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APR 30 2018

PUBLIC SERVICE
COMMISSION

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
[502] 223-3477
[502] 223-4124 Fax

April 30, 2018

HAND DELIVERED

Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

RE: Kentucky Power Company's 2017 Public Service Commission Annual Report
and Related Filings

Dear Ms. Pinson:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's 2017 Annual Resource Assessment in accordance with the Commission's March 29, 2004 Order in Administrative Case No. 387. These are being filed as a supplement to Company's 2017 Public Service Commission Annual Report in accordance with the Commission's October 7, 2005 order closing Administrative Case No. 387 and directing that future Administrative Case No. 387 periodic updates be filed annually as a supplement to the Company's annual report.

Kentucky Power currently is required to provide information concerning the operation of the "AEP-East Power Pool" as part of its periodic filings in accordance with the Commission's March 29, 2004 Order in Administrative Case No. 387. The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. Kentucky Power requests formal acknowledgement that the Company may amend its periodic Administrative Case No. 387 filings to eliminate those portions of the requests seeking information regarding the AEP-East Power Pool. To extent this request cannot be addressed administratively, and instead requires a formal motion to the Commission, please so advise and indicate in what proceeding the motion should be filed.

Also being filed is the original and ten copies of the Company's motion for confidential treatment with respect to portions of its response to Data Requests Nos. 6 and 9. It is being filed without a case number in light of the Commission's October 7, 2005 order closing Administrative Case No. 387.

Ms. Pinson
April 30, 2018
Page 2

A copy of the Company's 2017 FERC Form-1 and a paper copy of the 2017 Annual Public Service Commission Utility Financial Report for Kentucky Power are also enclosed. Kentucky Power's 2017 Annual Public Service Commission Utility Financial Report previously was filed electronically on April 16, 2018.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


Mark R. Overstreet

MRO

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

APR 30 2018
PUBLIC SERVICE
COMMISSION

Re: Kentucky Power Company's 2017 Annual Resource Assessment in accordance with the Commission's March 29, 2004 Order in Administrative Case No. 387 – Motion for Confidential Treatment

**KENTUCKY POWER COMPANY'S MOTION
FOR CONFIDENTIAL TREATMENT**

Kentucky Power Company ("Kentucky Power" or "Company") moves the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment to the identified portions of Attachment 2 to the Company's response to Commission Staff Data Request 1-6 ("KPSC 1-6") and Attachment 1 to the Company's response to Commission Staff Data Request 1-9 ("KPSC 1-9"). Specifically, Kentucky Power seeks confidential treatment for information relating to planned maintenance outages (KPSC 1-6) and future transmission capacity additions (KPSC 1-9) that have not been publicly announced.

Pursuant to 807 KAR 5:001, Section 13, Kentucky Power is filing under seal those portions of the documents identified above containing confidential information with the confidential portions highlighted in yellow. Kentucky Power is also filing redacted versions of the affected documents. Kentucky Power will notify the Commission when it determines the information for which confidential treatment is sought is no longer confidential.

A. The Requests And The Statutory Standard.

Kentucky Power does not object to filing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

This exception applies to the following information for which Kentucky Power is seeking confidential treatment:

1. **Attachment 2 to Kentucky Power's Response to KPSC 1-6.**

Attachment 2 to KPSC 1-6 includes information regarding the specific timing of planned maintenance outages for Kentucky Power's generation units. The rise of competitive markets such as PJM has placed a premium on generating unit data. Public disclosure of information about unit availability could adversely impact Kentucky Power's customers by providing data that could provide a competitive advantage to Kentucky Power's direct competitors thereby affecting Kentucky Power's ability to minimize costs for its rate paying customers.

Unit availability information is especially useful for competition as savvy marketers can estimate Kentucky Power's generation position and raise generation offers if they believe Kentucky Power will be energy short, resulting in the Company paying higher prices to procure energy to serve its customers. This type of data is highly valued by competing energy marketers and traders who speculate in forward energy transactions. Using forecasted unit availability data, other parties could improve their forecast accuracy of future Kentucky Power operations and utilize the resulting intelligence to influence negatively the Company's costs of providing electricity to its customers. Such actions would ultimately raise the cost to Kentucky Power's customers.

The confidential information identified in Attachment 2 to KPSC 1-6 should be kept confidential through the end of the outage periods. At such time there will no longer be any competitive advantage to be gained from the information.¹

2. **Attachment 1 to Kentucky Power's Response to KPSC 1-9.**

Kentucky Power seeks confidential treatment for the identified portions of Attachment 1 to the Company's response to KPSC 1-9. This data request seeks information regarding the Company's planned transmission capacity upgrades. Information regarding planned transmission upgrades that have not been announced publicly is highly sensitive and confidential. Because the Company operates in the competitive electricity market, releasing this data would allow competitors to gain specific and detailed information regarding the Company's projected transmission system capacity, timing of construction, and costs of upgrades. This otherwise unavailable information would allow competitors to alter their own market participation strategies and gain an unfair advantage for themselves to the detriment of the Company and its customers. This harm could take the form of the Company receiving lower prices for its sales or paying higher prices for its purchases than would otherwise be the case.

Kentucky Power is seeking confidential treatment for the identified information until such time as the individual projects are made public through the PJM Interconnection transmission planning process.

B. **The Identified Information is Generally Recognized As Confidential and Proprietary and Public Disclosure Of It Will Result In An Unfair Commercial Advantage for Kentucky Power's Competitors.**

The identified information required to be disclosed by Kentucky Power in response to KPSC 1-6 and KPSC 1-9 is highly confidential. Dissemination of the information for which

¹ The Commission granted confidential treatment for similar information in Case Nos. 2007-00477, 2010-00490, 2012-00550, and 2017-00001. Kentucky Power is unaware of any instances where the Commission has denied confidential treatment to similar information in other proceedings.

confidential treatment is being requested is restricted by Kentucky Power, its parent, AEP, and its affiliates (including AEPSC). The Company, AEP, and its affiliates take all reasonable measures to prevent its disclosure to the public as well as persons within the Company who do not have a need for the information. The information is not disclosed to persons outside Kentucky Power, AEP, or its affiliates. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information.

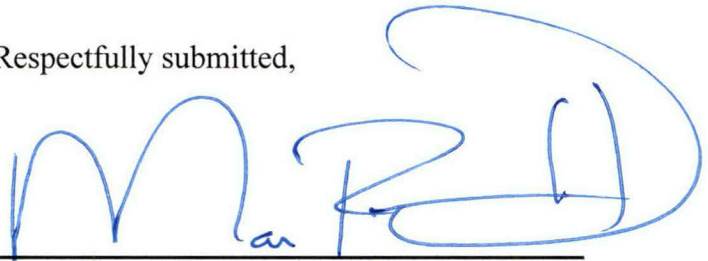
C. The Identified Information Is Required To Be Disclosed To An Agency.

The identified information is by the terms of the Commission's Order required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be required to enter into an appropriate confidentiality agreement.

WHEREFORE, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. According confidential status to and withholding from public inspection the identified information; and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark R. Overstreet", is written above a horizontal line. The signature is stylized and cursive.

Mark R. Overstreet
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477

Kenneth J. Gish, Jr.
STITES & HARBISON PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507
Telephone: (859) 226-2300

COUNSEL FOR KENTUCKY POWER
COMPANY

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APR 30 2018

PUBLIC SERVICE
COMMISSION

VERIFICATION

The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director of Regulatory & Finance 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.

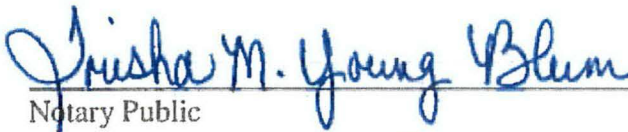


Ranie K. Wohnhas

Commonwealth of Kentucky)
)
County of Boyd)

Administrative Case No. 387

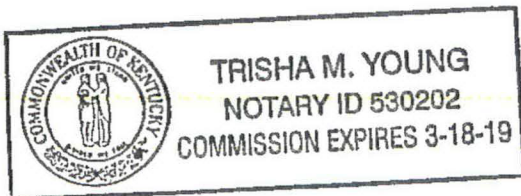
Subscribed and sworn before me, a Notary Public, by Ranie K. Wohnhas this 30 day of April, 2018.



Notary Public

My Commission Expires

3-18-19



Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 1 Actual and weather-normalized monthly coincident peak demands for the just completed calendar year. Demands should be disaggregated into (a) native load demand (firm and non-firm) and (b) off-system demand (firm and non-firm). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Please refer to Page 1 of KPCO_R_KPSC_1_1_Attachment1 for actual and weather normalized 2017 monthly peak native load demands for Kentucky Power Company. Kentucky Power Company had two customers with interruptible provisions in their contracts in 2017 for PJM initiated events.

Combined, these customers had approximately 1.5 MW of interruptible load available for use in PJM capacity auctions. The interruptible load available for PJM auctions reflects the average load for these customers, less contractually firm load, at the time of the PJM RTO five coincident peaks in the summer of 2016.

Please refer to Page 2 of KPCO_R_KPSC_1_1_Attachment1 for actual 2017 monthly system demands for Kentucky. The system demands include internal load and off-system sales. Weather-normalized monthly peak system demands for Kentucky Power Company have not been developed and are not available.

The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the request for information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

**Kentucky Power Company
 Actual and Weather Normalized Peak Native Demand (MW)
 2017**

Kentucky Power Company				
Month	Peak	Peak Day	Peak Hour	Normalized Peak
January	1,214	1/9/2017	8	1,338
February	1,131	2/4/2017	9	1,222
March	1,173	3/16/2017	7	1,127
April	806	4/7/2017	10	801
May	870	5/16/2017	17	848
June	909	6/21/2017	16	974
July	1,006	7/19/2017	16	1,034
August	971	8/17/2017	15	1,008
September	861	9/26/2017	16	892
October	878	10/30/2017	8	710
November	982	11/27/2017	8	1,030
December	1,217	12/28/2017	9	1,203

**Kentucky Power Company
Actual Peak System Demand (MW)
2017**

Kentucky Power Company			
Month	Peak	Peak Day	Peak Hour
January	1,499	1/8/2017	5
February	1,058	2/9/2017	12
March	901	3/10/2017	22
April	699	4/7/2017	9
May	1,040	5/31/2017	16
June	1,492	6/15/2017	16
July	1,496	7/2/2017	17
August	1,482	8/3/2017	15
September	1,295	9/22/2017	15
October	1,454	10/9/2017	17
November	1,230	11/8/2017	8
December	1,450	12/28/2017	22

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 2 Load shape curves that show actual peak demands and weather-normalized peak demands (native load demand and total demand) on a monthly basis for the just competed calendar year. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

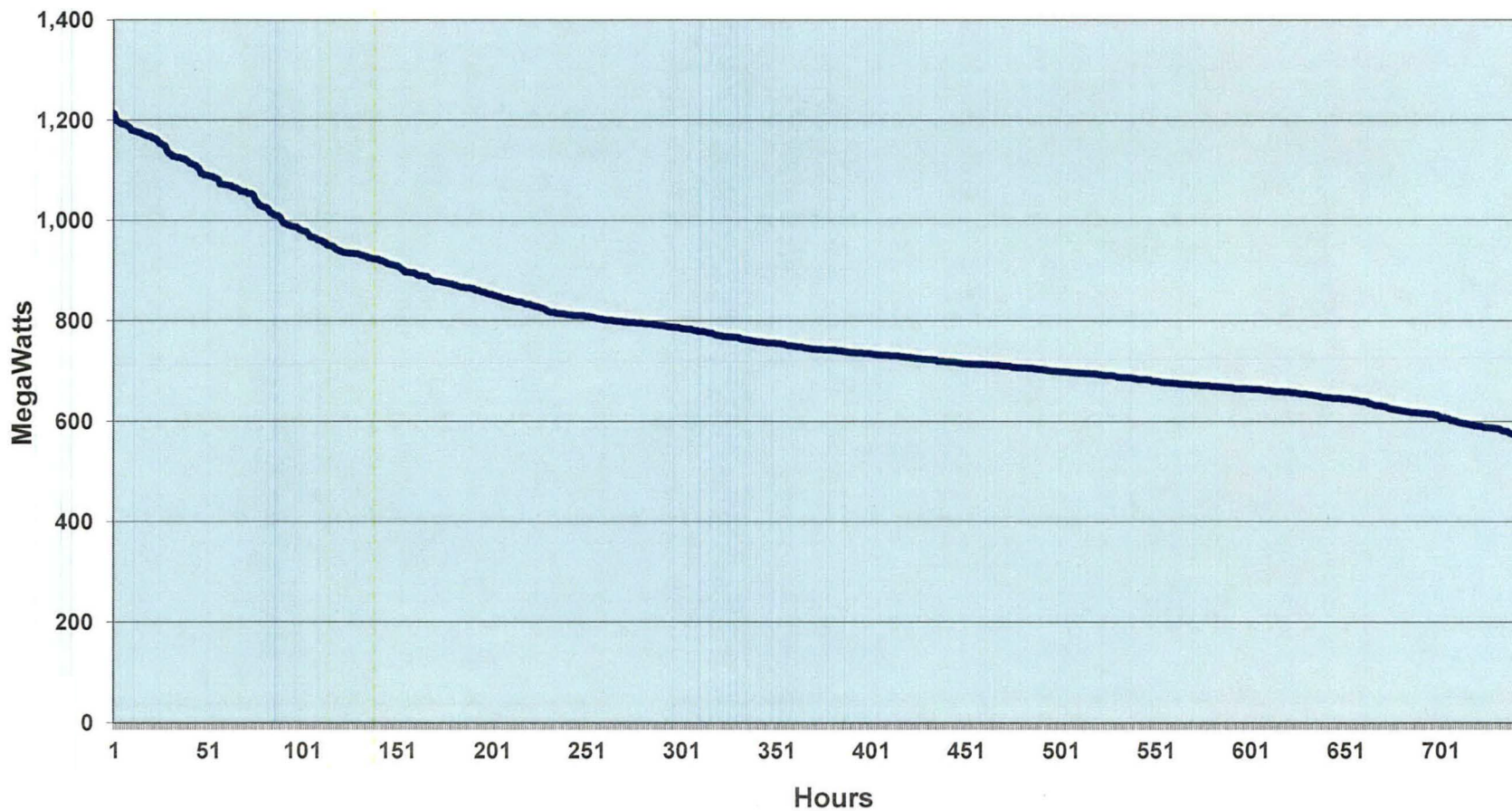
Please refer to Pages 1 through 12 of KPCO_R_KPSC_1_2_Attachment1 for 2017 monthly load duration curves for Kentucky Power Company's internal (native) load. Please refer to Pages 13 through 24 of KPCO_R_KPSC_1_2_Attachment1 for 2017 monthly load duration curves for Kentucky Power Company's system load. The system load, for Kentucky Power Company, includes internal load and off-system sales.

Weather-normalized monthly internal peaks for Kentucky Power Company are provided on Page 1 of KPCO_R_KPSC_1_1_Attachment1. Weather normalized system peaks have not been developed and are not available.

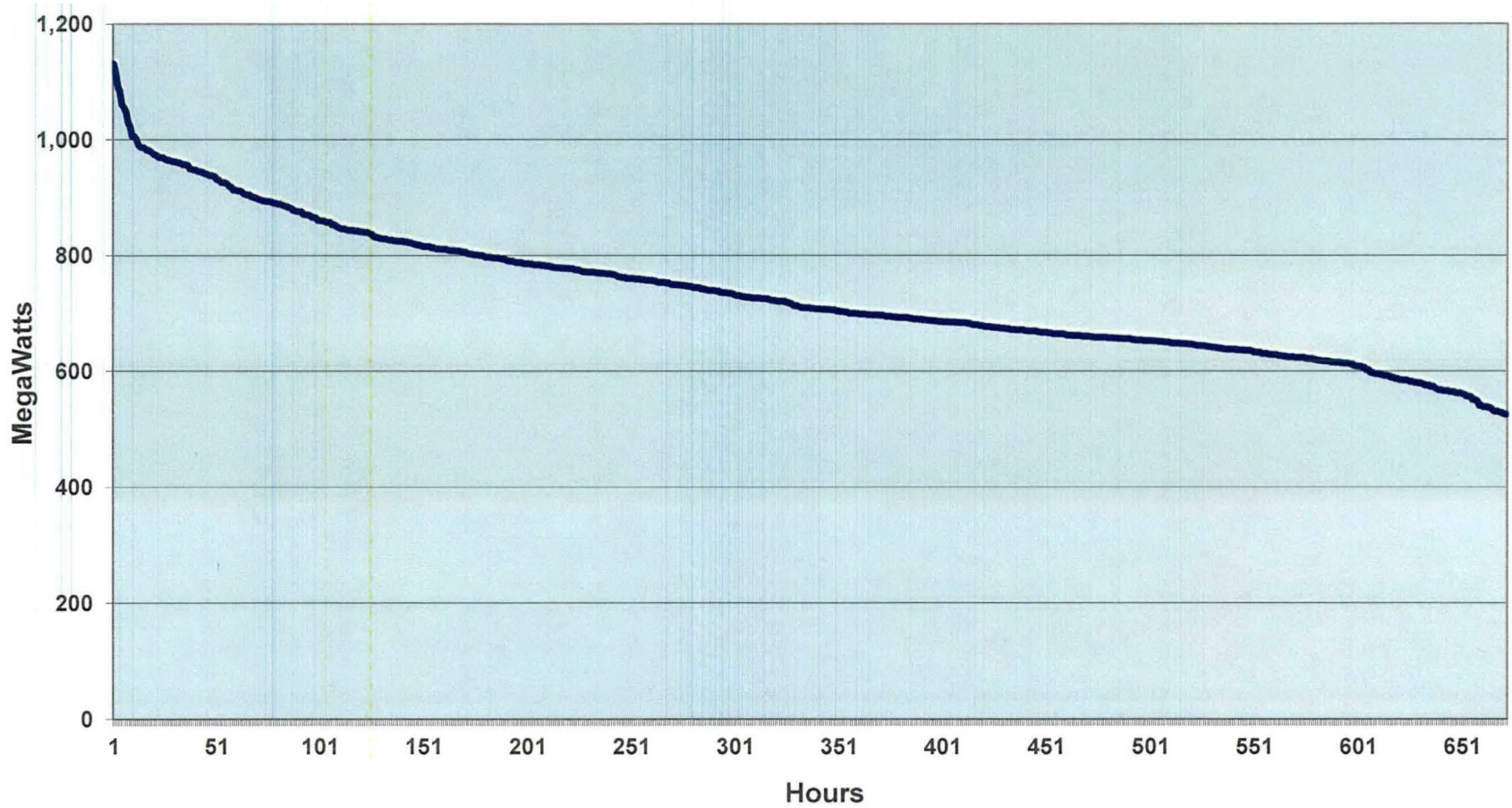
The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the request for information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

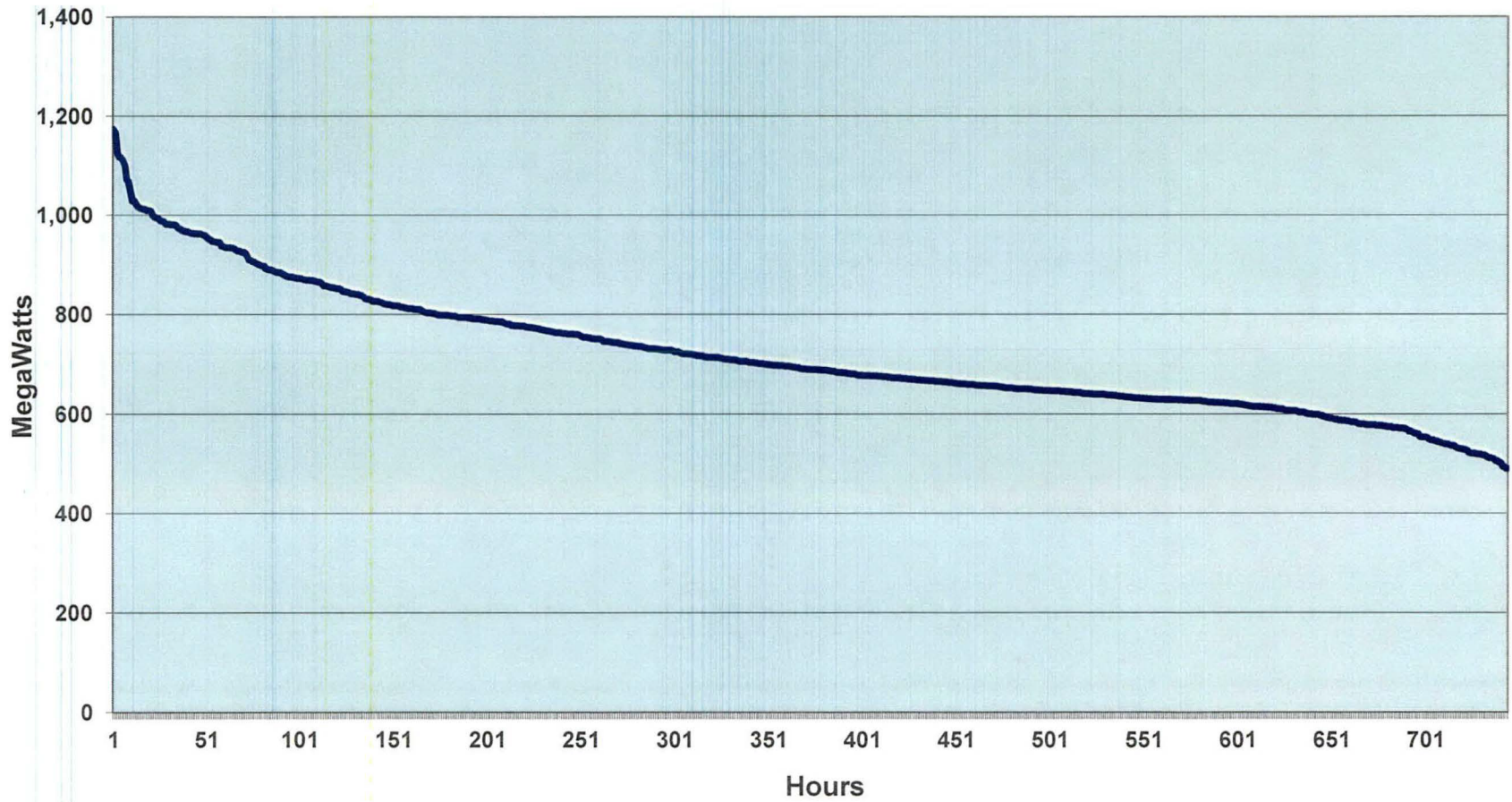
Kentucky Power Company January 2017 Load Duration Curve (Internal Load)



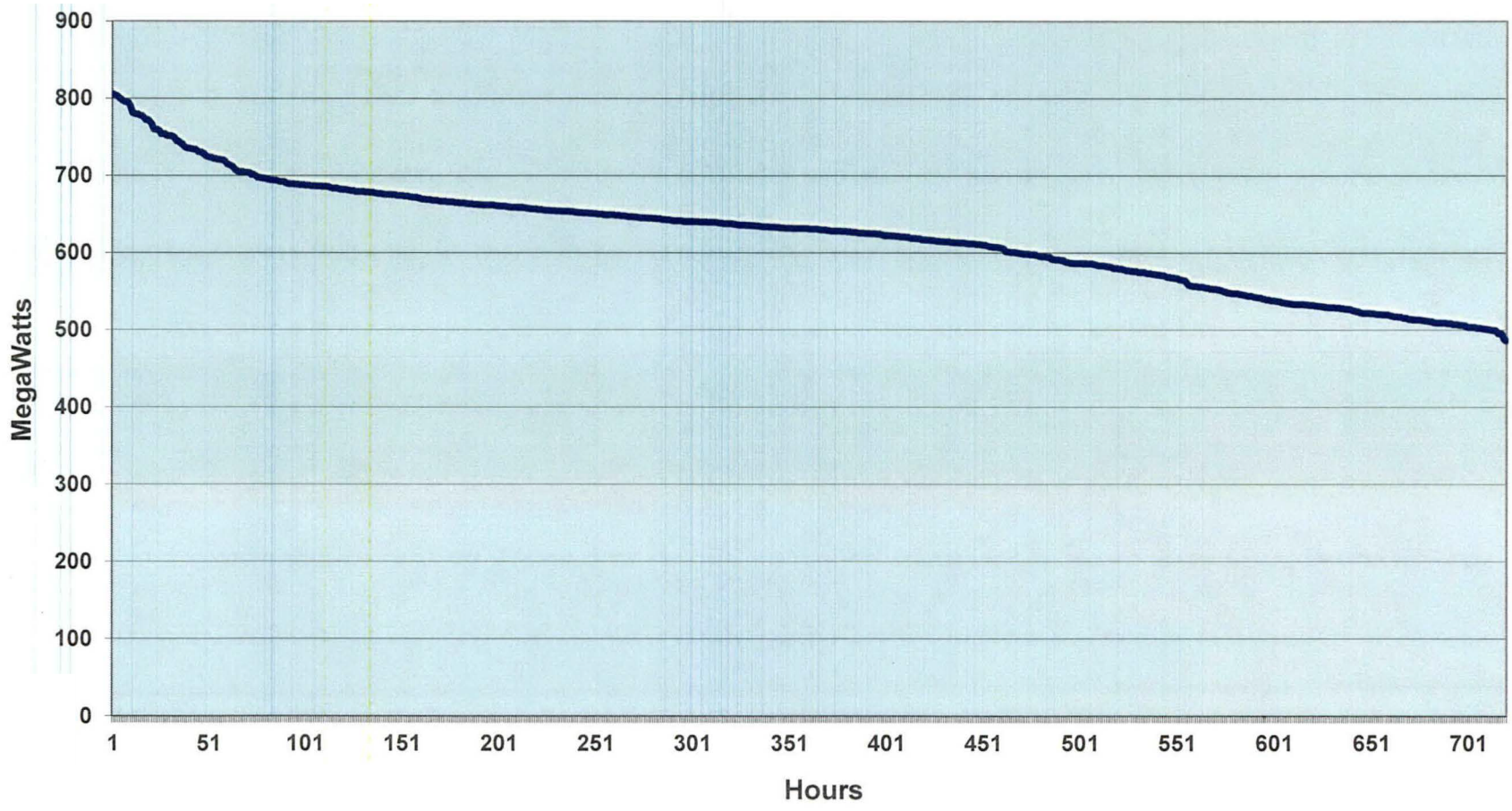
Kentucky Power Company February 2017 Load Duration Curve (Internal Load)



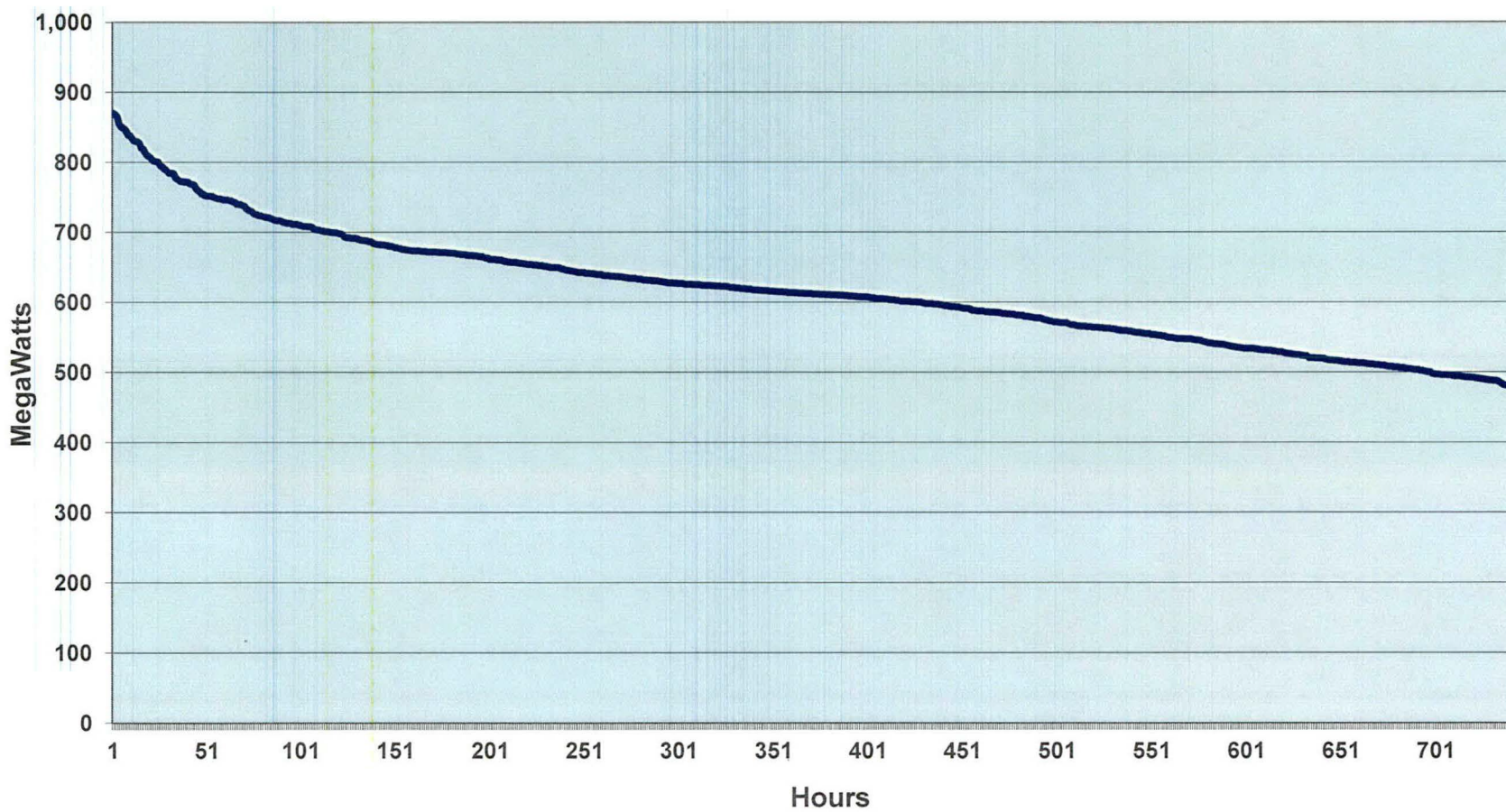
Kentucky Power Company March 2017 Load Duration Curve (Internal Load)



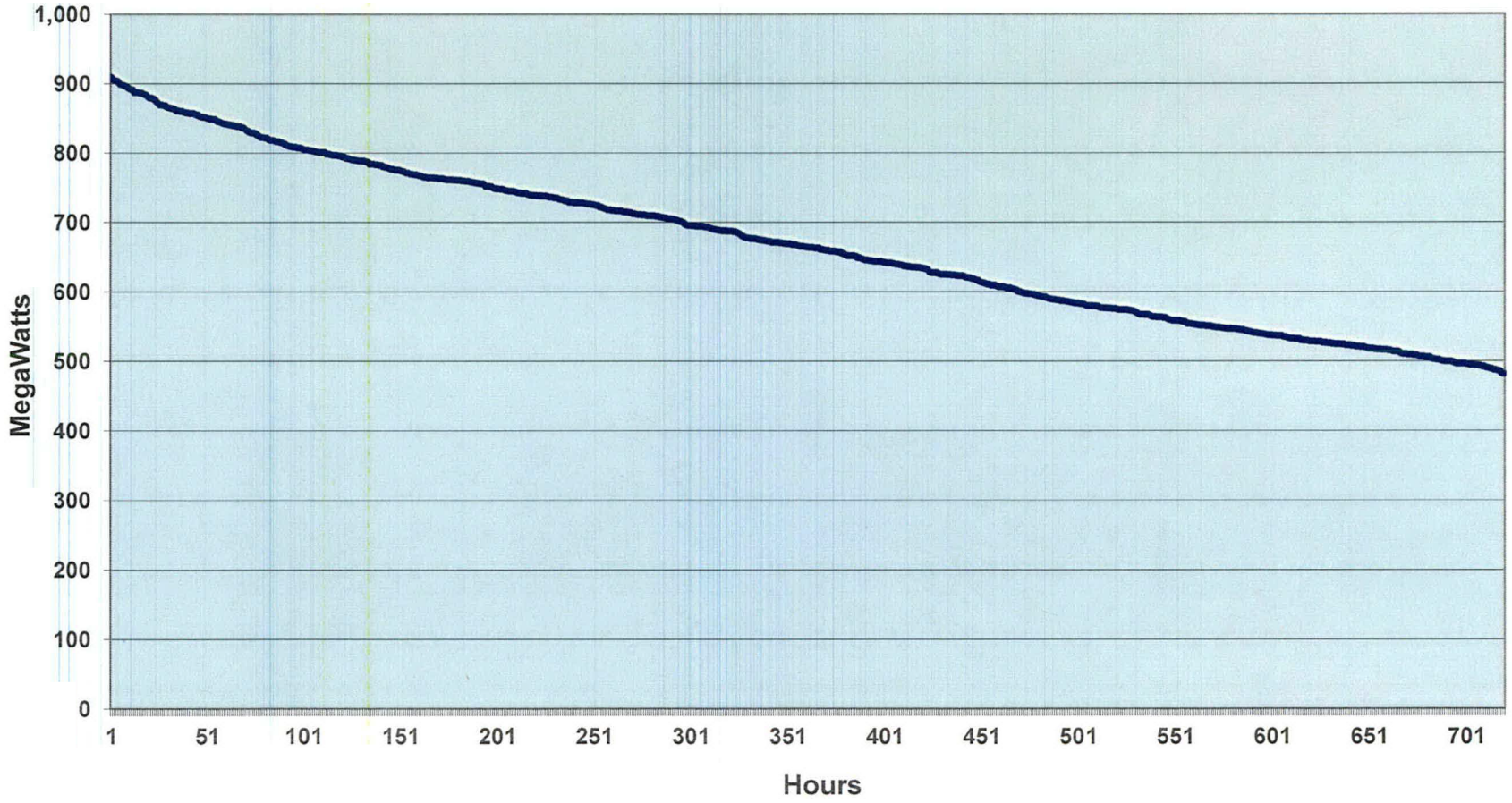
Kentucky Power Company April 2017 Load Duration Curve (Internal Load)



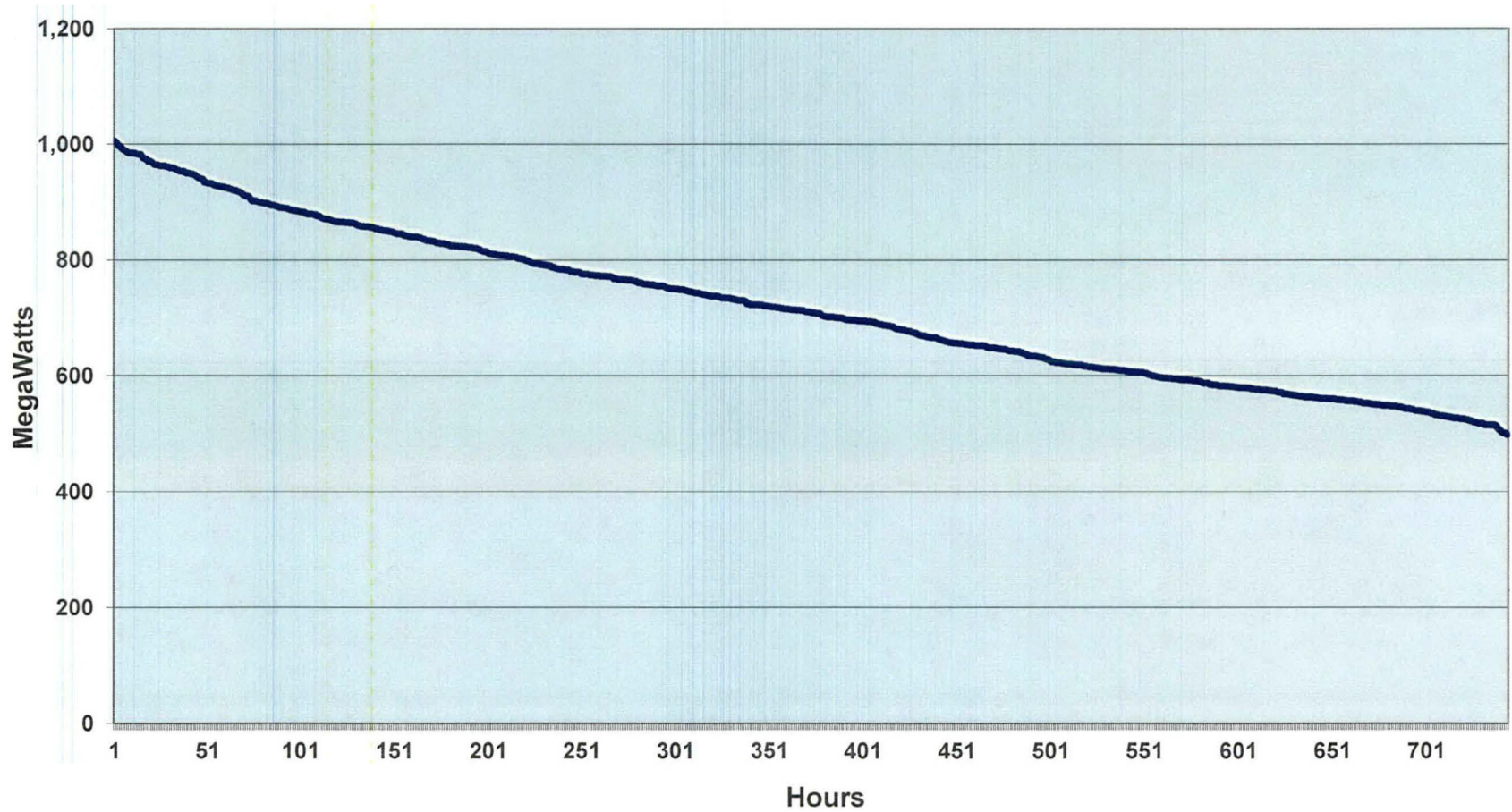
Kentucky Power Company May 2017 Load Duration Curve (Internal Load)



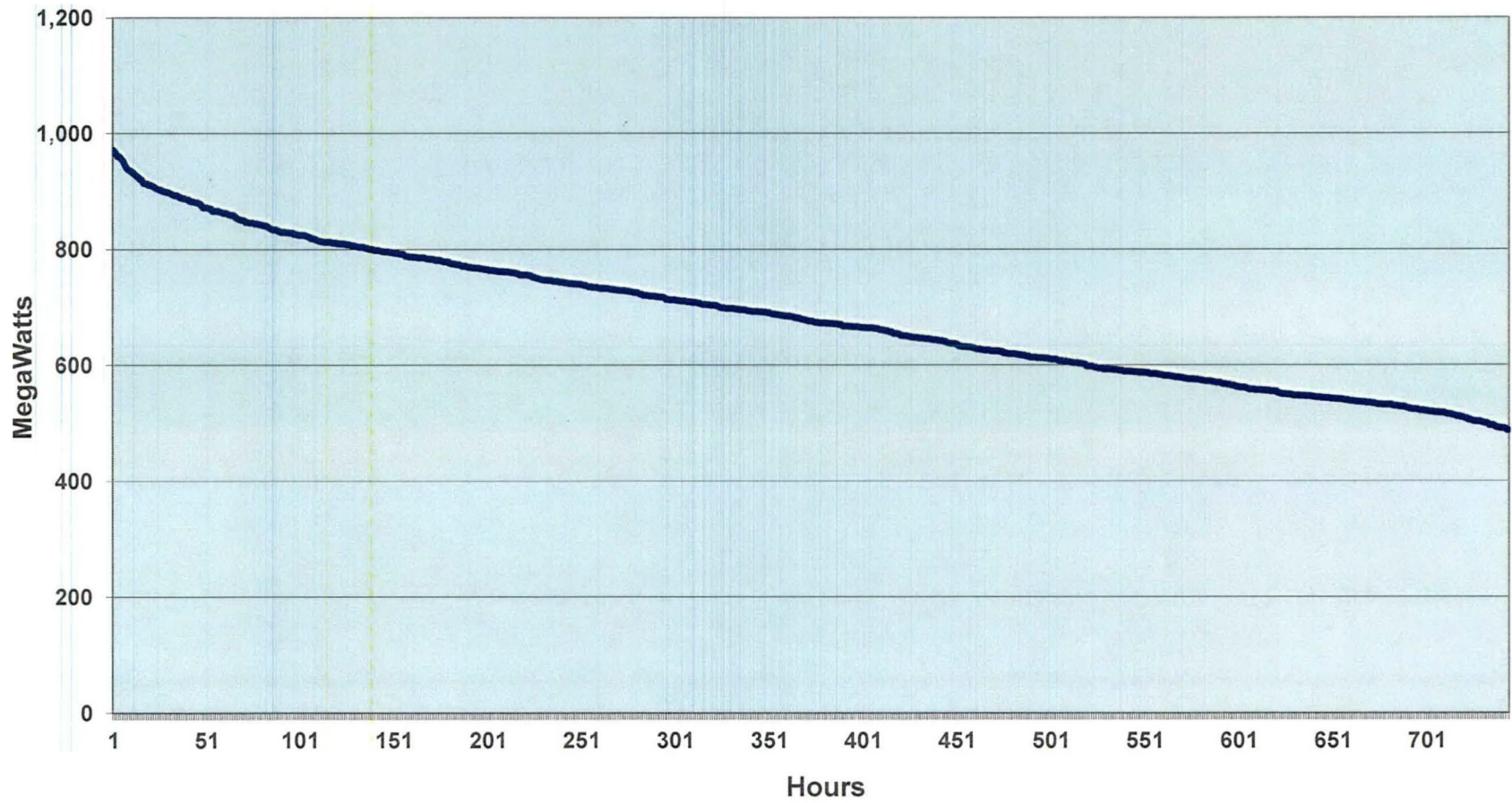
Kentucky Power Company June 2017 Load Duration Curve (Internal Load)



