

Kentucky Power Company
KPSC Case No. 2025-00257
AG-KIUC's Second Set of Data Requests
Dated October 23, 2025
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DATA REQUEST

AG_KIUC See KPCO_R_AG_KIUC_1_2.
2_1

- a. Discuss how the average usage of the average residential ratepayer has changed over the period of 2011-2025.
- b. Provide the bill calculations completed for 100kwh through 1,000 kwh for 1,500 kwh and 2,000 kwh.
- c. How much would residential rates have increased on an annual basis since 2011 if average usage was held constant?

RESPONSE

a. As shown in the table below, Kentucky Power's average monthly residential usage has decreased 14% from 2011 through 2024 with a high of 1,410 kWh in 2014 and a low of 1,116 kWh in 2023. The data in this table was taken from Form EIA – 861, Annual Electric Power Industry Report, reporting data for the identified year and representing the actual average residential usage for Kentucky Power along with the residential customer count. Form EIA-861 is publicly available.

Year	Avg Monthly RES Usage (kWh)	Customer Count
2011	1,376	141,860
2012	1,325	140,929
2013	1,374	140,164
2014	1,410	138,958
2015	1,324	137,944
2016	1,295	137,013
2017	1,185	135,890
2018	1,333	134,959
2019	1,276	133,978
2020	1,235	134,284
2021	1,233	133,805
2022	1,237	132,619
2023	1,116	131,090
2024	1,183	130,852

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b. The Company objects to this request as unduly burdensome to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving this objection, the Company states as follows; the Company does not maintain typical bill calculations at those intervals. The information included KPCO_R_AG_KIUC_1_2 Attachment1 includes rates and formulas to allow for data manipulation within the workbook.

c. The Company objects to this request because it calls for speculation. Subject to and without waiving this objection, the Company states as follows; because of the numerous real-world variables impacting revenue requirements, the Company cannot speculate regarding hypothetical rates if average usage had been held constant.

Witness: Michael M. Spaeth

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AG_KIUC See KPCO_R_AG_KIUC_1_3_Attachment1. For each company
2_2 membership referenced therein, identify the specific entity of which AEP
is a member and the amount of dues allocated to Kentucky Power as a
result of that membership.

RESPONSE

Tab “9302 Pivot” of KPCO_R_AG_KIUC_1_3_Attachment1 identifies the entities that AEP is a member of and the actual amount of dues allocated to Kentucky Power through its AEPSC bill for associated membership dues. The total amount allocated to Kentucky Power through its AEPSC bill for company memberships during the test year was \$78,313.

Witness: John D. Cullop

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AG_KIUC Has the Company considered the legal or administrative issue issues
2_3 presented by requiring customers of a certain usage level (e.g. those
ratepayers whose bills fluctuate due to high seasonal volatility) to enroll in
a levelized budget billing program? Please fully explain the Company's
position such a potential requirement.

RESPONSE

The Company objects to this request to the extent it seeks a legal conclusion. Subject to and without waiving this objection, the Company states as follows: the Company has not considered requiring enrollment in a levelized budget billing program to address seasonal volatility across all customers. However, the Company previously proposed requiring HEART participants to enroll in the Company's Average Monthly Payment ("AMP") plan, which the Commission approved in Case No. 2018-00311. That requirement was in place for the first program year after approval of the change. After that year, the Company received feedback from CAK (administers the HEART program) that customers preferred they not be required to enroll in AMP to receive HEART funding, so that requirement was removed.

The Company has also proposed seasonal rate structures in its last two base rate cases, Case Nos. 2020-00174 and 2023-00159, that would have been applicable to all residential customers that would have similar effects as a levelized budget program. Additionally, the Company has demonstrated in this proceeding that its proposed residential rate structure accomplishes the goal of reducing seasonal volatility, especially for high energy users. As demonstrated, the Company has consistently proposed options to reduce bill volatility, specifically in the winter months but ultimately believes its proposed rate structure in this case is the most appropriate way to accomplish that goal.

Witness: Tanner S. Wolfram

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**AG_KIUC
2_4** See Public Comment filed on October 2, 2025 by K. Felty. Confirm or deny the amount referenced in the comment. Describe the conditions causing the bill to reach that amount. Provide copies of the billing statement referenced by the ratepayer and those for the two previous months.

RESPONSE

The Company cannot confirm the exact customer or account based on the information in the referenced public comment and therefore cannot provide the information requested.

Regardless, both out of concern for the customer's privacy, and in compliance with the Commission's regulations concerning the prohibition on inclusion of personal information, the Company cannot provide the requested information.

The Company is always willing to discuss customer bill concerns and answer questions about how bills are calculated via its customer service representatives. The Company would likewise be happy to discuss this customer's concerns outside the public record of this case.

Witness: Tanner S. Wolfram

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**AG_KIUC
2_5** Provide a comparison of the rates of residential customers of an average usage level after all riders and over a 12 month period (to account for weather through the year) to rates of residential customers for all Kentucky utilities with whom Kentucky Power shares a service territory border.

RESPONSE

The requested information is publicly available on the Commission's website and has been for multiple years. <https://psc.ky.gov/WebNet/ListLibrary/STAT>

Witness: Michael M. Spaeth

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AG_KIUC How many of Kentucky Power's residential ratepayers elect a budget
2_6 billing plan? How many of Kentucky Power's residential ratepayers with
a usage in the top 25% (or other similar value) elect a budget billing plan?

RESPONSE

Based on the most recent available data from September 2025, the number of residential rate payers electing a budget billing plan is as follows:

Budget Plan	Customer Count	% of Customers
AMP	16,072	11.63%
Budget	8,401	6.08%
No Plan	113,737	82.29%
Total	138,210	100.00%

The number of customers with usage in the top 25% electing a budget billing plan is as follows:

Budget Plan	Customer Count	% of Top 25%
AMP	6,652	19.35%
Budget	2,480	7.22%
None	25,238	73.43%
Grand Total	34,370	100.00%

Witness: Michael M. Spaeth

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AG_KIUC Describe Kentucky Power's budget billing offer in detail and discuss
2_7 whether Kentucky Power has considered alternative types of budget
billing offers/calculations?

RESPONSE

Kentucky Power offers two types of budget billing programs, Equal Payment Plan (Budget) and the Average Monthly Payment (AMP) plan. Please see the Company's Commission-approved tariff book which is publicly available on the Commission's website (psc.ky.gov). Specifically, please see tariff sheet P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-3 for a detailed explanation of the Equal Payment Plan (Budget) and tariff sheet P.S.C. KY. NO. 13 ORIGINAL SHEET NO. 2-4 for a detailed explanation of AMP.

The Company has not considered alternate types of budget billing offerings beyond the two options currently offered to customers. The Company's currently offered budget billing programs provide multiple plans for customers wishing to participate in budget billing. The Company has not received any feedback from customers requesting additional budget billing programs. Additionally, the budget billing offerings are similar to plans available at other utilities.

Witness: Stevi N. Cobern

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AG_KIUC See AEP Receives U.S. Department of Energy Loan Guarantee to
2_8 Upgrade 5,000 Miles of Transmission Lines at
 <https://www.aep.com/news/stories/view/10501/>. Discuss whether and how
 Kentucky Power and its ratepayers will benefit from the announced
 funding.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. Subject to and without waiving this objection, the Company states as follows:

As explained in the article, the DOE loan will help offset transmission programs across the AEP system, specifically for projects in Indiana, Michigan, Ohio, Oklahoma, and West Virginia. There is an estimated \$275 million worth of savings as compared to normal financing of these projects. Ultimately, any savings for the projects in the AEP East Zone will be reflected in the Company's allocated share of the zonal transmission expense, meaning the Company would be allocated a lesser amount than it would have otherwise had the loan not been secured for those projects.

