witness Elliott noted in her Rehearing Testimony that the reduction in the TOR program will undoubtedly have a negative impact on customer reliability, as TOR continues to be the leading cause of outages. Had the Commission's order not reduced the TOR program, the Company would have removed approximately 16,500 more trees outside of the rights-of-way across the service territory so far this year.

The reduction to the TOR program has real-world customer impacts. From August 11th to August 18th, the Company's service territory was impacted by several severe thunderstorms that resulted in a total of 56,289 customers interrupted over the course of the week. Preliminary estimates indicate that approximately 58% of the outages associated with these storms were caused by damage from TOR.

More than half of these outages occurred in the portion of the Company's service territory around Hazard. The area around Hazard is notoriously challenging to operate in mostly because of the forested, mountainous terrain. In fact, the Commission's 2003 management audit confirmed that, stating:

> The mountainous terrain and significant tree exposure make it a more difficult service territory to provide a comparable level of service than other areas of Kentucky.

At hearing in this case, Company Witness Ross highlighted the importance of the Company's TOR program in relation to storms:

> So, we can take a proactive approach and spend the dollars and be able to analyze each area and be prudent in how we're spending each dollar, or we can be reactive and have no control on what that spend could potentially be.
>
> As I said, the Commission recognized in Ike and ice that with the severe weather and the impacts to that weather, right, hazard trees, it's a problem. And the extent of damage it caused throughout the Commonwealth was quite costly to the customers.
>
> So we can either be proactive or we can be reactive. I think our customers want us to be proactive.[3]

The best tool that the Company has to proactively manage vegetation in the service area and reduce outages is to continue capitalizing the annual TOR program costs. This approach also minimizes customer rate impact because removal of TOR generally has a 30-year depreciable life, such that customers only pay 1/30 of the investment plus a return at the Company's weighted average cost of capital each year.

Finally, as a reminder, the Company is still proposing to apply deferred tax liability credits to offset customer rate impact from changes to the annual revenue requirement as a result of rehearing in this case.

Witness: Amy J. Elliott

Witness: Michele Ross

[3] Ross Hearing Test. at 625.

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	)	
	)	Case No. 2025-00257
County of Boyd	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Amy J. Elliott, on August 21, 2026.

Marilyn Michelle Caldwell

Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

VERIFICATION

The undersigned, Michele Ross, being duly sworn, deposes and says she is a Vice President of Distribution Region Operations 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.

Michele Ross

Commonwealth of Kentucky)
) Case No. 2025-00257
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Michele Ross, on August 21, 2026.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027