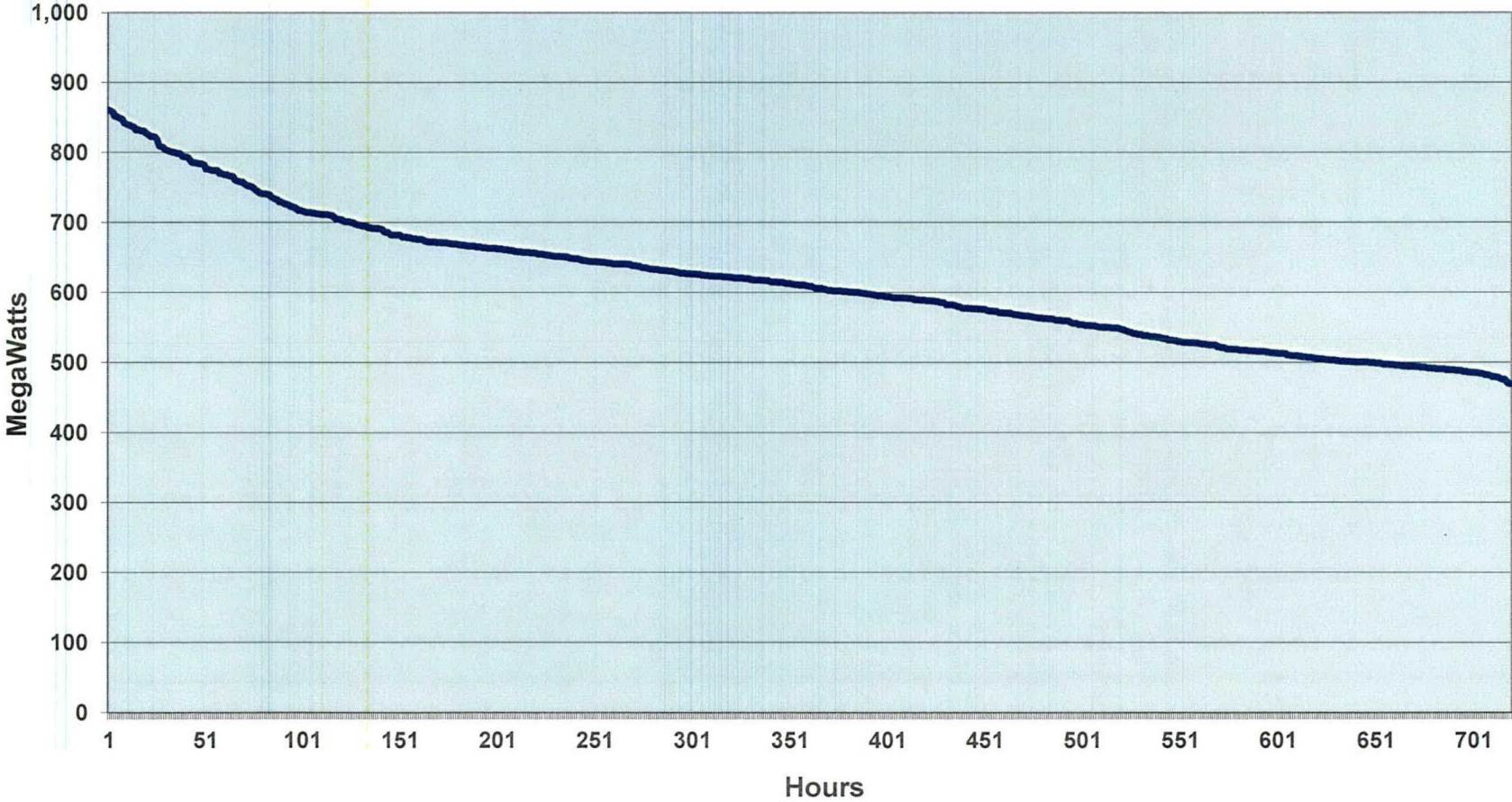
Kentucky Power Company July 2017 Load Duration Curve (Internal Load)



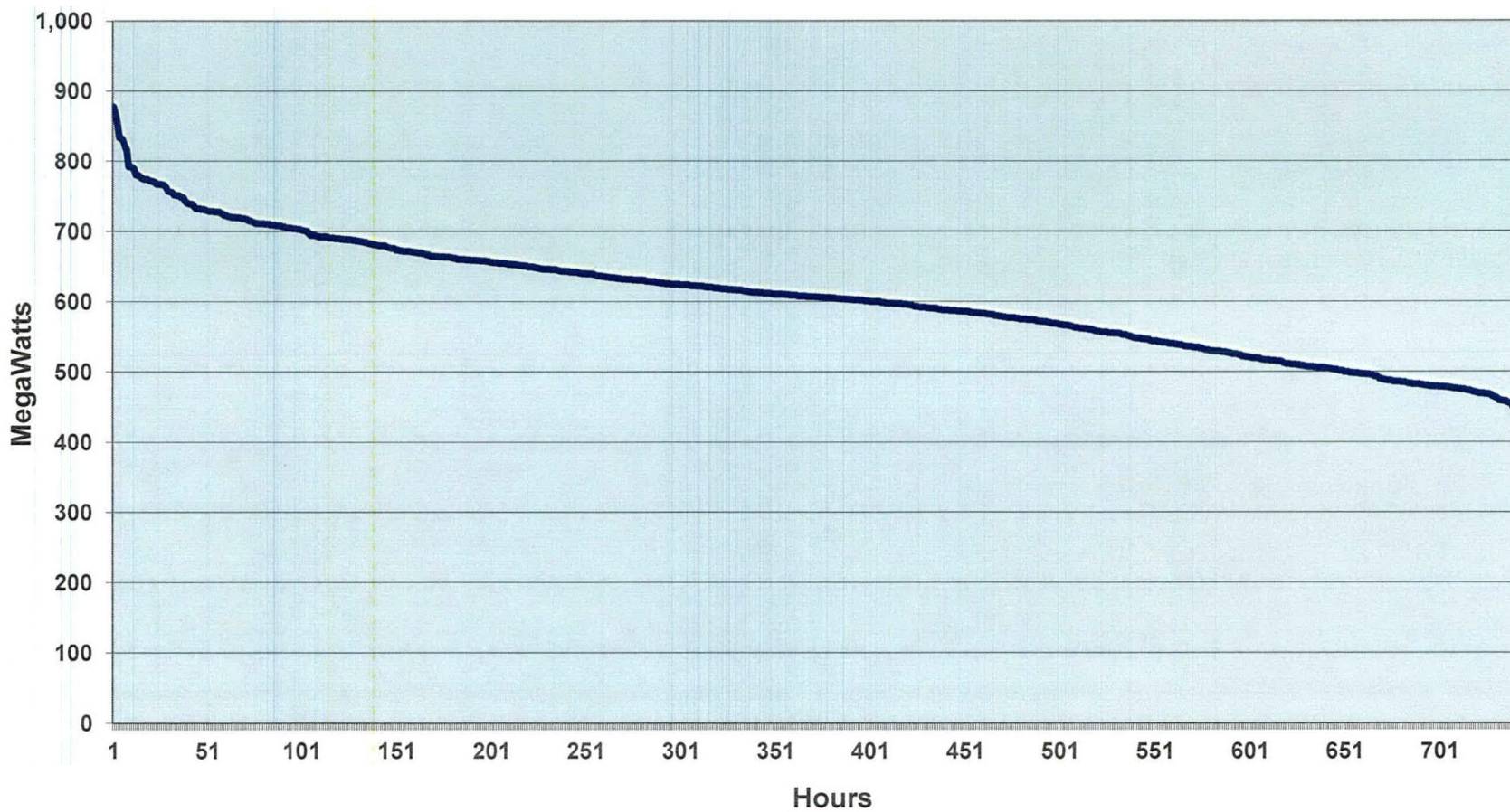
Kentucky Power Company August 2017 Load Duration Curve (Internal Load)



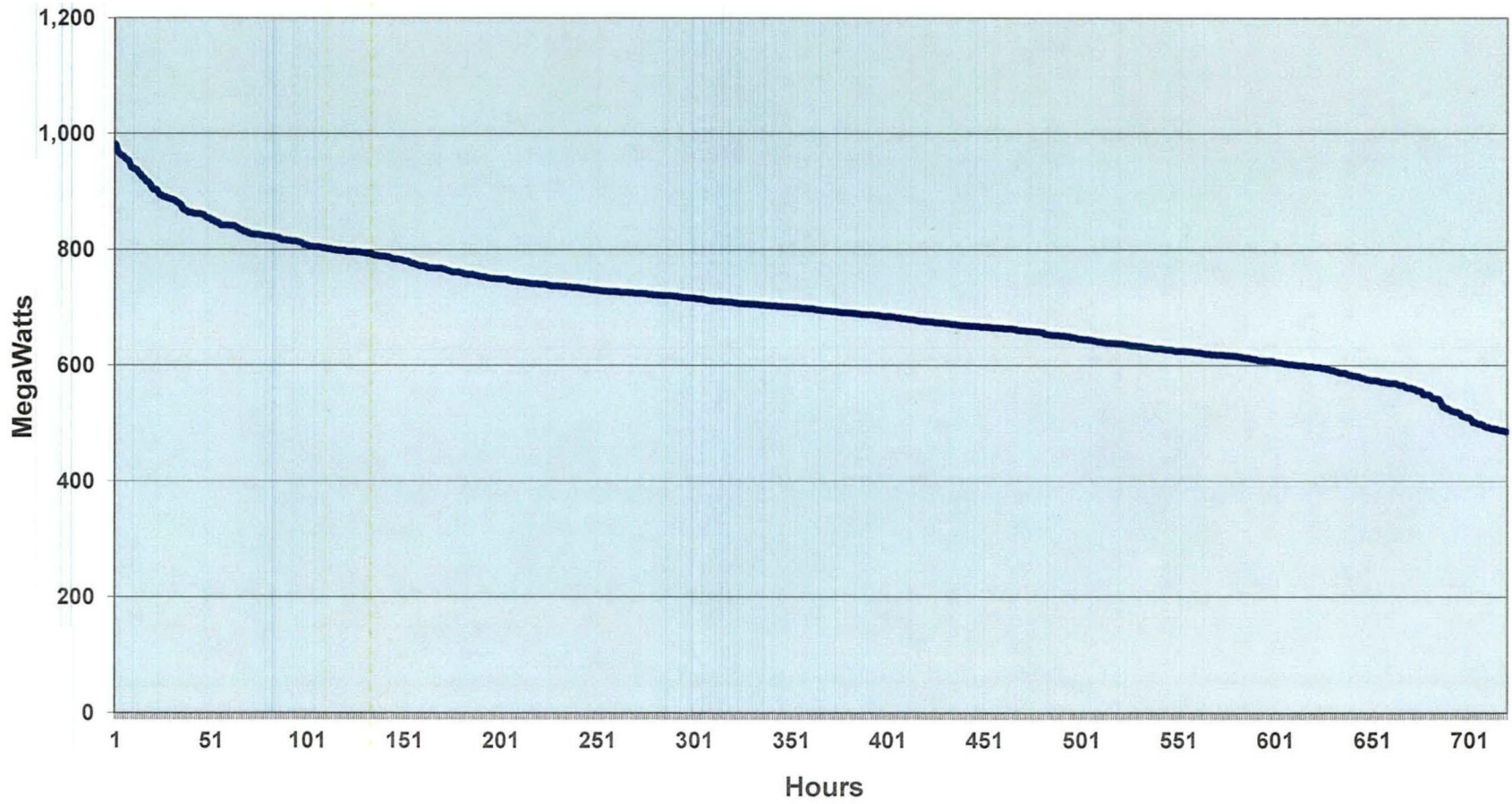
Kentucky Power Company September 2017 Load Duration Curve (Internal Load)



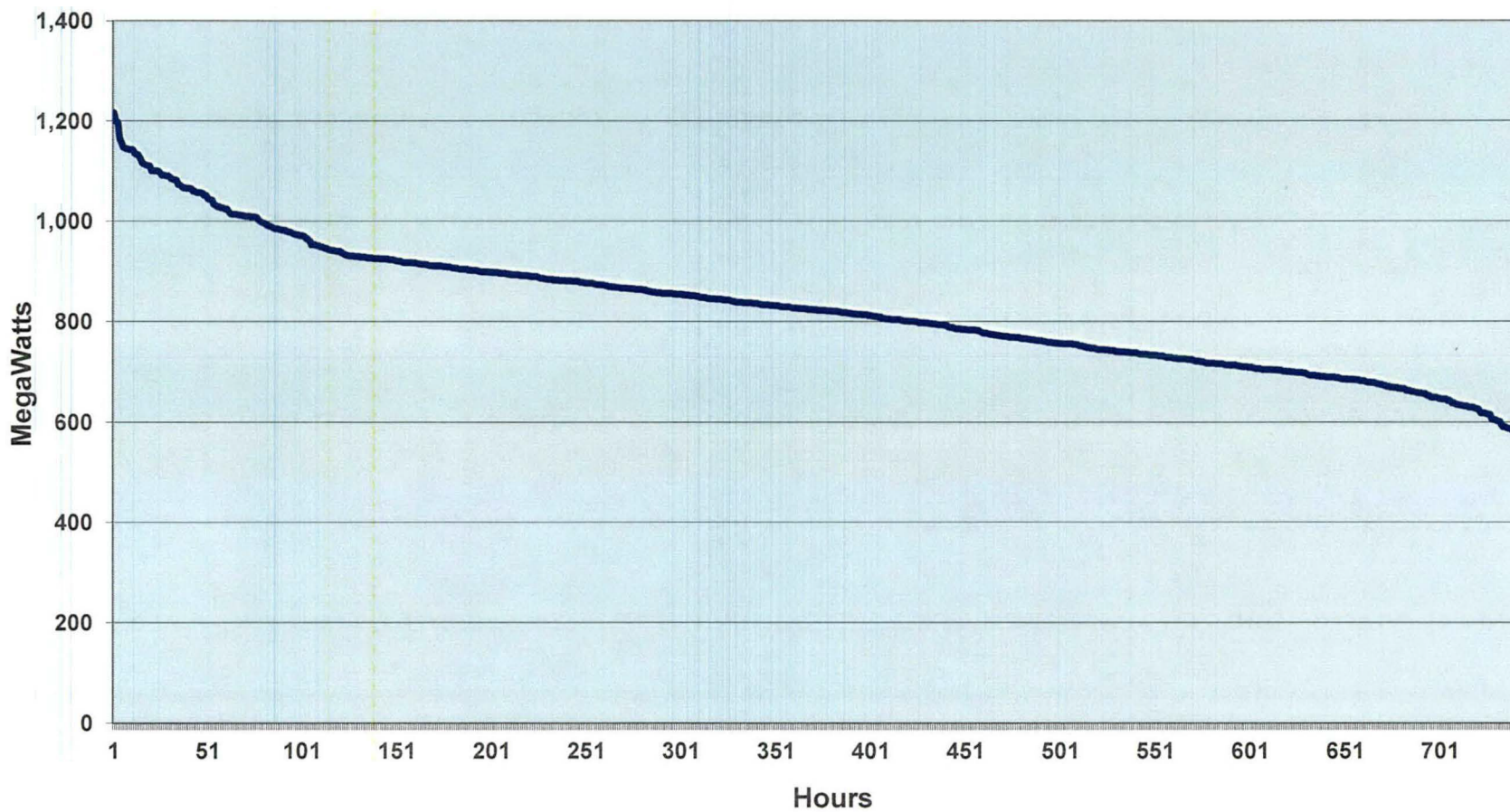
Kentucky Power Company October 2017 Load Duration Curve (Internal Load)



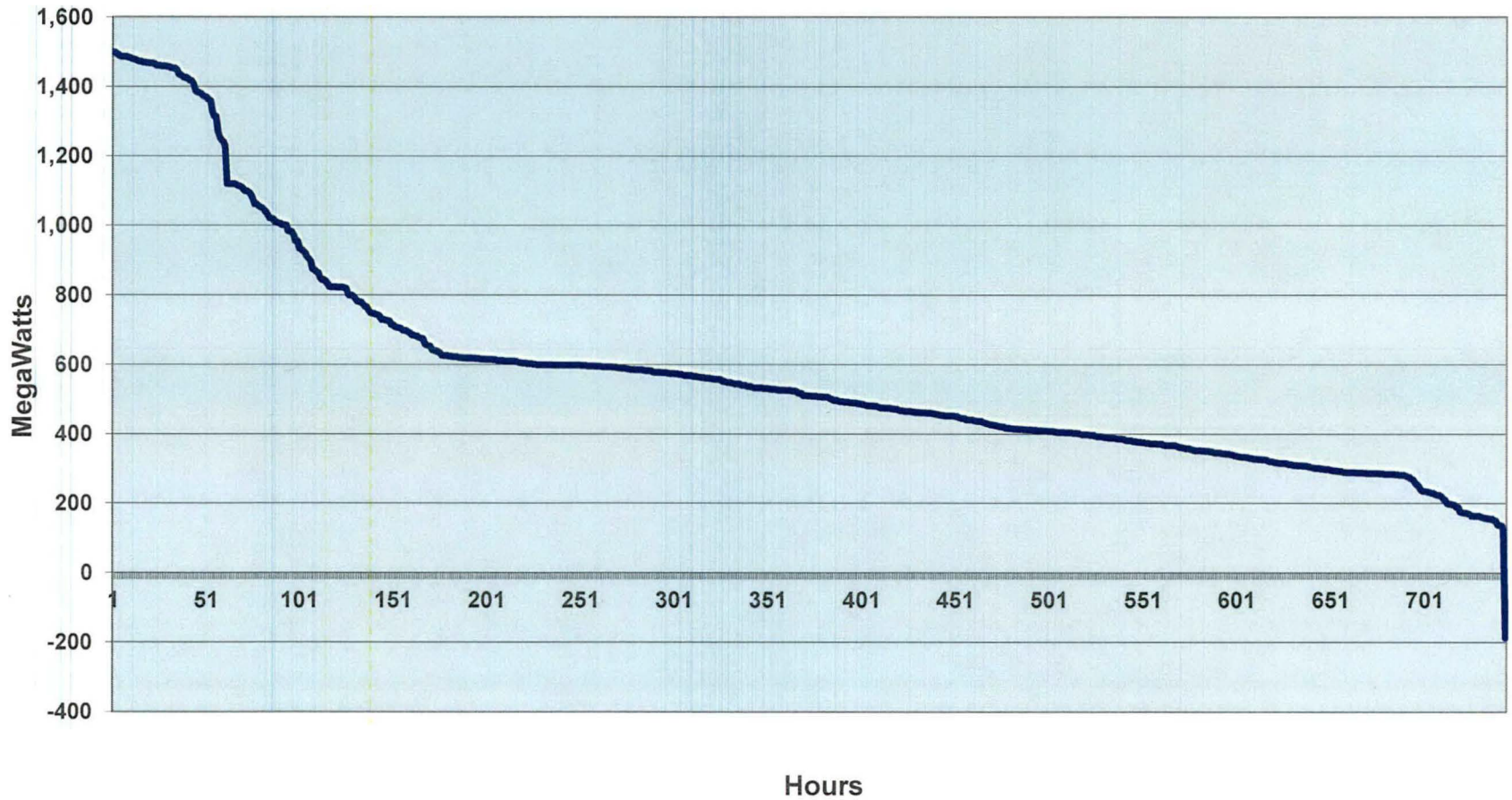
Kentucky Power Company November 2017 Load Duration Curve (Internal Load)



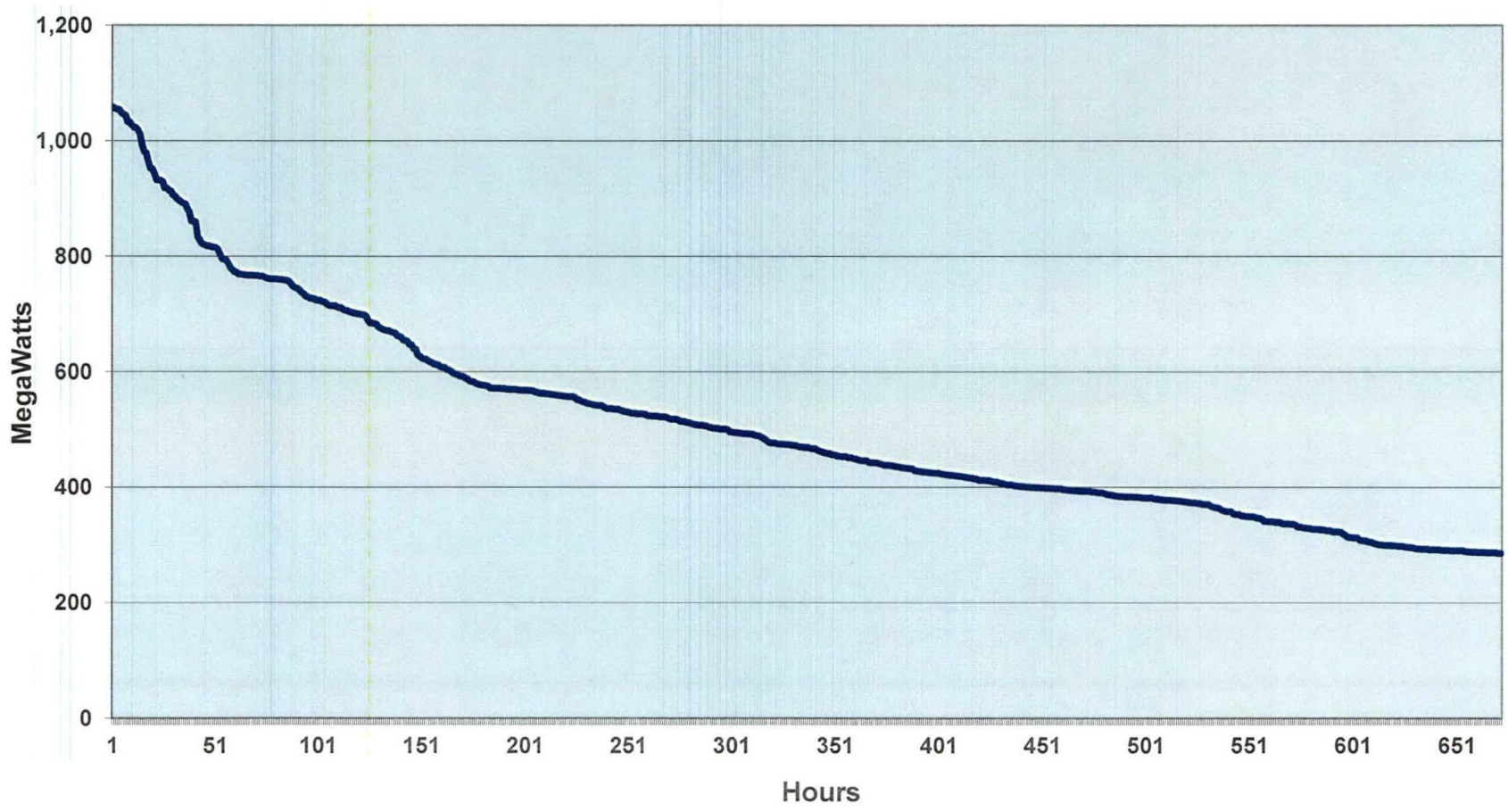
Kentucky Power Company December 2017 Load Duration Curve (Internal Load)



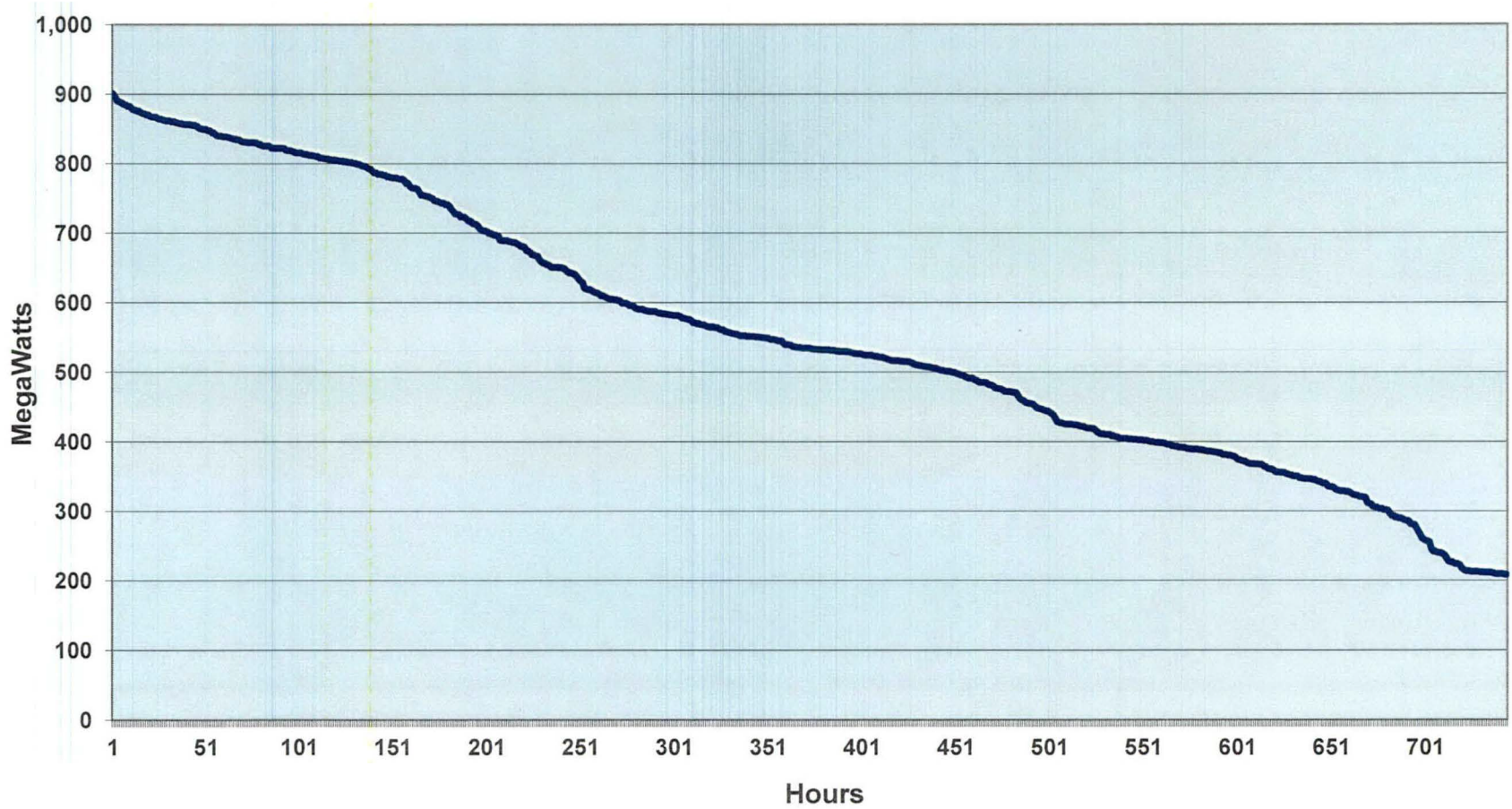
Kentucky Power Company January 2017 Load Duration Curve (System Load)



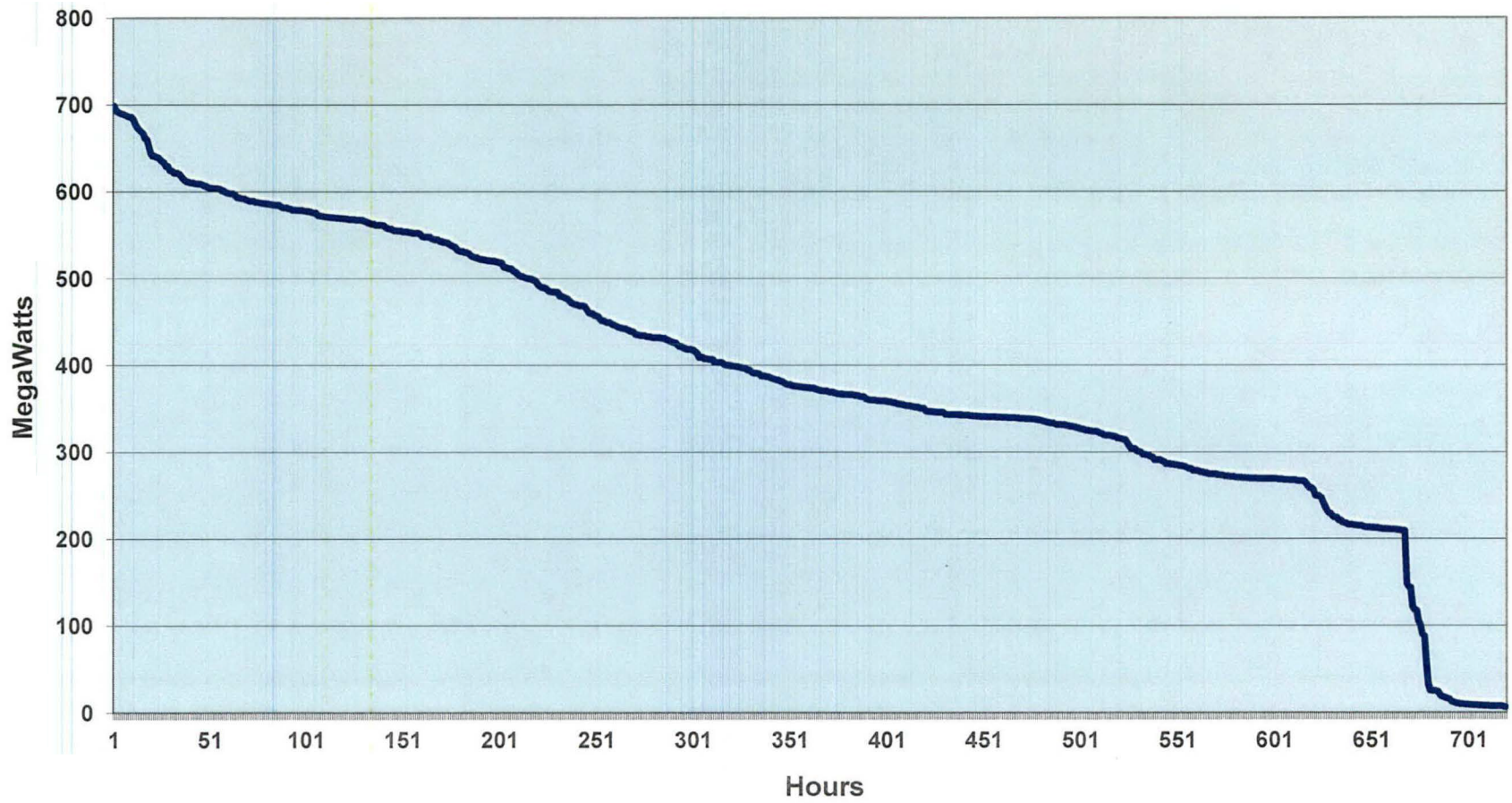
Kentucky Power Company February 2017 Load Duration Curve (System Load)



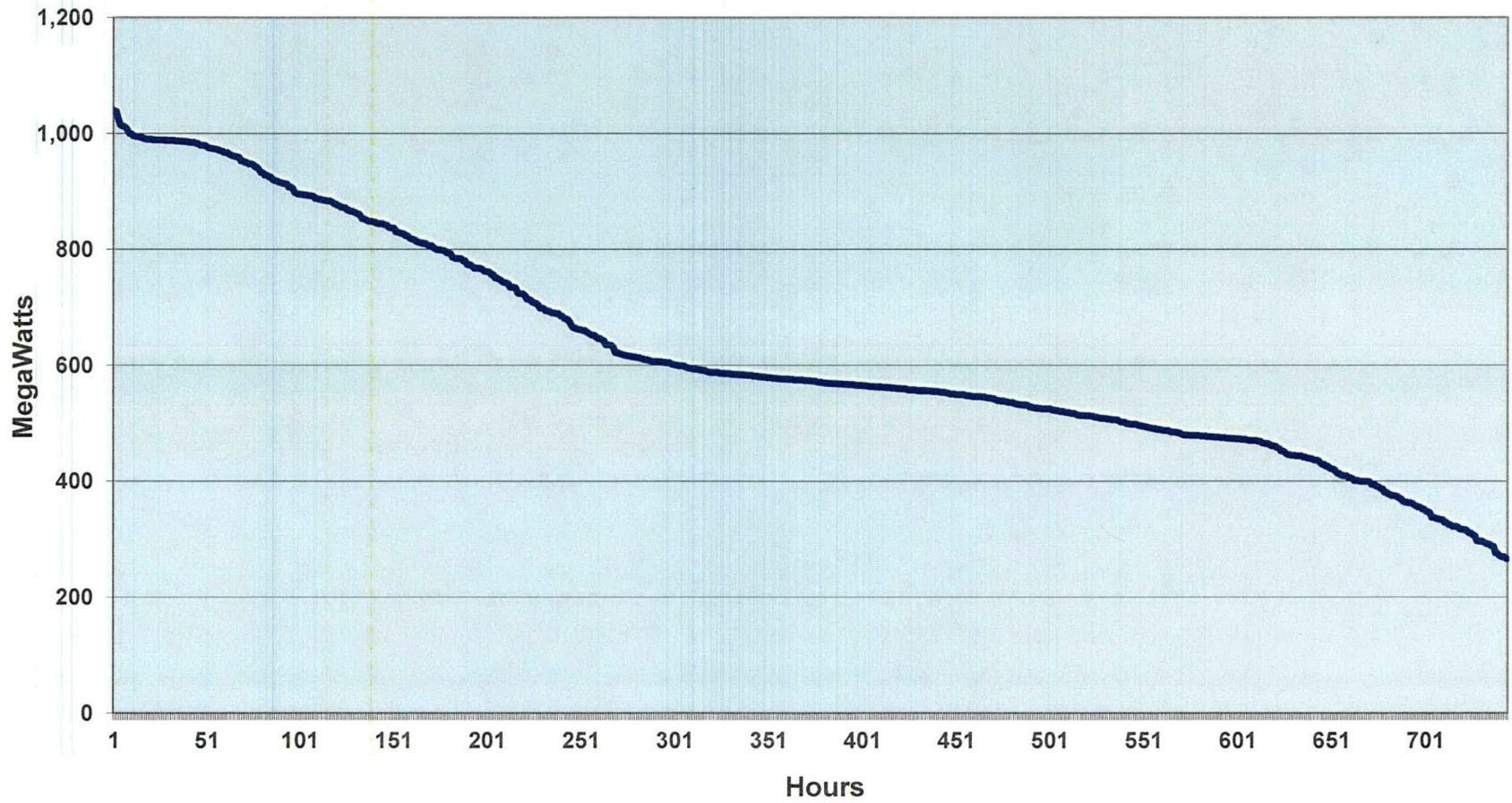
Kentucky Power Company March 2017 Load Duration Curve (System Load)



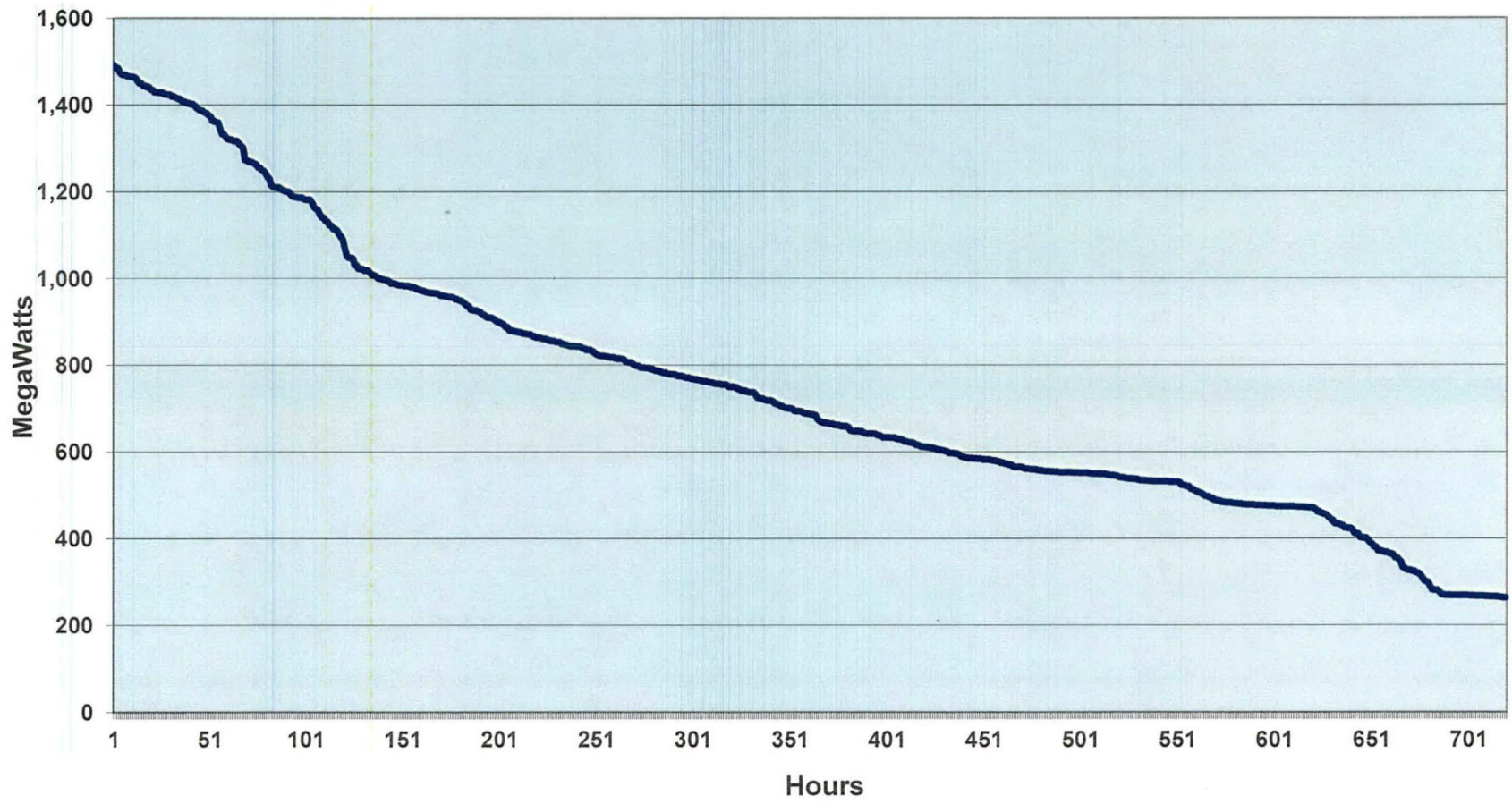
Kentucky Power Company April 2017 Load Duration Curve (System Load)