Witness: Tanner S. Wolfram

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DATA REQUEST

AG_KIUC 2_9 Refer to the response to AG-KIUC 1-15 that provides operations and maintenance (O&M) expenses by FERC account from 2021 through August 2025, including the test year. Refer further to the expenses listed for account 923, Outside Services Employed, which are reflected for each period below. 2021 \$2,602,573 2022 \$4,206,731 2023 \$1,233,190 2024 \$6,729,133 TY Ended 5/31/2025 \$5,942,942 YTD as of 8/31/2025 \$1,003,104

a. Explain all known major reasons why the expense amount in account 923 decreased so dramatically in 2023 compared to 2022 (decrease of \$2,973,541).

b. Explain all known major reasons why the expense amount in account 923 increased decreased so dramatically in 2024 compared to 2023 (increase of \$5,495,943).

c. Confirm that the expense amount in account 923 for the eight months ended 8/31/2025 was \$1,003,104. If confirmed, explain all known major reasons why the expense amount during 2025 (annualized to be \$1,504,656) is considerably lower than the 2024 and test year amounts.

d. Describe all reasons why the test year level of expense in account 923 should be considered recurring in light of the very large reduction in expense during 2025 to date and the low expense amount in 2023.

e. Indicate whether the Company made a proforma adjustment related to account 923 expenses. If so, cite to the adjustment(s) made.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects to the extent the request mischaracterizes the information provided in response to prior data requests and is argumentative. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

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- a) The \$3 million decrease in 923 expenses are primarily driven by:
 - a. A \$1.6 million decrease in the AEPSC Umbrella Trust expenses primarily due to unfavorable market fluctuations in the Umbrella Trust investments in 2022 as compared to 2023.
 - b. A \$1.1 million decrease in Mitchell Plant expenses.
 - c. A \$0.8 million decrease in AEPSC taxes.
 - d. A \$0.4 million increase in legal expenses.
- b) The \$5.5 million increase in 923 expenses are primarily driven by:
 - a. A \$2.8 million increase in AEPSC consulting services for property tax reviews.
 - b. A \$1.1 million increase due to AEPSC pension settlement costs.
 - c. A \$0.6 million increase due to the clearing of residual fringes at 2024 year-end due to late funding of medical trust not reflected in overall fringe rates.
 - d. A \$0.4 million increase in AEPSC charges due to lower Pension and OPEB Non-service Credits
- c) Confirmed, the 923 expenses for the eight months ended 8/31/25 totaled \$1,003,104. The Company cannot confirm that 2025 will be “considerably lower” than 2024 because the Company does not yet have actual costs from the remaining four months of the year to do a full comparison of the difference.
- d) Account 923 expenses are primarily comprised of recurring expenses billed to Kentucky Power for services provided by AEPSC. As explained in the following question (AG_KIUC 2_10), cost-of-service adjustments are generally not made for costs billed to the Company for services provided by AEPSC.
- e) One proforma adjustment was made that impacted account 923 -- Adjustment W18, as sponsored by Company Witness Cost.

Witness: Brian C. Ciborek

Witness: Tanner S. Wolfram

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DATA REQUEST

- AG_KIUC 2_10** Refer to the response to KPSC Staff 1-1(a) that provides operating expenses by FERC subaccount from 2022 through the test year. Refer further to the expenses listed for account 9230064, Def AEPSC Pension Settlement, of \$1,069,747 in the test year and account 9260064, Def AEPSC Pension Settlement, of \$1,689,276 in the test year. Refer also to the Company's proforma adjustments W46 and W47 that combine to defer and amortize over 12 years the \$1,689,276 recorded in account 9260064.
- a. Explain why the same ratemaking treatment requested for the amount in account 9260064 was not requested for the \$1,069,747 in account 9230064.
- b. Explain why the expenses of \$1,069,747 in account 9230064 were incurred.
- c. Confirm that the \$1,069,747 in account 9230064 is a non-recurring expense. If not confirmed, explain why the \$1,069,747 should be considered recurring when the amount in account 9260064 was considered to be non- recurring.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects to the extent the request mischaracterizes the information provided in response to prior data requests and is argumentative. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

- a. The \$1,069,747 of pension settlement costs in account 9260064 represents the Company's allocation of pension settlement costs incurred by AEPSC. Generally, cost-of-service adjustments are not made for costs allocated to the Company by AEPSC. As discussed by Company Witness Wolfram in response to AG_KIUC_1_37:

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The Company has filed, and has traditionally filed, its base cases using a historic test year period, meaning the Company generally reflects the actual costs incurred during that period. In this case, the Company is treating AEPSC allocated costs as if it were cost incurred from any other third-party performing work for the Company during the test year. If the Company had not treated AEPSC billing this way, it would have made numerous adjustments to the AEPSC allocated costs to normalize those costs.

b. As discussed in the Direct Testimony of Company Witness Ciborek:

In April 2024, American Electric Power Corporation, Inc. (“AEP”) and its subsidiaries, including Kentucky Power, announced a voluntary severance program designed to achieve a reduction in the size of AEP’s workforce and help offset increasing operation and maintenance expenses caused by inflation. Some Kentucky Power employees requested to take the voluntary severance package, and substantially all of those employees were approved to terminate employment in July 2024. Many of those employees also chose to take lump-sum payments from the AEP qualified pension plan in 2024, causing 4 year-to-date lump-sum pension plan payments to exceed the applicable plan threshold in November 2024. AEP and its subsidiaries, including Kentucky Power, thus triggered Pension Settlement Accounting and recorded pension settlement accounting entries in the fourth quarter of 2024.

As discussed in the response to subpart (a), the \$1,069,747 represents the Company’s allocation of pension settlement costs incurred by AEPSC.

c. Confirmed. However, this charge is included in the Company’s test year AEP Service Corporation bill, which is a recurring charge to the Company. As explained above, the Company used the test year actual Service Corporation bill as a reasonable basis for Service Corporation charges moving forward and, as such, its inclusion in this instance is appropriate.

Witness: Brian C. Ciborek

Witness: Tanner S. Wolffram

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DATA REQUEST

**AG_KIUC
2_11**

Refer to the response to AG-KIUC 1-76. Refer also to the Direct Testimony of Andrew R. Carlin at 56 wherein he states the following: AEP operates an overall benefits program in which nearly all full-time employees and, at an increased cost, part-time employees are eligible to participate. The benefits program includes medical, wellness, dental, sick pay, long-term disability (“LTD”), life insurance, accidental death and dismemberment, retirement pension, retirement savings (401k)[sic], vacation and holiday benefits. Participation may extend to employee’s families and retirees in some instances. Finally, refer to a portion of the response to Staff’s Post-Hearing Data Requests No. 3 in Case No. 2020-00174, which stated the following: The Company’s 401k[sic] and cash balance formula pension contributions were designed together to provide reasonable and market competitive benefits in total. Each of these contributions is less than would be needed to provide market competitive retirement benefits to participants using a single stand-alone benefit formula. This is presumably a large part of the reason the Commission allowed the Company to recover the cost of both types of plans in the Company’s previous rate case. In accordance with this ‘swirl cone’ design, all employees who participate in the 401(k) plan also participate in the cash balance pension formula and the entire amount of 401(k) matching contributions shown in a. above was provided for employees who also participated in the cash balance pension formula.

a. Confirm that all employees who are eligible to receive 401(k) matching contributions are also eligible to participate in the Company’s defined retirement pension plan. If not confirmed, explain why not.

b. Indicate whether the response to Staff’s Post-Hearing Data Requests No. 3 in Case No. 2020-00174 still applies to the Company’s 401(k) and pension contributions. If not, provide a similar description that better describes the interactions between the two programs that is currently in place.

RESPONSE

The Company objects to this request to the extent it seeks information that is outside of the test year period and, therefore, is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects to the extent the request

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mischaracterizes the information contained in the Direct Testimony of Company Witness Carlin, certain referenced discovery responses in this case and Case No. 2020-00174. The Company further objects as the request is based upon assumptions and speculation that cannot be confirmed. The Company further objects because the request is argumentative. Subject to and without waiving these objections, the Company states as follows:

- a. Deny. New employees are eligible to receive matching 401k contributions immediately upon hire, but they are not eligible to participate in the Company's defined benefit retirement (pension) plan until after one year of service to the Company or other AEP subsidiary.
- b. No, the response to Staff's Post-Hearing Data Request No. 3 dated November 30, 2020 in Case No. 2020-00174, attached as KPCO_R_AG_KIUC_2_11_Attachment1, does not still apply to the Company's 401(k) and pension contributions in its entirety. This is because, beginning with employees hired August 2, 2023, compensation for the employee's first year of service is not considered in determining their benefit under the Company's pension plan.

