

Kentucky Power Company
KPSC Case No. 2026-00067
Commission Staff's First Set of Data Requests
Dated April 1, 2026

DATA REQUEST

- KPSC 1_1** Refer to the Application, Exhibit 2. Provide a fully itemized breakdown, in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, reflecting the estimated jurisdictional incremental O&M costs associated with the December 18–19, 2025 Major Event storm. The response should include at minimum:
- a. Labor (regular and overtime, separately stated);
 - b. Contract costs by vendor;
 - c. Materials and supplies by category; and
 - d. Any overhead allocations.

RESPONSE

- a. Please see column O, rows 9-13, of “Dec 18-19 -Thunder_Distr” tab of Exhibit 2 for the requested incremental O&M labor costs.
- b. Please see column O, rows 63-78 of “Dec 18-19 -Thunder_Distr” tab of Exhibit 2 for the requested incremental O&M contract costs by vendor.
- c. Please see column O, rows 33-53, of “Dec 18-19 -Thunder_Distr” tab of Exhibit 2 for the requested incremental O&M material and supplies costs by category.
- d. Please see column O, rows 15-20, of “Dec 18-19 -Thunder_Distr” tab of Exhibit 2 for the requested incremental O&M overhead allocations.

Witness: Tanner S. Wolfram

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- KPSC 1_2** Refer to the Application, paragraphs 11–12. Explain, in detail, the methodology used to determine incremental O&M costs, including:
- a. How costs embedded in base rates were excluded.
 - b. Any allocation factors applied.
 - c. All assumptions used in developing the incremental cost estimate.

RESPONSE

a. There are two types of “incremental O&M” when discussing storm costs. First, there are incremental O&M storm costs related to the actual work performed during storm restoration. These costs are defined as any costs that would not have been incurred but for the storm and include overtime labor and associated overhead; contractor expenses for labor, meals, and lodging; transportation costs; and other miscellaneous costs. Therefore, costs such as regular labor hours, standard overhead costs, and cost of capital are not considered incremental costs, because the Company would have incurred them regardless of the storm event.

Next, there is an amount of incremental O&M storm costs that exceed the amount of storm expense in base rates. This incremental O&M is calculated for the current storm and then reduced by the amount approved in base rates. To the extent a prior storm deferral (as is the case here) has already “exhausted” the base amount, the entirety of the incremental costs are included within the request for deferral. This calculation is provided on the “Summary” tab of Exhibit 2, Column J.

- b. The Company applies a 100% jurisdictional allocation factor to its storm recovery costs.
- c. At the time of filing, all in-house costs reflect actual costs. The estimated costs included in Exhibit 2 are related to outside contracted services. The incremental O&M cost estimate for outside contracted services assume 1) 16-hour workdays for its contracted employees at the most recent estimated contractor labor rates, 2) travel expenses based on total mileage traveled to and from the Company’s service territory, and 3) cost of lodging based on the number of rooms required by the contractor.

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KPSC 1_3 Refer to the Application and Exhibit 2. Provide a reconciliation between the following items:

- a. Total storm costs
- b. Capitalized costs
- c. Incremental O&M costs
- d. Any other excluded or deferred amounts

RESPONSE

The Company is not clear as to what KPSC 1_3 seeks with respect to a “reconciliation.” Please see the below responses based on the Company’s understanding of this request.

- a. Please see row 81, column K, of “Dec 18-19 Thunder_Dist” tab of Exhibit 2 for total storm costs associated with the requested deferral.
- b. Please see row 81, column G, of “Dec 18-19 Thunder_Dist” tab of Exhibit 2 for total capitalized costs associated with the requested deferral.
- c. Please see row 81, column O, of “Dec 18-19 Thunder_Dist” tab of Exhibit 2 for total incremental O&M associated with the requested deferral.
- d. The only costs that were excluded were the non-incremental O&M expense as further discussed and explained in response to KPSC 1_2.

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KPSC 1_4 Refer to the Application, paragraph 25. Confirm whether the reported damage (including transformers, cross arms, poles, and conductor spans) represents final or preliminary figures. If preliminary, consider this an ongoing request to provide the updated totals throughout the pendency of this case.

RESPONSE

The numbers referenced in the Application, paragraph 25, regarding damage to transformers, cross-arms, broken poles, and conductor spans reflect preliminary damage numbers. The final figures are:

Arrester	3
Cutout	61
Insulator	225
Other	1,023
Pole	26
Splice	33
Transformer	22
Wire	14,584

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KPSC 1_5 Refer to the Application, paragraphs 39–40.

a. Provide the amount of storm damage expense that Kentucky Power is authorized to embed in base rates.

b. Confirm that Kentucky Power exhausted the amount of storm damage expense embedded in base rates prior to the time the December 18–19, 2025 Major Storm Event occurred. If not confirmed, provide the remaining amount.

RESPONSE

a. Please see row 52, of the “Summary” tab of Exhibit 2 for the authorized storm damage expense embedded in Kentucky Power’s 2025 base rates.

b. Confirmed.

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KPSC 1_6 Refer to the Application, paragraph 41. Provide the expected timeline for when the actual storm-related costs will be finalized and filed with the Commission.

RESPONSE

The Company expects the actual storm-related costs will be finalized and filed with the Commission following the close of books for second quarter 2026.