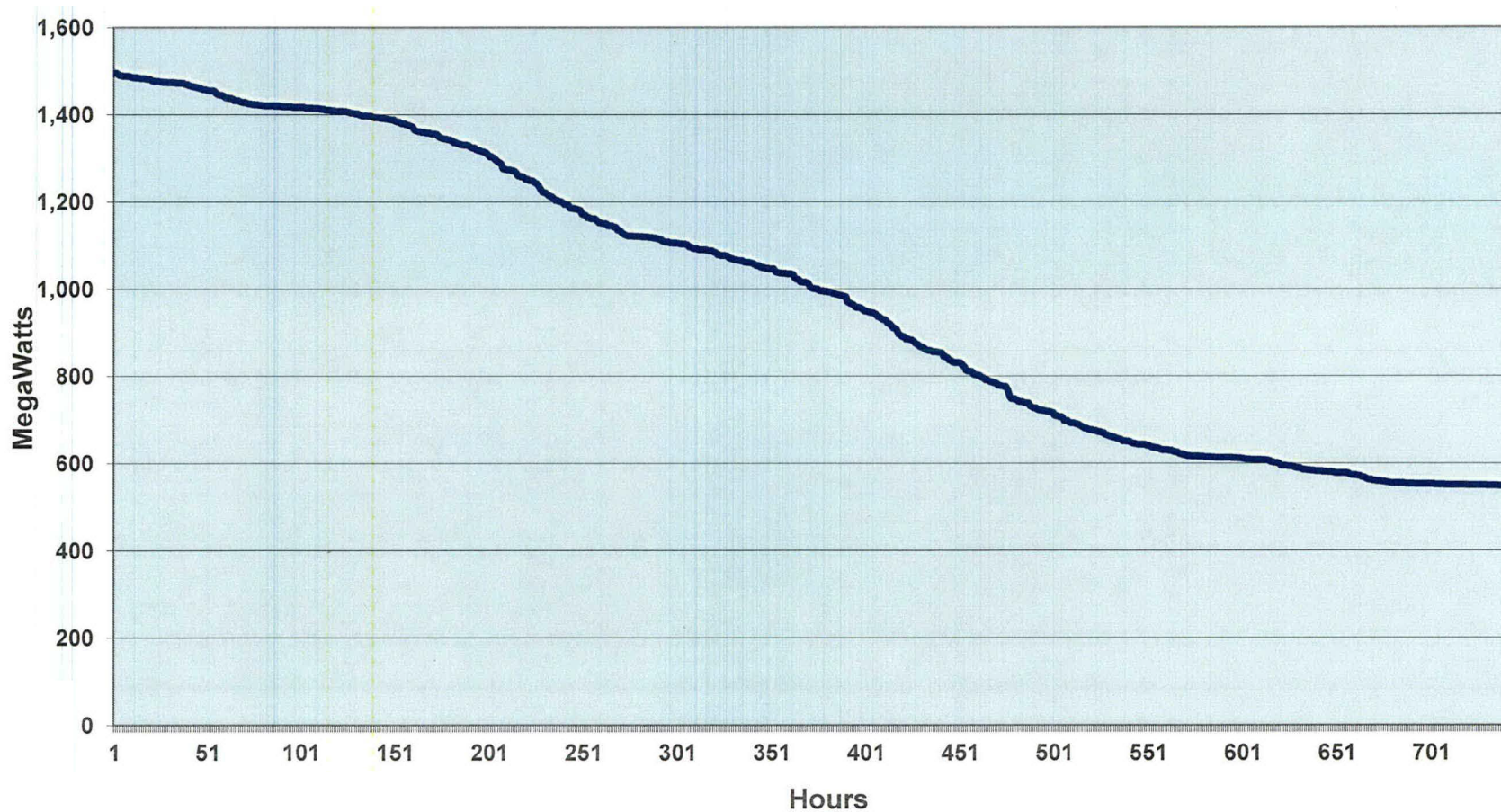
Kentucky Power Company May 2017 Load Duration Curve (System Load)



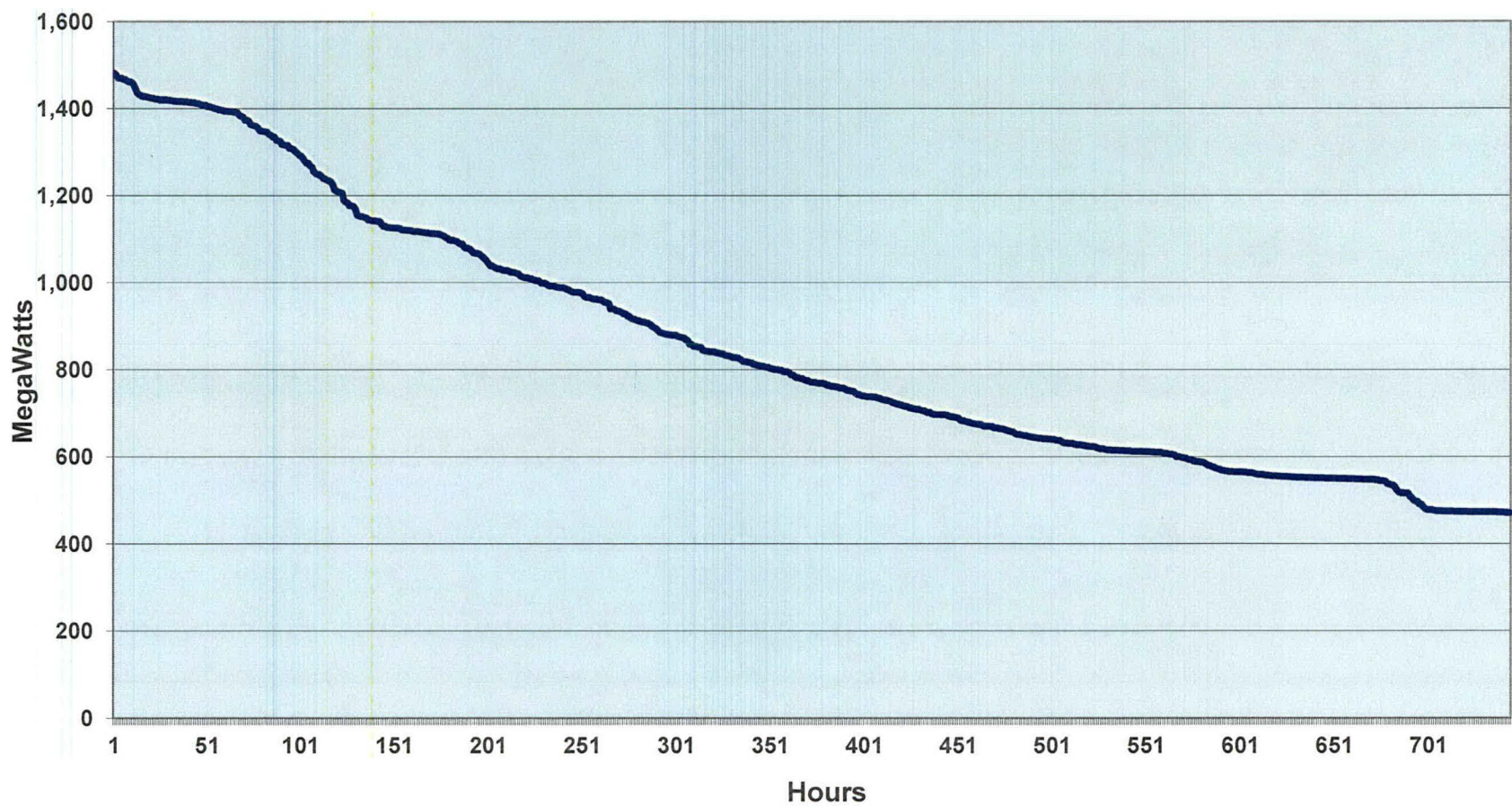
Kentucky Power Company June 2017 Load Duration Curve (System Load)



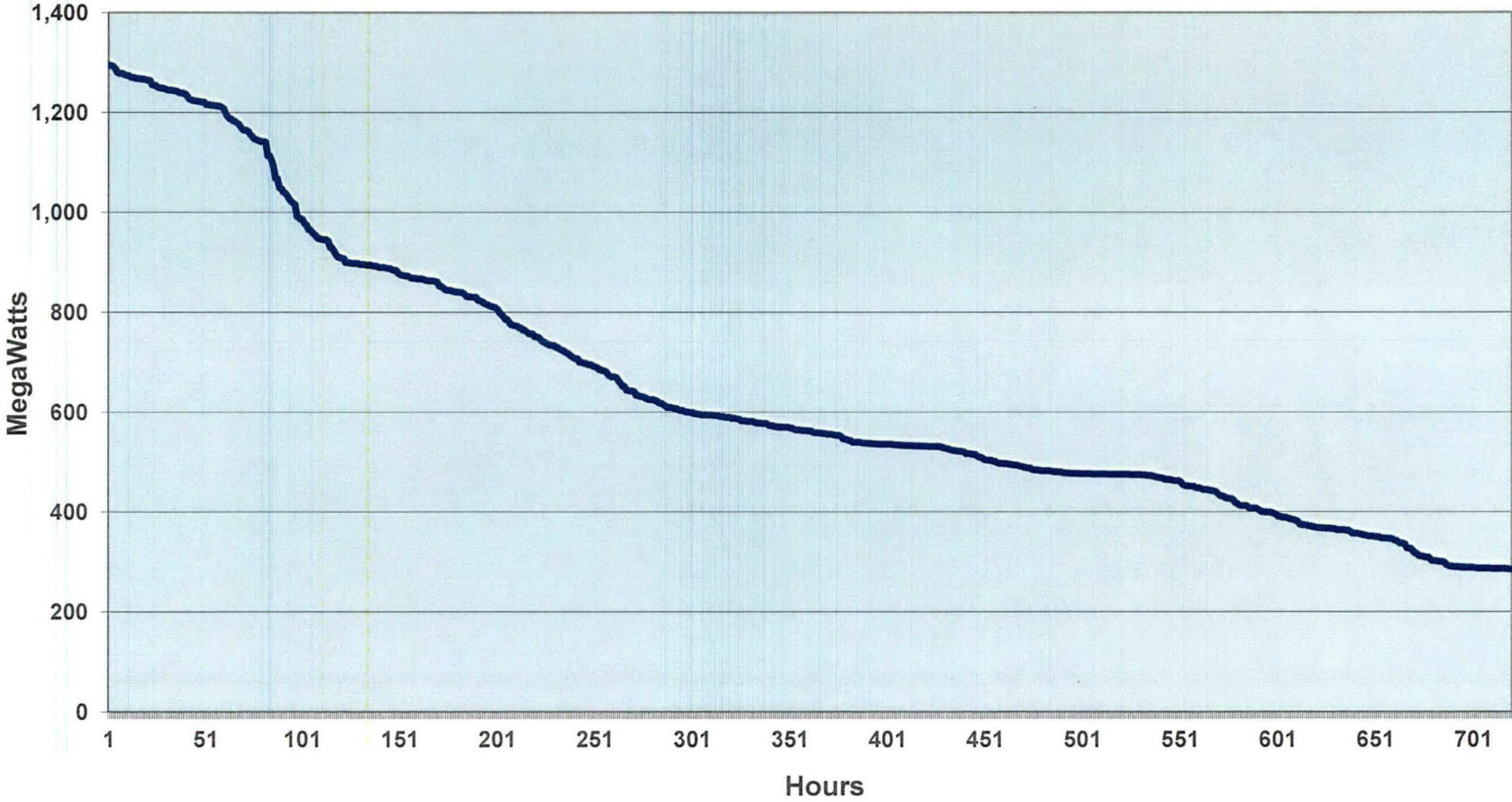
Kentucky Power Company July 2017 Load Duration Curve (System Load)



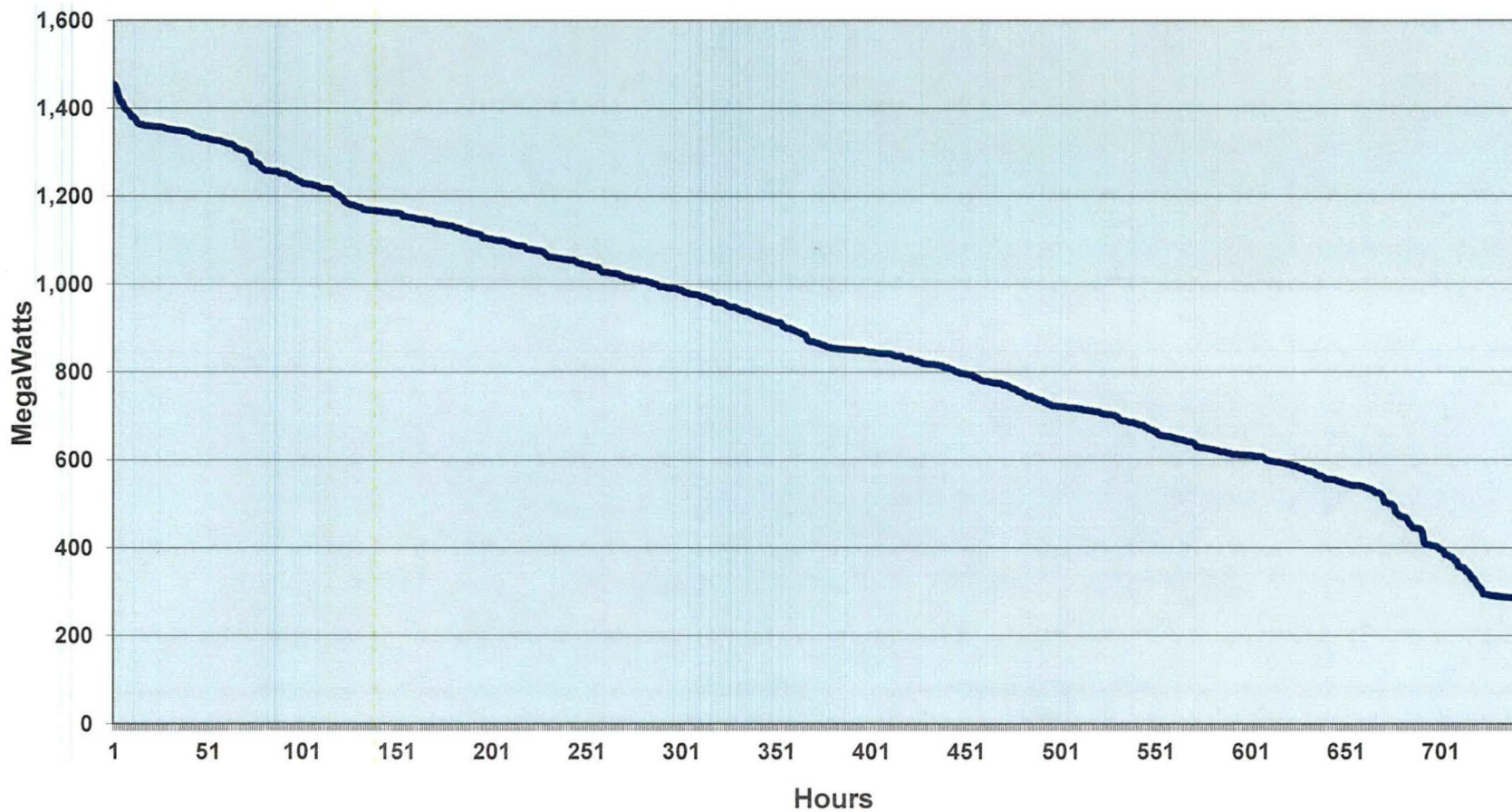
Kentucky Power Company August 2017 Load Duration Curve (System Load)



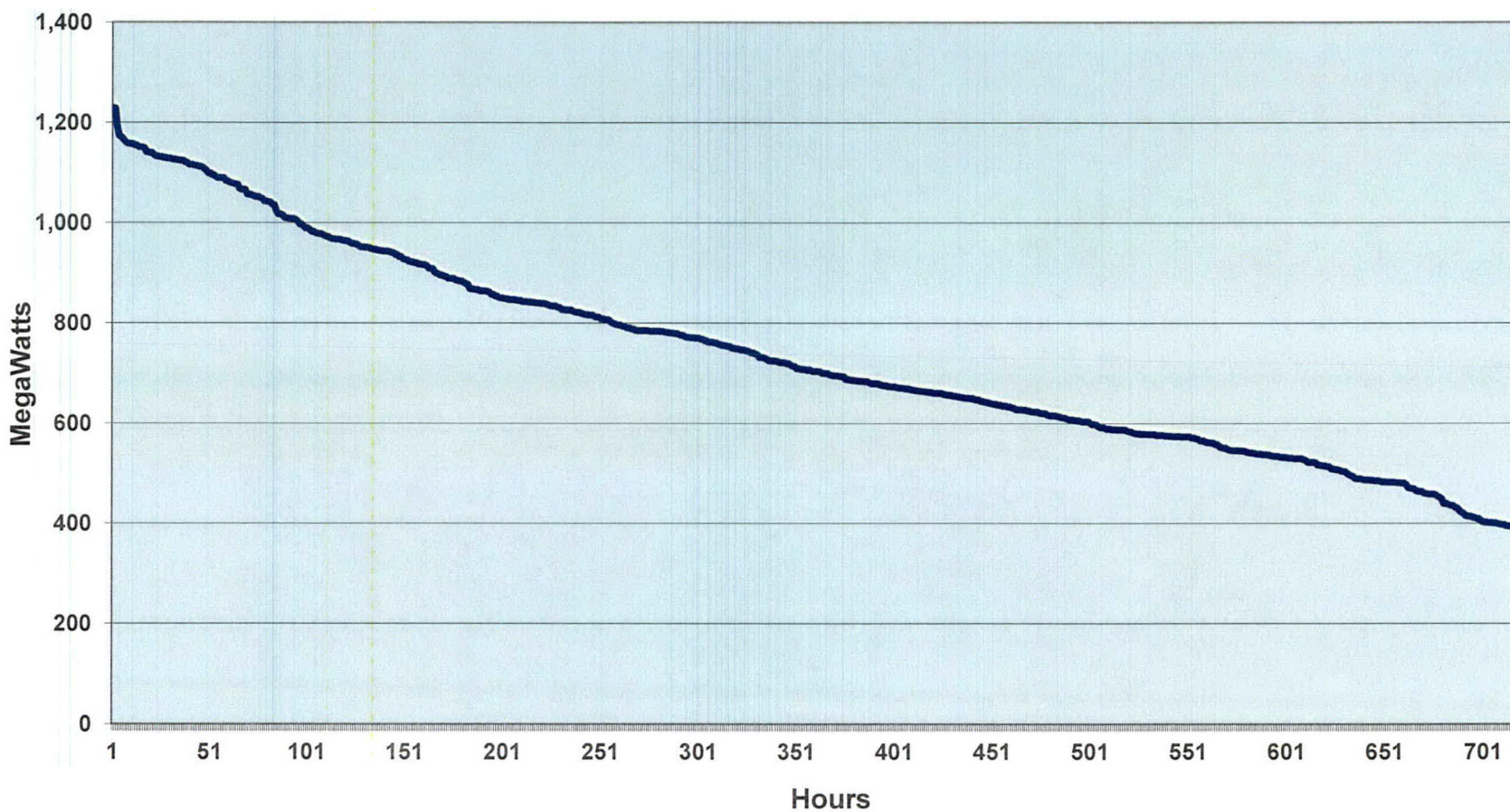
Kentucky Power Company September 2017 Load Duration Curve (System Load)



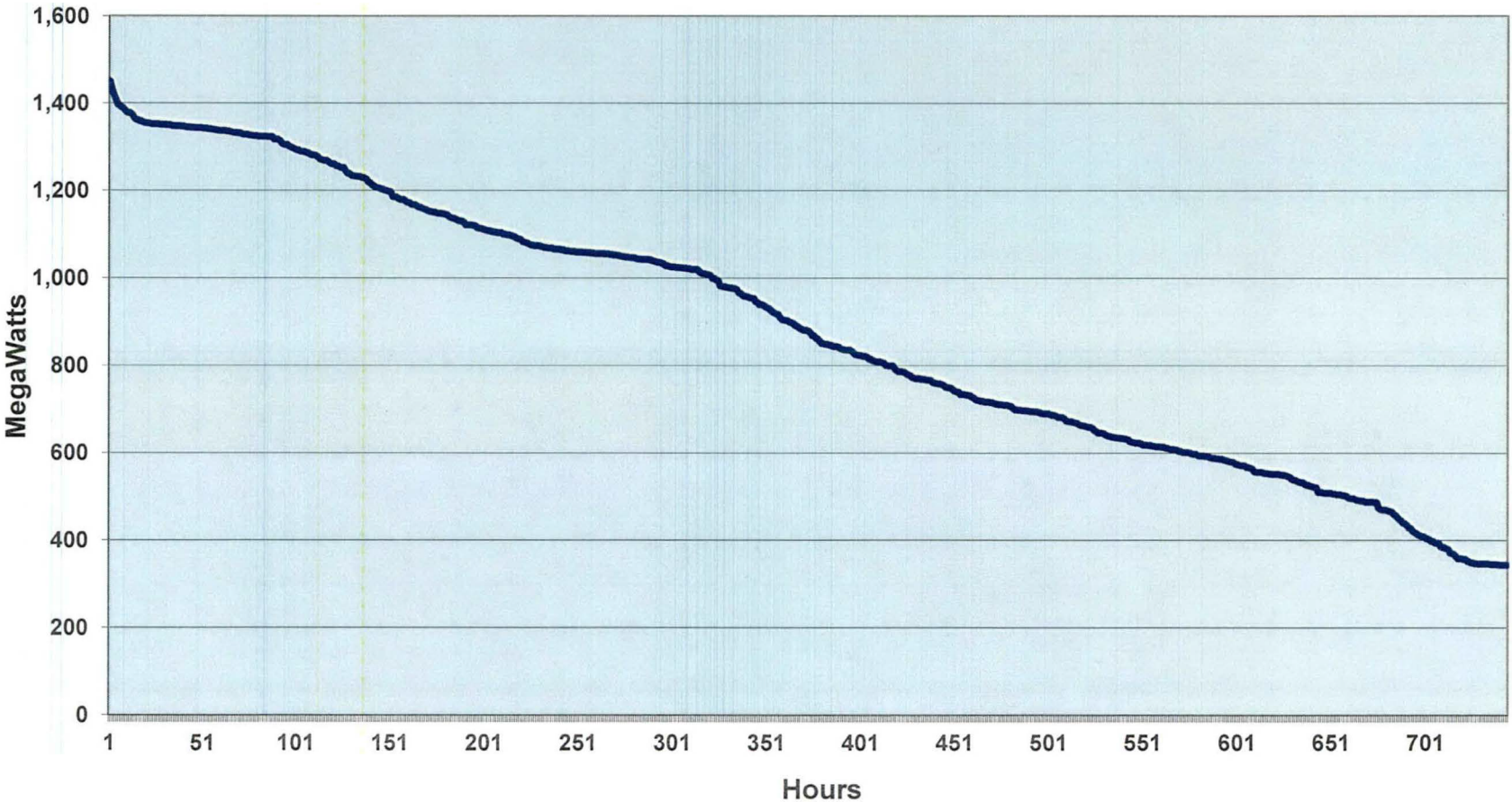
Kentucky Power Company October 2017 Load Duration Curve (System Load)



Kentucky Power Company November 2017 Load Duration Curve (System Load)



Kentucky Power Company December 2017 Load Duration Curve (System Load)



Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 3 Based on the most recent demand forecast, the base case demand and energy forecasts and high case demand and energy forecasts for the current year and the following four years. The information should be disaggregated into (a) native load (firm and non-firm demand) and (b) off-system load (both firm and non-firm demand). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Please refer to Page 1 of KPCO_R_KPSC_1_3_Attachment1 for Kentucky Power Company's forecast of seasonal peak internal demands and annual internal energy requirements. In addition, the associated high forecast for seasonal peak internal demands and internal energy requirements are provided on Page 1.

The off-system energy sales forecasts for Kentucky Power Company are provided on Page 2 of KPCO_R_KPSC_1_3_Attachment1. Forecasts of off-system peak demand for Kentucky Power Company have not been developed and are not available. In addition, high case forecasts for off-system energy sales and peak demand have not been developed and are not available.

The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the request for information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

**Kentucky Power Company
Base and High Forecast
Energy Sales (GWH) and Seasonal Peak Demand (MW)
2018 - 2022**

Year	Energy Sales		Summer Peak Demand		Preceding Winter Peak Demand	
	Base	High	Base	High	Base	High
2018	6,131	6,180	1,015	1,023	1,314	1,324
2019	6,056	6,144	1,004	1,019	1,296	1,315
2020	6,133	6,257	1,011	1,032	1,303	1,329
2021	6,095	6,250	1,007	1,033	1,295	1,328
2022	6,068	6,256	1,004	1,035	1,288	1,328

**Kentucky Power Company
Forecast Off-System Energy Sales (GWh)
2018 - 2022**

<u>Year</u>	<u>KPCo Off-System Sales</u>
2018	1,211
2019	1,456
2020	1,115
2021	1,332
2022	1,391

Kentucky Power Company
Administrative Case No. 387
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- 4 The target reserve margin currently used for planning purposes, stated as a percentage of demand. If changed from what was in use in 2001, include a detailed explanation for the change. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

The AEP-East operating companies are required to comply with the PJM mandated reserve margin following its October 1, 2004 integration of AEP's Eastern System into the PJM Interconnection.

The installed reserve margin requirement (IRM) is recalculated each year, depending on five-year average of PJM generating units reliability, PJM load shape, and assistance available from neighboring regions. In addition, Kentucky Power's responsibility to PJM depends on its twelve-month history of generator reliability or Unforced Capacity value, and its peak demand diversity in relation to the PJM total load.

For the delivery periods 2018/19 through 2022/23 PJM has set the IRM at 16.1%, 15.9%, 15.9%, 15.8% and 15.8%, respectively, and for planning purposes Kentucky Power assumed the same levels.

The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 5 Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420)

RESPONSE

KPCO_R_KPSC_1_5_Attachment1 provides projected PJM peak demands, capabilities, and margins for Kentucky Power for PJM Planning Years 2018/19 through 2022/23.

The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

KENTUCKY POWER COMPANY
 Projected PJM Peak Demands, Generating Capabilities, and Margins

PJM Planning Year	Peak Demand - MW						Capacity - MW								Reserve Margin		Reserve Margin		PJM UCAP Position After Interruptible w/ New Capacity	
	Internal Demand (a)	Inter-ruptible Demand Response (b)	DSM (c)	Net KPCo Internal Demand (4)=sum(1 thru 3)	Net Other Committed Sales (5)	Total KPCo Demand (6)=(4)+(5)	Existing Capacity & Planned Changes(d) (7)	Committed Net Sales (8)	Planned Capacity Additions (UCAP)			KPCo Company-wide EFORD (13)	Available UCAP (14) = (12)-(11)-(13)	Before Interruptible w/ New Capacity		After Interruptible w/ New Capacity		PJM FPR (%) (f)	Net Position MW (14)-(6)*(1+(18))	
									Name/ Identifier (e)	MW (10)	Annual Purch. (11)			Total ICAP Capacity (12)=(7)-(8)+(9)+(10)+(11)	MW	% of Demand	MW			% of Demand
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
2018 /19	995	(1)	0	994	0	994	1,452					1,452	10.38%	1,301	306	30.8	307	30.9	1.0905	217
2019 /20	999	(1)	0	998	0	998	1,452					1,452	8.88%	1,323	324	32.4	325	32.6	1.0896	236
2020 /21	995	0	0	995	0	995	1,452					1,452	8.88%	1,323	328	33.0	328	33.0	1.0898	238
2021 /22	999	0	0	999	0	999	1,452	75 MW Wind + 10 MW Solar	7.6			1,460	8.88%	1,331	332	33.2	332	33.2	1.0898	243
2022 /23	956	0	(12)	944	0	944	1,257					1,265	9.75%	1,142	198	21.0	198	21.0	1.0898	113

- Notes:
- (a) Based on Nov. update of (June 2017) Load Forecast (with implied PJM diversity factor).
 - (b) Demand Response approved by PJM in the prior planning year plus forecasted "Active" DR.
 - (c) Existing plus approved and projected "Passive" EE, and VVO. DSM is included in the PJM forecast.
 - (d) Assumes Rockport 2 lease ends 12/07/2022. The final decision is yet to be made.
 - (e) All Planned Capacity Additions are the supply side resources identified as part of KPCo's 2016 IRP beginning with the 2021/22 planning year due to development and implementation time. Due to the new PJM Capacity Performance rules - wind and solar are given a capacity credit equal to 5% and 38% of their nameplate respectively.
 - (f) Forecast Pool Requirement (FPR) = (1 + IRM) * (1 - PJM EFORD).

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 6 A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years.

RESPONSE

For a list of scheduled outages for the years 2018 - 2022, please see attachments KPCO_R_KPSC_1_6_Attachment1 and KPCO_R_KPSC_1_6_Redacted_Attachment2.

With regard to scheduled retirements for the years 2018 - 2022, the Company continues to evaluate renewal of the Rockport UPA. In this regard, AEP Generating Company, which is the counterparty to the Company's Rockport UPA, has indicated that "given the ongoing dispute with the Lessors [of Rockport Unit 2 to AEP Generating Company] concerning the terms of the Lease, AEP does not currently plan on extending the term of the Lease, which will terminate in 2022."

Witness: Ranie K. Wohnhas

**Kentucky Power Company Generating Unit
 Scheduled Outages for the Period
 January - March 2018**

Unit Name	Event Start	Event End	Event Description
Big Sandy 1	1/19/2018 15:26	1/23/2018	Check for leaks in boiler
Big Sandy 1	2/6/2018 1:31	2/8/2018	Boiler inspection for corrosion fatigue
Big Sandy 1	2/28/2018 0:00	3/3/2018	Pre-outage work
Mitchell 1	1/10/2018 2:03	1/16/2018	Remove clinker on lower slope and perform boiler inspection and repairs as necessary
Mitchell 1	1/25/2018 1:56	2/2/2018	#11 main turbine bearing vibration
Mitchell 1	2/15/2018 0:00	2/15/2018	Boiler inspection and repair
Mitchell 1	3/1/2018 0:00	4/26/2018	SCR catalyst change-out, boiler inspection and repair (i/r), turbine i/r, coal silo i/r, pulverizer i/r, and coal feeder i/r.
Mitchell 2	3/3/2018 0:15	4/30/2018	Turbine generator inspection and repair (i/r), turbine control valve i/r, generator field inspection, precipitator roof bay replacements, precipitator PLC upgrade, coal handling PLC upgrade, and boiler chemical clean.

Kentucky Power Generating Unit Scheduled Outages for the Period March 2018 - December 2022			
Plant	Unit	Scheduled Start Date	Scheduled End Date
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
BIG SANDY	1		
MITCHELL	1		
MITCHELL	1		
MITCHELL	1		
MITCHELL	1		
MITCHELL	1		
MITCHELL	2		
MITCHELL	2		
MITCHELL	2		
MITCHELL	2		

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 7 Identify all planned base load or peaking capacity additions to meet native load requirements over the next 10 years. Show the expected in-service date, size and site for all planned additions. Include additions planned by the utility, as well as those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Kentucky Power does not plan to add base load or peaking capacity to meet native load requirements over the next 10 years.

Kentucky Power's 2016 Integrated Resource Plan had projected the addition of 320 MW of solar and wind resources during the 2017 through 2021 time period. As noted in the Company's IRP, the Preferred Plan was not a commitment by Kentucky Power to the identified specific resource additions. Due to development and implementation constraints, the timing and size of these resources, as detailed in the 2016 IRP have been reduced and deferred as identified in columns 9 and 10 of KPCO_R_KPSC_1_5_Attachment1.

The AEP Interconnection Agreement terminated on January 1, 2014 and the AEP-East Power Pool no longer exists. As a result, the information regarding the AEP-East Power Pool is no longer available.

Witness: Ranie K. Wohnhas

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

8 a&b

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years:

- a. Total energy received from all interconnections and generation sources connected to the transmission system.
- b. Total energy delivered to all interconnections on the transmission system

RESPONSE

Please see KPCO_R_KPSC_1_8a__8b_Attachment1 for the requested information.

Witness: Ranie K. Wohnhas

8(a) All quantities represent metered values.

<u>Received from (MWh):</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
	<u>(Actual)</u>	<u>(Actual)</u>	<u>(Actual)</u>	<u>(Actual)</u>	<u>(Actual)</u>	<u>(Actual)</u>	
Appalachian Power (1)	4,338,641	4,631,523	5,171,726	4,017,819	4,720,669	5,890,958	(4)
Ohio Power (1)	10,644,478	10,066,676	9,354,195	9,802,944	9,333,487	8,911,083	(4)
East Ky Power Coop	394,193	386,124	294,361	271,558	300,264	281,573	(4)
LGE(Kentucky Utilities)	730,063	565,818	623,285	533,642	392,126	372,296	(4)
TVA	551,305	566,823	460,644	431,204	310,003	328,457	(4)
Illinois Power Co. (2)	136,798	111,628	84,189	380,121	319,112	257,896	(5)
Illinois Power Co. (3)	101,471	89,276	67,185	193,480	204,194	173,916	(5)
Big Sandy Generating Plant	2,661,344	2,764,447	4,708,473	3,132,143	530,333	563,778	740,460
Mitchell 1&2 (KPCo Share 50%)			4,096,020	2,688,981	3,814,606	3,820,609	2,842,429 (7)
Rockport (KPCo Share 15%)			2,507,564	1,866,891	1,727,064	1,631,917	2,210,163 (7)

KPSC Adm. Case No. 387
 Order Dated December 20, 2001
 For Calendar Year 2017
 Item No. _8a & 8b_____
 Page 2 of 2

8(b) All quantities represent metered values.

<u>Delivered to (MWh) :</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Appalachian Power (1)	11,673,720	11,550,084	13,038,290	11,369,584	9,073,136	10,111,259	(4)
Ohio Power (1)	526,005	371,910	433,763	440,883	509,828	454,121	(4)
East Ky Power Coop	206,810	136,118	236,884	240,042	291,229	245,640	(4)
LGE(Kentucky Utilities)	36	0	0	0	0	0	(4)
TVA	0	0	0	0	0	0	(4)
Illinois Power Co. (2)	0	0	0	0	0	0	(5)
Illinois Power Co. (3)	0	0	0	0	0	0	(5)
Vanceburg and Olive Hill	95,525	95,502	96,494	90,532	85,455	80,426	(6)

Notes: (1) An AEP System company.

(2) At the Riverside independent power producing plant (IPP) in Lawrence County, KY.

(3) At the Foothills independent power producing plant (IPP) in Lawrence County, KY.

(4) The Company does not forecast metered interchange; however, the future years' energy flows are not expected to be materially different from the year 2015 actuals.

(5) The Company does not, and can not, forecast energy production output from an IPP.

(6) This is a 3rd Party Firm Load that is served by Kentucky Power

(7) Net Generation less Non-generating auxiliaries shares from Mitchell Power Plant and Rockport are from Plants not directly connected to the KPCo system

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

8 c&d

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years.

- c. Peak load capacity of the transmission system.
- d. Peak demand for summer and winter seasons on the transmission system.

RESPONSE

c. The maximum amount of electric energy that can be transmitted through a transmission network is a function of the level of the load and generation connected to the transmission system as well as the level and direction of transmission service into, out of, and through the network. Therefore, the 'Peak Load Capacity' of the transmission system cannot be quantified as a single value. The Kentucky Power transmission system capacity is designed to serve the existing and projected load. It is also designed to reliably serve the load for any single contingency outage of a line, transformer or generator. The existing transmission system, together with the transmission capacity additions described in response to KPSC 1-9, will provide adequate capacity to serve the existing and projected loads shown in the table below.

d. Please refer to KPCO_R_KPSC_1_8d_Attachment1 for the requested information.

Witness: Ranie K. Wohnhas

Kentucky Power Company
Seasonal Peak Demand
Actual 2017 and Forecast 2018-2022

Year	Summer Peak Demand (MW)	Preceding Winter Peak Demand (MW)
2017	1,006*	1,214*
2018	1,015	1,314
2019	1,004	1,296
2020	1,011	1,303
2021	1,007	1,295
2022	1,004	1,288

***Based on Actual Data**

Kentucky Power Company
Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2017

DATA REQUEST

- 9 Identify all planned transmission capacity additions for the next 10 years. Include the expected in-service date, size and site for all planned additions and identify the transmission need each addition is intended to address.

RESPONSE

Please refer to KPCO_R_KPSC_1_9_Redacted_Attachment1 for the requested information.

Witness: Ranie K. Wohnhas

***ALL CAPACITIES APPROXIMATE**

Hazard – Wooton 161 kV Project – This project will replace the three single phase 161/138 kV transformers at Hazard with a higher capacity three phase transformer. In addition the existing 138/69 kV transformers at Hazard will be replaced due to insulation and short circuit breakdown. The project will also rebuild approximately 6.6 mile Hazard - Wooton 161 kV line. The project will address thermal violations and equipment material conditions, performance, and risk concerns associated concerns identified on the Hazard-Wooton 161 kV line and 161/138 kV transformer. Current projected in-service date for the project December 2019.

Hazard – Wooton 161 kV Line

Existing Summer Emergency Conductor Capacity: 215 MVA

Proposed Summer Emergency Conductor Capacity: 390 MVA

Hazard 161/138 kV Transformer

Existing Nameplate Capacity: 135 MVA

Proposed Nameplate Capacity: 350 MVA

Hazard 138/69 kV Transformer #1

Existing Nameplate Capacity: 50 MVA

Proposed Nameplate Capacity: 130 MVA

[REDACTED]

[REDACTED]

[REDACTED]

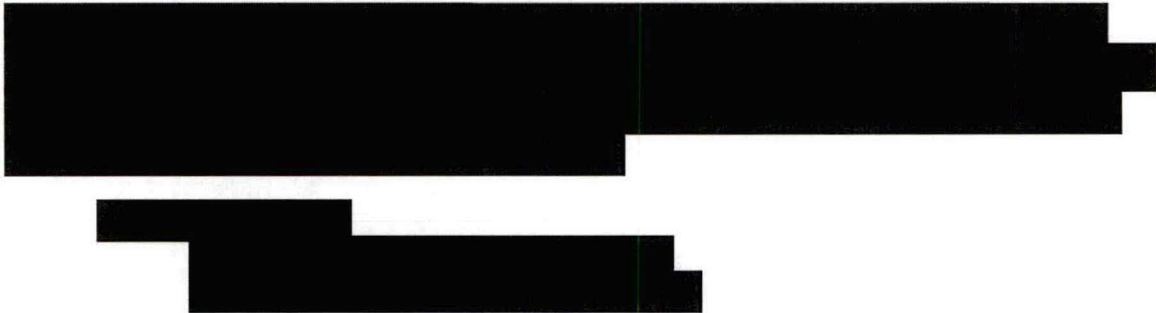
[REDACTED]

Stanville Area Improvements – Due to severe access issues at Betsy Layne, as well as the station being located in a flood plain, this project will retire Betsy Layne station and construct a new greenfield station (Stanville) just north of Betsy Layne station at the corner of Bobcat Blvd and E. Main Street in Stanville, KY. This project is necessary to solve planning criteria violations and address distribution reliability concerns. The Betsy Layne transformer will overload under winter peak conditions for the loss of the Cedar Creek Transformer. As part of the project, a 69kV capacitor bank will be installed at South Pikeville Station to solve voltage drop violations at South Pikeville and Pikeville Stations for the loss of the Cedar Creek Transformer. Current projected in-service date is December 2018.

Betsy Layne / Stanville Transformer

Existing Betsy Layne Nameplate Capacity: 50 MVA

Proposed Stanville Nameplate Capacity: 130 MVA

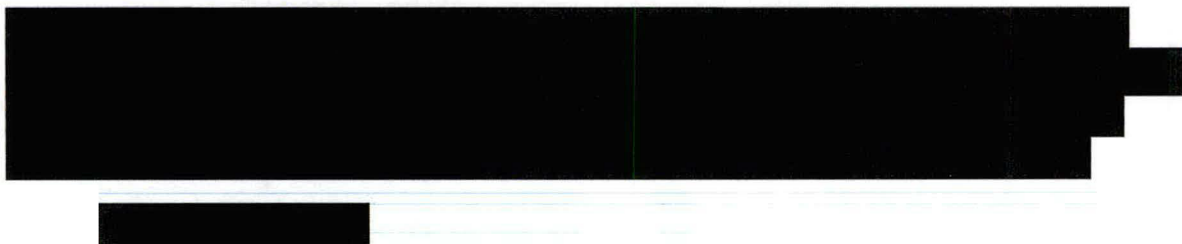


Cannonsburg – South Neal 69 kV Line Section Rebuild – This project will rebuild approximately 5 miles of the Cannonsburg – South Neal 69 kV line. The project will address thermal violations identified on the Cannonsburg – South Neal 69 kV line. Current projected in-service date for the project is December 2019.

Cannonsburg - South Neal 69 kV Line

Existing Summer Emergency Conductor Capacity: 75 MVA

Proposed Summer Emergency Conductor Capacity: 102 MVA



[REDACTED]

EastPark 138 kV transmission line – This project will construct approximately 2.7 miles of 138 kV line to connect the existing Chadwick – Kentucky Electric Steel 138 kV line to the proposed Moore Hollow 138 kV substation located in the EastPark Industrial Center. The project will serve as a transmission service delivery point to industrial customers at the EastPark Industrial Center. Current projected in-service date for the project is October 2019.

EastPark 138 kV transmission line

Proposed Summer Emergency Conductor Capacity: 413 MVA

[REDACTED]

[REDACTED]

Enterprise Park Economic and Area Improvements – This project will construct approximately 5 miles of double circuit 138 kV line to connect the proposed Kewanee station at the Kentucky Enterprise Industrial Park to the existing Beaver Creek – Cedar Creek 138 kV circuit. The project will allow for the retirement of the existing Fords Branch station to address thermal criteria and equipment material conditions, performance, and risk concerns. The project will also provide transmission service to industrial customers at the Kentucky Enterprise Industrial Park. Current projected in-service date for the project is December 2019.

Kewanee Extension 138 kV transmission line

Proposed Summer Emergency Conductor Capacity: 413 MVA

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RECEIVED

MAY 01 2018

PUBLIC SERVICE
COMMISSION



A unit of American Electric Power

Public Service Commission

2017

Utility Financial Report

OATH

State of Ohio)

) ss:

County of Franklin

Jeffrey W. Hoersdig
(Name of Officer)

makes oath and

says that he/she is Assistant Controller of
(Official title of officer)

Kentucky Power Company
(Exact legal title or name of respondent)

that is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 2017, to and including December 31, 2017

Jeffrey W. Hoersdig
(Signature of Officer)

subscribed and sworn to before me, a Notary, in and for
the State and County named in the above this 16 day of April, 2018

(Apply Seal Here)

My Commission expires April 29, 2019



S. Smith-Hisler
(Signature of office authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine of imprisonment under KRS 523.040 and 523.100.]