The Commission recognized the Company's cash balance pension benefit was based on a "defined contribution" formula, rather than a traditional final average pay formula, in its January 18, 2018 Order in Case No. 2017-00179.¹ In this Order, the Commission also recognized that participation in the Company's traditional final average pay pension formula was frozen in 2000 and that benefits from this formula were frozen in 2010. It is currently unlikely that pension benefits for any active employees will be determined based on their frozen final average pay formula benefits.

The cash balance formula provides a contribution of 3% to 8.5% (depending on age and years of service) of each participant's eligible earnings after their first year of service to an individual cash balance pension account that grows with interest. Participants who are eligible for benefits from both pension formulas receive the larger of the two pension benefits, not benefits from both formulas.

¹ Order at 15, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; (4) An Order Approving Accounting Practices To Establish Regulatory Assets and Liabilities; And (5) An Order Granting All Other Required Approvals And Relief*, Case No. 2017-00179 (Ky. P.S.C. Jan. 18, 2018).

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The Company meets both its cash balance and frozen final average pay pension obligations with contributions to a pension trust. The Company, not the participant, bears the investment and other risks associated with the trust and its pension obligations. Therefore, both pension formulas are considered defined benefits under ERISA.

The Company's 401k and cash balance formula pension contributions were designed together to provide reasonable and market-competitive benefits in total. Each of these contributions is less than would be needed to provide market-competitive retirement benefits to participants using a single stand-alone benefit formula. In other words, this design provides a "swirl cone" of the two types of retirement income benefits but does not increase the total size of the cup or cone. This results in cost reasonable and market-competitive retirement income benefits within a cost reasonable and market-competitive overall benefit package within a cost-reasonable and market-competitive total rewards package. This is presumably a large part of the reason the Commission allowed the Company to recover the cost of both types of plans in Case No. 2017-00179.

New employees may participate upon hire and receive matching contributions under the 401k plan but do not begin accruing benefits in the cash balance pension plan until after one year of Company or other AEP subsidiary service. Therefore, not all of the employees who participate in the 401(k) plan also participate in the defined benefit pension plan.

Witness: Andrew R. Carlin

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DATA REQUEST

- KPSC_PH_003** Refer to the response to Commission Staff's Fourth Request for Information, Item 106.
- a. Provide the amount of 401(k) matched contributions by Kentucky Power during the test period.
 - b. Provide the amount of Kentucky Power's defined benefit pension expense for the test period.
 - c. Provide the amount of 401(k) matched contributions Kentucky Power provided during the test period for employees that participate in a defined benefit pension plan.

RESPONSE

- a. Please refer to KPCO_R_KPSC_PH_3_Attachment1 for the requested information
- b. Please refer to KPCO_R_KPSC_PH_3_Attachment2 for Kentucky Power Company's cash balance formula pension expense during the test year.
- c. The Commission recognized the Company's cash balance pension benefit was based on a 'defined contribution' formula, rather than a traditional final average pay formula, in its January 18, 2018 order in Case No. 2017-00179 ¹. The cash balance formula provides a contribution of 3% to 8.5% (depending on age and years of service) of each participant's eligible earnings to an individual cash balance pension account that grows with interest. In this order, the Commission also recognized that participation in the Company's traditional final average pay pension formula was frozen in 2000 and that benefits from this formula were frozen in 2010. The Company meets both its cash balance and frozen final average pay pension obligations with contributions to a pension trust. The Company, not the participant, bears the investment and other risks associated with the trust and its pension obligations and both pension formulas are considered to be a defined benefits under ERISA.

The Company's 401k and cash balance formula pension contributions were designed together to provide reasonable and market competitive benefits in total. Each of these contributions is less than would be needed to provide market competitive retirement benefits to participants using a single stand-alone benefit formula. This is presumably a large part of the reason the Commission allowed the Company to recover the cost of both types of plans in the Company's previous rate case. In accordance with this 'swirl cone' design, all employees who participate in the 401(k) plan also participate in the cash balance pension formula and the entire amount of 401(k) matching contributions shown

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in a. above was provided for employees who also participated in the cash balance pension formula.

¹ Order, Case No. 2017-00179, at 15 (Jan. 18, 2018).

Witness: Heather M. Whitney

Witness: Andrew R. Carlin

401(k) Savings Plan Contribution Expense During Test Year Ended 3/31/2020				
Line No.		Amount	Description	Reference
1	A	1,757,680	Expense per Books - Account 9260027	KPCO_R_KPSC_2_1_Attachment 1
2	B	0.985	A&G Kentucky Jurisdictional Allocation Factor	Application Section V, Exhibit 1, Page 86 of 87, Line 15
3	A x B = C	1,731,315	Unadjusted Kentucky Jurisdictional Amount	
4	D	(57,469)	Kentucky Jurisdictional Savings Plan Expense Adjustment	Application, Section V, Exhibit 2, Adjustment W30 on Page 31 of 66, Line 10
5	C + D = E	1,673,846	Adjusted Kentucky Jurisdictional Amount	

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Attachment 2

Line No.		Description	Cash Balance Formula Pension Expense Test Year Ended 3/31/2020				Reference
			110 - Dist	117 - Gen	180 - Tran	Total	
1	A	2020 Expected - Account 9260003 (Pension Plan - Service)	1,535,362	880,508	-	2,415,870	KPCO_R_KPSC_3_1_Attachment10_WhitneyWP1, Tab W21_PG_1_of_2
2	B	2020 Expected - Account 9260062 (Pension Plan - Non-Service)	462,944	(633,605)	96,459	(74,202)	KPCO_R_KPSC_3_1_Attachment10_WhitneyWP1, Tab W21_PG_1_of_2
3	C	2020 Expected - Account 9260037 (Supplemental Pension - Service)	2,880	256	-	3,136	KPCO_R_KPSC_3_1_Attachment10_WhitneyWP1, Tab W21_PG_1_of_2
4	D	2020 Expected - Account 9260042 (SERP Pension - Non-Service)	4,093	166	-	4,259	KPCO_R_KPSC_3_1_Attachment10_WhitneyWP1, Tab W21_PG_1_of_2
5	A + B + C + D = E	2020 Expected Cash Balance Formula Pension Cost (Actuarial Estimates)	2,005,279	247,326	96,459	2,349,064	
6	F	KPCo O&M%	58.71%	58.71%	58.71%	58.71%	Application, Section V, Exhibit 2, Adjustment W21 on Page 22 of 66, Line 5
7	((A+C) x F) + B + D = G	2020 Expected Cash Balance Formula Pension Expense (Actuarial Estimates)	1,370,139	(116,342)	96,459	1,350,256	
8	H	KY Jurisdictional Factor - OML				0.990	Application, Section V, Exhibit 2, Adjustment W21 on Page 22 of 66, Line 19
9	G x H = I	Kentucky Jurisdictional Amount - Cash Balance Formula Pension Expense				1,336,753	Note
10							
11							
12							

Note: As described in the Direct Testimony of Company Witness Whitney, the company made one cost of service adjustment (Section V, Exhibit 2 W21), "for known changes from test year pension and OPEB costs related to both active and inactive Company employees. This adjustment is based on 2020 forecasts, as provided by the Company's actuaries, Willis, Towers and Watson, less actual costs for the test year ended March 31, 2020. After applying corresponding O&M and retail allocation factors, the retail jurisdictional share of the cost of service decrease for pension and OPEB expense is \$(8,840)." See "Reconciliation to W21" tab for a reconciliation that ties the test year Cash Balance Formula Pension Expense shown above into the Company's cost of service adjustment at Section V, Exhibit 2 W21, which included both pension and OPEB expense/(benefit) for the test year ended March 31, 2020.