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KPSC 1_7 Refer to the Application, paragraph 41. Explain the process used to develop the preliminary cost estimates, including what costs were known versus estimated at the time of filing, any contingency factors applied, and expected margin of error.

RESPONSE

As explained in the Company's response to KPSC 1_2, while the total estimate of incremental costs includes both internal and external sources, only the outside contractor services are estimated for purposes of Exhibit 2. All in-house expenses included in Exhibit 2 reflect actual costs.

Kentucky Power utilizes the Incident Command System structure, which includes calls every morning and evening to update internal and external employee counts, contractor rosters, material damage, etc. These calls also inform when Major Storm Reserve pay (MSR) goes into effect. The Company has logistics teams that facilitate and track costs associated with obtaining meals and hotels. Procurement provides and periodically updates contractor storm rates. The Company uses the most up-to-date rates to estimate contractor labor costs. Estimates are updated each month-end close to reflect actual costs as they are received. The Company utilizes a 3% contingency rate to capture any potential cost adjustments to the original estimate.

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KPSC 1_8 State whether Kentucky Power expects to receive insurance proceeds, FEMA assistance, or other federal/state funding related to the December 2025 storm. If so:

- a. Provide estimated amounts; and
- b. Explain how such amounts will be reflected in the requested deferral.

RESPONSE

Kentucky Power does not expect to receive insurance proceeds, FEMA assistance, or other federal/state funding related to the December 2025 storm. As an investor-owned utility, Kentucky Power is not eligible for FEMA assistance, nor has the Company received any other state/federal funding or insurance proceeds related to storm damage recovery in the past.

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DATA REQUEST

KPSC 1_9 Explain any new efforts Kentucky Power is taking to harden its distribution and transmission systems against future storms. Provide any documentation demonstrating these efforts.

RESPONSE

Kentucky Power has implemented various projects to harden the distribution and transmission systems to make the system more resilient to storms, the primary ones include but are not necessarily limited to:

Distribution – Heavy Loading Standards

Beginning in January 2014 the Company has been systematically upgrading overhead line support structures such as poles and cross arms to heavy strength loading standards. This upgrade is also consistent with the Commission's September 2009 report, after the September 2008 Wind Storm and January 2009 Ice Storm recommending that "...utilities consider upgrading to heavy loading standards in some circumstances. For example, it may be beneficial to shorten span lengths when building lines in treed areas, thus improving the ability of those lines to sustain the weight of fallen vegetation."¹ The hardening of the distribution system through the heavy loading standard improves system resilience during major storm events, aiding in withstanding the impacts of severe weather. The Company's Vegetation Management Programs work in conjunction with this loading standard to harden the system.

Distribution –Vegetation Management Programs

The Company's Trees Inside the Rights-of-Ways ("TIR") and Trees Outside the Rights-of-Ways ("TOR") programs widen existing clearance zones, remove large trees inside and outside the rights-of-way, or establish new clearance zones for new construction. The Company files an annual report on its distribution vegetation management by April 1st of each year which provides information on both the TIR and TOR programs. Based on the success of these programs, the Company proposed to expand the programs in its most recent rate case, Case No. 2025-00257. The Company is currently seeking rehearing on the treatment of its vegetation management programs as part of that filing.

¹ See The Kentucky Public Service Commission Report on the September 2008 Wind Storm and the January 2009 Ice Storm, "Ike and Ice Report," November 19, 2009, Finding and Recommendation B1, at page 83.

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Transmission – Vegetation Management Programs

The Company's TIR and TOR programs remove large trees inside the rights-of-way, remove identified hazard trees outside of the rights-of-way, and widen select rights-of-way uphill to reduce the potential of tree fall-ins in high-risk areas.

Transmission – Standards and Equipment

Kentucky Power, as part of the AEP system, adopts the latest National Electric Safety Code ("NESC") standards as they are released and accepted by the states that govern AEP. These standards establish rules for the practical safeguarding of persons during the installation, operation and maintenance of electric lines and associated equipment. Updates and line design changes are programmed into AEP's computer line design programs in a timely manner and rolled out to each operating company for engineering design work. Any area that requires a higher grade of construction is identified in the software and is automatically available for use.

Additionally, Kentucky Power leverages the materials and process standards accredited by the American National Standards Institute ("ANSI") for new construction and system maintenance and applies local knowledge when appropriate. The Company also adheres to standards set forth through North American Electric Reliability Corporation ("NERC") and the guidelines of PJM.

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KPSC 1_10 Refer to Application, page 7, paragraph 24. Explain how Kentucky Power chooses the “contract employees” to participate in storm damage restoration efforts.

RESPONSE

Please refer to the Application, paragraphs 32-35, for an explanation of how the Company chooses which contract employees to participate in storm damage restoration efforts.

Further, while the governing principles of EEI cover Emergency Assistance arrangements between EEI members, the Company has also negotiated over 260 storm contracts that are used when additional contract vendor help is required. The Company generally follows these steps when choosing contract employees for storm damage recovery efforts:

1. The Company first reaches out to AEP affiliates or AEP contract crews.
2. If those crews are unavailable, insufficient in numbers, or also affected by the storm, the Company will reach out to external local contract crews and local Co-op crews.
3. If those crews are unavailable, insufficient in numbers, or also affected by the storm, the Company will reach out, through its Regional Mutual Assistance Group membership, to external mutual assistance crews.

Witness: Tanner S. Wolffram