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	Y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		A
Compilation		
Review		
Please enclose a copy of the accountant's report with annual report.		

Report of Independent Auditors

To the Board of Directors and Management of
Kentucky Power Company

We have audited the accompanying financial statements of Kentucky Power Company, which comprise the balance sheet as of December 31, 2017, and the related statements of income, of retained earnings, and of cash flows for the year then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.

Other Matter

The financial statements of the Company as of December 31, 2016 and for the year then ended were audited by other auditors whose report, dated April 14, 2017, expressed an unmodified opinion on those statements.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Kentucky Power Company on the basis of the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Federal Energy Regulatory Commission. Our opinion is not modified with respect to this matter.

Restriction of Use

This report is intended solely for the information and use of the board of directors and management of Kentucky Power Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose.

PricewaterhouseCoopers LLP

Columbus, Ohio
April 12, 2018

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	\$390,000,000.00	
Is Principal Current?		Y
Is Interest Current?		Y

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Additional Information - Part 1

	Total	Amount
Please furnish the following information, for Kentucky Operations only		
Number of Rural Customers (other than farms)	102,333	
Number of Farms Served (A farm is any agricultural operating unit consisting of 3 acres or more)	10,295	
Number of KWH sold to all Rural Customers	3,428,150,276	
Total Revenue from all Rural Customers		\$315,567,458.29
LINE DATA		
Total Number of Miles of Wire Energized (located in Kentucky)	28,695	
Total number of Miles of Pole Line (Located in Kentucky)	10,080	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Additional Information - Counties

Boyd, Breathitt, Carter, Clay, Elliott, Fleming, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, Rowan

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Supplemental Electric Information

	Revenues	KWHs Sold	Customers
Residential (440)	\$232,153,022.00	1,932,803,732	135,890
Commercial and Industrial Sales			
Small (or Comercial)	\$150,440,647.00	1,243,882,719	30,210
Large (or Industrial)	\$157,574,769.00	2,403,071,227	1,154
Public St and Hwy Lighting (444)	\$1,980,402.00	10,448,577	345
Other Sales to Public Authorities (445)			
Sales to Railroads and Railways (446)			
Interdepartmental Sales (448)			
Total Sales to Ultimate Customers	\$542,148,840.00	5,590,206,255	167,599
Sales For Resale (447)	\$56,844,518.00	1,516,153,974	19
Total Sales of Electricity	\$598,993,358.00	7,106,360,229	167,618

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Identification (Ref Page: 1)

	Name	Address1	Address2	City	State	Zip	Phone
Exact Legal Name of Respondent	Kentucky Power Company						
Previous Name and Date of change (if name changed during the year)							
Name Address and Phone number of the contact person	Jerri-Lynn Ruggiero	AEP Service Corporation	1 Riverside Plaza	Columbus	OH	43215	(614) 716-1000

Note File: Attestation and signature via Electronic Filing

300 Kentucky Power Company 01/01/2017 - 12/31/2017

General Information - (1) (Ref Page: 101)

	Name	Address	City	State	Zip
Provide name and title of the Officer having custody of the general corporate books of account	Jeffrey W. Hoersdig, Assistant Controller	1 Riverside Plaza	Columbus	OH	43215
Provide Address of Office where the general Corporate books are kept		1 Riverside Plaza	Columbus	OH	43215
Provide the Address of any other offices where other corporate books are kept if different from where the general corporate books are kept					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

General Information (2,3,4) (Ref Page: 101)

Explain

Provide the name of the State under the laws which respondent is incorporated and date

If incorporated under a special law give reference to such law

If not incorporated state that fact and give the type of organization and the date organized

Kentucky
July 21, 1919

If at any time during the year the property of respondent was held by a receiver or trustee

give (a) the name of receiver or trustee

(b) date such receiver or trustee took possession

(c) the authority by which the receivership or trusteeship was created and

(d) date when possession by receiver or trustee ceased.

None

State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Kentucky

300 Kentucky Power Company 01/01/2017 - 12/31/2017

General Information - (5) (Ref Page: 101)

	Yes/No	Date
Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal account for the previous years certified financial statements?		
Enter Y for Yes or N for No	Y	
If yes, Enter the date when such independent accountant was initially engaged		3/2/2017



300 Kentucky Power Company 01/01/2017 - 12/31/2017

Control Over Respondent (Ref Page: 102)

Explain

If any corporation, business trust or similar organization or combination of such organizations jointly held control over respondent at end of year

state name of controlling corporation or organization

manner in which control was held and extent of control.

If control was in a holding company organization , show the chain of ownership or control to the main parent company or organization.

If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained and purpose of the trust.

American Electric Power Company, Inc.
Ownership of 100% of Respondent's Common Stock

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Corporations Controlled by Respondent (Ref Page: 103)

Name of Company	Business	Percent Voting Stock
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300 Kentucky Power Company 01/01/2017 - 12/31/2017

Officers (Ref Page: 104)

Title	Name	First	Salary
Report name, title and salary for each executive officer whose salary is \$50,000 or more			
Chairman and CEO	Akins	Nicholas	\$1,375,000.00
Executive VP and CFO	Tierney	Brian	\$750,000.00
Executive VP and Counsel	Feinberg	David	\$632,000.00
Executive VP-Transmission	Barton	Lisa	\$550,000.00
Executive VP and CAO	Hillebrand	Lana	\$577,000.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Directors (Ref Page: 105)

Name (and Title)	Principal Bus. Addr.	City	State	Zip
Nicholas K. Akins, Chairman of the Board and Chief Executive Officer	1 Riverside Plaza	Columbus	OH	43215
Lisa M. Barton, Vice President	1 Riverside Plaza	Columbus	OH	43215
Robert P. Powers, Vice President	1 Riverside Plaza	Columbus	OH	43215
Brian X. Tierney, Chief Financial Officer and Vice President	1 Riverside Plaza	Columbus	OH	43215
Mark C. McCullough, Vice President	1 Riverside Plaza	Columbus	OH	43215
Lana L. Hillebrand, Vice President	1 Riverside Plaza	Columbus	OH	43215
David M. Feinberg, Secretary	1 Riverside Plaza	Columbus	OH	43215
Charles R. Patton, Vice President	1 Riverside Plaza	Columbus	OH	43215
Paul Chodak III, Vice President	1 Riverside Plaza	Columbus	OH	43215

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Important Changes During the Year (Ref Page: 108)

Explain

Give particulars concerning the matters indicated below.

- | | |
|--|--|
| <p>1. Changes in and important additions to franchise rights:</p> | <p>Date Acquired Or Extended:
 - Renewed February 14, 2017
 - Renewed December 27, 2017</p> <p>Community(full name):
 - City of Whitesburg, Letcher County, Kentucky
 - Bellefonte, Greenup County, Kentucky</p> <p>Period of Franchise & Termination (month/day/year):
 - Twenty (20) year franchise renewal expiring February 13, 2037
 - Twenty (20)year franchise expiring December 26, 2037</p> <p>Consideration (\$ amount or "None"):
 - None
 - None</p> |
| <p>2. Acquisition of ownership in other companies by reorganization, merger or consolidation with other companies:</p> | <p>None</p> |
| <p>3. Purchase or sale of an operating unit or system:</p> | <p>None</p> |
| <p>4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given assigned or surrendered:</p> | <p>None</p> |
| <p>5. Important extension or reduction of transmission or distribution system:</p> | <p>None</p> |
| <p>6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees.</p> | <p>Kentucky Power Private Placement Senior Notes \$65M
 State Authority: Case No. 2016-00345
 Issued: 9/12/2017 Maturity: 9/12/2024</p> <p>Kentucky Power Private Placement Senior Notes \$40M
 State Authority: Case No. 2016-00345
 Issued: 9/12/2017 Maturity: 9/12/2027</p> <p>Kentucky Power Private Placement Senior Notes \$165M
 State Authority: Case No. 2016-00345
 Issued: 9/12/2017 Maturity: 9/12/2029</p> <p>Kentucky Power Private Placement Senior Notes \$55M
 State Authority: Case No. 2016-00345
 Issued: 8/21/2017 Maturity: 9/12/2047</p> |
| <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> | <p>None</p> |
| <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> | <p>KPCo employees represented by IBEW 978 were provided with a 3% general wage increase effective May 1, 2017.</p> |

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Important Changes During the Year (Ref Page: 108)

Explain

9. State briefly the status of any materially important legal proceedings pending at the end of the year and the results. None

10. Describe briefly any materially important transactions not disclosed elsewhere in this report in which an officer, director, or associated company was a party or had a material interest. None

(Reserved) (Reserved)

12. If the important changes appear in the annual report to stockholders are applicable and furnish data required by instructions 1 - 11 such notes may be included. NA

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
1. UTILITY PLANT		
2. Utility Plant (101-106,114)	\$2,601,785,597.00	\$2,651,259,921.00
3. Construction Work in Progress (107)	\$27,379,769.00	\$52,141,972.00
4. TOTAL UTILITY PLANT	\$2,629,145,366.00	\$2,703,401,893.00
5. (Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115)	\$855,212,999.00	\$918,095,755.00
6. Net Utility Plant	\$1,773,932,367.00	\$1,785,306,138.00
7. Nuclear Fuel (120.1-120.4,120.6)		
8. (Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)		
9. Net Nuclear Fuel		
10. Net Utility Plant (Enter Total of Line 6 and Line 9)	\$1,773,932,367.00	\$1,785,306,138.00
11. Utility Plant Adjustments (116)		
12. Gas Stored Underground - Non Current (117)		
13. OTHER PROPERTY AND INVESTMENTS		
14. Nonutility Property (121)	\$995,120.00	\$6,670,698.00
15. (Less) Accum. Prov. for Depr and Amort. (122)	\$234,965.00	\$241,635.00
16. Investment in Associated Companies (123)		
17. Investments in Subsidiary Companies (123.1)		
18.		
19. Noncurrent Portion of Allowances	\$9,037,212.00	\$8,794,676.00
20. Other Investments (124)	\$2,011,098.00	\$1,987,153.00
21. Special Funds (125-128)	\$5,891,366.00	\$21,720,347.00
22. TOTAL Other Property and Investments	\$17,699,851.00	\$38,931,238.00
23. CURRENT AND ACCRUED ASSETS		
24. Cash (131)	\$869,326.00	\$909,445.00
25. Special Deposits (132-134)	\$4,238,324.00	\$2,914,594.00
26. Working Fund (135)		
27. Temporary Cash Investments (136)		
28. Notes Receivable (141)		
29. Customer Accounts Receivable (142)	\$11,554,267.00	\$10,047,940.00
30. Other Accounts Receivable (143)	\$380,468.00	\$179,385.00
31. (Less) Accum. Prov. for Uncollectible Acct. Credit (144)	\$66,756.00	\$43,685.00
32. Notes Receivable from Associated Companies (145)		

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Balance Sheet - Assets and Other Debts (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
33. Accounts Receivable from Assoc. Companies (146)	\$28,523,016.00	\$31,106,342.00
34. Fuel Stock (151)	\$19,198,596.00	\$17,578,888.00
35. Fuel Stock Expenses Undistributed (152)	\$624,851.00	\$427,012.00
36. Residuals (Elec) and Extracted Products (153)		
37. Plant Materials and Operating Supplies (154)	\$16,124,794.00	\$16,285,918.00
38. Merchandise (155)		
39. Other Materials and Supplies (156)		
40. Nuclear Materials Held for Sale (157)		
41. Allowances (158.1 and 158.2)	\$9,452,802.00	\$9,125,098.00
42. (Less) Noncurrent Portion of Allowances	\$9,037,212.00	\$8,794,675.00
43. Stores Expense Undistributed (163)		
44. Gas Stored Underground - Current (164.1)		
45. Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		
46. Prepayments (165)	\$2,046,416.00	\$8,448,552.00
47. Advances for Gas (166-167)		
48. Interest and Dividends Receivable (171)		
49. Rents Receivable (172)	\$3,053,849.00	\$2,958,877.00
50. Accrued Utility Revenues (173)	\$4,542,082.00	\$6,666,704.00
51. Miscellaneous Current and Accrued Assets (174)		
52. Derivative Instrument Assets (175)	\$456,690.00	\$2,054,736.00
53. Derivative Instrument Assets - Hedges (176)		
54. TOTAL Current and Accrued Assets	\$91,851,553.00	\$99,875,131.00
55. DEFERRED DEBITS		
56. Unamortized Debt Expenses (181)	\$2,725,201.00	\$2,811,951.00
57. Extraordinary Property Losses (181.1)		
58. Unrecovered Plant and Regulatory Study Costs (182.2)		
59. Other Regulatory Assets (182.3)	\$557,355,104.00	\$490,850,746.00
60. Prelim. Survey and Investigation Charges (Electric) (183)	\$251,087.00	\$905,485.00
61. Prelim. Sur. and Invest. Charges (Gas) (183.1,183.2)		
62. Clearing Accounts (184)		
63. Temporary Facilities (185)		

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
64. Miscellaneous Deferred Debits (186)	\$18,298,283.00	\$21,390,892.00
65. Def. Losses from Disposition of Utility Plt. (187)		
66. Research, Devel. and Demonstration Expend. (188)		
67. Unamortized Loss on Reaquired Debt (189)	\$535,608.00	\$501,957.00
68. Accumulated Deferred Income Taxes (190)	\$58,626,333.00	\$97,831,309.00
69. Unrecovered Purchased Gas Costs (191)		
70. TOTAL Deferred Debits	\$637,791,616.00	\$614,292,340.00
71. Total Assets and other Debits (Total Lines 10.11.12.22.54.70)	\$2,521,375,387.00	\$2,538,404,847.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
1. PROPRIETARY CAPITAL		
2. Common Stock Issued (201)	\$50,450,000.00	\$50,450,000.00
3. Preferred Stock Issued (204)		
4. Capital Stock Subscribed (202,205)		
5. Stock Liability for Conversion (203,206)		
6. Premium on Capital Stock (207)		
7. Other Paid-In Capital Stock (208-211)	\$526,135,279.00	\$526,135,279.00
8. Installments Received on Capital stock (212)		
9. (Less) Discount on Capital Stock (213)		
10. (Less) Capital Stock Expense (214)		
11. Retained Earnings (215,215.1,216)	\$93,170,609.00	\$93,416,352.00
12. Unappropriated Undistributed Subsidiary Earnings (216.1)		
13. (Less) Reacquired Capital Stock (217)		
14. Accumulated Other Comprehensive Income (219)	(\$1,354,480.00)	\$281,112.00
15. TOTAL Proprietary Capital	\$668,401,428.00	\$870,262,743.00
16. LONG TERM DEBT		
17. Bonds (221)		
18. (Less) Reacquired Bonds (222)		
19. Advances from Associated Companies (223)		
20. Other Long-Term Debt (224)	\$870,000,000.00	\$870,000,000.00
21. Unamortized Premium on Long-Term Debt (225)		
22. (Less) Unamortized Discount on Long-Term Debt (226)	\$111,150.00	
23. TOTAL Long Term Debt	\$869,888,850.00	\$870,000,000.00
24. OTHER NONCURRENT LIABILITIES		
25. Obligations Under Capital Leases-NonCurrent (227)	\$1,749,344.00	\$1,945,282.00
26. Accumulated Provision for Property Insurance (228.1)		
27. Accumulated Provision for Injuries and Damages (228.2)	\$61,813.00	\$143,591.00
28. Accumulated Provision for Pensions and Benefits (228.3)	\$11,707,400.00	\$4,094,742.00
29. Accumulated Miscellaneous Operating Provisions (228.4)	\$174,737.00	
30. Accumulated Provision for Rate Refunds (229)	\$391,157.00	\$2,642,458.00
31. Asset Retirement Obligations (230)	\$62,994,255.00	\$51,238,212.00
32. TOTAL OTHER Noncurrent Liabilities	\$77,078,706.00	\$60,064,285.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
33. CURRENT AND ACCRUED LIABILITIES		
34. Notes Payable (231)		
35. Accounts Payable (232)	\$52,601,176.00	\$48,331,031.00
36. Notes Payable to Associated Companies (233)	\$1,807,118.00	\$9,640,977.00
37. Account Payable to Associated Companies (234)	\$28,579,152.00	\$34,944,105.00
38. Customer Deposits (235)	\$26,625,196.00	\$28,443,654.00
39. Taxes Accrued (236)	\$27,673,529.00	\$17,745,357.00
40. Interest Accrued (237)	\$8,223,718.00	\$7,863,309.00
41. Dividends Declared (238)		
42. Matured Long-Term Debt (239)		
43. Matured Interests (240)		
44. Tax Collections Payable (241)	\$2,602,889.00	\$2,510,868.00
45. Miscellaneous current and Accrued Liabilities (242)	\$24,456,647.00	\$20,866,936.00
46. Obligations Under Capital Leases - Current (243)	\$938,723.00	\$835,339.00
47. Derivative Instrument Liabilities (244)	\$365,567.00	\$437,587.00
48. Derivative Instrument Liabilities - Hedges (245)		
49. TOTAL Current and Accrued Liabilities	\$173,873,715.00	\$171,619,163.00
50. DEFERRED CREDITS		
51. Customer Advances for Construction (252)	\$158,189.00	\$157,041.00
52. Accumulated Deferred Investment Tax Credits (255)	\$1,420.00	\$411.00
53. Deferred Gains from Disposition of Utility Plant (256)		
54. Other Deferred Credits (253)	\$4,907,929.00	\$3,521,062.00
55. Other Regulatory Liabilities (254)	\$995,314.00	\$269,623,620.00
56. Unamortized gain on Reacquired Debt (257)		
57. Accumulated Deferred Income Taxes (281-283)	\$726,069,836.00	\$493,156,522.00
58. TOTAL Deferred Credits	\$732,132,688.00	\$766,458,656.00
59. TOTAL Liabilities and Other Credits (Total Lines 14,22,30,48 and 57)	\$2,521,375,387.00	\$2,538,404,847.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric (e)	Gas (g)	Other (i)
1. UTILITY OPERATING INCOME					
2. Operating Revenues (400)	\$852,558,899.00	\$662,004,995.00	\$852,558,899.00	\$0.00	\$0.00
3. Operating Expenses					
4. Operation Expenses (401)	\$371,680,077.00	\$359,078,117.00	\$371,680,077.00	\$0.00	\$0.00
5. Maintenance Expenses (402)	\$68,998,788.00	\$72,067,504.00	\$68,998,788.00	\$0.00	\$0.00
6. Depreciation Expense (403)	\$80,310,739.00	\$79,130,335.00	\$80,310,739.00	\$0.00	\$0.00
7. Depreciation Expense for Asset Retirement Costs (403.1)	\$222,408.00	\$227,059.00	\$222,408.00	\$0.00	\$0.00
8. Amort and Depl of Utility Plant (404-405)	\$4,457,974.00	\$2,895,282.00	\$4,457,974.00	\$0.00	\$0.00
9. Amort of Utility Plant Acq. Adj (406)	\$38,616.00	\$38,616.00	\$38,616.00	\$0.00	\$0.00
10. Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)					
11. Amort. of Conversion Expenses (407)					
12. Regulatory Debits (407.3)	\$2,974,433.00	\$2,567,625.00	\$2,974,433.00	\$0.00	\$0.00
13. (Less) Regulatory Credits (407.4)					
14. Taxes Other than Income Taxes (408.1)	\$24,106,881.00	\$21,299,832.00	\$24,106,881.00	\$0.00	\$0.00
15. Income Taxes - Federal (409.1)	(\$10,799,897.00)	\$5,704,182.00	(\$10,799,897.00)	\$0.00	\$0.00
16. Income Taxes - Other (409.1)	\$1,748.00	\$96,461.00	\$1,748.00	\$0.00	\$0.00
17. Provision for Deferred Income Taxes (410.1)	\$86,532,220.00	\$115,546,545.00	\$86,532,220.00	\$0.00	\$0.00
18. (Less) Provision for Deferred Income Taxes (411.1)	\$58,386,964.00	\$95,774,242.00	\$58,386,964.00	\$0.00	\$0.00
19. Investment Tax Credit Adj. - Net (411.4)	(\$1,009.00)	(\$2,630.00)	(\$1,009.00)	\$0.00	\$0.00
20. (Less) Gains from Disp. of Utility Plant (411.6)	\$3,658.00	\$1,007,058.00	\$3,658.00	\$0.00	\$0.00
21. Losses from Disp. of Utility Plant (411.7)					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric (e)	Gas (g)	Other (i)
22. (Less) Gains from Disposition of Allowances (411.8)	\$113,950.00	\$465,243.00	\$113,950.00	\$0.00	\$0.00
23. Losses from Disposition of Allowances (411.9)					
24. Accretion Expense (411.10)	\$774,155.00	\$885,012.00	\$774,155.00	\$0.00	\$0.00
25. Total Utility Operating Expenses (Enter Total of Lines 4 - 24)	\$570,792,759.00	\$562,285,397.00	\$570,792,759.00	\$0.00	\$0.00
26. Net Utility Operating Income (Line 2 less line 25 - Carry forward to pg 117 line 25)	\$81,763,940.00	\$99,719,598.00	\$81,763,940.00	\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Income (continued) (Ref Page: 117)

	Current Year	Previous Year
27. Net Utility Operating Income (Carried from pg 114)	\$81,763,940.00	\$99,719,598.00
28. Other Income and Deductions		
29. Other Income		
30. Nonutility Operating Income		
31. Revenues From Merchandising, Jobbing and Contract Work (415)		
32. (Less) Costs and Exp. of Merchandising, Job. and Contract Work (416)		
33. Revenues From Nonutility Operations (417)	\$187,063.00	\$141,741.00
34. (Less) Expenses of Nonutility Operations (417.1)	\$16,423.00	\$28,088.00
35. Nonoperating Rental Income (418)	\$5,005.00	\$23,140.00
36. Equity in Earnings of Subsidiary Companies (418.1)		
37. Interest and Dividend Income (419)	\$175,183.00	\$38,552.00
38. Allowance for Other Funds Used During Construction (419.1)	\$933,046.00	\$852,463.00
39. Miscellaneous Nonoperating Income (421)	\$1,498,181.00	\$463,683.00
40. Gain on Disposition of Property (421.1)		
41. TOTAL Other Income	\$2,782,055.00	\$1,491,501.00
42. Other Income Deductions		
43. Loss on Disposition of Property (421.2)		
44. Miscellaneous Amortization (425)		
45. Miscellaneous Income Deductions (426.1 - 426.5)	\$4,424,028.00	\$7,146,642.00
46. TOTAL Other Income Deductions	\$4,424,028.00	\$7,146,642.00
47. Taxes Applic. to Other Income and Deductions		
48. Taxes Other Than Income Taxes (408.2)	\$22,188.00	\$15,798.00
49. Income Taxes - Federal (409.2)	(\$777,978.00)	(\$811,756.00)
50. Income Taxes - Other (409.2)	\$48,074.00	\$34,785.00
51. Provision for Deferred Inc. Taxes (410.2)	\$5,923,065.00	\$3,296,927.00
52. (Less) Provision for Deferred Income Taxes CR (411.2)	\$4,989,376.00	\$4,496,889.00
53. Investment Tax Credit Adj. Net (411.5)		
54. (Less) Investment Tax Credits (420)		
55. TOTAL Taxes on Other Income and Deduct.	\$225,983.00	(\$1,981,135.00)
56. Net Other Income and Deductions (Lines 41,46,55)	(\$1,867,958.00)	(\$3,694,006.00)

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Income (continued) (Ref Page: 117)

	Current Year	Previous Year
57. Interest Charges		
58. Interest on Long Term Debt (427)	\$42,982,017.00	\$44,423,930.00
59. Amort of Debt Disc. and Expense (428)	\$1,250,623.00	\$725,700.00
60. Amortization of Loss on Reacquired Debt (428.1)	\$33,651.00	\$33,651.00
61. (Less) Amort. of Premium on Debt - CR (429)		
62. (Less) Amortization of Gain on Reacquired Debt - CR (429.1)		
63. Interest on Debt to Assoc. Companies (430)	\$76,563.00	\$89,431.00
64. Other Interest Expense (431)	\$932,708.00	\$1,156,855.00
65. (Less) Allowance for Borrowed Funds Used During Construction CR (432)	\$625,321.00	\$614,110.00
66. Net Interest Charges	\$44,650,241.00	\$45,815,257.00
67. Income Before Extraordinary Items (Lines 25,54 and 64)	\$35,245,743.00	\$50,210,335.00
68. Extraordinary Items		
69. Extraordinary Income (434)		
70. (Less) Extraordinary Deductions (435)		
71. Net Extraordinary Items (Lines 67 less 68)		
72. Income Taxes - Federal and Other (409.3)		
73. Extraordinary Items After Taxes (Lines 69 less 70)		
74. Net Income (Lines 67 and 73)	\$35,245,743.00	\$50,210,335.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017
Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (218)		
State balance and purpose of each appropriated retained earnings amount at end of year		
Balance - Beginning of the Year		\$93,170,809.00
Changes (Identify by prescribed retained earnings accounts)		
give accounting entries for any applications of appropriated retained earnings during the year.		
Adjustments to Retained Earnings (439)		
Credit:		
TOTAL Credits to Retained Earnings (439)		
Debit:		
TOTAL Debits to Retained Earnings (439)		
Balance Transferred from Income (433 less 418.1)	0	\$36,245,743.00
Appropriations of Retained Earnings (436)		
TOTAL appropriations of Retained Earnings (436)		
Dividends Declared - Preferred stock (437)		
TOTAL Dividends Declared - Preferred Stock (437)		
Dividends Declared - Common Stock (438)		
	Common Stock 0	(\$35,000,000.00)
TOTAL Dividends Declared - Common Stock (438)		(\$35,000,000.00)
Transfers from Acct 216.1, Unappropriated Undistributed Subsidiary Earnings		
Balance End of Year (Total Lines 01, 09, 15, 16, 22, 29, 36, 37)		\$93,416,352.00
APPROPRIATED RETAINED EARNINGS (215)		
(215)		
TOTAL Appropriated Retained Earnings (215)		

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL		
TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (215.1)		
TOTAL Appropriated Retained Earnings (total lines 45 and 46) (214,215.1)		\$0.00
TOTAL Retained Earnings (215, 215.1, 216)		\$93,416,352.00
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1)		
Balance - Beginning of Year (Debit or Credit)		
Equity in Earnings for Year (Credit) (418.1)		
(Less) Dividends Received (Debit)		
Other Charges (explain)		
Balance - End of Year		

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
Net Cash Flow From Operating Activities:	
Net Income (Line 72 c on page 117)	\$35,245,743.00
Noncash Charges (Credits) to Income:	
Depreciation and Depletion	\$85,029,737.00
Amortization of (Specify)	
Regulatory Debits and Credits (Net)	\$2,974,433.00
Deferred Income Taxes (Net)	\$29,078,945.00
Investment Tax Credit Adjustment (Net)	(\$1,009.00)
Net (Increase) Decrease in Receivables	(\$803,976.00)
Net (Increase) Decrease in Inventory	\$1,822,052.00
Net (Increase) Decrease in Allowances Inventory	\$327,704.00
Net Increase (Decrease) in Payables and Accrued Expenses	(\$14,921,530.00)
Net (Increase) Decrease in Other Regulatory Assets	\$13,421,139.00
Net Increase (Decrease) In Other Regulatory Liabilities	\$377,498.00
(Less) Allowance for Other Funds Used During Construction	\$933,046.00
(Less) Undistributed Earnings from Subsidiary Companies	
Other:	
Mark-to-Market of Risk Management Contracts	(\$1,526,026.00)
Current and Accrued Liabilities (Net)	(\$1,635,610.00)
Other Assets and Liabilities	(\$30,069,333.00)
Customer Deposits	\$1,818,458.00
Over/Under Recovered Fuel, Net	\$2,490,507.00
Net Cash Provided by (Used in) Operating Activities (Total lines 2 thru 21)	\$122,695,686.00
Cash Flows from Investment Activities:	
Construction and Acquisition of Plant (Including Land):	
Gross Additions to Utility Plant (Less nuclear fuel)	(\$96,088,629.00)
Gross Additions to Nuclear Fuel	
Gross Additions to Common Utility Plant	
Gross Additions to Nonutility Plant	
(Less) Allowance for Other Funds Used During Construction	(\$933,046.00)
Other	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
Acquired Assets	(\$250,995.00)
Cash Outflows for Plant (Total lines 26-33)	(\$95,406,578.00)
Acquisition of Other Noncurrent Assets (d)	
Proceeds from Disposal of Noncurrent Assets (d)	\$619,722.00
Investments in and Advances to Assoc. and Subsidiary Companies	
Contributions and Advances from Assoc. and Subsidiary Companies	
Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
Associated and Subsidiary Companies	
Purchase of Investment Securities (a)	
Proceeds from Sales of Investment Securities (a)	
Loans Made or Purchased	
Collections on Loans	
Net (Increase) Decrease in Receivables	
Net (Increase) Decrease in Inventory	
Net (Increase) Decrease in Allowances Held for Speculation	
Net Increase (Decrease) in Payables and Accrued Expenses	
Other:	
Contributions in Aid of Construction Proceeds	\$300,502.00
Increase) Decrease in Other Special Deposits	(\$25,730.00)
Net Cash Provided by (used in) Investing Activities (Lines 34-55)	(\$94,512,084.00)
Cash Flows from Financing Activities:	
Proceeds from Issuance of:	
Long - Term Debt (b)	\$390,000,000.00
Preferred Stock	
Common Stock	
Other	
Long Term Issuances Costs	(\$1,218,082.00)
Proceeds on Capital Leaseback	\$250,740.00
Notes Payable to Associated Companies	\$7,833,869.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
Net Increase in Short-Term Debt (c)	
Other	
Cash Provided by Outside Sources (Total lines 61 thru 69)	\$396,866,517.00
Payments for Retirement of	
Long-Term Debt (b)	(\$390,000,000.00)
Preferred Stock	
Common Stock	
Other	
Net Decrease in Short-Term Debt (c)	
Dividends on Preferred Stock	
Dividends on Common Stock	(\$35,000,000.00)
Net Cash Provided by (used in) Financing Activities (Lines 70 - 81)	(\$28,133,483.00)
Net Increase (Decrease) in Cash and Cash Equivalents (Total Lines 22, 57, 83)	\$50,119.00
Cash and Cash Equivalents at Beginning of Year	\$859,326.00
Cash and Cash Equivalents at End of Year	\$909,445.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Statement Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Ref Page: 122)

Item (a)	Unrealized Gain + Loss	Min Pension Liability adj	Foreign Currency Hedges (d)	Other Adjustments (e)
Balance of Account 219 at Beginning of Preceding Year	\$0.00	\$0.00	\$0.00	(\$1,544,773.00)
Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	\$0.00	\$0.00	\$0.00	\$17,315.00
Preceding Quarter/Year to Date Changes in Fair Value	\$0.00	\$0.00	\$0.00	\$213,279.00
Total (lines 2 and 3)	\$0.00	\$0.00	\$0.00	\$230,594.00
Balance of Account 219 at End of Preceding Quarter/Year	\$0.00	\$0.00	\$0.00	(\$1,314,179.00)
Balance of Account 219 at Beginning of Current Year	\$0.00	\$0.00	\$0.00	(\$1,314,179.00)
Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	\$0.00	\$0.00	\$0.00	\$30,919.00
Current Quarter/Year to Date Changes in Fair Value	\$0.00	\$0.00	\$0.00	\$1,544,372.00
Total (lines 7 and 8)	\$0.00	\$0.00	\$0.00	\$1,575,291.00
Balance of Account 219 at End of Current Quarter/Year	\$0.00	\$0.00	\$0.00	\$261,112.00

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Statement Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Ref Page: 122) (Part Two)

Item (a)	Other Cash Flow Hedges (f)	Other Cash Flow Hedges (g)	Totals for Each Category Acct 219 (h)	Net Income (i)	Total Comprehensive Income (j)
Balance of Account 219 at Beginning of Preceding Year	(\$100,702.00)	\$0.00	(\$1,645,475.00)	\$0.00	\$0.00
Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	\$60,421.00	\$0.00	\$77,736.00	\$0.00	\$0.00
Preceding Quarter/Year to Date Changes in Fair Value	\$0.00	\$0.00	\$213,279.00	\$0.00	\$0.00
Total (lines 2 and 3)	\$60,421.00	\$0.00	\$291,015.00	\$50,210,335.00	\$50,501,350.00
Balance of Account 219 at End of Preceding Quarter/Year	(\$40,281.00)	\$0.00	(\$1,354,460.00)	\$0.00	\$0.00
Balance of Account 219 at Beginning of Current Year	(\$40,281.00)	\$0.00	(\$1,354,460.00)	\$0.00	\$0.00
Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	\$40,281.00	\$0.00	\$71,200.00	\$0.00	\$0.00
Current Quarter/Year to Date Changes in Fair Value	\$0.00	\$0.00	\$1,544,372.00	\$0.00	\$0.00
Total (lines 7 and 8)	\$40,281.00	\$0.00	\$1,615,572.00	\$35,245,743.00	\$36,861,315.00
Balance of Account 219 at End of Current Quarter/Year	\$0.00	\$0.00	\$261,112.00	\$0.00	\$0.00

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Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
Utility Plant					
In Service					
3. Plant in Service (Classified)	\$2,605,885,431.00	\$2,605,685,431.00	\$0.00	\$0.00	\$0.00
4. Property under Capital Leases	\$2,780,821.00	\$2,780,821.00	\$0.00	\$0.00	\$0.00
5. Plant Purchased or Sold					
6. Completed Construction not Classified	\$42,168,265.00	\$42,168,265.00	\$0.00	\$0.00	\$0.00
7. Experimental Plant Unclassified					
8. Total - In Service	\$2,650,632,317.00	\$2,650,632,317.00	\$0.00	\$0.00	\$0.00
9. Leased to Others					
10. Held for Future Use	\$827,604.00	\$827,604.00	\$0.00	\$0.00	\$0.00
11. Construction Work in Progress	\$52,141,972.00	\$52,141,972.00	\$0.00	\$0.00	\$0.00
12. Acquisition Adjustments					
13. Total Utility Plant (Lines 8 - 12)	\$2,703,401,893.00	\$2,703,401,893.00	\$0.00	\$0.00	\$0.00
14. Accum. Prov. for Depr, Amort, And Depl.	\$918,095,755.00	\$918,095,755.00	\$0.00	\$0.00	\$0.00
15. Net Utility Plant (Line 13 less 14)	\$1,785,306,138.00	\$1,785,306,138.00	\$0.00	\$0.00	\$0.00
16. Detail of Accumulated Provisions for Depreciation Amortization and Depletion					
17. In Service					
18. Depreciation	\$905,197,150.00	\$905,197,150.00	\$0.00	\$0.00	\$0.00
19. Amort. and Depl. of Production Natural Gas Land and Land Rights					
20. Amort of Underground Storage Land and Land Rights					
21. Amort of Other Utility Plant	\$12,898,605.00	\$12,898,605.00	\$0.00	\$0.00	\$0.00
22. Total In Service (Lines 18-21)	\$918,095,755.00	\$918,095,755.00	\$0.00	\$0.00	\$0.00
23. Leased to Others					
24. Depreciation					

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Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
25. Amortization and Depletion					
26. Total Leased to Others (Lines 24 and 25)					
27. Held for Future Use					
28. Depreciation					
29. Amortization					
30. Total Held for Future Use (Lines 28 and 29)					
31. Abandonment of Leases (Natural Gas)					
32. Amort. Of Plant Aquisition Adj.					
33. Total Accumulated Provisions (Should agree with Line 14, Total 22,26,30,31 and 32)	\$918,095,755.00	\$918,095,755.00	\$0.00	\$0.00	\$0.00

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Nuclear Fuel Materials (Ref Page: 202)

	Balance Beg of Yr (b)	Additions (c)	Amortization (d)	Other Reductions (note)	Other Reductions (e)	Balance End of Yr (f)
1. Nuclear Fuel in process of Refinement, Conv, Enrichment + Fab (120.1)						
2. Fabrication						
3. Nuclear Materials						
4. Allowance for Funds Used during Construction						
5. (Other Overhead Construction Cost, details in notes)						
6. Subtotal (Lines 2-5)						
7. Nuclear Fuel Materials and Assemblies						
8. In Stock (120.2)						
9. In Reactor (120.3)						
10. Subtotal (lines 8 and 9)						
11. Spent Nuclear Fuel (120.4)						
12. Nuclear Fuel Under Capital Leases (120.6)						
13. (Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)						
Total Nuclear Fuel Stock (Lines 6,10,11,12 less 13)						
15. Estimated net Salvage Value of Nuclear Materials in line 9						
16. Estimated net Salvage Value of Nuclear Materials in Line 11						
17. Est Net Salvage Value of Nuclear Materials in Chemical Processing						
18. Nuclear Materials held for Sale (157)						
19. Uranium						
20. Plutonium						

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Nuclear Fuel Materials (Ref Page: 202)

	Balance Beg of Yr (b)	Additions (c)	Amortization (d)	Other Reductions (note)	Other Reductions (e)	Balance End of Yr (f)
21. Other (provide details in note)						
22 Total Nuclear Materials held for Sale (Total 19, 20, 21)						

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Electric Plant In Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
1. Intangible Plant						
Organization (301)						
Franchises and Consents (302)	\$52,919.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,919.00
Miscellaneous Intangible Plant (303)	\$19,472,967.00	\$10,998,503.00	\$1,492,228.00	\$0.00	\$0.00	\$28,977,242.00
6. Total Intangible Plant	\$19,525,886.00	\$10,998,503.00	\$1,492,228.00	\$0.00	\$0.00	\$29,030,161.00
2. Production Plant						
A. Steam Production Plant						
Land and Land Rights (310)	\$4,857,884.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,857,884.00
Structures and Improvements (311)	\$83,990,672.00	\$3,357,272.00	\$324,854.00	\$0.00	\$0.00	\$67,023,090.00
Boiler Plant Equipment (312)	\$938,099,883.00	\$7,776,968.00	\$2,732,544.00	\$0.00	\$0.00	\$943,144,287.00
Engines and Engine Driven Generators (313)						
Turbogenerator Units (314)	\$115,464,575.00	\$1,381,821.00	\$327,241.00	\$0.00	\$0.00	\$118,508,955.00
Accessory Electric Equipment (315)	\$28,934,166.00	\$430,290.00	\$43,715.00	\$0.00	\$0.00	\$29,320,741.00
Misc. Power Plant Equipment (316)	\$11,428,310.00	\$771,481.00	\$29,473.00	\$0.00	\$0.00	\$12,170,318.00
Asset Retirement Costs for Steam Production (317)	\$11,624,651.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,624,651.00
16. Total Steam Production Plant	\$1,174,390,121.00	\$13,717,632.00	\$3,457,827.00	\$0.00	\$0.00	\$1,184,649,926.00
B. Nuclear Production Plant						
Land and Land Rights (320)						
Structures and Improvements (321)						
Reactor Plant Equipment (322)						
Turbo generator Units (323)						
Accessory Electric Equipment (324)						

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Electric Plant in Service - Intangible and Production Plant (Ref Page: 204)

Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Misc. Power Plant Equipment (325)					
Asset Retirement Costs for Nuclear Production (326)					
25. Total Nuclear Production Plant					
C. Hydraulic Production Plant					
Land and Land Rights (330)					
Structures and Improvements (331)					
Reservoirs, Dams and Waterways (332)					
Water Wheels, Turbines, and Generators (333)					
Accessory Electric Equipment (334)					
Misc. Power Plant equipments (335)					
Roads, Railroads and Bridges (336)					
Asset Retirement Costs for Hydraulic Production (337)					
35. Total Hydraulic Production Plant					
D. Other Production Plant					
Land and Land Rights (340)					
Structures and Improvements (341)					
Fuel Holders, Products and Accessories (342)					
Prime Movers (343)					
Generators (344)					
Accessory Electric Equipment (345)					
Misc. Power Plant Equipment (346)					

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Electric Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Asset Retirement Costs for Other Production (347)						
45. Total Other Production Plant						
46. Total Production Plant (Lines 16,25,35 and 45)	\$1,174,390,121.00	\$13,717,632.00	\$3,457,827.00	\$0.00	\$0.00	\$1,184,649,926.00