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- AG_KIUC 2_12** Refer to proforma adjustment W42 at line 1 which lists the net estimated property tax amount of \$15,412,943 based on December 31, 2024 property values and rates. Refer further to line 2 of the same adjustment which lists the property tax charged amount of \$11,150,129 for the 12 months ended May 31, 2025. Refer further to the electronic attachment provided in response to AG-KIUC 1-44 named KPCO_R_AG_KIUC_1_44_Attachment1 and further to tabs Est. Tax Calc and Pivot. Finally, refer to the electronic attachment provided in response to AG- KIUC 1-46 named KPCO_R_AG_KIUC_1_46_Attachment1 and further to tab Pivot Table.
- a. Refer further to the \$16,830,216 in cell C4 in AG-KIUC 1-44 named KPCO_R_AG_KIUC_1_44_Attachment1 and tab Est. Tax Calc. Confirm that this amount is described as the KY Total Expense Amount.
- b. Refer further to the \$16,830,216 in cell C4 in KPCO_R_AG_KIUC_1_44_Attachment1 and tab Est. Tax Calc. Confirm that this amount is derived from the total of all expenses recorded in 2024 for Kentucky (\$13,691,876), Michigan (-\$10), and West Virginia (\$3,138,351) in cell row 8 in KPCO_R_AG_KIUC_1_46_Attachment1 and tab Pivot Table. If confirmed, explain why the sum for all three states was used as the starting point of Kentucky only property taxes in cell C4 in KPCO_R_AG_KIUC_1_44_Attachment1 and tab Est. Tax Calc. that was ultimately the source of the \$15,412,943 amount on line 1 of proforma adjustment w42.
- c. Refer further to the \$11,150,129 in cell F76 in AG-KIUC 1-44 named KPCO_R_AG_KIUC_1_44_Attachment1 and tab Pivot. Confirm that this amount is computed from the Kentucky-only amounts from the various accounting data in the cell rows above it. If confirmed, explain why this amount, also on proforma adjustment W42 at line 2, is a Kentucky-only amount while the amount on line 1 of the same adjustment is related to expenses in Kentucky, Michigan, and West Virginia.
- d. If the Company believes that there is an error in the comparison of property tax expenses on proforma adjustment W42, so state and provide an updated proforma adjustment 42 and all supporting calculations. If not, explain why not.

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RESPONSE

- a. While the \$16,830,216 is described as KY Total Expense Amount in AG-KIUC 1-44 cell C4, the actual amount represented in that cell reflects property tax expense for the states of Kentucky, West Virginia, and Michigan.
- b. Confirmed. The sum of the property tax expense for all three states represent the total property tax expense for Kentucky Power as it includes the property taxes paid to West Virginia that are associated with Kentucky Power's 50% interest in the Mitchell Generating Plant located in Louisa, West Virginia.
- c. The Company confirms that the \$11,150,129 in cell F76 on KPCO_R_AG_KIUC_1_44_Attachment1 is computed from the property tax expense only for the state of Kentucky. However, please see the Company's response to sub-part d for an updated calculation of the pro forma W42 adjustment, which calculates the test period property tax expense based upon any applicable state property taxes (e.g. Kentucky and West Virginia).
- d. See KPCO_R_AG_KIUC_2_12_Attachment1 for an updated proforma adjustment 42 and supporting calculation. The updated proforma adjustment of \$3,943,827 is the difference between the going level Kentucky and West Virginia property tax expense of \$17,800,646 and the \$13,667,986 of Kentucky, West Virginia, and Michigan property tax expense recorded on the Company's books for the test year less \$188,833 for the environmental surcharge proforma adjustment.

Witness: David A. Hodgson

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DATA REQUEST

**AG_KIUC
2_13**

Refer to the Direct Testimony of Tanner Wolfram at 22 wherein he describes the proposed recovery of the Mitchell non-environmental net book value through the proposed new Generation Cost Recovery Rider and the decision not to update the presently approved depreciation rates for Mitchell.

a. Refer to the depreciation rates shown in the column entitled “Revised Rates per Depreciation Study” on tab W49 on KPCO_R_KPSC_1_55_Attachment64_WPSection_V_Exhibit_2. Confirm that the rates on tab W49 are not the revised depreciation rates per the depreciation study, but rather are the present depreciation rates.

b. Provide the present depreciation rates by plant account for Mitchell and reference the depreciation study used to develop those depreciation rates. In addition, provide the schedules/workpapers used to develop the present depreciation rates in an Excel workbook in live format with all formulas intact.

c. Provide the present depreciation rates by plant account for Mitchell without terminal net salvage.

d. Provide the present depreciation rates by plant account for Mitchell without terminal net salvage, interim retirements, and interim net salvage or explain why the Company cannot provide this information.

e. Confirm the Company is familiar with the Commission’s decisions in Order 2022-00372 and Order 2024-00354 that found KRS 278.264 legally prohibits the Commission from allowing ratemaking recovery of terminal net salvage until after the utility applies to and receives approval from the Commission to retire specific thermal generating units, such as Mitchell 1 and 2, and, on that basis, denied recovery of terminal net salvage by Duke Energy Kentucky for thermal generating units.

f. Confirm the Company did not remove the terminal net salvage component from the present depreciation rates proposed for Mitchell 1 and 2.

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RESPONSE

The Company objects because the request is vague, undefined, and overly broad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. Subject to and without waiving these objections, the Company states as follows:

- a. Confirmed, depreciation rates used for Adjustment W49 are the present depreciation rates and not the rates as revised in the depreciation study.
- b. Please see KPCO_R_AG_KIUC_2_13_Attachment1. The last full depreciation study performed on the Mitchell Plant was filed in Case No. 2014-00396 using plant balances as of December 31, 2013. However, depreciation rates were updated for the Mitchell Plant as part of the settlement in Case No. 2017-00179 as these updated depreciation rates were updated solely for the removal of terminal net salvage.
- c. Please see the response to subpart b.
- d. Company Witness Spanos has not calculated the requested depreciation rates because not including terminal net salvage, interim retirements, and interim net salvage for production plant would violate proper accounting practices.
- e. The Company objects to this request on the basis that it calls for a legal conclusion. The Company further objects to the extent the request mischaracterizes and/or misinterprets a Commission ruling. Subject to and without waiving these objections, the Company states that the referenced Commission Orders speak for themselves.
- f. While the depreciation study filed with this case included a terminal net salvage component to the depreciation rates proposed for Mitchell Units 1 and 2, the proposal in this case is to not update depreciation rates for Mitchell pending the outcome of proposed rider recovery and securitization. As explained in subpart c, current Mitchell depreciation rates do not include terminal net salvage.

Witness: Brian C. Ciborek

Witness: John Spanos

Witness: Tanner S. Wolfram (subpart e)

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DATA REQUEST

**AG_KIUC
2_14** Describe the methodology used by the Company to calculate AFUDC, including the CWIP balances used to apply the AFUDC rate and the calculation of the AFUDC rate. Indicate whether the CWIP balances used are per books or are reduced by the related payables outstanding before applying the AFUDC rate. Describe the formula used to calculate the AFUDC rate, whether it is the FERC formula or some other calculation. Indicate how the Company determines the short-term debt assigned first to CWIP under the FERC formula if the FERC formula is used and how the Company calculates the cost of the short-term debt included in the AFUDC rate calculation used whether the FERC formula or some other calculation.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

Kentucky Power records an allowance for funds used during construction (AFUDC) pursuant to the FERC Uniform System of Accounts for Electric Utilities, Electric Plant Instruction 3. - Components of Construction Cost, subsection (17) Allowance for Funds Used During Construction.

The prior month CWIP balance is utilized in the AFUDC rate calculation. If short-term debt equals or exceeds CWIP, all financing is short-term debt and no AFUDC equity rate is calculated. AFUDC is to be computed by applying the applicable monthly rate to the previous month's closing balance on the work order (including AFUDC) plus one-half of the current month's additions – less any unpaid retained percentages under contracts and any unpaid invoices included therein. The computed base multiplied by the applicable debt and equity rates equals the AFUDC accrued to the work order for the month.

Witness: Brian C. Ciborek

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DATA REQUEST

**AG_KIUC
2_15** For deferred returns on regulatory assets, indicate whether the Company includes an equity return for a) GAAP purposes, b) FERC USOA reporting purposes, and c) KPSC ratemaking purposes. If the Company's accounting on the deferred equity return is different among the three purposes, then describe the differences and provide all authoritative support for each such difference.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. The Company further objects to this request on the basis that it calls for a legal conclusion. Subject to and without waiving these objections, the Company states as follows:

Equity returns are tracked consistently for GAAP, FERC USofA, and ratemaking purposes within 182.3 subaccounts. Under both GAAP and FERC USofA, additional 182.3 subaccounts are established to delay income statement recognition of equity returns until they are collected in rates. As stated in Accounting Standards Codification 980-340-25-1, an entity should defer all or part of an incurred cost that would otherwise be charged to expense if it is probable that the specific cost is subject to recovery in future revenues. When considering whether to capitalize a cost that would otherwise be expensed, it is important to understand the distinction between incurred costs and allowable costs, as only incurred costs qualify for capitalization as regulatory assets under ASC 980-340-25-1. While equity returns are considered an "Allowable Cost" under GAAP, they do not meet the definition of an "Incurred Cost" and therefore are not eligible for deferral.

