DATA REQUEST

RH_1 Refer to the Informal Conference Memorandum filed on June 26, 2026, which references the informal conference held on June 25, 2026, during which Kentucky Power stated that its billing system may not be capable of implementing the Commission's ordered treatment of the securitization surcharge.

a. Confirm that Kentucky Power's billing system is not capable of implementing the Commission's ordered treatment of the securitization surcharge. If confirmed, describe in detail the capabilities and limitations of Kentucky Power's billing software related to implementation of the securitization surcharge. If not confirmed, explain.

b. Explain why the billing system is or is not capable of implementing the Commission's ordered treatment.

c. Identify each specific software, programming, or operational limitation that prevents implementation, if applicable.

d. State whether the limitation is attributable to Kentucky Power's internal processes, its billing software vendor, or another source.

e. If modifications could be made to allow implementation, describe the modifications required, the estimated time necessary to complete them, and the estimated cost.

f. Identify any alternative billing methods that would allow implementation of the Commission's ordered treatment.

RESPONSE

a.-e. Following the June 26, 2026 informal conference, Company personnel worked to confirm if the logic necessary to implement the Commission's ordered treatment of the securitization surcharge within its billing software was possible. It was determined that the logic could be implemented at a nominal cost ($6,600) within three months. The Company has preemptively asked its developers to begin this work so the logic can be implemented on a *bills rendered and going forward basis* on or before September 29, 2026 (1st billing cycle for October 2026). Implementation on a going forward basis is important as it prevents rebilling customers, which can cause significant confusion without any material change in their actual bill. Additionally, it ensures that the change is aligned with when the next decommissioning rider rates will go into effect. Importantly, the current decommissioning rider rates are nominal. As such the inclusion of the decommissioning rider within the subtotal to which the securitized surcharge rider applies does not currently have a meaningful impact on bills. Please see KPCO_R_KPSC_RH_1_Attachment1 which provides example calculations for a residential, commercial, and industrial bill utilizing current vs. the Commission ordered treatment.

f. The Company is unable to identify any reasonable alternative billing methods to allow for implementation of the Commission's ordered treatment. Given that the Company's billing software is capable of implementing the ordered treatment (as discussed in subpart a), an alternative billing method is not necessary.

Witness: Lerah M. Kahn

Kentucky Power Company
KPSC Case No. 2025-00307
Commission Staff's Rehearing Data Requests
Dated July 22, 2026

DATA REQUEST

RH_2 Explain how the under/over recovery and associated regulatory asset/liabilities are calculated and recorded for Kentucky Power's environmental surcharge and fuel adjustment clause. Include in the explanation the time periods used to calculate the under/over recovery and associated regulatory asset/liabilities.

RESPONSE

For the Fuel Adjustment Clause ("FAC"), the over/under recovery calculation is shown on page 4 of the Company's monthly filings. It is calculated on a two-month lag (For example, the June expense month filing would calculate the over/under for the April expense month filing that was billed in the June expense month). The calculation is done by multiplying the FAC Rate Billed based on April expense month by the actual kWh billed in June at that rate and then comparing those revenues to the revenues that would have been generated by the April kWh sales used to determine that FAC rate. That over/under recovery calculation is then either added to or subtracted from the estimated fuel cost for the June expense month (Page 2, Line F).

The Environmental Surcharge ("ES") over/under recovery calculation is also calculated on and two-month lag and functions in a similar manner to the FAC calculation. Using June 2026 expense month as the example again, the over/under recovery adjustment is calculated by comparing the Surcharge Amount to be Collected based on April expense month's environmental costs (Form 1.10, line 8 from April filing) to the actual ES revenues collected in June 2026 using April's ES rate. The over/under is then either added to or subtracted from June's monthly environmental costs (Form 1.10, Line 7 from June filing).

The FAC and ES regulatory asset or liability utilize the same methodology as the PPA regulatory asset or liability prior to the Commission's May 28, 2026 Order in this proceeding, other than the timing differences between them being monthly vs. annual.[1] Please see KPCO_R_KPSC_RH_2_Attachment1 for the regulatory asset/liability entries for calendar year 2025 for both mechanisms.

Witness: Lerah M. Kahn

[1] Due to the monthly filing schedule and associated lag on recovery of costs for the FAC and ES mechanisms, the regulatory asset or liability calculations include an estimate cycle.