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Electric Plant in Service - Transmission, Distribution and General Plant (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
3. Transmission Plant						
Land and Land Rights (350)	\$35,234,590.00	\$33,178.00	\$0.00	\$0.00	\$0.00	\$35,267,768.00
Structures and Improvements (352)	\$6,655,895.00	\$173,149.00	\$56,694.00	\$0.00	\$0.00	\$6,772,350.00
Station Equipments (353)	\$197,107,335.00	\$4,514,426.00	\$4,809,006.00	\$0.00	\$326,567.00	\$197,139,322.00
Towers and Fixtures (354)	\$96,771,844.00	\$9,042.00	\$98,711.00	\$0.00	\$0.00	\$96,682,175.00
Poles and Fixtures (355)	\$102,034,906.00	\$3,399,886.00	\$306,122.00	\$0.00	\$0.00	\$105,128,670.00
Overhead Conductors and Devices (356)	\$136,780,394.00	\$1,269,982.00	\$15,455.00	\$0.00	\$0.00	\$138,034,921.00
Underground Conduit (357)	\$11,590.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,590.00
Underground Conductors and Devices (358)	\$106,066.00	\$0.00	\$0.00	\$0.00	\$0.00	\$106,066.00
Roads and Trails (359)						
Asset Retirement Costs for Transmission Plant (359 1)						
58. Total Transmission Plant	\$574,702,620.00	\$9,399,663.00	\$5,285,988.00	\$0.00	\$326,567.00	\$579,142,862.00
4. Distribution Plant						
Land and Land Rights (360)	\$7,496,165.00	\$0.00	\$0.00	\$0.00	(\$19,260.00)	\$7,476,905.00
Structures and Improvements (361)	\$4,492,645.00	\$169,094.00	\$29,599.00	\$0.00	\$0.00	\$4,622,140.00
Station equipments (362)	\$96,472,693.00	\$9,358,864.00	\$743,059.00	\$0.00	(\$326,567.00)	\$104,761,931.00
Storage Battery Equipments (363)						
Poles, Towers and Fixtures (364)	\$200,051,477.00	\$7,366,126.00	\$1,818,711.00	\$0.00	\$0.00	\$205,618,892.00
Overhead Conductors and Devices (365)	\$217,777,641.00	\$12,122,404.00	\$2,141,579.00	\$0.00	\$0.00	\$227,758,466.00
Underground Conduit (366)	\$7,179,412.00	\$122,002.00	\$2,225.00	\$0.00	\$0.00	\$7,299,189.00
Underground Conductors and Devices (367)	\$11,046,886.00	\$367,308.00	\$55,038.00	\$0.00	\$0.00	\$11,359,156.00
Lines Transformers (368)	\$129,887,148.00	\$5,524,833.00	\$1,947,085.00	\$0.00	\$0.00	\$133,464,896.00
Services (369)	\$59,716,180.00	\$2,074,302.00	\$412,692.00	\$0.00	\$0.00	\$61,377,790.00

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Electric Plant in Service - Transmission, Distribution and General Plant (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
Meters (370)	\$24,848,975.00	\$1,099,735.00	\$1,088,948.00	\$0.00	\$0.00	\$24,859,762.00
Installations on Customer Premises (371)	\$19,791,619.00	\$1,239,124.00	\$1,525,458.00	\$0.00	\$0.00	\$19,505,285.00
Leased Property on Customer Premises (372)						
Street Lighting and Signal Systems (373)	\$3,894,454.00	\$202,377.00	\$71,747.00	\$0.00	\$0.00	\$4,025,084.00
Asset Retirement Costs for Distribution Plant (374)						
75. Total Distribution Plant	\$782,655,295.00	\$39,656,169.00	\$9,836,141.00	\$0.00	(\$345,827.00)	\$812,129,496.00
5. General Plant						
Land and Land Rights (389)	\$1,524,731.00	\$0.00	\$0.00	\$0.00	\$19,260.00	\$1,543,991.00
Structures and Improvements (390)	\$22,021,349.00	\$528,157.00	\$189,200.00	\$0.00	\$0.00	\$22,360,306.00
Office Furniture and Equipment (391)	\$1,824,237.00	\$217,656.00	\$0.00	\$0.00	\$0.00	\$2,041,893.00
Transportation Equipment (392)	\$14,768.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,768.00
Stores Equipment (393)	\$194,628.00	\$42,801.00	\$0.00	\$0.00	\$0.00	\$237,429.00
Tools, shop and Garage Equipments (394)	\$4,175,914.00	\$292,189.00	\$0.00	\$0.00	\$0.00	\$4,468,103.00
Laboratory Equipment (395)	\$261,453.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,453.00
Power Operated Equipment (396)	\$5,931.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,931.00
Communication Equipment (397)	\$9,771,342.00	\$515,614.00	\$40,376.00	\$0.00	\$0.00	\$10,246,580.00
Miscellaneous Equipment (398)	\$1,624,696.00	\$14,212.00	\$1,166.00	\$0.00	\$0.00	\$1,637,742.00
Subtotal General Plant (Lines 71 thru 80)	\$41,419,049.00	\$1,610,629.00	\$230,742.00	\$0.00	\$19,260.00	\$42,818,196.00
Other Tangible Property (399)						
Asset Retirement Costs for General Plant (399.1)	\$81,055.00	\$0.00	\$0.00	\$0.00	\$0.00	\$81,055.00
90. Total General Plant	\$41,500,104.00	\$1,610,629.00	\$230,742.00	\$0.00	\$19,260.00	\$42,899,251.00

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Allowances (158.1 and 158.2) (Ref Page: 228) (Part Two)

	Allowances Inventory	Year + 3 No (h)	Year + 3 Amt (i)	Future Years (j)	Future Years Amt (k)	Total No (l)	Total Amt (m)
Balance Beginning of Year		54,079	\$0.00	1,388,288	\$0.00	1,754,363	\$9,452,802.00
Acquired During Year							
Issued (Less Withheld Allow)		0	\$0.00	54,271	\$0.00	55,902	\$0.00
Returned by EPA							
Purchases/Transfers							
Total							
Relinquished During Year							
Charges to Account 509		0	\$0.00	0	\$0.00	10,105	\$327,704.00
Other:							
Cost of Sales/Transfers							
Transfers							
Adjustments							
Consent Decree Surrenders		0	\$0.00	0	\$0.00	37,902	\$0.00
Total		0	\$0.00	0	\$0.00	37,902	\$0.00
Balance at End of Year		54,079	\$0.00	1,442,559	\$0.00	1,762,258	\$9,125,098.00
Sales							
Net sales Proceeds (Assoc. Co)							
Net Sales Proceeds (Other)							
Gains							
Losses							
Allowances Withheld (158.2)							
Balance Beginning of Year		362	\$0.00	24,244	\$0.00	25,692	\$0.00
Add: Withheld by EPA		0	\$0.00	723	\$0.00	723	\$0.00

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Allowances (158.1 and 158.2) (Ref Page: 22B) (Part Two)

Allowances Inventory	Year + 3 No (h)	Year + 3 Amt (i)	Future Years (j)	Future Years Amt (k)	Total No (l)	Total Amt (m)
Deduct: Returned by the EPA						
Cost of Sales	0	\$0.00	361	\$0.00	723	\$0.00
Balance - End of Year	362	\$0.00	24,606	\$0.00	25,692	\$0.00
Sales						
Net Sales Proceeds (Assoc. Co.)						
Net Sales Proceeds (Other)	0	\$0.00	0	\$7.00	0	\$39.00
Gains	0	\$0.00	0	\$7.00	0	\$39.00
Losses						

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Miscellaneous Deferred Debits (186) (Ref Page: 233)

Description	Bal Beg of Yr (b)	Debits (c)	Acct (d)	Amount (e)	Balance (f)
Deferred Property Tax	\$16,778,345.00	\$15,430,917.00	408	\$16,468,974.00	\$15,740,288.00
Agency Fees - Factored A/R	\$996,379.00	\$11,782,004.00	Various	\$11,866,101.00	\$912,282.00
Unamortized Credit Line Fees Amort thru June 2021	\$407,497.00	\$16,566.00	431	\$188,080.00	\$235,983.00
Deferred Lease Assets	\$42,109.00	\$263,501.00	Various	\$300,450.00	\$5,160.00
Estimated Barging Bills	\$0.00	\$862,376.00		\$0.00	\$862,376.00
Miscellaneous Items	\$18,831.00	\$25,838.00	Various	\$25,184.00	\$19,485.00
Misc Work in Progress	\$55,122.00				\$3,615,318.00
Deferred Regulatory Commission Expenses					
TOTAL	\$18,298,283.00				\$21,390,892.00

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Accumulated Taxes (Ref Page: 234)

Acct Subdivisions	Bal Beg of Yr	Bal End of Yr (c)
Electric		
Provision Revenue Refunds	\$844,214.00	\$975,261.00
Accrued BK ARO Exp	\$22,047,989.00	\$17,933,374.00
Int Exp Capd for Tax	\$8,188,898.00	\$8,120,138.00
Pension	(\$16,026,954.00)	(\$15,833,476.00)
NOL State Deferred Tax Asset	\$5,310,754.00	\$8,030,721.00
Other	\$4,932,956.00	(\$436,817.00)
Total Electric	\$25,097,857.00	\$19,789,201.00
Gas		
Other		
Total Gas		
Other	\$33,528,478.00	\$78,042,108.00
Total (Acct 190)	\$58,626,333.00	\$97,831,309.00

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Long Term Debt (221,222,223,224) (Ref Page: 256)

Class, Series and Coupon	Principle Amt (b)	Expense (c)	Issue Date (d)	Maturity Date (e)
Acct 221				
Total Acct 221				
Acct 222				
Total Acct 222				
Acct 223				
Total Acct 223				
Acct 224				
Senior Unsecured Notes - 5.625%, Series D	\$75,000,000.00	\$736,575.00	6/13/2003	12/1/2032
Senior Unsecured Notes - 6.000%, Series E	\$325,000,000.00	\$2,277,883.00	9/11/2007	9/15/2017
KPSC Authority Docket No.2006-0034	\$0.00	\$1,667,250.00		
Amortization of Cash Flow Hedges on 6.000% SUN	\$0.00	\$0.00		
Senior Unsecured Notes - 7.250%	\$40,000,000.00	\$217,919.00	6/18/2009	6/18/2021
State Commission Authority Case # 2008-00442	\$0.00	\$0.00		
Senior Unsecured Notes - 8.030%	\$30,000,000.00	\$148,032.00	6/18/2009	6/18/2029
State Commission Authority Case # 2008-00442	\$0.00	\$0.00		
Senior Unsecured Notes - 8.130%	\$60,000,000.00	\$342,285.00	6/18/2009	6/18/2039
State Commission Authority Case # 2008-00442	\$0.00	\$0.00		
Senior Unsecured Notes - 4.180%, Series A	\$120,000,000.00	\$638,464.00	9/30/2014	9/30/2026
State Commission Authority Case# 2014-00210	\$0.00	\$0.00		
Senior Unsecured Notes - 4.33%, Series B	\$80,000,000.00	\$414,941.00	12/30/2014	12/30/2026

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Long Term Debt (221,222,223,224) (Ref Page: 256)

Class, Series and Coupon	Principle Amt (b)	Expense (c)	Issue Date (d)	Maturity Date (e)
State Commission Authority Case# 2014-00210	\$0.00	\$0.00		
WVEDA Mitchell Project Series Series 2014A	\$65,000,000.00	\$675,501.00	6/26/2014	4/1/2036
State Commission Authority Case# 2013-00410	\$0.00	\$146,250.00		
Local Bank Term Loan	\$75,000,000.00	\$509,274.00	11/5/2014	11/5/2018
Private Placement Senior Unsecured Notes - 3.13%	\$65,000,000.00	\$210,764.00	9/12/2017	9/12/2024
State Commission Authority: Case No. 2016-00345	\$0.00	\$0.00		
Private Placement Senior Unsecured Notes - 3.35%	\$40,000,000.00	\$129,701.00	9/12/2017	9/12/2027
State Commission Authority: Case No. 2016-00345	\$0.00	\$0.00		
Private Placement Senior Unsecured Notes - 3.45%	\$165,000,000.00	\$535,017.00	9/12/2017	9/12/2029
State Commission Authority: Case No. 2016-00345	\$0.00	\$0.00		
Private Placement Senior Unsecured Notes - 4.12%	\$55,000,000.00	\$178,339.00	9/12/2017	9/12/2047
State Commission Authority: Case No. 2016-00345	\$0.00	\$0.00		
Total Acct 224	\$1,195,000,000.00	\$8,828,195.00		

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Reconciliation of Reported Net Income with Taxable for Federal Income (Ref Page: 261)

	Particulars (a)	Amount (b)
Net Income for the Year		\$35,245,743.00
Taxable Income Not Reported on Books		
Deductions Recorded on Books not Deducted for Return		
Income Recorded on Books not Included in Return		
Deductions on Return Not Charged Against Book Income		
Federal Tax net Income		(\$23,947,417.00)
Show Computation of Tax		

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Prev Yr. Accr - 238 (b)	Prev Yr. Propd 185 (c)	Taxes Chrg (d)	Taxes Paid (e)	Adj (f)
Federal Excise Tax - 2016	\$0.00	\$0.00	\$1,191.00	\$1,191.00	\$0.00
Income 2012 - IL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INCOME TAX	\$1,978,197.00	\$0.00	(\$11,577,676.00)	(\$2,866,136.00)	(\$22.00)
FICA - 2017	\$656,259.00	\$0.00	\$3,979,995.00	\$4,243,801.00	\$0.00
Unemployment - 2017	\$11,730.00	\$0.00	\$25,241.00	\$25,266.00	\$0.00
USE TAX - 2016	\$101,935.00	\$48,292.00	\$61,151.00	\$116,794.00	\$0.00
Income 2016 - IL	(\$12,656.00)	\$0.00	\$8,042.00	\$15,000.00	\$0.00
Income 2017 - IL	\$0.00	\$0.00	(\$121,690.00)	\$3,000.00	\$0.00
Income 2017 KY	\$0.00	\$0.00	(\$6,001.00)	\$0.00	\$0.00
Unemployment - KY 2017	\$6,648.00	\$0.00	\$19,585.00	\$21,754.00	\$0.00
License Fee - KY 2016	\$0.00	\$0.00	\$25.00	\$25.00	\$0.00
PUBLIC SER COMMS-2016	\$0.00	\$563,400.00	\$563,400.00	\$0.00	\$0.00
PUBLIC SER COMMS-2017	\$0.00	\$0.00	\$603,550.00	\$1,207,100.00	\$0.00
REAL & PERS PROP-2015	\$8,072,861.00	\$0.00	(\$572,776.00)	\$7,488,636.00	\$0.00
PERS PROP LEASED-2017	\$0.00	\$0.00	\$280,992.00	\$3,845.00	\$0.00
USE TAX - 2017 - KY	\$0.00	\$0.00	\$965,853.00	\$949,038.00	\$0.00
PERS PROP LEASED-2016	\$239,449.00	\$0.00	(\$11,843.00)	\$218,211.00	\$0.00
REAL & PERS PROP-2017	\$0.00	\$0.00	\$11,005,200.00	\$0.00	\$0.00
REAL & PERS PROP-2016	\$12,130,998.00	\$0.00	(\$1,400,055.00)	\$3,359,624.00	\$0.00
REAL & PERS PROP-2013	\$0.00	\$0.00	(\$127.00)	(\$127.00)	\$0.00
SALES TAX - 2017	\$0.00	\$0.00	\$0.00	\$317,183.00	\$0.00
SALES TAX - 2016	\$0.00	\$319,787.00	\$0.00	(\$319,787.00)	\$0.00
Federal Excise Tax - 2017	\$0.00	\$0.00	\$6,711.00	\$6,711.00	\$0.00
REAL PROP LEASES-2017	\$0.00	\$0.00	\$24,000.00	\$12,919.00	\$0.00
WVa USE - 2016	\$8,196.00	\$0.00	\$860.00	\$9,056.00	\$0.00
REAL PROP LEASES-2016	\$12,821.00	\$0.00	\$0.00	\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Prev Yr. Accr - 236 (b)	Prev Yr. Propd 165 (c)	Taxes Chrg (d)	Taxes Paid (e)	Adj (f)
Income 2017 - WVa	\$0.00	\$0.00	\$90,013.00	\$110,000.00	\$0.00
Income 2016 - WVa	(\$131,811.00)	\$0.00	\$131,811.00	\$0.00	\$0.00
Real & Pers Prop Taxes - WVa - 2016	\$3,096,212.00	\$0.00	\$84,445.00	\$1,605,586.00	\$0.00
WVa USE - 2017	\$0.00	\$0.00	\$137,907.00	\$119,068.00	\$0.00
KY License Fee - 2017	\$0.00	\$0.00	\$300.00	\$300.00	\$0.00
FIN 48	(\$98,715.00)	\$0.00	\$0.00	\$0.00	\$0.00
State Bus & Occp Tax - 2016 WVa	\$329,450.00	\$0.00	(\$1.00)	\$329,449.00	\$0.00
Income 2015 - WVa	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
OH CAT TAX - 2016	\$9,000.00	\$0.00	(\$14,498.00)	(\$5,498.00)	\$0.00
Real & Pers Prop Taxes - WVa - 2015	\$1,605,769.00	\$0.00	\$2,215.00	\$1,607,984.00	\$0.00
Income 2016 - MI	(\$2,911.00)	\$0.00	(\$1,247.00)	(\$4,158.00)	\$0.00
Income 2016 - KY	(\$426,247.00)	\$0.00	\$0.00	(\$426,247.00)	\$0.00
REAL/PERS PROP-LA-2017	\$0.00	\$0.00	\$235.00	\$235.00	\$0.00
STATE INC. TAX - FIN 48	(\$5,588.00)	\$0.00	\$1,770.00	\$0.00	\$0.00
State Bus & Occp Tax-2017 WVa	\$0.00	\$0.00	\$5,853,348.00	\$5,360,331.00	\$0.00
OH CAT TAX - Audit	\$0.00	\$0.00	(\$385,961.00)	(\$385,961.00)	\$0.00
PERS PROP LEASED-WVa - 2016	\$5,100.00	\$0.00	(\$965.00)	\$4,135.00	\$0.00
Income 2017 - MI	\$0.00	\$0.00	(\$1,397.00)	\$2,142.00	\$0.00
WVa Franchise 2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PA Gross Receipts - Audit	\$71,358.00	\$0.00	\$0.00	\$0.00	\$0.00
WV State Unemployment	\$15,474.00	\$0.00	\$49,715.00	\$50,126.00	\$0.00
Real & Pers Prop Taxes - WVa - 2017	\$0.00	\$0.00	\$3,176,799.00	\$0.00	\$0.00
WVa Franchise 2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income 2013 - WVa	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income 2014 - WVa	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PERS PROP LEASED-2017 - WVa	\$0.00	\$0.00	\$4,570.00	\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Prev Yr. Accr - 236 (b)	Prev Yr. Prepd 165 (c)	Taxes Chrg (d)	Taxes Paid (e)	Adj (f)
UTILITY GR LIC - EDP - 2016 - KY			\$21,227.00	\$21,227.00	\$0.00
UTILITY GR LIC - EDP - 2017 - KY			\$21,227.00	\$18,666.00	\$0.00
KY Registration Fees - 2017			\$15.00	\$15.00	\$0.00
Kentucky Franchise Taxes 2016			\$626,959.00	\$626,959.00	\$0.00
Kentucky Franchise Taxes 2017			\$958,000.00	\$750,000.00	\$0.00
WV License Fee - 2017			\$20.00	\$20.00	\$0.00
WV Registration Fees - 2017			\$25.00	\$25.00	\$0.00
OH CAT TAX - 2017			\$14,554.00	\$7,654.00	\$0.00
Total Taxes	\$27,673,529.00	\$929,479.00	\$14,624,814.00	\$24,605,162.00	(\$22.00)

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction	Bal Accr - 236 (g)	Bal Prepaid - 165 (h)	Elec 408.1 409.1 (i)	Extraordinary 409.3	Adj to Ret. Earn 439	Other (l)
Federal Excise Tax - 2016	\$0.00	\$0.00	\$1,191.00	\$0.00	\$0.00	\$0.00
Income 2012 - IL	\$0.00	\$0.00	\$3,858.00	\$0.00	\$0.00	(\$3,858.00)
INCOME TAX	(\$6,733,365.00)	\$0.00	(\$10,799,697.00)	\$0.00	\$0.00	(\$777,979.00)
FICA - 2017	\$392,453.00	\$0.00	\$1,948,756.00	\$0.00	\$0.00	\$2,031,239.00
Unemployment - 2017	\$11,705.00	\$0.00	\$11,110.00	\$0.00	\$0.00	\$14,131.00
USE TAX - 2016	\$0.00	\$0.00	\$43,874.00	\$0.00	\$0.00	\$17,277.00
Income 2016 - IL	(\$21,614.00)	\$0.00	(\$38,622.00)	\$0.00	\$0.00	\$44,664.00
Income 2017 - IL	(\$124,590.00)	\$0.00	(\$82,783.00)	\$0.00	\$0.00	(\$38,807.00)
Income 2017 KY	(\$6,001.00)	\$0.00	(\$49,862.00)	\$0.00	\$0.00	\$43,861.00
Unemployment - KY 2017	\$4,479.00	\$0.00	\$13,065.00	\$0.00	\$0.00	\$6,520.00
License Fee - KY 2016	\$0.00	\$0.00	\$25.00	\$0.00	\$0.00	\$0.00
PUBLIC SER COMM'S-2016	\$0.00	\$0.00	\$563,400.00	\$0.00	\$0.00	\$0.00
PUBLIC SER COMM'S-2017	\$0.00	\$603,550.00	\$603,550.00	\$0.00	\$0.00	\$0.00
REAL & PERS PROP- 2015	\$11,449.00	\$0.00	(\$597,916.00)	\$0.00	\$0.00	\$25,140.00
PERS PROP LEASED-2017	\$277,147.00	\$0.00	\$280,992.00	\$0.00	\$0.00	\$0.00
USE TAX - 2017 - KY	\$77,759.00	\$60,944.00	\$53,118.00	\$0.00	\$0.00	\$912,735.00
PERS PROP LEASED-2016	\$9,395.00	\$0.00	(\$11,843.00)	\$0.00	\$0.00	\$0.00
REAL & PERS PROP- 2017	\$11,005,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,005,200.00
REAL & PERS PROP- 2016	\$7,371,319.00	\$0.00	\$10,551,019.00	\$0.00	\$0.00	(\$11,951,074.00)
REAL & PERS PROP- 2013	\$0.00	\$0.00	(\$127.00)	\$0.00	\$0.00	\$0.00
SALES TAX - 2017	\$0.00	\$317,183.00	\$0.00	\$0.00	\$0.00	\$0.00
SALES TAX - 2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Excise Tax - 2017	\$0.00	\$0.00	\$6,711.00	\$0.00	\$0.00	\$0.00
REAL PROP LEASES- 2017	\$11,081.00	\$0.00	\$24,000.00	\$0.00	\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction	Bal Accr - 236 (g)	Bal Prepaid - 165 (h)	Elec 408.1 409.1 (i)	Extraordinary 409.3	Adj to Ret. Earn 439	Other (l)
WVa USE - 2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$860.00
REAL PROP LEASES- 2016	\$12,821.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income 2017 - WVa	(\$19,987.00)	\$0.00	\$61,468.00	\$0.00	\$0.00	\$28,545.00
Income 2016 - WVa	\$0.00	\$0.00	\$181,342.00	\$0.00	\$0.00	(\$49,531.00)
Real & Pers Prop Taxes - WVa - 2016	\$1,575,071.00	\$0.00	\$1,785,969.00	\$0.00	\$0.00	(\$1,701,524.00)
WVa USE - 2017	\$18,839.00	\$0.00	\$0.00	\$0.00	\$0.00	\$137,907.00
KY License Fee - 2017	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00
FIN 48	(\$98,715.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Bus & Occp Tax - 2016 WVa	\$0.00	\$0.00	(\$1.00)	\$0.00	\$0.00	\$0.00
Income 2015 - W Va	\$0.00	\$0.00	(\$23,449.00)	\$0.00	\$0.00	\$23,449.00
OH CAT TAX - 2016	\$0.00	\$0.00	(\$14,498.00)	\$0.00	\$0.00	\$0.00
Real & Pers Prop Taxes - WVa - 2015	\$0.00	\$0.00	\$1,666,923.00	\$0.00	\$0.00	(\$1,664,708.00)
Income 2016 - MI	\$0.00	\$0.00	(\$1,222.00)	\$0.00	\$0.00	(\$25.00)
Income 2016 - KY	\$0.00	\$0.00	\$248.00	\$0.00	\$0.00	(\$248.00)
REAL/PERS PROP-LA- 2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$235.00
STATE INC. TAX - FIN 48	(\$3,818.00)	\$0.00	\$1,770.00	\$0.00	\$0.00	\$0.00
State Bus & Occp Tax- 2017 WVa	\$493,017.00	\$0.00	\$5,853,348.00	\$0.00	\$0.00	\$0.00
OH CAT TAX - Audit	\$0.00	\$0.00	(\$385,961.00)	\$0.00	\$0.00	\$0.00
PERS PROP LEASED- WVa - 2016	\$0.00	\$0.00	(\$965.00)	\$0.00	\$0.00	\$0.00
Income 2017 - MI	(\$3,539.00)	\$0.00	(\$1,420.00)	\$0.00	\$0.00	\$23.00
WVa Franchise 2013	\$0.00	\$0.00	\$59,836.00	\$0.00	\$0.00	(\$59,836.00)
PA Gross Receipts - Audit	\$71,358.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WV State Unemployment	\$15,063.00	\$0.00	\$14,665.00	\$0.00	\$0.00	\$35,050.00
Real & Pers Prop Taxes - WVa - 2017	\$3,176,799.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,176,799.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction	Bal Accr - 236 (g)	Bal Prepaid - 165 (h)	Elec 408.1 409.1 (i)	Extraordinary 409.3	Adj to Ret. Earn 439	Other (l)
WVa Franchise 2014	\$0.00	\$0.00	(\$10,257.00)	\$0.00	\$0.00	\$10,257.00
Income 2013 - WVa	\$0.00	\$0.00	(\$59,837.00)	\$0.00	\$0.00	\$59,837.00
Income 2014 - WVa	\$0.00	\$0.00	\$10,257.00	\$0.00	\$0.00	(\$10,257.00)
PERS PROP LEASED-2017 - WVa	\$4,570.00	\$0.00	\$4,570.00	\$0.00	\$0.00	\$0.00
UTILITY GR LIC - EDP - 2016 - KY	\$0.00	\$0.00	\$21,227.00	\$0.00	\$0.00	\$0.00
UTILITY GR LIC - EDP - 2017 - KY	\$2,561.00	\$0.00	\$21,227.00	\$0.00	\$0.00	\$0.00
KY Registration Fees - 2017	\$0.00	\$0.00	\$15.00	\$0.00	\$0.00	\$0.00
Kentucky Franchise Taxes 2016	\$0.00	\$0.00	\$626,959.00	\$0.00	\$0.00	\$0.00
Kentucky Franchise Taxes 2017	\$208,000.00	\$0.00	\$958,000.00	\$0.00	\$0.00	\$0.00
WV License Fee - 2017	\$0.00	\$0.00	\$20.00	\$0.00	\$0.00	\$0.00
WV Registration Fees - 2017	\$0.00	\$0.00	\$25.00	\$0.00	\$0.00	\$0.00
OH CAT TAX - 2017	\$6,900.00	\$0.00	\$14,554.00	\$0.00	\$0.00	\$0.00
Total Taxes	\$17,745,357.00	\$981,677.00	\$13,308,932.00	\$0.00	\$0.00	\$1,315,882.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Investment Tax Credit (255) (Ref Page: 266)

Acct (a)	Bal Beg Yr (b)	Def. Acct (c)	Def. Amt (d)	Alloc Acct (e)	Alloc Amt (f)	Adj (g)	Bal End Yr (h)	Ave Pd of Alloc
Electric Utility								
3 percent								
4 percent								
7 percent								
10 percent	\$1,420.00		\$0.00	411.4	\$1,009.00	\$0.00	\$411.00	VARIOUS
TOTAL	\$1,420.00		\$0.00		\$1,009.00	\$0.00	\$411.00	
Other (List seperately and show 3, 4, 7 and 10 Percent and TOTAL)								
Total Other								
Total								

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Other Deferred Credits (253) (Ref Page: 269)

Description (a)	Balance Beg Yr (b)	Debits Acct (c)	Debit Amt (d)	Credits (e)	Balance End Yr (f)
TV Pole Attachments	\$83,278.00	454	\$576,405.00	\$582,508.00	\$89,377.00
Customer Advance Receipts	\$1,620,542.00	142,143	\$1,620,542.00	\$2,011,084.00	\$2,011,084.00
Deferred Gain: Fiber Optic Agmts-In Kind Svc	\$134,775.00	124	\$9,498.00	\$0.00	\$125,278.00
Deferred Revenue Fiber Optic Lines-Sold-Defd Rev	\$62,508.00	451	\$13,556.00	\$0.00	\$48,950.00
IPP - System Upgrade Credits	\$296,781.00	0	\$0.00	\$11,583.00	\$308,364.00
Miscellaneous	\$14,223.00	Various	\$188.00	\$0.00	\$14,035.00
Federal Mitigation Deferral (NSR)	\$1,110,644.00	242	\$788,150.00	\$0.00	\$324,494.00
Contract Settlement Reserve	\$500,342.00	Various	\$500,342.00	\$0.00	\$0.00
Noble Energy Deferred Lease	\$1,006,983.00	421	\$431,664.00	\$0.00	\$575,419.00
Contribution Aid of Construction Allowances	\$76,873.00	107,108	\$76,873.00	\$7,576.00	\$7,576.00
0	\$884.00	0	\$0.00	\$5,500.00	\$6,484.00
0	\$0.00	0	\$0.00	\$0.00	\$0.00
0	\$0.00	0	\$0.00	\$0.00	\$0.00
TOTAL	\$4,907,929.00		\$4,015,116.00	\$2,628,249.00	\$3,521,062.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Income Taxes - Accelerated Amortization Property (281) (Ref Page: 272)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Accelerated Amortization (281)					
Electric					
Defense Facilities					
Pollution Control Facilities	\$58,282,271.00	\$0.00	\$2,778,542.00	\$0.00	\$0.00
Other					
Total Electric	\$58,282,271.00	\$0.00	\$2,778,542.00	\$0.00	\$0.00
Gas					
Defense Facilities					
Pollution Control Facilities					
Other					
TOTAL Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL (281)	\$58,282,271.00	\$0.00	\$2,778,542.00	\$0.00	\$0.00
Classification of Total					
Federal Income Tax	\$58,282,271.00	\$0.00	\$2,778,542.00	\$0.00	\$0.00
State Income Tax					
Local Income tax					
Other Specify					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Income Taxes - Accelerated Amortization Property (281) (Ref Page: 272) (Part Two)

Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj. Acct (i)	Credit Adj. Amt (j)	Balance End Yr
Accelerated Amortization (281)					
Electric					
Defense Facilities					
Pollution Control Facilities		\$0.00		\$0.00	\$55,503,729.00
Other					
Total Electric		\$0.00		\$0.00	\$55,503,729.00
Gas					
Defense Facilities					
Pollution Control Facilities					
Other					
TOTAL Gas					
	VARIOUS	\$22,201,491.00		\$0.00	(\$22,201,491.00)
TOTAL (281)		\$22,201,491.00		\$0.00	\$33,302,238.00
Classification of Total					
Federal Income Tax		\$22,201,491.00		\$0.00	\$33,302,238.00
State Income Tax					
Local Income tax					
Other Specify					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Account 282					
Electric	\$340,485,495.00	\$46,183,615.00	\$15,162,785.00	\$0.00	\$0.00
Gas					
Other (Define)					
Total	\$340,485,495.00	\$46,183,615.00	\$15,162,785.00	\$0.00	\$0.00
Other (specify)					
SFAS 109	\$54,574,121.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL Acct 282	\$395,059,616.00	\$46,183,615.00	\$15,162,785.00	\$0.00	\$0.00
Classification of Total					
Federal Income Tax	\$395,059,616.00	\$46,183,615.00	\$15,162,785.00	\$0.00	\$0.00
State Income Tax					
Local Income tax					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274) (Part Two)

Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj. Acct (i)	Credit Adj. Amt (j)	Balance End Yr
Account 282					
Electric		\$0.00		\$0.00	\$371,506,325.00
Gas					
Other (Define)					
Total		\$0.00		\$0.00	\$371,506,325.00
Other (specify)					
	SFAS 109	VARIOUS	\$179,548,851.00	VARIOUS	\$5,755,628.00
			\$0.00	\$0.00	(\$119,219,102.00)
TOTAL Acct 282		\$179,548,851.00		\$5,755,628.00	\$252,287,223.00
Classification of Total					
Federal Income Tax		\$179,548,851.00		\$5,755,628.00	\$252,287,223.00
State Income Tax					
Local Income tax					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.1 (c)	Amt Acct 411.1 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Account 283					
Electric					
Deferred Fuel Costs	\$673,074.00	\$1,390,094.00	\$2,063,169.00	\$0.00	\$0.00
Reg Asset Retired Plant	\$98,193,952.00	\$8,261,557.00	\$5,794,793.00	\$0.00	\$0.00
Capitalized Software - Book	\$3,952,623.00	\$2,129,893.00	\$386,086.00	\$0.00	\$0.00
Emission Allowances	\$3,396,228.00	\$0.00	\$114,697.00	\$0.00	\$0.00
Reg Asset - SFAS 112	\$1,150,894.00	\$43,007.00	\$302,286.00	\$0.00	\$0.00
Other	\$16,008,087.00	\$11,289,602.00	\$19,713,322.00	\$3,705,136.00	\$3,347,263.00
Other					
Total Electric					
	\$123,374,858.00	\$23,114,153.00	\$28,374,353.00	\$3,705,136.00	\$3,347,263.00
Gas					
Other					
TOTAL Gas					
Other (Specify)					
SFAS 109 , Non-Utility	\$149,353,091.00	\$0.00	\$0.00	\$7,930.00	\$63,814.00
TOTAL (Acct 283)	\$272,727,949.00	\$23,114,153.00	\$28,374,353.00	\$3,713,066.00	\$3,411,077.00
Classification of Total					
Federal Income Tax	\$176,956,015.00	\$23,114,153.00	\$26,347,019.00	\$3,713,066.00	\$3,411,077.00
State Income Tax	\$95,771,934.00	\$0.00	\$2,027,334.00	\$0.00	\$0.00
Local Income tax					

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Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276) (Part Two)

Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj. Acct (i)	Credit Adj. Amt (j)	Balance End Yr
Account 283					
Electric					
	Deferred Fuel Costs	\$0.00		\$0.00	(\$1.00)
	Reg Asset Retired Plant	\$0.00		\$0.00	\$100,660,716.00
	Capitalized Software - Book	\$0.00		\$0.00	\$5,698,430.00
	Emission Allowances	\$0.00		\$0.00	\$3,281,531.00
	Reg Asset - SFAS 112	\$0.00		\$0.00	\$891,615.00
	Other	\$0.00		\$0.00	\$7,942,240.00
Other					
Total Electric					
		\$0.00		\$0.00	\$118,472,531.00
Gas					
Other					
TOTAL Gas					
Other (Specify)					
	SFAS 109 , Non-Utility	VARIOUS			
		\$81,558,438.00	VARIOUS	\$21,355,761.00	\$89,094,530.00
TOTAL (Acct 283)					
		\$81,558,438.00		\$21,355,761.00	\$207,567,061.00
Classification of Total					
Federal Income Tax					
		\$81,008,714.00		\$10,532,900.00	\$103,548,324.00
State Income Tax					
		\$548,724.00		\$10,822,861.00	\$104,018,737.00
Local Income tax					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Other Regulatory Liabilities (254) (Ref Page: 278)

Desc and Purpose (a)	Debit Acct (b)	Debit Amount (c)	Credits (d)	Balance (e)
Home Energy Assistance Program	Various	\$479,397.00	\$490,104.00	\$165,516.00
SFAS 109 Deferred FIT	Various	\$1,689,433.00	\$269,372,804.00	\$268,433,799.00
Kentucky Demand Side Management		\$0.00	\$265,083.00	\$265,083.00
Green Pricing Option	557	\$892.00	\$776.00	\$680.00
Over Recovered Fuel Cost		\$0.00	\$567,437.00	\$567,437.00
Netting of Trading Activities related to	182.3	\$1,068,181.00	\$591,076.00	\$902,787.00
Unrealized Gains/Losses on Forward Commitments		\$0.00	\$0.00	\$0.00
between Regulated Assets/Liabilities		\$0.00	\$0.00	\$0.00
Unrealized Gain on Forward Commitments	Various	\$1,794,556.00	\$2,373,485.00	(\$711,682.00)
		\$5,032,459.00	\$273,660,765.00	\$269,623,620.00

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Electric Operating Revenues (Ref Page: 300)

Other (a)	Op Rev Year (b)	Op Rev Prev Yr (c)	MWH Sold (d)	MWH Sold Prev (e)	Num Cust (f)	Num Cust Prev (g)
Sales of Electricity						
Residential Sales (440)	\$232,153,022.00	\$254,059,898.00	1,932,804	2,128,530	135,890	137,013
Commercial and Industrial Sales (442)						
Small (or comm.) (See Instr. 4)	\$150,440,647.00	\$156,542,122.00	1,243,883	1,315,497	30,210	30,293
Large (or Ind.) (See Instr. 4)	\$167,574,769.00	\$180,233,948.00	2,403,071	2,408,194	1,154	1,191
Public Street and Highway Lighting (444)	\$1,980,402.00	\$1,974,809.00	10,448	10,476	345	351
Other Sales to Public Authorities (445)						
Sales to Railroads and Railways (446)						
Interdepartmental Sales (448)						
Total Sales to Ultimate Consumers	\$542,148,840.00	\$572,810,777.00	5,590,206	5,862,697	167,599	168,848
Sales for Resale (447)	\$56,844,518.00	\$51,246,008.00	1,516,154	1,413,350	- 19	31
Total Sales of Electricity	\$598,993,358.00	\$624,056,785.00	7,106,360	7,276,047	167,618	168,879
(Less) Provision for Rate Refunds (449.1)	\$1,648,913.00	\$928,472.00	0	0	0	0
Total Revenues Net of Prov. for Refunds	\$597,344,445.00	\$623,128,313.00	7,106,360	7,276,047	167,618	168,879
Other Operating Revenues						
Forfeited Discounts (450)	\$4,403,192.00	\$3,928,057.00	0	0	0	0
Miscellaneous Service Revenues (451)	\$762,517.00	\$748,580.00	0	0	0	0
Sales of Water and Water Power (453)						
Rent from Electric Property (454)	\$8,128,139.00	\$6,678,203.00	0	0	0	0
Interdepartmental Rents (455)						

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Electric Operating Revenues (Ref Page: 300)

	Other (a)	Op Rev Year (b)	Op Rev Prev Yr (c)	MWH Sold (d)	MWH Sold Prev (e)	Num Cust (f)	Num Cust Prev (g)
Other Electric Revenues (456)		\$17,508,467.00	\$10,514,915.00	0	0	0	0
		\$26,409,939.00	\$17,008,927.00	0	0	0	0
Total Other Operating Revenues		\$55,212,254.00	\$38,876,682.00	0	0	0	0
Total Electric Operating Revenues		\$652,556,699.00	\$662,004,995.00	7,106,360	7,276,047	167,618	168,879
*NOTE Line 12 Column b includes Total of unbilled Revenues		\$969,004.00					
**Note Line 12 Column d includes Total MWH relating to unbilled revenues				24,308			

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Sales of Electricity by Rate Schedules (Ref Page: 304)

Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Ave Customers (d)	KWh Sales Per Customer	Rev per KWH (f)
440 Residential Sales	0	\$0.00	0	0	0.0000
Residential Service	1,881,580	\$224,373,803.00	135,304	13,906	0.1192
Residential Service - Employee	8,804	\$981,823.00	495	17,786	0.1115
Res Service Load Mgmt TOD	1,684	\$180,875.00	85	19,812	0.1074
Residential Service TOD	89	\$9,753.00	5	17,800	0.1096
Small General Service	5	\$611.00	1	5,000	0.1222
Kentucky Rider	0	(\$103,793.00)	0	0	0.0000
All Outdoor Lighting	25,925	\$5,971,168.00	0	0	0.2303
Subtotal Billed	1,918,087	\$231,414,240.00	135,890	14,115	0.1206
Unbilled Revenue	14,717	\$738,782.00	0	0	0.0502
Total Residential	1,932,804	\$232,153,022.00	135,890	14,223	0.1201
442 Commercial Sales	0	\$0.00	0	0	0.0000
Small General Service	128,597	\$20,832,914.00	23,006	5,590	0.1620
Medium General Service	418,266	\$55,952,251.00	6,387	65,487	0.1338
Medium General Service TOD	3,477	\$422,560.00	77	45,156	0.1215
Large General Service	387,236	\$43,896,196.00	543	713,142	0.1134
Industrial General Service	174,574	\$13,301,036.00	23	7,590,174	0.0762
All Outdoor Lighting	15,074	\$2,792,055.00	0	0	0.1852
Public Schools	108,225	\$12,842,807.00	164	659,909	0.1187
Kentucky Rider	0	(\$69,489.00)	0	0	0.0000
Mark West HC	1,999	\$223,220.00	10	199,900	0.1117
Estimated Revenue	-35	(\$4,366.00)	0	0	0.1247
Subtotal Billed	1,237,413	\$150,189,184.00	30,210	40,960	0.1214
Unbilled Revenue	6,470	\$251,463.00	0	0	0.0389
Total Commercial	1,243,883	\$150,440,647.00	30,210	41,175	0.1209
442 Industrial Sales	0	\$0.00	0	0	0.0000
Industrial General Service	395,764	\$33,467,538.00	37	10,696,324	0.0846
Gen Service TOD-PA	1,669,214	\$96,443,893.00	9	185,468,222	0.0578
Small General Service	4,168	\$651,098.00	710	5,870	0.1562

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales of Electricity by Rate Schedules (Ref Page: 304)

Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Ave Customers (d)	KWh Sales Per Customer	Rev per KWH (f)
Medium General Service	19,686	\$2,564,618.00	273	72,110	0.1303
Medium General Service TOD	24	\$1,807.00	1	24,000	0.0753
Large General Service	111,399	\$12,840,284.00	121	920,653	0.1153
Church Service	214,872	\$12,442,411.00	3	71,624,000	0.0579
Kentucky Rider	0	(\$25,321.00)	0	0	0.0000
All Outdoor Lighting	819	\$139,083.00	0	0	0.1698
Estimated Revenue	-15,979	(\$928,078.00)	0	0	0.0581
Subtotal Billed	2,399,967	\$157,597,333.00	1,154	2,079,694	0.0657
Unbilled Revenue	3,104	(\$22,564.00)	0	0	-0.0073
Total Industrial	2,403,071	\$157,574,769.00	1,154	2,082,384	0.0656
444 Public Street Lighting	0	\$0.00	0	0	0.0000
Small General Service	589	\$143,819.00	277	2,126	0.2442
Medium General Service	1,233	\$156,672.00	13	94,846	0.1271
Street Lighting	8,500	\$1,643,759.00	55	154,545	0.1934
Kentucky Rider	0	\$4,050.00	0	0	0.0000
All Outdoor Lighting	109	\$30,779.00	0	0	0.2824
Subtotal Billed	10,431	\$1,979,079.00	345	30,235	0.1897
Unbilled Revenue	17	\$1,323.00	0	0	0.0778
Total Public Street Lighting	10,448	\$1,980,402.00	345	30,284	0.1895
Total Billed	5,565,898	\$541,179,836.00	167,599	33,210	0.0972
Total Unbilled Rev (see Instr 6)	24,308	\$969,004.00	0	0	0.0399
TOTAL	5,590,206	\$542,148,840.00	167,599	33,355	0.0970

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales for Resale (447) (Ref Page: 310)

Name (a)	Stat Class (b)	FERC Number (c)	Ave Mon Bill Demand (d)	Act Ave Mon NCP Demand (e)	Act Ave Mon CP Demand (f)
CALIFORNIA ISO	OS	Note 1	0	0	0
CALIFORNIA POWER EXCHANGE	OS	Note 1	0	0	0
CITY OF BANGOR, WISCONSIN	OS	Note 1	0	0	0
CITY OF BARRON, WISCONSIN	OS	Note 1	0	0	0
CITY OF BLOOMER, WISCONSIN	OS	Note 1	0	0	0
CITY OF CORNELL, WISCONSIN	OS	Note 1	0	0	0
CITY OF MEDFORD	OS	Note 1	0	0	0
CITY OF RICE LAKE UTILITIES	OS	Note 1	0	0	0
CITY OF SPOONER, WISCONSIN	OS	Note 1	0	0	0
CITY OF WAKEFIELD, WISCONSIN	OS	Note 1	0	0	0
CITY OF WESTERVILLE	OS	Note 1	0	0	0
COMMONWEALTH EDISON COMPANY	OS	Note 1	0	0	0
DP&L POWER SERVICES	OS	Note 1	0	0	0
DUKE ENERGY OHIO, INC	OS	Note 1	0	0	0
DUQUESNE LIGHT COMPANY	OS	Note 1	0	0	0
EOH HOLDINGS, LLC	OS	Note 1	0	0	0
EVOLUTION MARKETS FUTURES, LLC	OS	Note 1	0	0	0
FEDERAL ENERGY REGULATORY COMISSION	OS	Note 1	0	0	0
GFI SECURITIES LLC	OS	Note 1	0	0	0
ICAP ENERGY LLC	OS	Note 1	0	0	0
ICE TRADE VAULT LLC	OS	Note 1	0	0	0
IVG ENERGY, LTD	OS	Note 1	0	0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales for Resale (447) (Ref Page: 310)

Name (a)	Stat Class (b)	FERC Number (c)	Ave Mon Bill Demand (d)	Act Ave Mon NCP Demand (e)	Act Ave Mon CP Demand (f)
MIDWEST ISO	OS	Note 1	0	0	0
MIZUHO SECURITIES USA INC	OS	Note 1	0	0	0
OHIO POWER COMPANY (AUCTION)	OS	Note 1	0	0	0
PJM INTERCONNECTION	OS	Note 1	0	0	0
RBC CAPITAL MARKET, LLC	OS	Note 1	0	0	0
SPSR2 - MAREX SPECTRON	OS	Note 1	0	0	0
TFS ENERGY FUTURES, LL	OS	Note 1	0	0	0
TIMBER CANYON	OS	Note 1	0	0	0
TOWN OF HAGERSTOWN, INDIAN	OS	Note 1	0	0	0
TULLETT PREBON AMERICAS CORP.	OS	Note 1	0	0	0
TVA BULK POWER TRADING	OS	Note 1	0	0	0
UBS AG, LONDON BRANCH	OS	Note 1	0	0	0
VILLAGE OF CADOTT, WISCONSIN	OS	Note 1	0	0	0
VILLAGE OF TREMPPEALEAU, WISCONSIN	OS	Note 1	0	0	0
Total Non RQ			0	0	0
Total			0	0	0
EXPORT					
INTRASTATE					
TOTAL					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales for Resale (447) (Ref Page: 310) (Part Two)

Name (a)	MWH Sold (g)	Demand Chrg (h)	Energy Chrg (i)	Other Chrg (j)	Total (k)
Requirements Service					
CITY OF OLIVE HILL	22,660	\$870,021.00	\$1,023,669.00	\$0.00	\$1,893,690.00
CITY OF VANCEBURG	57,209	\$2,034,898.00	\$2,331,580.00	\$0.00	\$4,366,478.00
PJM TRANSMISSION FOR RQ CUSTOMERS	0	\$0.00	\$0.00	(\$1,114,273.00)	(\$1,114,273.00)
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales for Resale (447) (Ref Page: 310) (Part Two)

Name (a)	MWH Sold (g)	Demand Chrg (h)	Energy Chrg (i)	Other Chrg (j)	Total (k)
CALIFORNIA POWER EXCHANGE	0	\$0.00	(\$597.00)	\$0.00	(\$597.00)
CITY OF BANGOR, WISCONSIN	2	\$0.00	(\$1,282.00)	\$0.00	(\$1,282.00)
CITY OF BARRON, WISCONSIN	-23	\$0.00	(\$8,075.00)	\$0.00	(\$8,075.00)
CITY OF BLOOMER, WISCONSIN	-28	\$0.00	(\$4,828.00)	\$0.00	(\$4,828.00)
CITY OF CORNELL, WISCONSIN	0	\$0.00	(\$640.00)	\$0.00	(\$640.00)
CITY OF MEDFORD	51	\$0.00	(\$4,066.00)	\$0.00	(\$4,066.00)
CITY OF RICE LAKE UTILITIES	-63	\$0.00	(\$12,600.00)	\$0.00	(\$12,600.00)
CITY OF SPOONER, WISCONSIN	0	\$0.00	\$322.00	\$0.00	\$322.00
CITY OF WAKEFIELD, WISCONSIN	-3	\$0.00	(\$782.00)	\$0.00	(\$782.00)
CITY OF WESTERVILLE	-14	\$0.00	\$1,023.00	\$0.00	\$1,023.00
COMMONWEALTH EDISON COMPANY	30,347	\$0.00	\$1,087,652.00	\$0.00	\$1,087,652.00
DP&L POWER SERVICES	20,404	\$0.00	\$1,049,943.00	\$0.00	\$1,049,943.00
DUKE ENERGY OHIO, INC	37,059	\$0.00	\$1,853,862.00	\$0.00	\$1,853,862.00
DUQUESNE LIGHT COMPANY	57,516	\$0.00	\$2,913,169.00	\$0.00	\$2,913,169.00
EOH HOLDINGS, LLC	0	\$0.00	(\$80.00)	\$0.00	(\$80.00)
EVOLUTION MARKETS FUTURES, LLC	0	\$0.00	(\$1,260.00)	\$0.00	(\$1,260.00)
FEDERAL ENERGY REGULATORY COMMISSION	0	\$0.00	\$2,978.00	\$0.00	\$2,978.00
GFI SECURITIES LLC	0	\$0.00	(\$8.00)	\$0.00	(\$8.00)
ICAP ENERGY LLC	0	\$0.00	(\$10,908.00)	\$0.00	(\$10,908.00)
ICE TRADE VAULT LLC	0	\$0.00	(\$3,885.00)	\$0.00	(\$3,885.00)
IVG ENERGY, LTD	0	\$0.00	(\$4,701.00)	\$0.00	(\$4,701.00)
MIDWEST ISO	73	\$0.00	\$57,771.00	\$0.00	\$57,771.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Sales for Resale (447) (Ref Page: 310) (Part Two)

Name (a)	MWH Sold (g)	Demand Chrg (h)	Energy Chrg (i)	Other Chrg (j)	Total (k)
MIZUHO SECURITIES USA INC	0	\$0.00	(\$413,195.00)	\$0.00	(\$413,195.00)
OHIO POWER COMPANY (AUCTION)	28,449	\$0.00	\$1,435,824.00	\$0.00	\$1,435,824.00
PJM INTERCONNECTION	1,257,726	\$2,177,193.00	\$40,220,581.00	\$0.00	\$42,397,774.00
RBC CAPITAL MARKET, LLC	0	\$0.00	\$1,142,634.00	\$0.00	\$1,142,634.00
SPSR2 - MAREX SPECTRON	0	\$0.00	(\$124.00)	\$0.00	(\$124.00)
TFS ENERGY FUTURES, LL	0	\$0.00	(\$709.00)	\$0.00	(\$709.00)
TIMBER CANYON	0	\$0.00	(\$2,059.00)	\$0.00	(\$2,059.00)
TOWN OF HAGERSTOWN, INDIAN	-29	\$0.00	(\$2,005.00)	\$0.00	(\$2,005.00)
TULLETT PREBON AMERICAS CORP.	0	\$0.00	(\$3,507.00)	\$0.00	(\$3,507.00)
TVA BULK POWER TRADING	-49	\$0.00	(\$1,369.00)	\$0.00	(\$1,369.00)
UBS AG, LONDON BRANCH	0	\$0.00	\$43.00	\$0.00	\$43.00
VILLAGE OF CADOTT, WISCONSIN	-8	\$0.00	(\$1,549.00)	\$0.00	(\$1,549.00)
VILLAGE OF TREMPEALEAU, WISCONSIN	1	\$0.00	(\$623.00)	\$0.00	(\$623.00)
Total Non RQ	1,436,285	\$2,177,193.00	\$49,621,430.00	\$0.00	\$51,698,623.00
Total	1,516,154	\$5,082,112.00	\$52,878,879.00	(\$1,114,273.00)	\$56,844,518.00
EXPORT	0				\$0.00
INTRASTATE					
TOTAL					

Note:
FERC Electric Tariff, First Revised Volume No. 5.

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

	Amount for Current Yr	Amount for Previous Yr
POWER PRODUCTION EXPENSES		
A. Steam Power Generation		
Operation		
Operation Supervision and Engineering (500)	\$4,090,204.00	\$3,250,812.00
Fuel (501)	\$116,261,498.00	\$114,435,169.00
Steam Expenses (502)	\$8,218,859.00	\$5,789,966.00
Steam from Other Sources (503)		
(Less) Steam Transferred CR (504)		
Electric Expenses (505)	\$5,875.00	\$180,082.00
Miscellaneous steam Power Expenses (506)	\$10,589,882.00	\$9,802,107.00
Rents (507)		
Allowance (509)	\$362,045.00	\$547,130.00
Total Operation	\$137,528,363.00	\$134,005,268.00
Maintenance		
Maintenance Supervision and Engineering (510)	\$2,530,852.00	\$2,474,313.00
Maintenance of Structures (511)	\$1,535,143.00	\$1,858,240.00
Maintenance of Boiler Plant (512)	\$12,574,868.00	\$14,853,674.00
Maintenance of Electric Plant (513)	\$3,867,651.00	\$4,874,112.00
Maintenance of Miscellaneous Steam Plant (514)	\$1,561,877.00	\$1,805,152.00
Total Maintenance	\$22,070,391.00	\$25,963,491.00
21. Total Power Production Expenses –Steam Power	\$159,598,754.00	\$159,968,757.00
B. Nuclear Power Generation		
Operations		
Operation Supervision and Engineering (517)		
Fuel (518)		
Coolants and water (519)		
Steam Expenses (520)		
Steam from Other Sources (521)		
(Less) Steam Transferred – CR (522)		
Electric Expenses (523)		
Miscellaneous Nuclear Power Expenses (524)		
Rents (525)		

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

Amount for Current Yr

Amount for Previous Yr

Total Operation

Maintenance

Maintenance Supervision and Engineering (528)

Maintenance of Structures (529)

Maintenance of Reactor Plant Equipment (530)

Maintenance of Electric Plant (531)

Maintenance of Miscellaneous Nuclear Plant (532)

Total Maintenance

41. Total Power Production Expenses - Nuclear Power

C. Hydraulic Power Generation

Operation

Operation Supervision and Engineering (535)

Water for Power (536)

Hydraulic Expenses (537)

Electric Expenses (538)

Miscellaneous Hydraulic Power Generation Expenses (539)

Rents (540)

Total Operation

Maintenance

Maintenance of Supervision and Engineering (541)

Maintenance of Structures (542)

Maintenance of Reservoirs, Dams and Waterways (543)

Maintenance of Electric Plant (544)

Maintenance of Miscellaneous Hydraulic Plant (545)

Total Maintenance

59. Total Power Production Expenses - Hydraulic Power

D. Other Power Generation

Operation

Operation Supervision and Engineering (546)

Fuel (547)

Generation Expenses (548)

Miscellaneous Other Power Generation Expenses (549)

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - 1. Power Production (Ref Page: 320)

	Amount for Current Yr	Amount for Previous Yr
Rents (550)		
Total Operation		
Maintenance		
Maintenance Supervision and Engineering (551)		
Maintenance of Structures (552)		
Maintenance of Generating and Electric Plant (553)		
Maintenance of Miscellaneous Other Power Generation Plant (554)		
Total Maintenance		
Total Power Production Expenses -- Other Power		
E. Other Power Supply Expenses		
Purchased Power (555)	\$139,521,382.00	\$149,674,900.00
System Control and Load Dispatching (556)	\$574,325.00	\$515,588.00
Other Expenses (557)	\$1,220,612.00	\$1,516,083.00
79. Total Other Power Supply Expenses	\$141,316,319.00	\$151,706,571.00
80. Total Power Production Expenses (Lines 21,41,59,74,79)	\$300,915,073.00	\$311,675,328.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - Transmission and Distribution Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
2. Transmission Expenses		
Operation		
Operation Supervision and Engineering (560)	\$2,190,274.00	\$1,371,905.00
Load Dispatching (561)	\$1,933,139.00	\$2,326,105.00
Station Expenses (562)	\$316,752.00	\$229,138.00
Overhead Lines Expenses (563)	\$60,752.00	\$117,014.00
Underground Lines Expenses (564)		
Transmission of Electricity by Others (565)	\$35,571,456.00	\$26,168,870.00
Miscellaneous Transmission Expenses (566)	\$844,092.00	\$1,484,735.00
Rents (567)	(\$127,369.00)	\$170,159.00
Total Operation	\$40,789,096.00	\$31,867,926.00
Maintenance		
Maintenance Supervision and Engineering (568)	\$18,305.00	\$27,397.00
Maintenance of Structures (569)	\$131,494.00	\$137,151.00
Maintenance of Station Equipment (570)	\$591,135.00	\$678,388.00
Maintenance of Overhead Lines (571)	\$2,515,974.00	\$1,831,232.00
Maintenance of Underground Lines (572)	\$241.00	\$42.00
Maintenance of Miscellaneous Transmission Plant (573)	\$189,288.00	\$384,784.00
Total Maintenance	\$3,446,437.00	\$3,058,994.00
100. Total Transmission Expenses	\$44,235,533.00	\$34,926,920.00
3. Distribution Expenses		
Operation		
Operation Supervision and Engineering (580)	\$835,610.00	\$555,751.00
Load Dispatching (581)	\$947.00	\$3,134.00
Station Expenses (582)	\$159,946.00	\$238,129.00
Overhead Line Expenses (583)	\$439,031.00	\$1,121,334.00
Underground Line Expenses (584)	\$103,451.00	\$115,357.00
Street Lighting and signal System Expenses (585)	\$166,526.00	\$181,462.00
Meter Expenses (586)	\$1,058,210.00	\$910,321.00
Customer Installations Expenses (587)	\$120,930.00	\$157,706.00
Miscellaneous Expenses (588)	\$3,736,609.00	\$4,180,377.00
Rents (589)	\$1,498,279.00	\$1,684,554.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - Transmission and Distribution Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
Total Operation	\$8,119,539.00	\$9,148,125.00
Maintenance		
Maintenance Supervision and Engineering (590)	\$4,019.00	\$2,472.00
Maintenance of Structures (591)	\$14,658.00	\$29,653.00
Maintenance of Station Equipment (592)	\$498,193.00	\$475,219.00
Maintenance of Overhead Lines (593)	\$40,093,211.00	\$39,508,115.00
Maintenance of Underground Lines (594)	\$73,580.00	\$94,505.00
Maintenance of Line Transformers (595)	\$41,392.00	\$50,399.00
Maintenance of Street Lighting and Signal Systems (596)	\$9,201.00	\$41,144.00
Maintenance of Meters (597)	\$76,094.00	\$78,484.00
Maintenance of Miscellaneous Distribution Plant (598)	\$62,927.00	\$60,914.00
Total Maintenance	\$40,873,275.00	\$40,340,905.00
126. Total Distribution Expenses	\$48,992,814.00	\$49,489,030.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
4. Customer Accounts Expenses		
Operation		
Supervision (901)	\$164,377.00	\$206,567.00
Meter Reading Expenses (902)	\$389,782.00	\$386,804.00
Customer Records and Collection Expenses (903)	\$5,319,350.00	\$5,227,697.00
Uncollectible Accounts (904)	\$36,559.00	(\$131,730.00)
Miscellaneous Customer Accounts Expenses (905)	\$20,074.00	\$17,864.00
134. Total Customer Accounts Expenses	\$5,920,142.00	\$5,707,222.00
5. Customer Service and Informational Expenses		
Operation		
Supervision (907)	\$110,166.00	\$110,126.00
Customer Assistance Expenses (908)	\$14,184,247.00	\$6,244,318.00
Information and Instructional Expenses (909)	\$139,525.00	\$41,892.00
Miscellaneous Customer Service and Information Expenses (910)	\$96,414.00	\$147,511.00
141. Total Cust. Service and Informational Exp	\$14,630,342.00	\$6,543,647.00
6. Sales Expenses		
Operation		
Supervision (911)	\$366.00	\$110.00
Demonstrating and selling Expenses (912)	\$48,155.00	\$60,066.00
Advertising Expenses (913)	\$4,088.00	\$33,884.00
Miscellaneous Sales Expenses (916)		
148. Total Sales Expenses	\$52,609.00	\$94,050.00
7. Administrative and General Expenses		
Operation		
Administrative and General Salaries (920)	\$8,824,656.00	\$9,367,015.00
Office Supplies and Expenses (921)	\$595,791.00	\$710,379.00
(Less) Administrative Expenses Transferred—CR (922)	\$1,063,115.00	\$1,441,385.00
Outside Services Employed (923)	\$1,683,599.00	\$2,144,345.00
Property Insurance (924)	\$657,371.00	\$733,002.00
Injuries and Damages (925)	\$2,378,577.00	\$2,067,119.00
Employee Pensions and Benefits (926)	\$3,796,598.00	\$3,781,903.00
Franchise requirements (927)	\$140,370.00	\$140,317.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Operation and Maintenance Expenses - Customer, Sales and Administrative Expenses (Ref Page: 321)

	Amount for Current Yr	Amount for Previous Yr
Regulatory Commission Expenses (928)	\$4,118,531.00	\$497,536.00
(Less) Duplicate Charges -- CR (929)		
General Advertising Expenses (930.1)	\$501,674.00	\$138,785.00
Miscellaneous General Expenses (930.2)	\$288,415.00	\$489,756.00
Rents (931)	\$321,308.00	\$397,820.00
Total Operation	\$22,243,775.00	\$19,006,592.00
Maintenance		
Maintenance of General Plant (935)	\$2,608,683.00	\$2,704,114.00
168. Total Administrative and General Expenses	\$24,852,458.00	\$21,710,706.00
Total Electric Operation and Maintenance (80,100,126,134,141,148,168)	\$440,678,863.00	\$431,143,621.00

Note:

Total Electric Operation and Maintenance difference is \$1,179,892 consisting of Total Regional Transmission and Market Expense as provided in FERC Form 1.

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Purchased Power (555) (Ref Page: 326)

Name (a)	Stat Class (b)	FERC Rate (c)	Avg Bill Demd (d)	Avg NCPII (e)	Avg CP Demd (f)	MWH Purch (g)
AEP GENERATING COMPANY	RQ	AEG 2	0	0	0	1,638,514
KY ENVIRONMENTAL SURCHARGE RIDER	OS		0	0	0	0
PJM INTERCONNECTION	OS		0	0	0	1,441,502
PJM OVER/UNDER RECOVERY	OS		0	0	0	0
PURCHASED POWER ADJUSTMENT RIDER	OS		0	0	0	0
TOTAL						3,080,016

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Purchased Power (555) (Ref Page: 326) (Part Two)

Name (a)	MWH Rcvd (h)	MWH Del (i)	Demand Chrg (j)	Energy Chrg (k)	Other Chrg (l)	Total
AEP GENERATING COMPANY	0	0	\$54,742,743.00	\$41,214,182.00	\$0.00	\$95,956,925.00
KY ENVIRONMENTAL SURCHARGE RIDER	0	0	\$0.00	(\$138,947.00)	\$0.00	(\$138,947.00)
PJM INTERCONNECTION	0	0	\$0.00	\$43,719,799.00	\$0.00	\$43,719,799.00
PJM OVER/UNDER RECOVERY	0	0	\$0.00	\$33,209.00	\$0.00	\$33,209.00
PURCHASED POWER ADJUSTMENT RIDER	0	0	\$0.00	(\$49,604.00)	\$0.00	(\$49,604.00)
TOTAL	0	0	\$54,742,743.00	\$84,778,639.00	\$0.00	\$139,521,382.00

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Transmission of Electricity for Others (456) (Ref Page: 328)

Line	Payment by (a)	Energy Received From (b)	Energy Delivered to (c)	Classification (d)
1	PJM Network Integ Trans Rev Whistle	Various	Various	FNO
2	PJM Network Integ Trans Serv	Various	Various	FNO
3	PJM Trans Enhancement Rev	Various	Various	FNO
4	PJM Trans Enhancement Rev - Affil	Various	Various	FNS
5	PJM Trans Enhancement Rev Whistle	Various	Various	FNO
6	PJM Network Integ Rev - Affil	Various	Various	FNS
7	PJM Point to Point Trans Serv	Various	Various	LFP
8	PJM Trans Owner Admin Revenue	Various	Various	OLF
9	PJM Trans Owner Serv Rev Whistle	Various	Various	OLF
10	PJM Expansion Cost Recovery	Various	Various	OS
11	PJM Power Factor Credits Rev Whistle	Various	Various	OS
12	RTO Formation Costs Recovery	Various	Various	OS
13	PJM Trans Owner Serv - Affil	Various	Various	OLF
14	East Kentucky Power Cooperative	Various	Various	OLF
15	SECA Transmission Rev	Various	Various	OS

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Transmission of Electricity for Others (456) pg 2 (Ref Page: 329)

Line	Ferc Rate Schedule	Point of Receipt (f)	Point of Delivery (g)	Billing Demand MW	MWh Received (i)	MWh Delivered (j)
1	PJM OATT	Various	Various	0	0	0
2	PJM OATT	Various	Various	0	0	0
3	PJM OATT	Various	Various	0	0	0
4	PJM OATT	Various	Various	0	0	0
5	PJM OATT	Various	Various	0	0	0
6	PJM OATT	Various	Various	0	0	0
7	PJM OATT	Various	Various	0	0	0
8	PJM OATT	Various	Various	0	0	0
9	PJM OATT	Various	Various	0	0	0
10	PJM OATT	Various	Various	0	0	0
11	PJM OATT	Various	Various	0	0	0
12	PJM OATT	Various	Various	0	0	0
13	PJM OATT	Various	Various	0	0	0
14	PJM Service Agreement No. 1530	Various	Various	0	35,247	35,247
15	PJM OATT	Various	Various	0	0	0
Total				0	35,247	35,247

Note:

Compensation shall be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No.1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.

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Transmission of Electricity for Others (456) pg 3 (Ref Page: 330)

Line	Demand (k)	Energy (l)	Other (m)	Total (n)
1	\$3,177,438.00	\$0.00	\$0.00	\$3,177,438.00
2	\$6,397,862.00	\$0.00	\$0.00	\$6,397,862.00
3	\$1,895,058.00	\$0.00	\$0.00	\$1,895,058.00
4	\$298,512.00	\$0.00	\$0.00	\$298,512.00
5	\$78,393.00	\$0.00	\$0.00	\$78,393.00
6	\$13,501,216.00	\$0.00	\$0.00	\$13,501,216.00
7	\$448,650.00	\$0.00	\$0.00	\$448,650.00
8	\$0.00	\$141,826.00	\$0.00	\$141,826.00
9	\$0.00	\$48,158.00	\$0.00	\$48,158.00
10	\$0.00	\$0.00	\$0.00	\$0.00
11	\$0.00	\$0.00	\$10,799.00	\$10,799.00
12	\$21,676.00	\$0.00	\$0.00	\$21,676.00
13	\$0.00	\$231,846.00	\$0.00	\$231,846.00
14	\$0.00	\$0.00	\$52,871.00	\$52,871.00
15	\$0.00	\$0.00	\$105,634.00	\$105,634.00
Total	\$25,818,805.00	\$421,830.00	\$169,304.00	\$26,409,939.00

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Transmission of Electricity by Others (565) (Ref Page: 332)

Name (a)	MWH Received (b)	MWH Delivered (c)	Demand Charges (d)	Energy Charges (e)	Other Charges (f)	Total Cost (g)
Concurrent Energy East KY Power Coop	84,407	84,407	\$0.00	\$0.00	\$126,510.00	\$126,510.00
PJM - Enhancements	0	0	\$0.00	\$0.00	\$10,201,155.00	\$10,201,155.00
PJM - NITS	0	0	\$0.00	\$0.00	\$25,243,728.00	\$25,243,728.00
Other	0	0	\$0.00	\$0.00	\$63.00	\$63.00
Total	84,407	84,407	\$0.00	\$0.00	\$35,571,456.00	\$35,571,456.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Miscellaneous General Expenses 930.2 Electric (Ref Page: 335)

Purpose	Recipient	Amount
Industry Association Dues		\$87,012.00
Nuclear Power Research Expenses		\$0.00
Other Experimental and general Research Expenses		\$163.00
Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding securities of the Respondent		\$2,200.00
Other Expenses (List items of \$5000 or more in this column showing the Purpose, Recipient and amount of such items.		
Group amounts of less than \$5000 by classes if the number of items so grouped is shown.		
	Associated Business Development	\$61,925.00
	AEP Service Corporation Billings	\$28,500.00
	Intercompany Allocations	\$27,633.00
	Corporate Money Pool Allocations	\$10,191.00
	Corporate and Fiscal	\$8,923.00
	Prepaid Insurance	\$73,748.00
	Miscellaneous	\$8,120.00
TOTAL		\$288,415.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Depreciation and Amortization of Electric Plant (Ref Page: 336)

	Dep Exp 403 (b)	Dep Exp Asset Retirement	Amort 404 (d)	Amort 405 (e)	Total (f)
Intangible Plant	\$0.00	\$0.00	\$4,340,895.00	\$0.00	\$4,340,895.00
Steam Product Plant	\$35,216,623.00	\$222,408.00	\$0.00	\$0.00	\$35,439,031.00
Nuclear Production Plant					
Hydraulic Production Plant -- Conventional					
Hydraulic Production Plant -- Pumped Storage					
Other Production Plant					
Transmission Plant	\$15,441,147.00	\$0.00	\$0.00	\$0.00	\$15,441,147.00
Distribution Plant	\$27,880,463.00	\$0.00	\$0.00	\$0.00	\$27,880,463.00
General Plant	\$1,772,506.00	\$0.00	\$117,079.00	\$0.00	\$1,889,585.00
Common Plant -- Electric					
Total	\$80,310,739.00	\$222,408.00	\$4,457,974.00	\$0.00	\$84,991,121.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Regulatory Commission Expenses (Ref Page: 350)

Description (a)	Assessed By Reg. Comm	Expenses of Util (c)	Total Current Yr (d)	Def. 182.3 Beg. Yr (e)	Exp Charged Dept (f)
Integrated Resource Plan Filing	\$0.00	\$144,169.00	\$144,169.00	\$0.00	
2016 - Kentucky Power Rate Case	\$0.00	\$3,915,679.00	\$3,915,679.00	\$0.00	
KPSC - Case No. 2016-00180	\$0.00	\$0.00	\$0.00	\$0.00	
Minor Items < \$25,000	\$0.00	\$58,683.00	\$58,683.00	\$0.00	
Total	\$0.00	\$4,118,531.00	\$4,118,531.00	\$0.00	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Regulatory Commission Expenses (Ref Page: 350) (Part Two)

Description (a)	Exp Charged Acct (g)	Exp Charged Amt (h)	Def to 182.3 (i)	Contra Acct (j)	Amort Amount (k)	Amort Def 182.3 End Yr (l)
Integrated Resource Plan Filing	928	\$144,169.00	\$0.00		\$0.00	\$0.00
2016 - Kentucky Power Rate Case	928	\$3,915,679.00	\$0.00		\$0.00	\$0.00
KPSC - Case No. 2016-00180		\$0.00	\$0.00		\$0.00	\$0.00
Minor Items < \$25,000	928	\$58,683.00	\$0.00		\$0.00	\$0.00
Total		\$4,118,531.00	\$0.00		\$0.00	\$0.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Research Development and Demonstration Activities (Ref Page: 352)

Classification (a)	Description (b)	Costs Internal (c)	Costs External (d)	Acct (e)	Amt Charged (f)	Unamort Accum (g)
A.Internal 1.Generation b.Fossil-fuel steam	4 Items under \$50,000	\$55,187.00	\$0.00	506	\$55,187.00	\$0.00
A.Internal 1.Generation e.Unconventioanal Generation	1 Item under \$50,000	\$379.00	\$0.00	506	\$379.00	\$0.00
	1 Item under \$50,000	\$1.00	\$0.00	588	\$1.00	\$0.00
A.Internal 3.Transmission a.Overhead	2 Items under \$50,000	\$5,820.00	\$0.00	566	\$5,820.00	\$0.00
A.Internal 4.Distribution	2 Items under \$50,000	\$13,594.00	\$0.00	588	\$13,594.00	\$0.00
A.Internal 5.Environment	Industrial Advisory Committee - Southern Company	\$64,866.00	\$0.00	506	\$64,866.00	\$0.00
	2 Items under \$50,000	\$836.00	\$0.00	506	\$836.00	\$0.00
A.Internal 6.Other	2 Items under \$50,000	\$4,088.00	\$0.00	506	\$4,088.00	\$0.00
	3 Items under \$50,000	\$1,223.00	\$0.00	566	\$1,223.00	\$0.00
	5 Items under \$50,000	\$3,035.00	\$0.00	588	\$3,035.00	\$0.00
B.External 1.Support to Elec Research Council or Elec Power Research Inst	EPRI Environmental Controls	\$0.00	\$92,007.00	506	\$92,007.00	\$0.00
	EPRI Environmental Science	\$0.00	\$320,847.00	506	\$320,847.00	\$0.00
	EPRI Research Portfolio	\$0.00	\$90,155.00	506	\$90,155.00	\$0.00
	EPRI Research Portfolio	\$0.00	\$64,021.00	506	\$64,021.00	\$0.00
	13 Item under \$50,000	\$0.00	\$33,743.00	506	\$33,743.00	\$0.00
	15 Items under \$50,000	\$0.00	\$2,870.00	566	\$2,870.00	\$0.00
	9 Items under \$50,000	\$0.00	\$35,719.00	588	\$35,719.00	\$0.00
B.External 4.Support to Others	4 Items under \$50,000	\$0.00	\$19,175.00	506	\$19,175.00	\$0.00
	1 Items under \$50,000	\$0.00	\$3,146.00	566	\$3,146.00	\$0.00
Total					\$810,712.00	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Distribution of Salaries and Wages - Electric (Ref Page: 364)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Electric			
Operation			
3. Production	\$5,305,119.00		
4. Transmission	\$1,614.00		
6. Distribution	\$3,150,648.00		
8. Customer Accounts	\$1,315,805.00		
7. Customer Service and Informational	\$618,329.00		
8. Sales	\$0.00		
9. Administrative and General	\$1,509,807.00		
10. Total Operation	\$11,801,322.00		
Maintenance			
12. Production	\$8,540,026.00		
13. Transmission	\$50,378.00		
14. Distribution	\$4,883,073.00		
15. Administrative and General	\$632,738.00		
16. Total Maint	\$14,106,215.00		
17. Total Operation and Maintenance			
18. Total Production (Lines 3 and 12)	\$13,845,145.00		
19. Total Transmission (Lines 4 and 13)	\$51,992.00		
20. Total Distribution (Lines 5 and 14)	\$8,033,721.00		
21. Customer Accounts (Transcribe from Line 6)	\$1,315,806.00		
22. Customer Service and Informational (Transcribe from Line 7)	\$618,329.00		
23. Sales (Transcribe from Line 8)	\$0.00		
24. Administrative and General (Lines 9 and 15)	\$2,142,545.00		
25. Total Oper. and Maint. (Lines 18-24)	\$26,007,537.00	\$1,582,962.00	\$27,590,499.00

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Distribution of Salaries and Wages - Gas (Ref Page: 354)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Gas			
Operation			
28. Production – Manufactured Gas			
29. Production – Nat. Gas (Including Expl and Dev.)			
30. Other Gas Supply			
31. Storage, LNG Terminating and Processing			
32. Transmission			
33. Distribution			
34. Customer Accounts			
35. Customer Service and Informational			
36. Sales			
37. Administrative and General			
38. Total Operation			
Maintenance			
40. Production – Manufactured Gas			
41. Production – Natural Gas			
42. Other Gas Supply			
43. Storage, LNG Terminating and Processing			
44. Transmission			
45. Distribution			
46. Administrative and General			
47. Total Maint			
48. Total Operation and Maintenance			
49. Total Production – Manufactured Gas (Lines 28 and 40)			
50. Total Production – Natural Gas (Lines 29 and 41)			
51. Total Other Gas Supply (Lines 30 and 42)			
52. Total Storage LNG Terminating and Processing (Lines 31 and 43)			

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Distribution of Salaries and Wages - Gas (Ref Page: 354)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
53. Total Transmission (Lines 32 and 44)			
54. Total Distribution (Lines 33 and 45)			
55. Customer Accounts (Transcribe Line 34)			
56. Customer Service and Informational (Transcribe Line 35)			
57. Sales (Transcribe Line 36)			
58. Total Administrative and General (Lines 37 and 46)			
59. Total Operation and Maintenance			
60. Other Utility Departments			
61. Operation and Maintenance			
62. Total All Utility Dept (25,59,61)	\$26,007,537.00	\$1,582,962.00	\$27,590,499.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Distribution of Salaries and Wages - Utility Plant (Ref Page: 355)

Specify	Direct Payroll (b)	Alioc Clearing Accts (c)	Total (d)
Utility Plant			
Construction (By Utility Departments)			
65. Electric Plant	\$9,393,439.00	\$571,737.00	\$9,965,176.00
66. Gas Plant			
67. Other			
68. Total Construction	\$9,393,439.00	\$571,737.00	\$9,965,176.00
69. Plant Removal (By Utility Departments)			
70. Electric Plant			
71. Gas Plant	\$1,998,243.00	\$121,624.00	\$2,119,867.00
72. Other			
73. Total Plant Removal	\$1,998,243.00	\$121,624.00	\$2,119,867.00
74. Other Accounts			
152 - Fuel Stock Undistributed	\$2,842,418.00	\$0.00	\$2,842,418.00
163 - Stores Expense Undistributed	\$1,343,969.00	(\$1,343,969.00)	\$0.00
183 - Prelim Survey	\$3,280.00	(\$3,280.00)	\$0.00
184 - Clearing Accounts	\$929,074.00	(\$929,074.00)	\$0.00
185 - ODD Temporary Facilities	\$38,944.00	\$0.00	\$38,944.00
186 - Misc Deferred Debits	\$1,499,917.00	\$0.00	\$1,499,917.00
188 - Research & Development	(\$314.00)	\$0.00	(\$314.00)
426 - Political Activities	\$113,536.00	\$0.00	\$113,536.00
95. Total Other Accounts	\$6,770,824.00	(\$2,276,323.00)	\$4,494,501.00
96. Total Salaries and Wages	\$44,170,043.00	\$0.00	\$44,170,043.00

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Electric Energy Account (Ref Page: 401)

	MW Hours
Sources of Energy	
Generation (Excluding Station Use:)	
Steam	4,407,133
Nuclear	
Hydro-Conventional	
Hydro-Pumped Storage	
Other	
(Less) Energy for Pumping	
Net Generation	4,407,133
Purchases	3,080,016
Power Exchanges	
Received	
Delivered	
Net Exchanges (line 12 - Line 13)	
Transmission for Other	
Received	35,247
Delivered	35,247
Net Transmission for Other (Line 16-17)	
Transmission by Other Losses	
Total (Lines 9,10,14,18 and 19)	7,487,149
Disposition of Energy	
Sales to Ultimate Consumers (including Interdepartmental Sales)	5,590,206
Requirements Sales for Resale (See Instruction 4 pg 311)	79,869
Non-Requirements Sales for Resale (See Instruction 4 pg 311)	1,436,285
Energy furnished without Charge	
Energy Used by the Company (Electric Dept Only, excluding Station Use)	
Total Energy Losses	380,789
Total (Lines 22 thru 27)	7,487,149

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Monthly Peaks and Output (Ref Page: 401)

	Total Mon Energy (b)	Mon Non-Req. Sales for	Mon Peak MW (d)	Peak Day of Mon (e)	Peak Hour (f)
January	638,964	49,824	1,214	9	800
February	524,398	29,781	1,131	4	900
March	572,751	43,500	1,173	16	800
April	464,391	21,668	806	7	1100
May	548,024	95,714	870	16	1800
June	623,210	148,929	909	21	1700
July	764,619	243,516	1,005	19	1700
August	684,075	183,533	971	17	1600
September	558,019	121,440	861	26	1700
October	733,685	297,070	878	30	900
November	620,464	122,176	979	27	800
December	754,549	139,315	1,217	28	900
Total	7,487,149	1,496,466			

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part One Plant Info (Ref Page: 402)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 402