Witness: Brian C. Ciborek

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DATA REQUEST

**AG_KIUC
2_16** Provide the Company's calculation of the NOLC DTA regulatory asset and the return on the regulatory asset by month from the first month recorded by the Company through the most recent month recorded. Indicate whether the NOLC DTA reflects only the amount necessary to avoid a normalization violation, i.e., the excess of tax depreciation over book depreciation. If not, then provide a calculation of the amount necessary for each month necessary to avoid a normalization violation assuming that the excess of tax depreciation over book depreciation was the last dollar deducted in each year in which there was a taxable loss on a separate tax return basis and that the excess of the tax depreciation over book depreciation was the first dollar deducted in each year in which there was taxable income on a separate tax return basis. Provide this information in an Excel workbook in live format with all formulas intact.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad. The Company further objects to this request to the extent it seeks information that is not maintained in the ordinary course of business. The Company further objects to this request on the basis that it calls for a legal conclusion. Subject to and without waiving these objections, the Company states as follows:

Please refer to KPCO_R_AG_KIUC_1_68_Attachment1 in response to AG_KIUC 1_68 for the calculation of the NOLC DTA regulatory asset. The NOLC DTA reflects the amount necessary to avoid a normalization violation.

Witness: David A. Hodgson

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DATA REQUEST

**AG_KIUC
2_17** Confirm that the Company's pending request for PLR addresses only the excess tax depreciation over book depreciation component of the NOLC DTA consistent with the Company's claim of a normalization violation despite AEP's payments pursuant to the AEP Tax Allocation Agreement (TAA) that extinguished the NOLC DTAs that would have been recorded on the Company's accounting books in the absence of the AEP payments pursuant to the TAA. If not confirmed, explain.

RESPONSE

The Company objects to the extent the request mischaracterizes the Company's application and supporting testimony and is argumentative. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

See KPCO_R_AG_KIUC_1_60_ConfidentialAttachment1 provided in response to KPCO_R_AG_KIUC_1_60 for the Company's pending request for a private letter ruling from the IRS.

Witness: David A. Hodgson

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DATA REQUEST

**AG_KIUC
2_18** Refer to the Direct Testimony of Witness Spaeth at p. 12 lines 11-14 and figure MMS-2 on page 13.

- a. Provide the distribution of residential bills by month, broken down by usage levels, base rate charges, and total bill charges. Provide separate distributions for usage, by 100 kWh levels and dollars of total bills at \$100 increments, and base rate bills by \$100 increments. The usage distributions should include the number of bills in each increment, the total kWh and the total bill. The total dollar bill and base rate bill distributions should include the number of bills in each increment, the total kWh in each increment and the total dollars of the bills in the increment and the average bill in each increment.
- b. Provide the distribution of winter usage by month for these electric heat customers (i.e., how many electric heat customers use 500 kWh, 600 kWh,3,000 kWh during December, January, February, March).
- c. Provide the number of customers who have bills over/under 2,000kWh by month for the test year.

RESPONSE

The Company does not maintain customer-level billing separated into base rate bill components. See KPCO_R_AG_KIUC_2_18_Attachment1 for the monthly distributions of kWh usage, total bill, and number of customers with bills over/under 2,000 kWh. Note that the customer-level data shown is not reflective of test-year adjusted billing units.

To see a residential class-level breakdown of residential bills disaggregated by fixed and volumetric charges, please see the KPCO_R_JI_1_56_Attachment1 and KPCO_R_JI_1_57_Attachment1.

Witness: Michael M. Spaeth

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DATA REQUEST

- AG_KIUC** Refer to the Direct Testimony of Witness Spaeth at page 19 line 15-17.
2_19
- a. Provide a summary of the seasonal relief proposed in Case No. 2023-00159.
 - b. Identify the Company testimony and all analysis related to the request.
 - c. Has the Company considered allowing a customer to defer a portion of a high winter bill to be recovered in subsequent months? If so, explain. If not, why not?

RESPONSE

a.-b. The Company objects to this request as unduly burdensome to the extent it seeks information that is publicly available on the Commission's website (psc.ky.gov) in a proceeding that both the Attorney General and KIUC were parties to. Subject to and without waiving this objection, the Company states that the testimony and other filings in Case No. 2023-00159 speak for themselves. In his testimony in Case No. 2023-00159, Company Witness Spaeth described the Company's proposed option season provision for residential customers in his testimony as follows:

To provide winter bill relief and reduce monthly bill volatility for the Company's electric heating and lower income customers the Company is proposing an optional seasonal provision for residential customers. The optional seasonal provision offers a winter (December through March) rate of 0.11947 \$/kWh and an all other months rate of 0.13762 \$/kWh. The proposed standard residential rate is 0.12947 \$/kWh so customers who enroll in the optional seasonal provision would reduce their winter season bills by 0.01000 \$/kWh, or \$14.17 per month for a typical 1,418 kWh electric heating customer.

Figure MMS-2

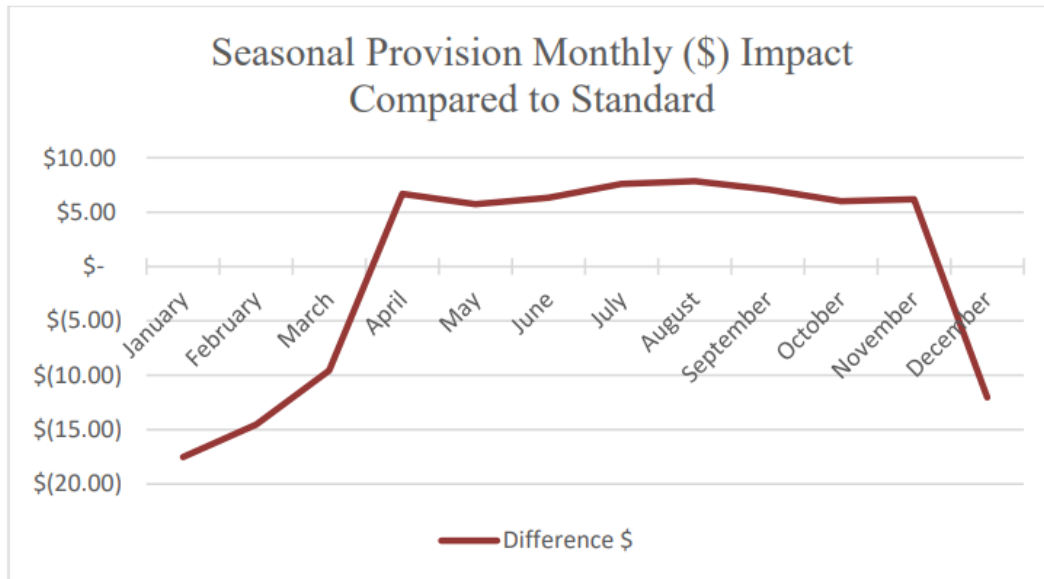


Figure MMS-2 provides an example of the residential bill impact associated with participating in the optional seasonal provision. The differential between the rates by season is a cost-based design that recovers all fixed distribution costs not being recovered through the customer charge on a uniform basis between the seasons. In other words, a customer would pay on average the same amount for distribution costs during winter months and all other months. Generation and transmission costs remain a uniform per kWh charge across all months in the same manner as the standard residential rate. The optional seasonal provision is open to any residential customer to enroll for a minimum period of 12 consecutive months.

The Commission ultimately denied the Company's proposal.

c. The Company's Average Monthly Payment ("AMP") and Budget plans allow customers to functionally defer a portion of high winter bills to a later period. AMP is designed to allow customers to pay an average amount each month based upon the actual billed amounts during the past twelve months. Thus, if the customer were to have a higher-than-normal winter bill, that amount would get recovered at a later time. The same is true for the Company's Budget plan which allows the customer to defer balances until their anniversary month.

