

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

ELECTRONIC APPLICATION OF	)	
KENTUCKY POWER COMPANY FOR	)	
A GENERAL ADJUSTMENT OF	)	
ITS (1) RATES FOR ELECTRIC SERVICE; (2)	)	Case No. 2025-00257
APPROVAL OF TARIFFS AND RIDERS; (3)	)	
APPROVAL OF CERTAIN REGULATORY	)	
AND ACCOUNTING TREATMENTS; AND	)	
(4) ALL OTHER REQUIRED APPROVALS	)	
AND RELIEF	)	

SUPPLEMENTAL DATA REQUESTS OF THE ATTORNEY GENERAL AND KIUC

Comes now the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention ("Attorney General"), and Kentucky Industrial Utility Customers ("KIUC") and submit these Data Requests to Kentucky Power Company (hereinafter "Kentucky Power," "KPCo" or "company") to be answered by November 3, 2025, in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response

and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify undersigned Counsel as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing,

all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored

information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL

A handwritten signature in blue ink, appearing to read "J. Michael West", with a stylized flourish at the end.

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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on October 23, 2025, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 23rd day of October, 2025.

A handwritten signature in blue ink, appearing to read "J. Michael Miller", is positioned above a horizontal line.

Assistant Attorney General

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR (1) A GENERAL ADJUSTMENT OF ITS RATES FOR ELECTRIC SERVICE; (2) APPROVAL OF TARIFFS AND RIDERS; (3) APPROVAL OF CERTAIN REGULATORY AND ACCOUNTING TREATMENTS; AND (4) ALL OTHER REQUIRED APPROVALS AND RELIEFF, Case No. 2025-00257

Data Requests

1. See KPCO_R_AG_KIUC_1_2.
 - 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?
2. See KPCO_R_AG_KIUC_1_3_Attachment1. For each company 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.
3. Has the Company considered the legal or administrative issue issues 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.
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.
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.
6. How many of Kentucky Power's residential ratepayers elect a budget 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?
7. Describe Kentucky Power's budget billing offer in detail and discuss whether Kentucky Power has considered alternative types of budget billing offers/calculations?
8. See *AEP Receives U.S. Department of Energy Loan Guarantee to Upgrade 5,000 Miles of Transmission Lines* at <https://www.aep.com/news/stories/view/10501/>.

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Discuss whether and how Kentucky Power and its ratepayers will benefit from the announced funding.

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.
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.

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- 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.

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.

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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.
13. Refer to the Direct Testimony of Tanner Wolffram 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.

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- 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.
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.
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.

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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.
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.
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.
19. Refer to the Direct Testimony of Witness Spaeth at page 19 line 15-17.

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- 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?
20. Refer to the Company's flex pay program and budget billing programs.
 - 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.
21. How do the special charges identified by Witness Tanner Wolfram in Figure TSW-2 interact with flex pay program or budget billing (Average Monthly Payment ("AMP") plan)?
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?
23. Refer to Direct Testimony of Tanner S. Wolfram 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.

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- 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?
- 24. Refer to the Direct Testimony of Michele Ross and AMI roll out 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?
- 25. Refer to the Attachment to the response to AG-KIUC 1-81. Provide a description of the costs included in each payables subaccount.
- 26. Refer to the response to AG-KIUC 1-47, which stated in part that the 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.
- 27. Refer to the Direct Testimony of Michele Ross at 22, wherein she 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.
- 28. Refer to the \$3.019 million CAMT deferred tax asset (DTA) shown on KPCO_R_AG_KIUC_1_53_Attachment1.

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

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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.
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

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decision rule and how it reflected this decision rule in the calculation of each vintage year's remaining NOLC.

33. Refer to the response to AG-KIUC 1-84.

- 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.
- 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.

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- 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.