Col b - Plant name	Big Sandy
Kind of Plant (internal comb, gas turb, nuclear)	STEAM
Type of Constr (conventional, outdoor, boiler, etc)	CONVENTIONAL
Col c - Plant name	Mitchell-KEPCo Share
Kind of Plant (internal comb, gas turb, nuclear)	STEAM
Type of Constr (conventional, outdoor, boiler, etc)	OUTDOOR BOILER
Col d - Plant name	Mitchell- Total
Kind of Plant (internal comb, gas turb, nuclear)	STEAM
Type of Constr (conventional, outdoor, boiler, etc)	OUTDOOR BOILER
Col e - Plant name	
Kind of Plant (internal comb, gas turb, nuclear)	
Type of Constr (conventional, outdoor, boiler, etc)	
Col f - Plant name	
Kind of Plant (internal comb, gas turb, nuclear)	
Type of Constr (conventional, outdoor, boiler, etc)	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Year Originally Constructed	1,983	1,971	1,971	0	0
Year Last Unit was Installed	2,016	1,971	1,971	0	0
Total Installed Cap (Max Gen name Plate Ratings MW)	281	817	1,633	0	0
Net Peak Demand on Plant - MW (60 minutes)	302	783	1,565	0	0
Plant Hours Connected to Load	3,226	8,252	8,252	0	0
Net Continuous Plant Capability (MW)	0	0	0	0	0
When Not Limited by Condenser Water	280	780	1,560	0	0
When Limited by Condenser Water	280	780	1,560	0	0
Average Number of Employees	39	125	250	0	0
Net Generation, Exclusive of Plant Use - KWh	563,707,000	3,843,426,000	7,686,852,000	0	0
Cost of Plant:					
Land and Land Rights	1,753,939	3,103,945	6,207,890	0	0
Structures and Improvements	13,529,078	53,494,011	106,826,097	0	0
Equipment Costs	148,766,051	954,378,252	1,906,647,281	0	0
Asset Retirement Costs	4,241,543	7,383,108	13,058,746	0	0
Total Cost	166,280,611	1,018,359,316	2,032,738,014	0	0
Cost per KW of Installed Capacity (line 5)	593	1,245	1,245	0	0
Production Expenses:					
Oper, Supv and Engr	685,788	3,404,438	5,794,540	0	0
Fuel	26,202,162	92,549,844	178,916,707	0	0
Coolants and Water (Nuclear only)	0	0	0	0	0
Steam Expenses	8,555	6,209,304	12,599,282	0	0
Steam from Other Sources	0	0	0	0	0
Steam Transferred (Cr)	0	0	0	0	0
Electric Expenses	2,190	3,685	7,370	0	0
Misc Steam (or Nuclear) Power Expenses	3,672,070	6,917,812	9,929,091	0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Rents	0	0	0	0	0
Allowances	40,248	321,797	322,535	0	0
Maintenance Supervision and Engineering	323,068	2,207,784	4,161,881	0	0
Maintenance of Structures	866,070	669,073	1,338,043	0	0
Maintenance of Boiler (or reactor) Plant	1,535,270	11,039,598	20,974,763	0	0
Maintenance of Electric Plant	1,086,902	2,780,749	5,561,281	0	0
Maintenance of Misc Steam (or Nuclear) Plant	885,833	676,044	1,351,704	0	0
Total Production Expenses	35,309,134	126,780,128	240,957,207	0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part Two (Line 34) (Ref Page: 402)

	b	c	d	e	f
Expenses per Net KWh	0.0626	0.0330	0.0313	0.0000	0.0000

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Column b					
Nuclear Unit					
Quantity of Fuel Burned	0.0000	0.00000000	4,671,961.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0.0000	0.00000000	1,237,000.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	0.0000	0.00000000	4.5940	0.0000	
Average Cost of Fuel per Unit Burned	0.0000	0.00000000	4.9320	0.0000	
Average Cost of Fuel Burned per Million BTU	0.0000	0.00000000	3.9870	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0000	0.00000000	0.0410	0.0000	
Average BTU per KWh Net Generation	0.0000	0.00000000	10,249.0000	0.0000	
Column c					
Nuclear Unit					
Quantity of Fuel Burned	1,492,363.0000	18,630.00000000	0.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12,299.0000	134,327.00000000	0.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	57.4850	76.89200000	0.0000	0.0000	
Average Cost of Fuel per Unit Burned	59.7380	70.36800000	0.0000	0.0000	
Average Cost of Fuel Burned per Million BTU	2.4290	12.47200000	0.0000	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0230	0.00000000	0.0000	0.0000	
Average BTU per KWh Net Generation	9,970.0000	0.00000000	0.0000	0.0000	
Column d					
Nuclear Unit					
Quantity of Fuel Burned	2,984,726.0000	37,260.00000000	0.0000	0.0000	
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	12,299.0000	134,327.00000000	0.0000	0.0000	0
Avg Cost of Fuel/unit as Delvd f.o.b. during year	57.4850	76.89200000	0.0000	0.0000	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Average Cost of Fuel per Unit Burned	59.5430	70.36600000	0.0000	0.0000	
Average Cost of Fuel Burned per Million BTU	2.4210	12.47200000	0.0000	0.0000	
Average Cost of Fuel Burned per KWh Net Gen	0.0230	0.00000000	0.0000	0.0000	
Average BTU per KWh Net Generation	9,970.0000	0.00000000	0.0000	0.0000	
Column e					
Nuclear Unit					
Quantity of Fuel Burned					
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)					
Avg Cost of Fuel/unit as Delvd f.o.b. during year					
Average Cost of Fuel per Unit Burned					
Average Cost of Fuel Burned per Million BTU					
Average Cost of Fuel Burned per KWh Net Gen					
Average BTU per KWh Net Generation					
Column f					
Nuclear Unit					
Quantity of Fuel Burned					
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)					
Avg Cost of Fuel/unit as Delvd f.o.b. during year					
Average Cost of Fuel per Unit Burned					
Average Cost of Fuel Burned per Million BTU					
Average Cost of Fuel Burned per KWh Net Gen					
Average BTU per KWh Net Generation					

Steam-Electric Generating Plant Statistics - pg two - Part One Plant Info (Ref Page: 402)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 402

Col b - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col c - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col d - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col e - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

Col f - Plant name

Kind of Plant (internal comb, gas turb, nuclear)

Type of Constr (conventional, outdoor, boiler, etc)

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - pg two - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total Installed Cap (Max Gen name Plate Ratings MW)					
Net Peak Demand on Plant - MW (60 minutes)					
Plant Hours Connected to Load					
Net Continuous Plant Capability (MW)					
When Not Limited by Condenser Water					
When Limited by Condenser Water					
Average Number of Employees					
Net Generation, Exclusive of Plant Use - KWh					
Cost of Plant:					
Land and Land Rights					
Structures and Improvements					
Equipment Costs					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses:					
Oper, Supv and Engr					
Fuel					
Coolants and Water (Nuclear only)					
Steam Expenses					
Steam from Other Sources					
Steam Transferred (Cr)					
Electric Expenses					
Misc Steam (or Nuclear) Power Expenses					

Steam-Electric Generating Plant Statistics - pg two - Part Two (Lines 3-33) (Ref Page: 402)

	b	c	d	e	f
Rents					
Allowances					
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Boiler (or reactor) Plant					
Maintenance of Electric Plant					
Maintenance of Misc Steam (or Nuclear) Plant					
Total Production Expenses					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - pg two - Part Two (Line 34) (Ref Page: 402)

	b	c	d	e	f
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Expenses per Net KWh

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - pg two - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
--	------------	--------------	-----------	--------------------	--------------

column b

Nuclear Unit

Quantity of Fuel Burned

Avg Heat Cont - Fuel Burned
(btu/indicate if nuclear)

Avg Cost of Fuel/unit as Delvd
f.o.b. during year

Average Cost of Fuel per Unit
Burned

Average Cost of Fuel Burned
per Million BTU

Average Cost of Fuel Burned
per KWh Net Gen

Average BTU per KWh Net
Generation

column c

Nuclear Unit

Quantity of Fuel Burned

Avg Heat Cont - Fuel Burned
(btu/indicate if nuclear)

Avg Cost of Fuel/unit as Delvd
f.o.b. during year

Average Cost of Fuel per Unit
Burned

Average Cost of Fuel Burned
per Million BTU

Average Cost of Fuel Burned
per KWh Net Gen

Average BTU per KWh Net
Generation

column d

Nuclear Unit

Quantity of Fuel Burned

Avg Heat Cont - Fuel Burned
(btu/indicate if nuclear)

Avg Cost of Fuel/unit as Delvd
f.o.b. during year

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Steam-Electric Generating Plant Statistics - pg two - Part Three (Lines 35-43) (Ref Page: 402)

	Coal -Tons	Oil - Barrel	Gas - MCF	Nuclear - Indicate	Nuclear Unit
Average Cost of Fuel per Unit Burned					
Average Cost of Fuel Burned per Million BTU					
Average Cost of Fuel Burned per KWh Net Gen					
Average BTU per KWh Net Generation					
column e					
Nuclear Unit					
Quantity of Fuel Burned					
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)					
Avg Cost of Fuel/unit as Delvd f.o.b. during year					
Average Cost of Fuel per Unit Burned					
Average Cost of Fuel Burned per Million BTU					
Average Cost of Fuel Burned per KWh Net Gen					
Average BTU per KWh Net Generation					
column f					
Nuclear Unit					
Quantity of Fuel Burned					
Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)					
Avg Cost of Fuel/unit as Delvd f.o.b. during year					
Average Cost of Fuel per Unit Burned					
Average Cost of Fuel Burned per Million BTU					
Average Cost of Fuel Burned per KWh Net Gen					
Average BTU per KWh Net Generation					

HydroElectric Generating Plant Statistics - Part One Plant Info (Ref Page: 406)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 406

Col b Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col c Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col d Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col e Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

Col f Ferc Licensed Project No

Plant Name

Kind of Plant (Run-of-River or Storage)

Plant Construction type (Conventional or Outdoor)

300 Kentucky Power Company 01/01/2017 - 12/31/2017

HydroElectric Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 406)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total installed cap (Gen name plate Rating in MW)					
Net Peak Demand on Plant-Megawatts (60 minutes)					
Plant Hours Connect to Load					
Net Plant Capability (in megawatts)					
(a) Under Most Favorable Oper Conditions					
(b) Under the Most Adverse Oper Conditions					
Average Number of Employees					
Net Generation, Exclusive of Plant Use - KWh					
Cost of Plant					
Land and Land Rights					
Structures and Improvements					
Reservoirs, Dams, and Waterways					
Equipment Costs					
Roads, Railroads and Bridges					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses					
Operation Supervision and Engineering					
Water for Power					
Hydraulic Expenses					
Electric Expenses					
Misc Hydraulic Power Generation Expenses					
Rents					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

HydroElectric Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 406)

	b	c	d	e	f
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Reservoirs, Dams and Waterways					
Maintenance of Electric Plant					
Maintenance of Misc Hydraulic Plant					
Total Production Expenses					
Expenses per net KWh					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Pumped Storage Generating Plant Statistics - Part One Plant Info (Ref Page: 408)

Plant

Please enter the information regarding each plant corresponding to the column intended for pg 408

Col b Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col c Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col d Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col e Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Col f Ferc Licensed Project No

Plant Name

Type of Plant Construction (Conventional or Outdoor)

Pumped Storage Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 408)

	b	c	d	e	f
Year Originally Constructed					
Year Last Unit was Installed					
Total installed cap (Gen name plate Rating in MW)					
Net Peak Demand on Plant-Megawatts (60 minutes)					
Plant Hours Connect to Load					
Net Plant Capability (in megawatts)					
Average Number of Employees					
9. Generation, Exclusive of Plant Use - KWh					
10. Energy Used for Pumping					
Net Output for Load (line 9 - line 10)					
Land and Land Rights					
Structures and Improvements					
Reservoirs, Dams, and Waterways					
Water Wheels, Turbines and Generators					
Accessory Electric Equipment					
Misc Pwerplant Equipment					
Roads, Railroads and Bridges					
Asset Retirement Costs					
Total Cost					
Cost per KW of Installed Capacity (line 5)					
Production Expenses					
Operation Supervision and Engineering					
Water for Power					
Pumped Storage Expenses					
Electric Expenses					
Misc Pumped Storage Power Generation Expenses					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Pumped Storage Generating Plant Statistics - Part Two (Lines 3-34) (Ref Page: 408)

	b	c	d	e	f
Rents					
Maintenance Supervision and Engineering					
Maintenance of Structures					
Maintenance of Reservoirs, Dams and Waterways					
Maintenance of Electric Plant					
Maintenance of Misc Pumped Storage Plant					
Production Expenses before Pumping Exp (23 thru 33)					
Pumping Expenses					
Total Production Expenses					
Expenses per net KWh					

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Generating Plant Statistics (Small Plants) (Ref Page: 410)

Name of Plant (a)	Yr Orig Const (b)	Installed Capacity Name	Net Peak Demand MW	Net Generation	Cost of Plant (f)
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300 Kentucky Power Company 01/01/2017 - 12/31/2017

Generating Plant Statistics (Small Plants) (Ref Page: 410) (Part Two)

Name of Plant (a)	Plant Cost (include Asst Ret) per MW	Operation Excl Fuel (h)	Prod Exp. Fuel (i)	Prod Exp Maintenance (j)	Kind of Fuel (k)	Fuel Costs (in cents per Million BTU) (l)
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300 Kentucky Power Company 01/01/2017 - 12/31/2017

Transmission Line Statistics (Ref Page: 422)

Line	From (a)	To (b)	Volt Operating (c)	Volt Designed (d)	Type support (e)	Length Line Designated (f)	Length Another Line (g)	Number of Circuits (h)
1	0700 BIG SANDY, KY	AMOS WV	765	765	3	0.1300	0.0000	1
2	0701 BIG SANDY, KY	SARGENTS, OH	765	765	3	24.2000	0.0000	1
3	0701 BIG SANDY, KY	SARGENTS, OH	765	765	3	4.7900	0.0000	1
4	0702 BIG SANDY, KY	BROADFORD, VA	765	765	3	12.6500	0.0000	1
5	0702 BIG SANDY, KY	BROADFORD, VA	765	765	3	3.0400	0.0000	1
6	0702 BIG SANDY, KY	BROADFORD, VA	765	765	3	58.2600	0.0000	1
7	0703 HANGING ROCK, OH	JEFFERSON, IN	765	765	3	154.7400	0.0000	1
8	0300 BIG SANDY, KY	TRI-STATE, WV	345	345	3	8.3600	0.0000	1
9	0600 HAZARD, KY PINEVILLE,	PINEVILLE, KY	161	161	1	45.6200	0.0000	1
10	0600 HAZARD, KY	PINEVILLE, KY	161	161	3	0.7200	0.0000	1
11	0135 WOOTEN	ARNOLD DELVINTA (LGE)	161	161	1	1.0900	0.0000	1
12	0136 WOOTEN EXTENSION		161	161	3	0.0000	0.0000	1
13	0100 BIG SANDY, KY	BELLEFONTE	138	138	3	12.0800	0.0000	1
14	0100 BIG SANDY, KY	BELLEFONTE	138	138	3	14.7700	0.0000	1
15	0100 BIG SANDY, KY	BELLEFONTE	138	138	3	16.3000	0.0000	2
16	0101 BIG SANDY, KY	W HUNTINGTON, WV	138	138	3	0.3300	0.0000	1
17	0102 BELLEFONTE, KY	N PROCTORVILLE, OH	138	138	3	1.1000	1.1000	1
18	0103 HAZARD, KY	BEAVER CREEK, KY	138	138	3	5.9100	0.0000	1
19	0103 HAZARD, KY	BEAVER CREEK, KY	138	138	3	23.2500	0.0000	1

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Transmission Line Statistics (Ref Page: 422)

Line	From (a)	To (b)	Volt Operating (c)	Volt Designed (d)	Type support (e)	Length Line Designated (f)	Length Another Line (g)	Number of Circuits (h)
20	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138	138	3	2.3000	0.0000	1
21	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138	138	1	16.0900	16.9200	1
22	0107 LOGAN, WV	SPRIGG, KY	138	138	3	0.6400	0.0000	2
23	0110 BEAVER CREEK, KY	BIG SANDY, KY	138	138	3	32.4300	0.0000	1
24	0110 BEAVER CREEK, KY	BIG SANDY, KY	138	138	1	10.0500	0.0000	1
25	0110 BEAVER CREEK, KY	BIG SANDY, KY	138	138	1	16.4100	0.3300	1
26	0111 TRI STATE, WV	BELLEFONTE, KY	138	138	3	0.7100	14.4100	1
27	0111 TRI STATE, WV	BELLEFONTE, KY	138	138	1	0.3800	0.0000	1
28	0113 CHADWICK	KY ELECTRIC STEEL	138	138	1	7.9000	0.0000	1
29	0115 CHADWICK	COALTON	138	138	1	0.9800	0.0000	1
30	0133 CHADWICK EXTENSION		138	138		0.0000	0.0000	0
31	0117 MILBROOK PARK, OH	FULLERTON	138	138	1	5.0800	1.5800	1
32	0116 BEAVER CREEK	SPICEWOOD	138	138	1	25.8300	0.0000	1
33	0116 BEAVER CREEK	SPICEWOOD	138	138	3	0.6300	0.0000	0
34	0120 HATFIELD	SPRIGG	138	138	1	5.8800	0.0000	1
35	0121 HATFIELD	INEZ	138	138	1	14.6700	0.0000	1
1	0122 INEZ	LOVELY	138	138	1	6.8600	0.0000	1
2	0126 INEZ	MARTIKI	138	138	1	0.3300	0.0000	1
3	0127 BIG SANDY	INEZ	138	138	3	23.0000	0.0000	1
4	0106 DORTON	FLEMING	138	138	1	6.8100	0.0000	1
5	0106 DORTON	FLEMING	138	138	3	0.8300	0.0000	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Transmission Line Statistics (Ref Page: 422)

Line	From (a)	To (b)	Volt Operating (c)	Volt Designed (d)	Type support (e)	Length Line Designated (f)	Length Another Line (g)	Number of Circuits (h)
6	0108 BEAVER CREEK	SPRIGG #1	138	138	1	32.6000	0.0000	1
7	0124 BIG SANDY	SOUTH NEAL	138	138	1	0.0100	0.0000	1
8	0109 BEAVER CREEK	SPRIGG #3	138	138		0.0000	0.0000	0
9	0125 BELLEFONTE	AK STEEL OXYGEN PLANT	138	138	3	0.2200	0.0000	2
10	0130 JOHNS CREEK	SPRIGG	138	138	3	13.0000	0.0000	0
11	0131 BAKER	BIG SANDY EXT.	138	138	3	1.0000	0.0000	1
12	0128 INEZ	JOHNS CREEK	138	138	3	17.0000	0.0000	0
13	0129 BEAVER CREEK	JOHNS CREEK	138	138	3	22.0000	0.0000	0
14	0132 GRANGSTON LOOP		138	138	1	2.0100	0.0000	2
15	0137 HAYS BRANCH	MORGAN FORK	138	138	3	8.3000	0.0000	1
16	0138 SOFT SHELL	BEAVER CREEK	138	138	3	1.4000	0.0000	2
17	0138 SOFT SHELL	SPICEWOOD	138	138	3	1.4000	0.0000	2
18	0139 MORGAN FORK	BETSY LANE	138	138	3	0.1000	0.0000	1
19	0139 MORGAN FORK	BEAVER CREEK	138	138	3	0.1000	0.0000	1
20	0140 BONNYMAN	SOFT SHELL	138	138	3	0.8800	0.0000	2
21	0140 BONNYMAN	SOFT SHELL	138	138	1	19.1500	0.0000	1
22			0	0		0.0000	0.0000	0
23	LINES < 132KV		69	69		594.2500	6.1600	0
24			0	0		0.0000	0.0000	0
25	Line cost and expense are	not available by individual	0	0		0.0000	0.0000	0
26	transmission line	Total shown in Column j - p	0	0		0.0000	0.0000	0

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Transmission Line Statistics (cont) (Ref Page: 423)

Line	Size of	Cost of Line -	Cost of Line -	Cost of Line -	Operation (m)	Maintenance (n)	Rents (o)	Total (p)
1	954 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	954 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	4-954 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	1351.6 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8	954 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9	500 KCM CU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10	759 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11	795 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12	795 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	556.5 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	795 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	795 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	1033.5 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	397.5 MA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	397.5 MCMCU	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	636 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
21		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22	397 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
23	397.5 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
24		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
25		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
27		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
28	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
29	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Transmission Line Statistics (cont) (Ref Page: 423)

Line	Size of	Cost of Line -	Cost of Line -	Cost of Line -	Operation (m)	Maintenance (n)	Rents (o)	Total (p)
31	556.5 MCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
32	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
33	1590 KCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
34	1033 MCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
35	10335 VAR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	10335 VAR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	10335 VAR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	795 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	397 MCMA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	10335 VAR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9	795 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10	1033 MCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11	1351 KCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12	2-556.5 MCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13	1033 MCM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	556.5 KCM ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	795 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
16	1590 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
17	1590 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	795 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19	795 ACSR	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20	1590 KCM ACSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
21	1590 KCM ACSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22		\$33,094,402.00	\$339,311,114.00	\$372,405,516.00	\$80,752.00	\$2,516,215.00	\$0.00	\$2,576,967.00
23		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
24		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
25		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
26		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Transmission Line Statistics (cont) (Ref Page: 423)

Line	Size of	Cost of Line -	Cost of Line -	Cost of Line -	Operation (m)	Maintenance (n)	Rents (o)	Total (p)
Total		\$33,094,402.00	\$339,311,114.00	\$372,405,516.00	\$60,752.00	\$2,516,215.00	\$0.00	\$2,576,967.00

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Transmission Lines Added During Year (Ref Page: 424)

Line	From (a)	To (b)	Line Length Lines (c)	Type support (d)	Ave Num per Miles (e)	Circuits Per Structure Present (f)	Circuits Per Structure Ultimate (g)
1	NO LINES ADDED		0.0000		0	0	0

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Transmission Lines Added During Year (cont) (Ref Page: 425)

Line	Conductor Size	Conductor	Config and	Voltage KV	Land and Land	Poles Towers	Conductors	Asset	Total (p)
1				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total									

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Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
1	ALLEN (KP) - KY	D	46.0000	0.0000	0.0000
2	ALLEN (KP) - KY	D	46.0000	12.0000	0.0000
3	ASHLAND - KY	D	69.0000	12.0000	0.0000
4	ASHLAND - KY	D	69.0000	0.0000	0.0000
5	BAKER 345KV - KY	T	345.0000	138.0000	34.5000
6	BAKER 765KV - KY	T	765.0000	345.0000	34.5000
7	BAKER 765KV - KY	T	69.0000	12.0000	0.0000
8	BAKER 765KV - KY	T	138.0000	34.5000	0.0000
9	BAKER 765KV - KY	T	69.0000	4.0000	0.0000
10	BAKER 765KV - KY	T	69.0000	12.0000	0.0000
11	BARRENSHE - KY	D	69.0000	12.0000	0.0000
12	BEAVER CREEK - KY	T	138.0000	34.5000	0.0000
13	BEAVER CREEK - KY	T	138.0000	69.0000	46.0000
14	BEAVER CREEK - KY	T	138.0000	0.0000	0.0000
15	BECKHAM - KY	D	138.0000	0.0000	0.0000
16	BECKHAM - KY	D	138.0000	34.5000	0.0000
17	BEEFHIDE - KY	D	138.0000	34.5000	0.0000
18	BELFRY - KY	D	46.0000	12.0000	0.0000
19	BELHAVEN - KY	D	138.0000	13.0900	0.0000
20	BELLEFONTE 138KV - KY	T	138.0000	69.0000	34.5000
21	BELLEFONTE 138KV - KY	T	138.0000	35.0000	0.0000
22	BELLEFONTE 138KV - KY	T	138.0000	13.0900	0.0000
23	BELLEFONTE 69KV - KY	T	69.0000	0.0000	0.0000
24	BETSY LAYNE - KY	T	46.0000	0.0000	0.0000
25	BETSY LAYNE - KY	T	138.0000	34.0000	0.0000
26	BETSY LAYNE - KY	T	46.0000	12.0000	0.0000
27	BETSY LAYNE - KY	T	138.0000	69.0000	46.0000
28	BIG SANDY 138KV - KY	T	138.0000	69.5000	13.2000

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Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
29	BIG SANDY 138KV - KY	T	138.0000	13.0900	0.0000
30	BIG SANDY 138KV - KY	T	138.0000	34.5000	0.0000
31	BLUE GRASS - KY	D	69.0000	12.0000	0.0000
32	BONNYMAN - KY	T	138.0000	70.5000	13.0000
33	BONNYMAN - KY	T	69.0000	34.5000	0.0000
34	BULAN - KY	D	69.0000	12.0000	0.0000
35	BURDINE - KY	D	46.0000	12.0000	0.0000
36	BURTON - KY	D	46.0000	12.0000	0.0000
37	BUSSEYVILLE - KY	D	138.0000	34.5000	0.0000
38	CANNONSBURG - KY	D	69.0000	34.5000	0.0000
39	CEDAR CREEK - KY	T	138.0000	69.0000	46.0000
40	CEDAR CREEK - KY	T	69.0000	12.0000	0.0000
1	CEDAR CREEK - KY	T	138.0000	34.5000	0.0000
2	CEDAR CREEK - KY	T	138.0000	34.5000	0.0000
3	CHADWICK - KY	T	138.0000	69.0000	34.5000
4	CHAVIES - KY	D	69.0000	12.0000	0.0000
5	CHAVIES - KY	D	69.0000	0.0000	0.0000
6	COALTON - KY	D	69.0000	0.0000	0.0000
7	COALTON - KY	D	69.0000	12.0000	0.0000
8	COLEMAN - KY	D	69.0000	34.5000	0.0000
9	COLEMAN - KY	D	69.0000	12.0000	0.0000
10	COLLIER - KY	D	69.0000	0.0000	0.0000
11	COLLIER - KY	D	69.0000	34.0000	0.0000
12	COMBS - KY	D	69.0000	0.0000	0.0000
13	COMBS - KY	D	69.0000	12.0000	0.0000
14	DAISY - KY	D	69.0000	0.0000	0.0000
15	DAISY - KY	D	69.0000	12.0000	0.0000
16	DEWEY - KY	T	138.0000	69.0000	12.0000
17	DEWEY - KY	T	138.0000	34.5000	0.0000
18	DEWEY - KY	T	69.0000	0.0000	0.0000

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Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
19	DORTON - KY	T	138.0000	46.0000	0.0000
20	DRAFFIN - KY	D	46.0000	12.0000	0.0000
21	EAST PRESTONSBURG - KY	D	46.0000	12.0000	0.0000
22	ELWOOD (KP) - KY	D	46.0000	0.0000	0.0000
23	ELWOOD (KP) - KY	D	46.0000	34.5000	6.5000
24	ENGLE - KY	D	69.0000	34.5000	0.0000
25	FALCON - KY	D	69.0000	46.0000	0.0000
26	FALCON - KY	D	69.0000	12.0000	0.0000
27	FEDS CREEK - KY	D	69.0000	12.0000	0.0000
28	FISHTRAP - KY	D	69.0000	12.0000	0.0000
29	FLEMING - KY	T	69.0000	12.0000	0.0000
30	FLEMING - KY	T	138.0000	69.0000	46.0000
31	FLEMING - KY	T	69.0000	0.0000	0.0000
32	FORDS BRANCH - KY	D	46.0000	34.5000	12.0000
33	FORDS BRANCH STEPDOWN - KY	D	34.5000	12.0000	0.0000
34	FORTY SEVENTH STREET - KY	D	69.0000	13.0900	0.0000
35	GARRETT (KP) - KY	T	46.0000	12.0000	0.0000
36	GRAHN - KY	D	69.0000	12.0000	0.0000
37	GRAYS BRANCH - KY	D	69.0000	12.0000	0.0000
38	GRAYSON - KY	D	69.0000	12.0000	0.0000
39	HADDIX - KY	D	69.0000	34.5000	0.0000
40	HADDIX - KY	D	69.0000	0.0000	0.0000
1	HATFIELD (KP) - KY	T	138.0000	69.0000	46.0000
2	HAYWARD - KY	D	69.0000	13.0900	0.0000
3	HAZARD - KY	T	161.0000	138.0000	11.0000
4	HAZARD - KY	T	34.5000	12.0000	0.0000
5	HAZARD - KY	T	138.0000	0.0000	0.0000
6	HAZARD - KY	T	69.0000	0.0000	0.0000
7	HAZARD - KY	T	138.0000	69.0000	12.0000
8	HAZARD - KY	T	138.0000	36.2000	0.0000

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
9	HAZARD - KY	T	69.0000	34.0000	2.5000
10	HENRY CLAY - KY	D	46.0000	0.0000	0.0000
11	HENRY CLAY - KY	D	46.0000	34.5000	0.0000
12	HIGHLAND (KP) - KY	D	69.0000	13.0900	0.0000
13	HIGHLAND (KP) - KY	D	69.0000	0.0000	0.0000
14	HITCHINS - KY	D	69.0000	13.0900	0.0000
15	HOODS CREEK - KY	D	69.0000	12.0000	0.0000
16	HOWARD COLLINS - KY	D	69.0000	12.0000	0.0000
17	INDEX - KY	D	69.0000	12.0000	0.0000
18	INEZ - KY	T	138.0000	0.0000	0.0000
19	INEZ - KY	T	69.0000	0.0000	0.0000
20	INEZ - KY	T	138.0000	69.0000	13.0900
21	JACKSON - KY	D	69.0000	12.0000	0.0000
22	JACKSON - KY	D	69.0000	0.0000	0.0000
23	JEFF - KY	D	69.0000	36.2000	0.0000
24	JENKINS - KY	D	69.0000	12.0000	0.0000
25	JOHNS CREEK - KY	T	138.0000	69.0000	34.0000
26	JOHNS CREEK - KY	T	138.0000	0.0000	0.0000
27	JOHNS CREEK - KY	T	69.0000	0.0000	0.0000
28	KENWOOD - KY	D	46.0000	0.0000	0.0000
29	KENWOOD - KY	D	46.0000	12.0000	0.0000
30	KEYSER - KY	D	69.0000	12.0000	0.0000
31	KIMPER - KY	D	69.0000	12.0000	0.0000
32	LESLIE - KY	T	69.0000	34.5000	0.0000
33	LESLIE - KY	T	161.0000	69.0000	12.0000
34	LESLIE - KY	T	69.0000	0.0000	0.0000
35	LOVELY - KY	D	138.0000	34.0000	0.0000
36	MANSBACH - KY	D	69.0000	4.0000	0.0000
37	MAYKING - KY	D	69.0000	12.0000	0.0000
38	MAYO TRAIL - KY	D	69.0000	12.0000	0.0000
39	MCKINNEY - KY	D	34.5000	12.0000	0.0000
40	MCKINNEY - KY	D	46.0000	34.0000	0.0000

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Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
1	MIDDLE CREEK - KY	D	46.0000	12.0000	0.0000
2	MORGAN FORK - KY	T	138.0000	0 0000	0.0000
3	NEW CAMP - KY	D	69.0000	12 0000	0.0000
4	OLIVE HILL - KY	D	69.0000	4.0000	0.0000
5	OLIVE HILL - KY	D	69.0000	12 0000	0.0000
6	PIKEVILLE - KY	D	69.0000	12 0000	0 0000
7	PRESTONSBURG - KY	D	46.0000	13 0900	0.0000
8	PRESTONSBURG - KY	D	46.0000	0 0000	0.0000
9	PRINCESS - KY	D	69.0000	0 0000	0.0000
10	PRINCESS - KY	D	69.0000	34.5000	0 0000
11	RACELAND - KY	D	69.0000	2.4000	0.0000
12	REEDY COAL - KY	D	69.0000	34.0000	0.0000
13	RUSSELL - KY	D	69.0000	12.0000	0.0000
14	RUSSELL FORK - KY	D	69.0000	12.0000	0.0000
15	SALISBURY (KP) - KY	D	46.0000	13 0900	0.0000
16	SECOND FORK - KY	D	69.0000	12 0000	0 0000
17	SECOND FORK - KY	D	69 0000	0 0000	0 0000
18	SHAMROCK - KY	D	69.0000	34.5000	0.0000
19	SIDNEY - KY	D	69.0000	12.0000	0.0000
20	SILOAM - KY	D	69.0000	12.0000	0.0000
21	SLEMP - KY	D	69.0000	34.0000	0.0000
22	SLEMP - KY	D	69 0000	34.5000	0 0000
23	SOFT SHELL - KY	D	138.0000	34.5000	0.0000
24	SOUTH PIKEVILLE - KY	D	69.0000	13 0900	0 0000
25	SOUTH SHORE - KY	D	69 0000	13 0900	0 0000
26	SPRING FORK - KY	D	46.0000	7.2000	0.0000
27	STINNETT - KY	D	161.0000	34.5000	7 2000
28	STINNETT - KY	D	161.0000	34.5000	7.2000
29	STINNETT - KY	D	161.0000	34.0000	7 2000
30	STONE - KY	T	138.0000	46 0000	0.0000
31	STONE - KY	T	138.0000	69 0000	12 0000
32	TENTH STREET - KY	D	69 0000	13 0900	0 0000

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Substations (Ref Page: 426)

Line	Name and Location (a)	Character (b)	Voltage - Primary (c)	Voltage - Secondary (d)	Voltage - Tertiary (e)
33	THELMA - KY	T	138.0000	69.0000	12.0000
34	THELMA - KY	T	138.0000	69.0000	46.0000
35	THELMA - KY	T	138.0000	0.0000	0.0000
36	THELMA - KY	T	46.0000	0.0000	0.0000
37	TOM WATKINS - KY	D	69.0000	12.0000	0.0000
38	TOPMOST - KY	D	138.0000	13.0900	0.0000
39	VICCO - KY	D	138.0000	34.5000	0.0000
40	WEEKSBURY - KY	D	69.0000	12.0000	0.0000
1	WEST PAINTSVILLE - KY	D	69.0000	12.0000	0.0000
2	WEST PAINTSVILLE - KY	D	69.0000	12.0000	0.0000
3	WHITESBURG - KY	D	69.0000	0.0000	0.0000
4	WHITESBURG - KY	D	69.0000	12.0000	0.0000
5	WORTHINGTON - KY	D	69.0000	12.0000	0.0000
6	WURLAND - KY	D	69.0000	12.0000	0.0000

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (in	Num spare Trans (h)	Type Equipment (i)	Num Units (j)	Total Capacity (k)
1	0.0000	0	0	0 STATCAP	1	13
2	6.0000	1	0	0	0	0
3	22.0000	1	0	0	0	0
4	0.0000	0	0	0 STATCAP	1	16
5	672.0000	1	0	0	0	0
6	1,500.0000	3	0	0	0	0
7	11.0000	0	1	1	0	0
8	30.0000	0	1	1	0	0
9	3.0000	0	1	1	0	0
10	3.0000	0	1	1	0	0
11	25.0000	1	0	0	0	0
12	30.0000	1	0	0	0	0
13	146.0000	2	0	0	0	0
14	0.0000	0	0	0 STATCAP	4	235
15	0.0000	0	0	0 STATCAP	1	43
16	30.0000	1	0	0	0	0
17	20.0000	1	0	0	0	0
18	11.0000	1	0	0	0	0
19	20.0000	1	0	0	0	0
20	308.0000	2	0	0	0	0
21	45.0000	1	0	0	0	0
22	22.0000	1	0	0	0	0
23	0.0000	0	0	0 STATCAP	1	14
24	0.0000	0	0	0 STATCAP	1	10
25	25.0000	1	0	0	0	0
26	6.0000	1	0	0	0	0
27	50.0000	1	0	0	0	0
28	129.0000	1	0	0	0	0
29	20.0000	1	0	0	0	0
30	20.0000	1	0	0	0	0
31	11.0000	1	0	0	0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (In	Num spare Trans (h)	Type Equipment (l)	Num Units (j)	Total Capacity (k)
32	130.0000	1	0		0	0
33	30.0000	1	0		0	0
34	9.0000	1	0		0	0
35	8.0000	1	0		0	0
36	6.0000	1	0		0	0
37	55.0000	2	0		0	0
38	25.0000	1	0		0	0
39	90.0000	1	0		0	0
40	6.0000	0	1		0	0
1	30.0000	0	1		0	0
2	25.0000	0	1		0	0
3	200.0000	1	0		0	0
4	4.0000	1	0		0	0
5	0.0000	0	0	STATCAP	1	10
6	0.0000	0	0	STATCAP	1	14
7	25.0000	1	0		0	0
8	20.0000	1	0		0	0
9	4.0000	1	0		0	0
10	0.0000	0	0	STATCAP	1	10
11	25.0000	1	0		0	0
12	0.0000	0	0	STATCAP	1	13
13	8.0000	1	0		0	0
14	0.0000	0	0	STATCAP	1	13
15	5.0000	1	0		0	0
16	90.0000	1	0		0	0
17	25.0000	1	0		0	0
18	0.0000	0	0	STATCAP	1	27
19	45.0000	1	0		0	0
20	11.0000	1	0		0	0
21	20.0000	1	0		0	0
22	0.0000	0	0	STATCAP	1	14

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (in	Num spare Trans (h)	Type Equipment (l)	Num Units (j)	Total Capacity (k)
23	25.0000	1	0		0	0
24	20.0000	1	0		0	0
25	20.0000	1	0		0	0
26	20.0000	1	0		0	0
27	22.0000	1	0		0	0
28	4.0000	1	0		0	0
29	20.0000	1	0		0	0
30	130.0000	1	0		0	0
31	0.0000	0	0	STATCAP	1	14
32	30.0000	1	0		0	0
33	4.0000	1	0		0	0
34	20.0000	1	0		0	0
35	11.0000	1	0		0	0
36	3.0000	1	0		0	0
37	5.0000	1	0		0	0
38	20.0000	1	0		0	0
39	25.0000	1	0		0	0
40	0.0000	0	0	STATCAP	1	5
1	60.0000	1	0		0	0
2	9.0000	1	0		0	0
3	135.0000	3	0		0	0
4	9.0000	1	0		0	0
5	0.0000	0	0	STATCAP	1	32
6	0.0000	0	0	STATCAP	1	24
7	180.0000	2	0		0	0
8	30.0000	1	0		0	0
9	6.0000	0	1		0	0
10	0.0000	0	0	STATCAP	1	10
11	30.0000	1	0		0	0
12	25.0000	1	0		0	0
13	0.0000	0	0	STATCAP	1	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (In	Num spare Trans (h)	Type Equipment (i)	Num Units (j)	Total Capacity (k)
14	25.0000	1	0		0	0
15	11.0000	1	0		0	0
16	31.0000	2	0		0	0
17	9.0000	1	0		0	0
18	0.0000	0	0	0 STATCAP	2	106
19	0.0000	0	0	0 STATCAP	1	10
20	50.0000	1	0		0	0
21	15.0000	2	0		0	0
22	0.0000	0	0	0 STATCAP	1	10
23	30.0000	1	0		0	0
24	11.0000	1	0		0	0
25	90.0000	1	0		0	0
26	0.0000	0	0	0 STATCAP	1	53
27	0.0000	0	0	0 STATCAP	1	10
28	0.0000	0	0	0 STATCAP	1	7
29	20.0000	1	0		0	0
30	20.0000	1	0		0	0
31	9.0000	1	0		0	0
32	30.0000	1	0		0	0
33	90.0000	1	0		0	0
34	0.0000	0	0	0 STATCAP	1	14
35	30.0000	1	0		0	0
36	9.0000	1	0		0	0
37	20.0000	1	0		0	0
38	25.0000	1	0		0	0
39	7.0000	1	0		0	0
40	20.0000	1	0		0	0
1	4.0000	1	0		0	0
2	0.0000	0	0	0 STATCAP	1	43
3	20.0000	1	0		0	0
4	5.0000	1	0		0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (in	Num spare Trans (h)	Type Equipment (i)	Num Units (j)	Total Capacity (k)
5	8.0000	1	0		0	0
6	25.0000	1	0		0	0
7	10.0000	1	0		0	0
8	0.0000	0	0	0 STATCAP	1	10
9	0.0000	0	0	0 STATCAP	1	22
10	20.0000	1	0		0	0
11	8.0000	1	0		0	0
12	20.0000	1	0		0	0
13	22.0000	1	0		0	0
14	4.0000	1	0		0	0
15	20.0000	1	0		0	0
16	8.0000	1	0		0	0
17	0.0000	0	0	0 STATCAP	1	14
18	11.0000	1	0		0	0
19	20.0000	1	0		0	0
20	5.0000	1	0		0	0
21	20.0000	1	0		0	0
22	11.0000	1	0		0	0
23	30.0000	1	0		0	0
24	25.0000	1	0		0	0
25	8.0000	1	0		0	0
26	1.0000	1	0		0	0
27	22.0000	1	0		0	0
28	22.0000	0	1		0	0
29	15.0000	1	0		0	0
30	30.0000	1	0		0	0
31	56.0000	1	0		0	0
32	25.0000	1	0		0	0
33	90.0000	1	0		0	0
34	70.0000	1	0		0	0
35	0.0000	0	0	0 STATCAP	1	32

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Substations (continued) (Ref Page: 427)

Line	Capacity of	Num Trans (In	Num spare Trans (h)	Type Equipment (l)	Num Units (j)	Total Capacity (k)
36	0.0000	0	0	STATCAP	1	7
37	11.0000	1	0		0	0
38	20.0000	1	0		0	0
39	30.0000	1	0		0	0
40	6.0000	1	0		0	0
1	25.0000	1	0		0	0
2	20.0000	0	1		0	0
3	0.0000	0	0	STATCAP	1	13
4	36.0000	2	0		0	0
5	2.0000	1	0		0	0
6	20.0000	1	0		0	0

300 Kentucky Power Company 01/01/2017 - 12/31/2017

CheckList

Item	Value 1	Value 2	Agree	Explain
Balance Sheet (Assets and Other Debts) (ref pg 110)				
Line 2. Utility Plant (101-106) agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Sum of Lines Total In Service, Leased to Others and Held for Future Use	2651259921.00	2651259921.00	OK	
Line 3. Construction Work in Progress agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Construction Work in Progress Col Elec (c)	52141972.00	52141972.00	OK	
Line 4. Total Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Total Utility Plant Col Elec (c)	2703401893.00	2703401893.00	OK	
Line 5. (Less) Accum. Prov for Dep. Amort. Depl agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Accum. Prov. for Depr, Amort and Depl.	918095755.00	918095755.00	OK	
Line 6. Net Utility Plant agrees with Sched Sum of Util Plant and Acc Prov for Depr Amort and Depletion (ref pg 200) Line Net Utility Plant	1785306138.00	1785306138.00	OK	
Line 17. Investments in Subsidiary Companies agrees with Sched Investments in Subsidiary Companies (ref pg 224) Line Total	0	0	OK	
Line 34. Fuel Stock agrees with Sched Materials and Supplies (ref pg 227) Line Fuel Stock	17578888.00	17578888.00	OK	
Line 35. Fuel Stock Expenses Undistributed agrees with Sched Materials and Supplies (ref pg 227) Line Fuel Stock Expenses Undistributed	427012.00	427012.00	OK	
Line 36. Residuals (Elect) and Extracted Products agrees with Sched Materials and Supplies (ref pg 227) Line Residuals (Elect) and Extracted Products	0	0	OK	
Line 37. Plant Materials and Operating Supplies agrees with Sched Materials and Supplies (ref pg 227) Line Total Plant Materials and Operating Supplies	16295918.00	16295918.00	OK	
Line 38. Merchandise agrees with Sched Materials and Supplies (ref pg 227) Line Merchandise	0	0	OK	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