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Further, to the extent necessary, the Company offers payment arrangements for customers if the customer needs additional time to pay a high-winter bill. This allows customers to pay that balance over a longer period of time.

Additionally, the Company has previously made proposals that would have the same effect of deferring a portion of a high-winter bill to be recovered in subsequent months. For example, its optional seasonal rate proposal included in Case 2023-00159 described in subparts a–b above provided a lower winter energy rate to provide less volatility in customer bills in those high-usage winter months. The Company has also previously proposed deferring certain Fuel Adjustment Clause (“FAC”) expense incurred in winter months to shoulder months in the past. Specifically, the Company deferred approximately \$3 million of FAC expense for February billing to be recovered over three months starting in May of 2022.

Witness: Michael M. Spaeth (subparts a & b)

Witness: Tanner S. Wolfram (subpart c)

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DATA REQUEST

- AG_KIUC** Refer to the Company's flex pay program and budget billing programs.
2_20
- a. Describe the carrying charge incurred by the Company related to budget billing? Provide all workpapers, models, and calculations describing the carrying charge mechanism.
 - b. Describe the carrying charge incurred by the Company related to flex pay? Provide all workpapers, models, and calculations describing the carrying charge mechanism.
 - c. Describe the carrying charge assigned to customers in the budget billing program? Provide all workpapers, models, and calculations describing the carrying charge mechanism.
 - d. Describe the carrying charge assigned to customers in the flex pay program? Provide all workpapers, models, and calculations describing the carrying charge mechanism.

RESPONSE

a. through d. The Company does not apply carrying charges to any of its payment programs and is not proposing to do so for FlexPay.

Witness: Stevi N. Cobern

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DATA REQUEST

AG_KIUC How do the special charges identified by Witness Tanner Wolfram in
2_21 Figure TSW-2 interact with flex pay program or budget billing (Average
Monthly Payment (“AMP”) plan)?

RESPONSE

Customers on the AMP plan will be subject to each of the special charges identified in Figure TSW-2 prior to an AMI meter being installed at their premises. Once an AMI meter is installed, a customer on AMP or FlexPay would not be charged a reconnect or disconnect fee as the Company has proposed to set those charge at \$0 for customers with AMI meters. FlexPay and AMP customers will be subject to meter read check, returned check charge, meter test charge, and field trip fee if a trip to the premises is required.

Witness: Tanner S. Wolfram

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DATA REQUEST

**AG_KIUC
2_22** Refer to Witness Cobern Direct Testimony, page 6, line 3-5, “The Company plans to begin installing AMI meters in the third quarter of 2026, following completion of installation of the required communication network infrastructure. Customers can enroll in FlexPay once meter installation is completed at their residence.”

a. Is the Company prioritizing AMI roll out for customers with history of high bills and/or connection/disconnections? Explain.

b. Why isn't flex pay available for traditional metering customers?

RESPONSE

a. No. As discussed by Company Witness Blankenship in Case No. 2024-00344, Kentucky Power's AMI deployment plan is designed to achieve cost efficiencies by deploying a planned approach to AMI. The Company's deployment plan will target specific districts, starting with the Ashland district, to achieve the highest cost efficiencies. This will minimize costs by planning the installations for specific portions of the service territory, avoiding higher costs associated with a less coordinated reactive meter deployment approach. Additionally, please see the Company's response to AG_KIUC 2_24, subpart d, for the expected number of AMI meters to be deployed each year.

b. An AMI meter is required for a FlexPay account because AMI provides the two-way communication necessary to track energy usage at the level required for the FlexPay system and to provide the customer with daily updates on their pre-pay balance. Currently, with AMR meters, the Company obtains one meter reading per month, which does not provide enough usage detail to offer a pre-pay program.

Witness: Stevi N. Cobern

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DATA REQUEST

AG_KIUC 2_23 Refer to Direct Testimony of Tanner S. Wolffram at page 16, lines 11-13 and Figure TSW-2 on page 13 related to special charges.

- a. What connection/disconnection process is used for AMI meters? Is the Company able to perform connections, disconnections, and meter reads remotely? Explain.
- b. Has the company prioritized AMI for locations with connection/disconnection requests?
- c. Explain how AMI roll-out has been used to mitigate special charges or costs associated with connection/disconnection/meter read (Figure TSW-2) requests?

RESPONSE

a. The Company has not yet started to physically install AMI meters. Once AMI meters are installed, they will have remote disconnect and reconnect capabilities and the Company will be able to read the meter remotely.

b. and c. The Company has not planned its deployment specifically to target areas with the highest number or disconnect/reconnect for customers. Instead, as explained in the Company's response to AG-KIUC 2_22 and in Case No. 2024-00344, the Company's deployment plan will target specific districts, starting with the Ashland district, to achieve the highest cost efficiencies. The Ashland district has the highest population density in the Company's service territory, and, as a result, the first-year deployment includes replacing roughly 35% of the Company's existing meters. This means a significant portion of customers will receive the benefits of reduced instances of special charges more quickly.

Witness: Tanner S. Wolffram

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DATA REQUEST

AG_KIUC Refer to the Direct Testimony of Michele Ross and AMI roll out
2_24 beginning at page 28.

- a. Provide a narrative description of the Company's current AMI roll out and status of existing AMI.
- b. What count and percentage of residential customers currently have AMI?
- c. When does the Company anticipate completing AMI initiatives? When will the Company have near 100% saturation?
- d. What is the current schedule for AMI roll out?

RESPONSE

a. On July 22, 2025, the Commission approved the Company's application for a certificate of public convenience and necessity in Case No. 2024-00344, to deploy AMI meters in its service territory.

Since the approval, Kentucky Power has been working to identify and acquire all necessary devices and software to support large-scale AMI implementation. This includes software for back-office functions such as meter reading, billing, and device management.

Kentucky Power is also reviewing alternative communication methods for AMI meters that will be located in areas with unreliable cellular service, specifically satellite communication.

Kentucky Power expects the first AMI meters to be deployed and operational by the end of 2026.

b. The Company has not yet deployed any AMI meters. The Company is working diligently to prepare the necessary software and other back-office functions so that AMI meters can be deployed, as described in the response to subpart a.

c. The Company plans to complete all AMI installations by the end of 2029.

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d. The table below demonstrates the expected number of AMI meters to be deployed each year:

	2026	2027	2028	2029	Total
Number of Meters Planned	57,840	43,249	45,440	20,180	166,709

Witness: Michele Ross

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DATA REQUEST

AG_KIUC Refer to the Attachment to the response to AG-KIUC 1-81. Provide a
2_25 description of the costs included in each payables subaccount.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

Account 2320001 – Includes all regular amounts payable by the utility. These items have been vouchered in the accounts payable system but not yet paid.

Account 2320002 – Includes unvouchered (accrued) invoices payable by the utility, excluding material inventory.

Account 2320003 – Includes retention related payables for projects not yet complete.

Account 2320077 – Includes unvouchered (accrued) invoices for material inventory payable by the utility.

Witness: Brian C. Ciborek

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DATA REQUEST

AG_KIUC Refer to the response to AG-KIUC 1-47, which stated in part that the
2_26 property tax assessment for December 31, 2024 had not yet been received
 from the Kentucky Department of Revenue. Provide a copy of the
 property tax assessment for December 31, 2024 upon receipt as well as the
 update to property tax expense journal entry resulting from that
 assessment. Consider this a continuing request throughout the remainder
 of this proceeding until receipt and the accompanying expense adjustment
 on the books.

RESPONSE

The Company objects to the extent the request mischaracterizes the information provided in response to prior data requests. Subject to and without waiving this objection, the Company states as follows:

The Company has not received the property tax assessment for December 31, 2024 from the Kentucky Department of Revenue. The Company will update this response upon receipt of the assessment.

Witness: David A. Hodgson

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DATA REQUEST

AG_KIUC Refer to the Direct Testimony of Michele Ross at 22, wherein she
2_27 discusses the Company's request to expand the TOR capital program by
\$18 million and include such costs in the revenue requirement. Refer also
to the depreciation rate of 3.25% depicted in proforma adjustment W50.

a. If the Commission authorizes this expansion, describe the possible anticipated timing in which all of the additional plant costs could be placed in service.

b. Describe the source of the depreciation rate of 3.25% in proforma adjustment W50.

c. Describe the plant account to which such costs would be recorded.