Kentucky Power Company
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DATA REQUEST

RH_3 Refer to Kentucky Power’s response to Commission Staff’s Second Request for Information (Staff’s Second Request), Items 1 and 2. Confirm that, if this same method was used to calculate the under/over recovery for the Purchase Power Adjustment (PPA) revenue requirement, it would include the same expenses in the calculation of the PPA revenue requirement twice: once through the expenses recovered in the revenue requirement and once through the under/over recovery. If this cannot be confirmed, explain.

RESPONSE

Not confirmed. Under the Company’s proposed method, the expense amount used to establish the revenue requirement is a proxy for the expected level of expense during the period the rate is billed. Should that expense level be above or below what is realized, any over/under is reflected in the regulatory asset or liability.

Witness: Lerah M. Kahn

Kentucky Power Company
KPSC Case No. 2025-00307
Commission Staff's Rehearing Data Requests
Dated July 22, 2026

DATA REQUEST

RH_4 Refer to Kentucky Power's response to Staff's Second Request, Item 2. State whether this method has been used continuously since the inception of the PPA mechanism. If not, identify each change made to the method, state when and why each change occurred, and identify the Commission case number, filing, or Order authorizing or acknowledging the change, if any.

RESPONSE

The Company's method of calculating the regulatory asset/liability for the PPA mechanism has remained the same since its inception.

Witness: Lerah M. Kahn

DATA REQUEST

RH_5 State whether Kentucky Power’s method of calculating the PPA regulatory asset/liability changed when the PPA changed from a monthly to an annual calculation. If so, describe the changes.

RESPONSE

Please see the Company’s response to KPSC RH_4.

Witness: Lerah M. Kahn

DATA REQUEST

RH_6 Refer to the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation, which was codified as Accounting Standards Codification (ASC) 980, Regulated Operations, and provides the criteria for recognition of a regulatory asset. Confirm that Kentucky Power's previous calculation of the regulatory asset/liability did not accurately reflect the amounts that will be recovered through the PPA rider. If confirmed, explain how the regulatory asset/liability calculation conformed to the requirements of ASC 980.

RESPONSE

Not confirmed. In accordance with prior Tariff P.P.A. requirements and ASC 980, the Company performed over-/under-recovery accounting by comparing the level of monthly net Tariff P.P.A. costs to monthly Tariff P.P.A. revenues and recording either a net cost under-recovery or a net cost over-recovery. This approach ensures that the Company recovers through Tariff P.P.A. rider rates no more and no less than the level of Tariff P.P.A. costs incurred. Prior to the order in Case No. 2025-00307, the Commission's continued approval of a true-up procedure for Tariff P.P.A. within Tariff P.P.A. terms supported both: a) the probability of recovery requirement of Financial Accounting Standards Board Accounting Standards Codification (ASC) 980-340-25-1 to record and maintain a regulatory asset when an under-recovery occurs which is recoverable from customers in the future and b) the existence of a regulatory liability under ASC 980-405-25-1 when a true-up to actual costs results in an over-recovery which is refundable to customers in the future. Accordingly, Kentucky Power conformed to the requirements of ASC 980 by recording regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

Prior Tariff P.P.A. deferrals, most recently updated in Case No. 2025-00257, included the following:

a) The cost of fuel related to substitute generation less the cost of fuel which would have been used in plants suffering forced generation or transmission outages above or below the $190,571 included in base rates.
b) Costs of power purchased by Kentucky Power through new PPAs and purchased power expense from avoided cost payments to net metering customers under Tariff N.M.S. II above or below the $3,309,439 included in base rates.
c) The net annual costs of any credits provided to customers under Tariff C.S.-I.R.P., Tariff D.R.S., and special contracts for interruptible service above or below the $2,616,539 included in base rates.
d) The net gains or losses on incidental sales of gas, subject to a $3 million cap.

Witness: Brian C. Ciborek

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
BE1A773E0EDC452...

Brian C. Ciborek

Commonwealth of Kentucky	)	
	)	Case No. 2025-00307
County of Boyd	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian C. Ciborek, on 8/3/2026 | 9:15 AM EDT.

Signed by:
Michelle Caldwell
E9B1BC7AC31F421...

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, Lerah M. Kahn, being duly sworn, deposes and says she is the Regulatory Services Manager 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.

Lerah M. Kahn

Lerah M. Kahn

Commonwealth of Kentucky)
) Case No. 2025-00307
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lerah M. Kahn, on August 3, 2026.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

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