RESPONSE

a. The current workplan represents each year of TOR ROW Widening activities by a single project ID. Because of this setup, the Company expects all ROW widening costs to be placed into service at the end of each calendar year. As for the \$18M cited, the Company expects these costs to be placed into service by May 31, 2026.

b. Please see Adjustment W48 "Annualization of Depreciation Expense." Distribution Plant subaccount 365 utilizes a depreciation rate of 3.25%, as supported by the Depreciation Study performed by Company Witness Spanos.

c. TOR ROW Widening activities will be charged to capital FERC account 365 – Overhead Conductor.

Witness: Michele Ross (subpart a)

Witness: Tanner Wolfram (subparts b & c)

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DATA REQUEST

AG_KIUC Refer to the \$3.019 million CAMT deferred tax asset (DTA) shown on
2_28 KPCO_R_AG_KIUC_1_53_Attachment1.

- a. Confirm the Company included this CAMT DTA in rate base.
- b. Confirm the CAMT DTA was allocated to the Company by AEP. If confirmed, provide a copy of the allocation calculation in an Excel spreadsheet in live format with all formulas intact. Provide a narrative description of the data inputs, allocation factor inputs, and the calculation.
- c. Confirm that if the Company was not a member of the AEP consolidated tax return group and was not a party to the AEP Tax Allocation Agreement (TAA), then it would not be subject to the CAMT because its taxable income for the prior three tax years did not exceed \$1 billion. If this is not correct, then provide a corrected statement and an explanation and all support relied on for each correction made to the statement.
- d. Confirm that no Company witness addressed the CAMT DTA. If confirmed, explain why no witness addressed the CAMT DTA.
- e. Confirm the Company did not include a CAMT DTA in rate base in Case 2023-00159. If this is not correct, then provide a corrected statement and an explanation and all support relied on for each correction made to the statement.
- f. Confirm that the CAMT DTA is not subject to the normalization rules set forth in the Internal Revenue Code and related regulations. If denied, then provide all authoritative support relied on for your response.

RESPONSE

The Company objects to this request to the extent it seeks information that is not reasonably calculated to lead to the discovery of relevant or admissible evidence. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

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a.-f. The Company did not include the CAMT DTA in rate base.

Witness: David A. Hodgson

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DATA REQUEST

AG_KIUC Confirm the Company utilizes NOLC in vintage year sequence (oldest
2_29 first; newest last) in the year in which there is taxable income.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad.
Subject to and without waiving these objections, the Company states as follows:

The Company tracks the NOLC by vintage and in a year in which there is taxable income, the Company offsets that taxable income with the oldest vintage first by applying the carryforward and carryback rules in place for each vintage.

Witness: David A. Hodgson

Kentucky Power Company
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DATA REQUEST

**AG_KIUC
2_30** Confirm the Company makes a calculation of the NOLC and the minimum NOLC DTA related to the excess of tax depreciation over book depreciation to ensure that it complies with the normalization rules set forth in the IRC and the related regulations. If confirmed, then describe this calculation and provide all documentation, procedures, and all authoritative support for the methodologies used in this calculation. In addition, provide the Company's calculations for each tax year since it first had an NOLC. If denied, then explain how the Company demonstrates to the IRS on audit that it has complied with the normalization rules.

RESPONSE

The Company objects because the request is vague, undefined, and overly broad. The Company further objects to this request on the basis that it calls for a legal conclusion. Subject to and without waiving these objections, the Company states as follows:

Please see the Company's response to AG_KIUC 2_16 for a description of the "with and without" calculation of the NOLC performed by the Company to comply with the normalization rules. To the Company's knowledge, the "with and without" method is the only method approved by the IRS to ensure that the NOLC DTA includes the full amount attributable to accelerated tax depreciation. The three PLRs issued to affiliates of Kentucky Power and provided in response to AG_KIUC 1_61 and attached to the testimony of Company witness Hodgson also describe the "with and without" method. See KPCO_R_AG_KIUC_1_64_Attachment1 for the Company's calculation of the NOLC DTA.

Witness: David A. Hodgson

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DATA REQUEST

- AG_KIUC
2_31** Refer to the response to AG-KIUC 1-63. The response does not answer the question. As a point of reference, the Company's response to AG-KIUC 1-62 confirms that the normalization rules are found in Sections 167 and 168 of the IRC and the related regulations.
- a. Confirm that Sections 167 and 168 of the IRC and related regulations address only the excess of tax depreciation over book depreciation, the so-called method/life differences. If the Company cannot confirm this through a witness, such as Witness Hodgson, without offering a legal opinion, then explain why it cannot, especially given the discussion by Witness Hodgson in his Direct Testimony at 10-15 wherein he provides his interpretation of the requirements to include NOLC DTAs in rate base to avoid violating the normalization rules and his interpretations of PLRs received by other AEP utilities and their applicability to the Company in this proceeding.
- b. Confirm that Witness Hodgson is not an attorney and that his Direct Testimony in this proceeding regarding the NOLC DTAs, the normalization rules, and the Company's compliance with the IRS and related regulations are not offered as legal opinions, but as the Company's subject matter expert (SME) on these issues.
- c. Confirm that Witness Hodgson's representations that the NOLC DTA must be included in rate base to avoid violating the normalization rules is a more generalized statement, but that the specific NOLC DTAs that must be included to avoid violating the normalization rules are limited only to the NOLC DTAs due to taxable losses caused by tax depreciation in excess of book depreciation. If Witness Hodgson denies, then provide all authoritative support for the notion that NOLC DTAs not caused by tax depreciation in excess of book depreciation must be included in rate base to avoid the violating normalization rules. Cite to the specific provisions of the IRC, related regulations, and all other authoritative support.

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RESPONSE

The Company objects because the request mischaracterizes the information provided in response to prior data requests and is argumentative. The Company further objects to this request on the basis that it calls for a legal conclusion. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

- a. Sections 167 and 168 of the IRC and related regulations address the excess of tax depreciation over book depreciation.
- b. Company Witness Hodgson is not an attorney and his Direct Testimony in this proceeding regarding the NOLC DTA is offered as the subject matter expert on the issue.
- c. Witness Hodgson's representation that the NOLC DTA must be included in rate base to avoid a violation of the IRS normalization rules is because the NOLC DTA is attributable to the excess of tax depreciation over book depreciation.

Witness: David A. Hodgson

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DATA REQUEST

- AG_KIUC 2_32** Refer to the response to KYPCO NOL Vintage Year tab on the KPCO_R_AG_KIUC_1_69_Attachment provided in response to AG-KIUC 1-69, which shows the taxable income and losses, NOLC utilization, and the NOLC remaining for each historic (vintage) tax year prior to any AEP payments pursuant to the AEP TAA.
- a. Confirm the Company assumed that the tax depreciation in excess of book depreciation was the last dollar deducted each vintage year in which there was a taxable loss to determine whether any or all of the NOLC each year was subject to the normalization rules. If this is not correct, then describe the Company's decision rule and how it reflected this decision rule in the calculation of each vintage year's remaining NOLC.
- b. Confirm the Company assumed that the tax depreciation in excess of the book depreciation that contributed to a taxable loss in prior vintage years is the last dollars of the NOLC used to offset taxable income in subsequent tax years. If this is correct, provide a copy of all IRC, regulation, PLR, or other IRS guidance that requires this methodology to avoid a violation of the normalization rules. If this is not correct, then describe the Company's decision rule and how it reflected this decision rule in the calculation of each vintage year's remaining NOLC.

RESPONSE

The Company objects because the request mischaracterizes the information provided in response to prior data requests. The Company further objects to this request on the basis that it calls for a legal conclusion. The Company further objects because the request is vague, undefined, and overly broad. Subject to and without waiving these objections, the Company states as follows:

- a.-b. Please see the Company's response to AG_KIUC 2_29.

Witness: David A. Hodgson

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DATA REQUEST

AG_KIUC Refer to the response to AG-KIUC 1-84.
2_33

a. Provide a more detailed description of the “amortization of incremental cost attributable to rate year 2023 as determined by the 2023 PJM Annual Transmission Revenue requirement (ATRR) filing” referred to in the response to AG-KIUC 1-84(a). In addition to the more detailed description, explain when this amount was billed to the Company, when it was recorded to expense by the Company, whether it was a true-up of previously billed amounts for 2023, and by whom and how the “amortization” of incremental cost was determined. Further, provide the calculation of the “amortization,” including all data, assumptions, and calculations in an Excel workbook in live format with all formulas intact.

b. Refer to the Company’s response to AG-KIUC 1-84(c). Explain why the Company considers the “amortization of incremental cost attributable to rate year 2023” as recurring. Provide all support relied on for your response.

c. Refer to the Company’s response to AG-KIUC 1-84(a). Explain what is meant by “This activity is offset by PJM billing credits which would be recorded to LSE expense accounts.” In addition, provide the amounts recorded to LSE expense accounts by account, the BLI in which the billing credits were reflected and whether the billing credits also reflect some amortization pattern.

d. Refer to the Company’s response to AG-KIUC 1-84(b). Provide a more detailed description of the “incremental expense . . . recorded associated with the amortization of rate year 2021 net operating loss carryforward provision which was incorporated into rates via the 2025 PJM PTRR filing.” In addition to the more detailed description, explain when this amount was billed to the Company, when it was recorded to expense by the Company, whether it was a true-up of previously billed amounts for 2021, and by whom and how the “amortization” of incremental expense was determined. Further, provide the calculation of the “amortization,” including all data, assumptions, and calculations in an Excel workbook in live format with all formulas intact.

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e. Refer to the Company's response to AG-KIUC 1-84(c). Explain why the Company believes the "NOLC impacts to 2021 rate year are not recurring." Explain in detail all reasons why the Commission should reflect a one-time expense that is nonrecurring in the base revenue requirement. Provide all support relied on for your response.

f. Refer to the Company's response to AG-KIUC 1-84(b). Explain what is meant by "This activity is also offset by PJM billing credits recorded to LSE expense accounts." In addition, provide the amounts recorded to LSE expense accounts by account, the BLI in which the billing credits were reflected and whether the billing credits also reflect some amortization pattern.

g. Indicate if it has been the Company's practice in the last two base rate case filings to include post test year adjustments for the amounts in account 5650023.

RESPONSE

The Company objects to these requests on the basis that they are not reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving this objection, the Company states as follows:

Consistent with prior cases, the Company has excluded accounts 5650023 and 5650020, where provision activity is recorded, from going-level cost-of-service for the purposes of ratemaking. Instead, the Company has adjusted to a going-level amount of PJM LSE OATT expense (Adjustment W16) utilizing the same methodology as in prior cases and most recently in Case No. 2023-00159.

Witness: Michael M. Spaeth

Witness: Jaclyn N. Cost

VERIFICATION

The undersigned, Andrew R. Carlin, being duly sworn, deposes and says he is the Director of Compensation and Executive Benefits, for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

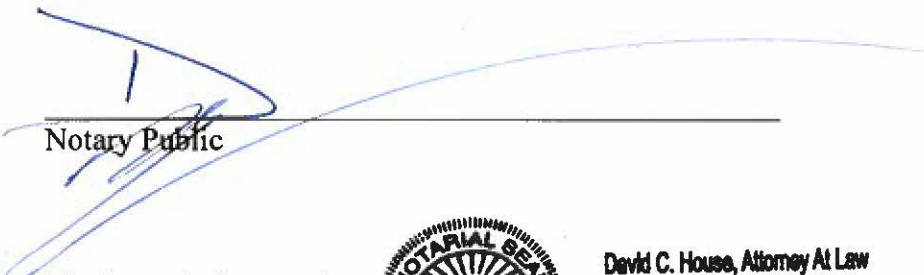


Andrew R. Carlin

State of Ohio)
County of Franklin)

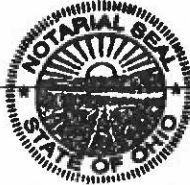
Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County
and State, by Andrew R. Carlin, on October 28, 2025



Notary Public

My Commission Expires



David C. House, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

Notary ID Number _____

VERIFICATION

The undersigned, Brian C. Ciborek, being duly sworn, deposes and says he is the Accounting Senior Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Signed by:

Brian C. Ciborek

9BDE077D95A1422

Brian C. Ciborek

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 Brian C. Ciborek, on 10/30/2025 | 10:29 AM EDT.

Signed by:

Michelle Caldwell

E9B1B67AC91F421

Notary Public

MARILYN MICHELLE CALDWELL
ONLINE NOTARY PUBLIC
COMMONWEALTH OF KENTUCKY
Commission #KYNP71841
My Commission Expires 5/5/2027

My Commission Expires 05/05/2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, Stevi N. Cobern, being duly sworn, deposes and says she is a Regulatory Consultant Principle 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.

Stevi N. Cobern

Stevi N. Cobern

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 Stevi N. Cobern, on October 29, 2025.

Marilyn Michelle Caldwell
Notary Public

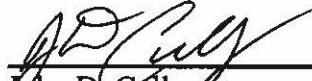
My Commission Expires May 5, 2027

Notary ID Number KYNP71841



VERIFICATION

The undersigned, John D. Cullop, being duly sworn, deposes and says he is the Regulatory Consultant Senior for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.


John D. Cullop

Commonwealth of Kentucky)
)
County of Boyd)

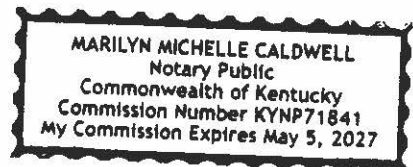
Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County
and State, by John D. Cullop, on 10/27/2025.


Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841



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 responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

David A. Hodgson
David A. Hodgson

State of Ohio)
)
County of Franklin)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County
and State, by David A. Hodgson, on 10/31/25.

[Signature]
Notary Public

My Commission Expires Never

Notary ID Number NC ID



Paul D. Flory
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

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

County of Boyd

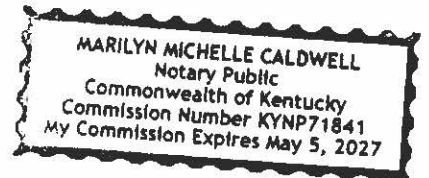
Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County
and State, by Michele Ross, on October 31, 2025.

Notary Public

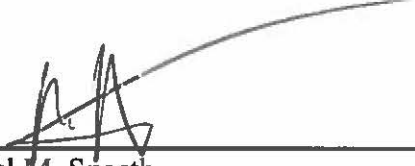
My Commission Expires May 5, 2027

Notary ID Number LYNF 71841



VERIFICATION

The undersigned, Michael M. Spaeth, being duly sworn, deposes and says he is the Regulatory Pricing and Analysis Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Michael M. Spaeth

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

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Michael M. Spaeth, on November 3, 2025.



Notary Public

My Commission Expires N/A

Notary ID Number _____



BRETT E. SCHMIED, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

VERIFICATION

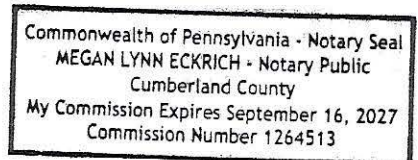
The undersigned, John J. Spanos, being duly sworn, deposes and says he is the President of Gannett Fleming Valuation and Rate Consultants, LLC, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

John J. Spanos
John J. Spanos

_____))
_____)) Case No. 2025-00257
_____))

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John J. Spanos, on October 31, 2025

Megan Lynn Eckrich
Notary Public



My Commission Expires September 16, 2027

Notary ID Number 1264513

VERIFICATION

The undersigned, Tanner S. Wolfram, being duly sworn, deposes and says he is the Director of Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

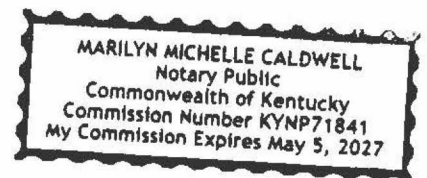

Tanner S. Wolfgram

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 Tanner S. Wolffram, on October 31, 2025.

Marilyn Michelle Caldwell
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP71841