CheckList

Item	Value 1	Value 2	Agree	Explain
Line 39. Other Materials and Supplies agrees with Sched Materials and Supplies (ref pg 227) Line Other Materials and Supplies		0	0	OK
Line 40. Nuclear Materials Held for Sale agrees with Sched Materials and Supplies (ref pg 227) Line Nuclear Materials Held for Sale		0	0	OK
Line 43. Stores Expense Undistributed agrees with Sched Materials and Supplies (ref pg 227) Line Store Expense Undistributed		0	0	OK
Line 55. Extraordinary Property Losses agrees with Sched Extraordinary Property Losses (ref pg 230) Line Total Col Balance (f)		0	0	OK
Line 62. Miscellaneous Deferred Debits agrees with Sched Miscellaneous Deferred Debits (ref pg 233) Line Total Col Balance (f)	21390892.00	21390892.00		OK
Line 64. Research, Devel. and Demonstration Expend. agrees with Sched Research Development and Demonstration Activities (ref pg 352) Line Total Col g		0	0.0000	OK
Line 66. Accumulated Deferred Income Taxes agrees with Sched Accumulated Taxes (ref pg 254) Line Total Acct 190	97831309.00	97831309.00		OK
Balance Sheet - Liabilities and Other Credits (ref pg 112)				
Line 2. Common Stock Issued (201) agrees with Sched Capital Stock (Acct 201 and 204) ref pg 250 Line Total Common Stock Col f	50450000.00	50450000.00		OK
Line 3. Preferred Stock Issued (204) agrees with Sched Capital Stock (Acct 201 and 204) ref pg 250 Line Total Preferred Stock Col f		0	0	OK
Line 11. Retained Earnings agrees with Sched Statement of Retained Earnings (ref pg 118) Line Total Retained Earnings Col Amount c	93416352.00	93416352.00		OK
Line 12. Unappropriated Undistributed Subsidiary Earnings agrees with Sched Statement of Retained Earnings (ref pg 118) Line Balance End of Year for Unappropriated Undistrib Sub Earnings Col c		0	0	OK

300 Kentucky Power Company 01/01/2017 - 12/31/2017

CheckList

Item	Value 1	Value 2	Agree	Explain
Line 13. (Less Reaquired Capital Stock) agrees with Sched Capital Stock (ref pg 250) Line Total Col h		0 0.0000	OK	
Line 16. Bonds (221) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 221 Col h		0 0	OK	
Line 18. Advances from Associated Companies (223) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 223 Col h		0 0	OK	
Line 19. Other Long Term Debt (224) agrees with Sched Long Term Debt (221, 222,223,224) (ref pg 256) Line Total 224 Col h	870000000.00	870000000.00	OK	
Line 37. Taxes Accrued agrees with Sched Taxes Accrued, Prepaid and Charged (Ref pg 262) Line Total Col g	17745357.00	17745357.00	OK	
Line 48. Accumulated Def Investment Tax Credits agrees with Sched Accumulated Deferred Investment Tax Credit (Ref Pg 266) Line Total Col h	411.00	0	NO	
Line 50. Other Deferred Credits agrees with Sched Other deferred Credits (Ref Pg 269) Line Total Col h	3521062.00	3521062.00	OK	
Line 53. Other Deferred Credits agrees with Sched Other deferred Credits (Ref Pg 269) Line Total Col h	493156522.00	493156522.00	OK	
Income Statement (Ref pg 114)				
Line 2. Operating Revenues agrees with Sched Electric Operating Revenues (Ref pg 300) Line Total Electric Operating Revenues Col b	652556699.00	652556699.00	OK	
Sum of Lines 4. Operation Exp and 5. Maint Exp agrees with Sched Electric Operation and Maint. Expenses (Ref pg 323) Line Total Elec Operation and Maintenance	440678863.00	440678863.00	OK	
Line 6. Depreciation Expense agrees with Sched Depreciation and Amort of Electric Plant (Ref pg 336) Line Total Col b	80310739.00	80310739.00	OK	
Line 7. Amort and Depl of Utility Plant agrees with Sched Depreciation and Amort of Electric Plant (Ref pg 336) The Sum of Cols d and e Line Total	4457974.00	4457974.0000	OK	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

CheckList

Item	Value 1	Value 2	Agree	Explain
Sum of Lines 13,14 and 15 Col. Electric (e) agrees with Sched Taxes Accrued, Prepaid and Charged (Ref pg 262) Line Total Taxes Col i	13308932.00	13308932.00	OK	
Line 19. Investment Tax Credit Adj. agrees with Sched Accumulated Deferred Investment Tax Credit (Ref pg 266) Line Total Col f	-1009.00	0	NO	
Statement of Income (Continued) (Ref Pg 117)				
Line 70. Income Taxes - Federal and Other agrees with Sched Taxes Accrued Prepaid and Charged (ref pg 262) Col j	0	0.0000	OK	
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion				
Line Plant Purchased or Sold Col c Electric agrees with Schedule Electric Plant in Service (ref pg 207) Line Electric Plant Purchased Less Electric Plant Sold Col g	0	0	OK	
Line Experimental Plant Unclassified Col c Electric agrees with Schedule Electric Plant in Service (ref pg 206) Line Experimental Plant Unclassified Col g	0	0	OK	
Line Held for Future Use Col c Electric agrees with Schedule Electric Plant Held for Future Use (ref pg 214) Line Total	627604.00	627604.00	OK	
Electric Operating Revenues (Acct 400) (ref pg 300)				
Line Sales for Resale Col b agrees with Sched Sales for Resale (Ref pg 310) Line Total Col k	56844518.00	56844518.00	OK	
Line Sales for Resale Col d MWH agrees with Sched Sales for Resale (Ref pg 310) Line Total Col g MWH	1516154	1516154	OK	
Electric Operation and Maintenance Expenses (Ref pg 323)				
Line Miscellaneous General Expenses Col b agrees with Sched Miscellaneous General Expenses (Ref pg 335) Line Total Amount	288415.00	288415.00	OK	
Electric Energy Account (ref pg 401)				

300 Kentucky Power Company 01/01/2017 - 12/31/2017

CheckList

Item	Value 1	Value 2	Agree	Explain
Line Purchases Col MWHours agrees with Sched Purchased Power (Ref pg 326) Line Total Col g MWH Purchased	3080016	3080016	OK	
Line Sales to Ultimate Consumers Col MWHours agrees with Sched Electric Operating Revenues (Ref pg 300) Line Total Sales to Ultimate Consumers Col d MWH Sold	5590206	5590206	OK	
Line Requirements Sales for Resale Col MWHours agrees with Sales for Resale (Ref pg 310) Line Total RQ Col g MWH Sold	79869	79869	OK	

300 Kentucky Power Company 01/01/2017 - 12/31/2017

Upload supporting documents

Document	Description	Supports
<u>SD_300_2017_1.pdf</u>	Independent Auditors Report	Audit Report

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)



RECEIVED

MAY 01 2018

PUBLIC SERVICE
COMMISSION

**FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report**

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Kentucky Power Company

Year/Period of Report

End of 2017/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____, we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/forms.asp#3Q-gas>.

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

- a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power;

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, Interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies". 10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

General Penalties

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

Report of Independent Auditors

To the Board of Directors and Management of
Kentucky Power Company

We have audited the accompanying financial statements of Kentucky Power Company, which comprise the balance sheet as of December 31, 2017, and the related statements of income, of retained earnings, and of cash flows for the year then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in Note 1.

Other Matter

The financial statements of the Company as of December 31, 2016 and for the year then ended were audited by other auditors whose report, dated April 14, 2017, expressed an unmodified opinion on those statements.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by Kentucky Power Company on the basis of the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Federal Energy Regulatory Commission. Our opinion is not modified with respect to this matter.

Restriction of Use

This report is intended solely for the information and use of the board of directors and management of Kentucky Power Company and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties or for any other purpose.

PricewaterhouseCoopers LLP

Columbus, Ohio
April 12, 2018

**FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

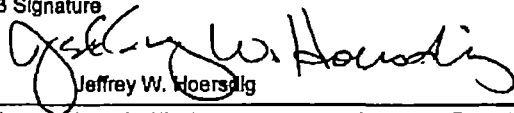
IDENTIFICATION

01 Exact Legal Name of Respondent Kentucky Power Company		02 Year/Period of Report End of <u>2017/Q4</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 1 Riverside Plaza, Columbus, OH 43215-2373		
05 Name of Contact Person Kyle P. Rura		06 Title of Contact Person Accountant
07 Address of Contact Person (Street, City, State, Zip Code) AEP Service Corp., 1 Riverside Plaza, Columbus, OH 43215-2373		
08 Telephone of Contact Person, including Area Code (614) 716-1000	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Jeffrey W. Hoersdig	03 Signature  Jeffrey W. Hoersdig	04 Date Signed (Mo, Da, Yr) 04/12/2018
02 Title Assistant Controller		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	NA
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	Page 116 - NA
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	NA
16	Electric Plant In Service	204-207	
17	Electric Plant Leased to Others	213	NA
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	NA
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	NA
25	Unrecovered Plant and Regulatory Study Costs	230	NA
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	NA
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	NA
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	NA
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	360-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	NA
57	Amounts Included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	NA
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	NA
65	Pumped Storage Generating Plant Statistics	408-409	NA
66	Generating Plant Statistics Pages	410-411	NA

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Two copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Jeffrey W. Hoersdig, Assistant Controller
1 Riverside Plaza
Columbus, OH 43215

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Kentucky
July 21, 1919

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Kentucky

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) Yes...Enter the date when such independent accountant was initially engaged: 03/02/2017
(2) No

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

American Electric Power Company, Inc.
Ownership of 100% of Respondent's Common Stock

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
 2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	See Footnote		
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
Kentucky Power Company			2017/Q4
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: a

**Executive Compensation
Summary Compensation Table**

The following table provides summary information concerning compensation earned by our Chief Executive Officer, our Chief Financial Officer and the three other most highly compensated executive officers, to whom we refer collectively as the named executive officers.

Name and Principal Position	Year	Salary \$(1)	Bonus \$(2)	Stock Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(4)	All Other Compensation \$(5)	Total \$(5)
Nicholas K. Akins — Chairman of the Board and Chief Executive Officer	2017	1,375,000	—	7,983,420	1,700,000	361,001	111,040	11,530,461
Brian X. Tierney — Executive Vice President and Chief Financial Officer	2017	750,000	—	2,128,899	555,000	462,223	98,262	3,994,384
David M. Feinberg — Executive Vice President, General Counsel and Secretary	2017	632,000	—	1,277,372	406,000	104,619	73,347	2,493,338
Lisa M. Barton — Executive Vice President-Transmission	2017	550,000	—	1,277,372	356,000	110,304	67,724	2,361,400
Lana L. Hillebrand — Executive Vice President- Chief Administrative Officer	2017	577,000	—	1,011,219	375,000	193,929	69,817	2,226,965

- (1) Amounts in the salary column are composed of executive salaries earned for the year shown.
- (2) The amounts reported in this column reflect the aggregate grant date fair value calculated in accordance with FASB ASC Topic 718 of the performance units and restricted stock units (RSUs) granted under our Long-Term Incentive Plan. See Note 15 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2017 for a discussion of the relevant assumptions used in calculating these amounts. The value realized for the performance units, if any, will depend on the Company's performance during a three-year performance period. The potential payout can range from 0 percent to 200 percent of the target number of performance units, plus any dividend equivalents. The value of the performance units granted in 2017 will be based on two equally weighted measures: a Board approved cumulative operating earnings per share measure (Cumulative EPS) and a total shareholder return measure (Relative TSR). The grant date fair value of the 2017 performance units that are based on Cumulative EPS was computed in accordance with FASB ASC Topic 718 based upon the probable outcome of the performance conditions as of the grant date. Assuming the highest level of performance achievement as of the grant date, the aggregate grant date fair value of the Cumulative EPS awards would have been: \$5,625,011 for Mr. Akins; \$1,499,982 for Mr. Tierney; \$900,040 for Mr. Feinberg; \$900,040 for Ms. Barton and \$712,519 for Ms. Hillebrand. As the performance units that are based on Relative TSR are subject to market conditions as defined under FASB ASC Topic 718, they had no maximum grant date fair values that differed from the grant date fair values presented in the table. The performance units granted in 2017 were changed to settle in AEP shares, rather than cash, as was the case for the performance units granted in 2015 and 2016. Because the 2017 performance units are to be settled in AEP shares and the Relative TSR measure is a market condition, the maximum value is factored into the calculation of the grant date fair value. The grant date fair value of the 2017 performance units is approximately 8.6 percent higher due to the accounting impact of the change in settling the performance units in AEP shares rather than cash. The RSUs vest over a forty month period from their January 1 effective date.
- (3) The amounts shown in this column are annual incentive compensation paid. At the outset of each year, the HR Committee sets annual incentive targets and performance criteria that are used after year-end to determine if and the extent to which executive officers may receive annual incentive award payments.
- (4) The amounts shown in this column are attributable to the increase in the actuarial values of each of the named executive officer's combined benefits under AEP's qualified and non-qualified defined benefit plans determined using interest rate and mortality assumptions consistent with those used in the Company's financial statements. See Note 8 to the Consolidated Financial Statements included in our Form 10-K for the year ended December 31, 2017 for a discussion of the relevant assumptions. None of the named executive officers received preferential or above-market earnings on deferred compensation.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

(5) Amounts shown in the All Other Compensation column for 2017 include: (a) Company contributions to the Company's Retirement Savings Plan, (b) Company contributions to the Company's Supplemental Retirement Savings Plan and (c) perquisites. The amounts are listed in the following table:

Type	Nicholas K. Akins	Brian X. Tierney	David M. Feinberg	Lisa M. Barton	Lana L. Hillebrand
Retirement Savings Plan Match	\$ 11,804	\$ 12,150	\$ 12,150	\$ 12,150	\$ 12,150
Supplemental Retirement Savings Plan Match	\$ 77,850	\$ 66,112	\$ 49,107	\$ 41,815	\$ 43,936
Perquisites	\$ 21,386	\$ 20,000	\$ 12,090	\$ 13,759	\$ 13,731
Total	\$ 111,040	\$ 98,262	\$ 73,347	\$ 67,724	\$ 69,817

Perquisites provided in 2017 included: financial counseling and tax preparation services, and, for Mr. Akins, director's accidental death insurance premium. Executive officers may also have the occasional personal use of event tickets when such tickets are not being used for business purposes, however, there is no associated incremental cost. From time to time executive officers may receive customary gifts from third parties that sponsor sporting events (subject to our policies on conflicts of interest).

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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DIRECTORS

- Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
- Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Nicholas K. Akina, Chairman of the Board	Columbus, Ohio
2	and Chief Executive Officer	
3		
4	Lisa M. Barton, Vice President	Columbus, Ohio
5		
6	Robert P. Powers, Vice President	Columbus, Ohio
7		
8	Brian X. Tierney, Chief Financial Officer	Columbus, Ohio
9	and Vice President	
10		
11	Mark C. McCullough, Vice President	Columbus, Ohio
12		
13	Lana L. Hillebrand, Vice President	Columbus, Ohio
14		
15	David M. Feinberg, Secretary	Columbus, Ohio
16		
17	Charles R. Patton, Vice President	Columbus, Ohio
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19	Paul Chodak III, Vice President	Columbus, Ohio
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21	Note: The Respondent does not have an Executive Committee	
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates? Yes No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Rate Schedule 51	ER06-340
2	Rate Schedule 52	ER06-358
3		
4	PJM Interconnection LLC, Attachment H-14	ER08-1329, ER17-405
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20170314-5197	03/14/2017	ER17-405	AEP PJM OATT Proj Transmission	PJM OATT Attach H-14
2	20170526-5103	05/25/2017	ER08-1328, ER17-405	AEP PJM Annual OATT Formula Rate	PJM OATT Attach H-14
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s).	Schedule	Column	Line No
1	204-207	Electric Plant in Service		g 49
2	214	Electric Plant Held for Use		d 46
3	216	Construction Work in Progress		b 1
4	310-311	Sales for Resale		k 1
5	320	Electric Operation and Maintenance Expenses		b 5
6	321	Electric Operation and Maintenance Expenses		b 93
7	323	Electric Operation and Maintenance Expenses		b 185
8	336	Depreciation and Amortization of Electric Plant		b 7
9	354	Distribution of Salaries and Wages		b 28
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2017/Q4</u>
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1.

Date Acquired Or Extended	Community (full name)	Period of Franchise & Termination (month/day/year)	Consideration (\$ amount or "None")
Renewed on February 14, 2017	City of Whitesburg, Letcher County, Kentucky	Twenty (20) year franchise renewal expiring on February 13, 2037	None
Renewed on December 27, 2017	Bellefonte, Greenup County, Kentucky	Twenty (20) year franchise renewal expiring December 26, 2037	None

2. None

3. None

4. None

5. None

6. Kentucky Power Private Placement Senior Notes \$65M
State Authority: Case No. 2016-00345
Issued: 9/12/2017 Maturity: 9/12/2024

Kentucky Power Private Placement Senior Notes \$40M
State Authority: Case No. 2016-00345
Issued: 9/12/2017 Maturity: 9/12/2027

Kentucky Power Private Placement Senior Notes \$165M
State Authority: Case No. 2016-00345
Issued: 9/12/2017 Maturity: 9/12/2029

Kentucky Power Private Placement Senior Notes \$55M
State Authority: Case No. 2016-00345
Issued: 6/21/2017 Maturity: 9/12/2047

7. None

8. KPCo employees represented by IBEW 978 were provided with a 3% general wage increase effective May 1, 2017.

9. None

10. None

11. (Reserved)

12. Not Used

13. Chodak, Paul III – elected Director 01/01/2017
Patton, Charles R. – elected Director 01/01/2017
LaFleur, Jeffery D. – elected Vice President 01/01/2017
Osborne, Debra L. – elected Vice President – Generator Assets 01/01/2017
F. Scott Travis resigned as Assistant Controller effective 07/01/2017
Jeffrey W. Hoersdig elected as Assistant Controller effective 07/20/2017
Robert P. Powers resigned as Vice President and Director effective 08/04/2017
Llende, James X. – elected Vice President – Tax 11/17/2017
LaFleur, Jeffery D. – resigned as Vice President 12/2/2017

14. Proprietary capital ratio exceeds 30%

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of <u>2017/Q4</u>
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	2,651,259,921	2,601,765,597
3	Construction Work in Progress (107)	200-201	52,141,972	27,379,769
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		2,703,401,893	2,629,145,366
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	918,095,755	855,212,999
6	Net Utility Plant (Enter Total of line 4 less 5)		1,785,306,138	1,773,932,367
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,785,306,138	1,773,932,367
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		6,670,698	995,120
19	(Less) Accum. Prov. for Depr. and Amort. (122)		241,635	234,865
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	8,794,675	9,037,212
24	Other investments (124)		1,987,153	2,011,098
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		21,720,347	5,891,386
30	Long-Term Portion of Derivative Assets (175)		203,444	-170
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		39,134,682	17,699,681
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		909,445	859,326
36	Special Deposits (132-134)		2,914,594	4,238,324
37	Working Fund (135)		0	0
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		10,047,940	11,554,287
41	Other Accounts Receivable (143)		179,385	380,488
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		43,685	66,756
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		31,106,342	28,523,016
45	Fuel Stock (151)	227	17,578,888	19,198,596
46	Fuel Stock Expenses Undistributed (152)	227	427,012	624,851
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	16,295,918	16,124,794
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	9,125,098	9,452,802

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		8,794,675	9,037,212
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		8,448,552	2,046,416
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		2,958,877	3,053,849
61	Accrued Utility Revenues (173)		6,666,704	4,542,082
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		2,054,736	456,690
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		203,444	-170
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		99,671,687	91,951,723
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		2,811,951	2,725,201
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	490,850,746	557,355,104
73	Prelim. Survey and Investigation Charges (Electric) (183)		905,485	251,087
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	21,390,892	18,298,283
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		501,957	535,608
82	Accumulated Deferred Income Taxes (190)	234	97,831,309	58,626,333
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		614,292,340	637,791,616
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,538,404,847	2,521,375,387

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	50,450,000	50,450,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	526,135,279	526,135,279
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	93,416,352	93,170,609
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Required Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	281,112	-1,354,460
16	Total Proprietary Capital (lines 2 through 15)		670,262,743	668,401,428
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Required Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	870,000,000	870,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	111,150
24	Total Long-Term Debt (lines 18 through 23)		870,000,000	869,888,850
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		1,945,282	1,749,344
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		143,591	61,813
29	Accumulated Provision for Pensions and Benefits (228.3)		4,094,742	11,707,400
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	174,737
31	Accumulated Provision for Rate Refunds (229)		2,642,458	391,157
32	Long-Term Portion of Derivative Instrument Liabilities		35,650	312,794
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		61,238,212	62,994,255
35	Total Other Noncurrent Liabilities (lines 26 through 34)		60,099,935	77,391,500
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		48,331,031	52,601,176
39	Notes Payable to Associated Companies (233)		9,640,977	1,807,118
40	Accounts Payable to Associated Companies (234)		34,944,105	28,579,152
41	Customer Deposits (235)		28,443,654	26,626,198
42	Taxes Accrued (236)	282-283	17,745,357	27,673,529
43	Interest Accrued (237)		7,863,309	8,223,718
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,510,868	2,602,889
48	Miscellaneous Current and Accrued Liabilities (242)		20,866,936	24,466,647
49	Obligations Under Capital Leases-Current (243)		835,339	938,723
50	Derivative Instrument Liabilities (244)		437,587	365,567
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		35,650	312,794
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		171,583,513	173,580,921
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		157,041	158,189
57	Accumulated Deferred Investment Tax Credits (255)	268-287	411	1,420
58	Deferred Gains from Disposition of Utility Plant (258)		0	0
59	Other Deferred Credits (253)	269	3,521,062	4,907,929
60	Other Regulatory Liabilities (254)	278	289,623,620	985,914
61	Unamortized Gain on Reacquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	33,302,238	58,282,271
63	Accum. Deferred Income Taxes-Other Property (282)		252,287,223	395,059,616
64	Accum. Deferred Income Taxes-Other (283)		207,567,081	272,727,949
65	Total Deferred Credits (lines 56 through 64)		788,458,656	732,132,688
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,538,404,847	2,521,375,387

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STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	652,556,699	662,004,995		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	371,680,077	359,076,117		
5	Maintenance Expenses (402)	320-323	68,998,786	72,067,504		
6	Depreciation Expense (403)	336-337	80,310,739	79,130,335		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	222,408	227,059		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,457,974	2,895,282		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337	38,616	38,616		
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		2,974,433	2,567,625		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	24,106,881	21,299,832		
15	Income Taxes - Federal (409.1)	262-263	-10,799,697	5,704,182		
16	- Other (409.1)	262-263	1,748	96,461		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	86,532,220	115,546,545		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	58,386,964	95,774,242		
19	Investment Tax Credit Adj. - Net (411.4)	266	-1,009	-2,630		
20	(Less) Gains from Disp. of Utility Plant (411.6)		3,658	1,007,058		
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		113,950	465,243		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		774,155	885,012		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		570,792,759	562,285,397		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		81,763,940	99,719,598		

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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.

10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.

11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.

12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.

13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.

14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.

15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
652,556,699	662,004,995					2
						3
371,680,077	359,076,117					4
68,998,786	72,067,504					5
80,310,739	79,130,335					6
222,408	227,059					7
4,457,974	2,895,282					8
38,616	38,616					9
						10
						11
2,974,433	2,567,625					12
						13
24,106,881	21,299,832					14
-10,799,697	5,704,182					15
1,748	96,461					16
86,532,220	115,546,545					17
58,386,964	95,774,242					18
-1,009	-2,630					19
3,658	1,007,058					20
						21
113,950	465,243					22
						23
774,155	885,012					24
570,792,759	562,285,397					25
81,763,940	99,719,598					26

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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		81,763,940	99,719,598		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		187,063	141,741		
34	(Less) Expenses of Nonutility Operations (417.1)		16,423	28,088		
35	Nonoperating Rental Income (418)		5,005	23,140		
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		175,183	38,552		
38	Allowance for Other Funds Used During Construction (419.1)		933,046	852,463		
39	Miscellaneous Nonoperating Income (421)		1,498,181	463,693		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		2,782,055	1,491,501		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		685,006	3,640,978		
46	Life Insurance (426.2)					
47	Penalties (426.3)		4,120	27,760		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		487,591	484,698		
49	Other Deductions (426.5)		3,247,311	2,993,206		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,424,028	7,146,642		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	22,198	15,798		
53	Income Taxes-Federal (409.2)	262-263	-777,978	-811,756		
54	Income Taxes-Other (409.2)	262-263	48,074	34,785		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	5,923,065	3,296,927		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	4,989,376	4,496,889		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		225,983	-1,961,135		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-1,867,956	-3,694,006		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		42,982,017	44,423,930		
63	Amort. of Debt Disc. and Expense (428)		1,250,623	725,700		
64	Amortization of Loss on Required Debt (428.1)		33,651	33,651		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		76,563	89,431		
68	Other Interest Expense (431)		932,708	1,156,655		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		625,321	614,110		
70	Net Interest Charges (Total of lines 62 thru 69)		44,650,241	45,815,257		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		35,245,743	50,210,335		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		35,245,743	50,210,335		

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		93,170,609	86,960,274
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		35,245,743	50,210,335
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Common Stock		-35,000,000	(44,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-35,000,000	(44,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		93,416,352	93,170,609
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		93,416,352	93,170,609
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments,(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	35,245,743	50,210,335
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	85,029,737	82,291,292
5	Amortization of Regulatory Debits and Credits (Net)	2,974,433	2,567,625
6			
7	Mark-to-Market of Risk Management Contracts	-1,526,026	1,950,697
8	Deferred Income Taxes (Net)	29,078,945	18,572,341
9	Investment Tax Credit Adjustment (Net)	-1,009	-2,630
10	Net (Increase) Decrease in Receivables	-803,976	-10,221,501
11	Net (Increase) Decrease in Inventory	1,822,052	3,395,019
12	Net (Increase) Decrease in Allowances Inventory	327,704	575,442
13	Net Increase (Decrease) in Payables and Accrued Expenses	-14,921,530	67,615,176
14	Net (increase) Decrease in Other Regulatory Assets	13,421,139	-3,712,687
15	Net Increase (Decrease) in Other Regulatory Liabilities	377,498	-1,358,635
16	(Less) Allowance for Other Funds Used During Construction	933,046	852,463
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-31,704,943	-50,167,987
19	Customer Deposits	1,818,458	-290,729
20	Over/Under Recovered Fuel, Net	2,490,507	-3,708,892
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	122,695,686	156,862,403
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-96,088,629	-100,279,988
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-933,046	-852,463
31	Other (provide details in footnote):		
32			
33	Acquired Assets	-250,995	-165,781
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-95,406,578	-99,593,306
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	619,722	2,611,449
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		-8,299
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Contributions in Aid of Construction Proceeds	300,502	287,472
54	Increase) Decrease in Other Special Deposits	-25,730	220
55	EIS Insurance Proceeds		542,943
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-94,512,084	-96,159,521
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from issuance of:		
61	Long-Term Debt (b)	390,000,000	
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Long Term Issuances Costs	-1,218,082	
66	Net Increase in Short-Term Debt (c)		
67	Proceeds on Capital Leaseback	250,740	174,570
68	Notes Payable to Associated Companies	7,833,859	
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	396,866,517	174,570
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-390,000,000	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Notes Payable to Associated Companies		-16,885,029
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-35,000,000	-44,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-28,133,483	-60,710,459
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	50,119	-7,577
87			
88	Cash and Cash Equivalents at Beginning of Period	859,326	866,903
89			
90	Cash and Cash Equivalents at End of period	909,445	859,326

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

	2017 Cash Flow Incr / (Decr)	2018 Cash Flow Incr / (Decr)
Utility Plant, Net	\$ 62,273	\$ (26,569,679)
Property and Investments, Net	(5,644,962)	42,345
Margin Deposits	1,349,460	(2,706,733)
Prepayments	(8,314,793)	(1,432,033)
Accrued Utility Revenues, Net	(2,124,622)	(4,489,493)
Miscellaneous Current and Accr Assets	0	52,139
Unamortized Debt Expense	1,131,332	545,538
Other Deferred Debits, Net	(3,713,101)	(34,089)
Other Comprehensive Income, Net	40,281	60,422
Unamortized Discount/Premium on Long-Term Debt	111,150	166,725
Accumulated Provisions - Misc	2,178,623	278,543
Current and Accrued Liabilities, Net	(1,635,610)	(1,566,007)
Other Deferred Credits, Net	(15,144,974)	(14,515,665)
Total	\$ (31,704,943)	\$ (50,167,987)

Schedule Page: 120 Line No.: 37 Column: b

	2017 Cash Flow Incr / (Decr)	2016 Cash Flow Incr / (Decr)
Sale of transformers between various operating companies	\$ 391,247	\$ 295,278
Sale of meters between various operating companies	228,475	99,359
Sale of land to Triple D Farms	0	100,000
Sale of 779+ acres in Lewis County Kentucky	0	2,116,812
Total	\$ 619,722	\$ 2,611,449

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2017/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount inflated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However where material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2017/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

INDEX OF NOTES TO FINANCIAL STATEMENTS

Glossary of Terms for Notes

1. Organization and Summary of Significant Accounting Policies
2. New Accounting Pronouncements
3. Comprehensive Income
4. Rate Matters
5. Effects of Regulation
6. Commitments, Guarantees and Contingencies
7. Benefit Plans
8. Derivatives and Hedging
9. Fair Value Measurements
10. Income Taxes
11. Leases
12. Financing Activities
13. Related Party Transactions
14. Property, Plant and Equipment

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS FOR NOTES

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned subsidiaries and affiliates.
AEP Credit	AEP Credit, Inc., a subsidiary of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
AGR	AEP Generation Resources Inc., a competitive AEP subsidiary that acquired the generation assets and liabilities of OPCo.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
CWIP	Construction Work in Progress.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company.
ESP	Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Interconnection Agreement	An agreement by and among APCo, I&M, KPCo and OPCo which defined the sharing of costs and benefits associated with their respective generation plants. This agreement was terminated January 1, 2014.
IRS	Internal Revenue Service.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
MISO	Midwest Independent Transmission System Operator.
MMBtu	Million British Thermal Units.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatthour.
NO _x	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefit Plans.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third party sales. AEPSC acts as the agent.
OTC	Over the counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.

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GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
SEC	U.S. Securities and Exchange Commission.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SO ₂	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
SWEPco	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Tax Reform	On December 22, 2017, President Trump signed into law legislation referred to as the "Tax Cuts and Jobs Act" (the TCJA). The TCJA includes significant changes to the Internal Revenue Code of 1986, including a reduction in the corporate federal income tax rate from 35% to 21% effective January 1, 2018.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 167,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

Effective January 2014, the FERC approved a PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants' respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

Also effective January 2014, the FERC approved the creation of a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR is committed to meet capacity obligations of member companies through the PJM Planning year that ended May 31, 2015.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo and WPCo. Effective January 2014, and revised in May 2015, power and natural gas risk management activities are allocated based on the member companies' respective equity positions. Risk management activities primarily include the power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts. KPCo shared in the revenues and expenses associated with these risk management activities with the member companies.

Under a unit power agreement with AEGCo, an affiliated company, KPCo purchases 390 MWs of Rockport Plant capacity which is 30% of AEGCo's 50% share of the 2,620 MW Rockport Plant. The unit power agreement expires in December 2022. KPCo pays a demand charge for the right to receive the power, which is payable even if the power is not taken.

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Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity, with margins resulting from trading and marketing activities originating in PJM and MISO generally accruing to the benefit of APCo, I&M, KPCo and WPCo and trading and marketing activities originating in SPP generally accruing to the benefit of PSO and SWEPco. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPco and WPCo based upon the common shareholder's equity of these companies.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including KPCo, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rates and Service Regulation

KPCo's rates are regulated by the FERC and the KPSC. The FERC also regulates KPCo's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over the issuances and acquisitions of securities of public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The KPSC also regulates certain intercompany transactions under its affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets, wholesale power transactions and wholesale transmission operations and rates. KPCo's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when KPCo negotiates and files a cost-based contract with the FERC or the FERC determines that KPCo has "market power" in the region where the transaction occurs. KPCo has entered into wholesale power supply contracts with various municipalities that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued up to actual costs annually.

The KPSC regulates all of the distribution operations and rates and retail transmission rates on a cost basis. The KPSC also regulates retail generation/power supply operations and rates.

In addition, the FERC regulates the SIA and the Transmission Agreement, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. The FERC also regulates the PCA and Bridge Agreement, see Note 13 - Related Party Transactions for additional information.

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Basis of Accounting

KPCo's accounting is subject to the requirements of the KPSC and the FERC. The financial statements have been prepared in accordance with the Uniform System of Accounts prescribed by the FERC. The principal differences from accounting principles generally accepted in the United States of America (GAAP) include:

- The classification of deferred fuel as noncurrent rather than current.
- The requirement to report deferred tax assets and liabilities separately rather than as a single amount.
- The classification of accrued taxes as a single amount rather than as assets and liabilities.
- The exclusion of current maturities of long-term debt from current liabilities.
- The classification of accrued non-ARO asset removal costs as accumulated depreciation rather than regulatory assets.
- The classification of capital lease payments as operating activities instead of financing activities.
- The classification of gains/losses from disposition of allowances as utility operating expenses rather than as operating revenues.
- The classification of PJM hourly activity for physical transactions as purchases and sales instead of net sales.
- The classification of tax assets related to the accounting guidance for "Uncertainty in Income Taxes" as a reduction to current liabilities rather than a tax benefit.
- The classification of noncurrent tax liabilities related to the accounting guidance for "Uncertainty in Income Taxes" as a current liability rather than a noncurrent liability.
- The classification of regulatory assets and liabilities related to the accounting guidance for "Accounting for Income Taxes" as separate assets and liabilities rather than as a single amount.
- The presentation of capital leased assets and their associated accumulated amortization as a single amount instead of as separate amounts.
- The classification of factored accounts receivable expense as a nonoperating expense instead of as an operating expense.
- The classification of certain nonoperating revenues as miscellaneous nonoperating income instead of as operating revenue.
- The classification of certain nonoperating expenses as miscellaneous nonoperating expense instead of as operating expense.
- The separate classification of income tax expense for operating and nonoperating activities instead of as a single income tax expense.
- The classification of gas procurement sales as a reduction of fuel expense rather than as revenue.
- The classification of unamortized loss on reacquired debt in deferred debits rather than in regulatory assets.
- The classification of accumulated deferred investment tax credits in deferred credits rather than in regulatory liabilities and deferred investment tax credits.
- The classification of certain other assets and liabilities as current instead of noncurrent.
- The classification of certain other assets and liabilities as noncurrent instead of current.
- The classification of debt issuance costs as noncurrent assets instead of noncurrent liabilities.

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- The classification of change in emission allowances held for speculation as investing activities instead of operating activities.
- The classification of rents receivable as rents receivable instead of customer accounts receivable.

Accounting for the Effects of Cost-Based Regulation

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records 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.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include but are not limited to inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

Accounting for the Impacts of Tax Reform

Given the significance of the legislative changes resulting from Tax Reform, the timing of its enactment and the widespread applicability to KPCO, the SEC staff recognized the potential challenges faced by KPCO when reflecting the effects of Tax Reform in their 2017 financial statements. Accordingly, the SEC staff issued Staff Accounting Bulletin 118 (SAB 118) in December 2017, which provides for a one year measurement period to complete the accounting for Tax Reform.

KPCo has made reasonable estimates for the measurement and accounting for the impacts of Tax Reform and these estimates are reflected in the December 31, 2017 financial statements as provisional amounts. While KPCo was able to make reasonable estimates of the impact of Tax Reform, the final impact may differ from the recorded provisional amounts to the extent refinements are made to the estimated cumulative temporary differences or as a result of additional guidance or technical corrections that may be issued by the IRS or regulatory state commissions that impacts management's interpretation and assumptions utilized. See "Federal Tax Reform" section of Note 10 for additional information.

Cash and Cash Equivalents

Cash and Cash Equivalents on the statements of cash flows include Cash, Working Fund and Temporary Cash Investments on the balance sheets with original maturities of three months or less.

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Supplementary Information

	<u>2017</u>	<u>2016</u>
	(in thousands)	
For the Years Ended December 31,		
Cash Was Paid (Received) for:		
Interest (Net of Capitalized Amounts)	\$ 43,394	\$ 44,601
Income Taxes (Net of Refunds)	(2,874)	(43,032)
Noncash Acquisitions Under Capital Leases	1,093	761
As of December 31,		
Construction Expenditures Included in Current and Accrued Liabilities	17,643	11,929
Noncash Capital Contribution from (returned to) Parent	—	(1,174)

Special Deposits

Special deposits include funds held by trustees primarily for margin deposits for risk management activities.

Inventory

Fossil fuel inventories and materials and supplies inventories are carried at average cost.

Accounts Receivable

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, KPCo accrues and recognizes, as Accrued Utility Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, for KPCo. See "Securitized Accounts Receivable - AEP Credit" section of Note 12 for additional information.

Allowance for Uncollectible Accounts

Generally, AEP Credit records bad debt expense related to receivables purchased from KPCo under a sale of receivables agreement. For customer accounts receivables relating to risk management activities, accounts receivables are reviewed for bad debt reserves at a specific counterparty level basis. For miscellaneous accounts receivable, bad debt expense is recorded for all amounts outstanding 180 days or greater at 100%, unless specifically identified. Miscellaneous accounts receivable items open less than 180 days may be reserved using specific identification for bad debt reserves.

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Concentrations of Credit Risk and Significant Customers

KPCo has a significant customer which accounts for the following percentages of Operating Revenues for the years ended December 31 and Accounts Receivable – Customers as of December 31:

Significant Customer of KPCo:	2017	2016
Marathon Petroleum Company		
Percentage of Operating Revenues	12%	11%
Percentage of Accounts Receivable – Customers	38%	39%

Management monitors credit levels and the financial condition of KPCo's customers on a continuing basis to minimize credit risk. The KPSC allows recovery in rates for a reasonable level of bad debt costs. Management believes adequate provision for credit loss has been made in the accompanying financial statements.

Emission Allowances

KPCo records emission allowances at cost, including the annual SO₂ and NO_x emission allowance entitlements received at no cost from the Federal EPA. Allowances are consumed in the production of energy and are recorded in Operation Expenses at an average cost on the statements of income. Purchases and sales of allowances are reported in the Operating Activities section of the statements of cash flows.

Property, Plant and Equipment

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs accrued are typically recorded as regulatory liabilities when the revenue received for removal costs accrued exceeds actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. A regulatory asset balance will occur if actual removal costs incurred exceed accumulated removal costs accrued.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

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Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet the criteria under the accounting guidance for "Impairment or Disposal of Long-lived Assets." When it becomes probable that an asset in service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed, the cost of that asset shall be removed from plant-in-service or CWIP and charged to expense.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

Allowance for Funds Used During Construction

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant.

Valuation of Nonderivative Financial Instruments

The book values of Cash, Special Deposits, Working Fund, accounts receivable, Notes Receivable from Associated Companies and accounts payable approximate fair value because of the short-term maturity of these instruments.

Fair Value Measurements of Assets and Liabilities

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged.

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In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes. The trustee uses multiple pricing vendors for the assets held in the trusts.

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and domestic equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Investments classified as Other are valued using Net Asset Value as a practical expedient. Items classified as Other are primarily cash equivalent funds, common collective trusts, commingled funds, structured products, real estate, infrastructure and alternative credit investments. These investments do not have a readily determinable fair value or they contain redemption restrictions which may include the right to suspend redemptions under certain circumstances. Redemption restrictions may also prevent certain investments from being redeemed at the reporting date for the underlying value.

Deferred Fuel Costs

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to expense when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as regulatory assets. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC.

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On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

Revenue Recognition

Regulatory Accounting

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded 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.

When regulatory assets are probable of recovery through regulated rates, KPCo records them as assets on its balance sheets. KPCo tests for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, KPCo writes off that regulatory asset as a charge against income.

Electricity Supply and Delivery Activities

KPCo recognizes revenues from retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes the revenues on the statements of income upon delivery of the energy to the customer and includes unbilled as well as billed amounts. Wholesale transmission revenue is based on FERC approved formula rate filings made for each calendar year using estimated costs. The annual rate filing is compared to actual costs with an over- or under-recovery being trued-up with interest and refunded or recovered in a future year's rates. In accordance with the accounting guidance for "Regulated Operations - Revenue Recognition", KPCo recognizes revenue and expense related to the rate true-ups immediately following the annual FERC filings. Any portion of the true-ups applicable to third parties is recorded as regulatory assets or Regulatory Liabilities on the balance sheets.

Most of the power produced at KPCo's generation plants is sold to PJM. KPCo purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income.

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Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Operation Expenses on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction's facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Operation Expenses on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

In general, KPCo records expenses when purchased electricity is received and when expenses are incurred, with the exception of certain power purchase contracts that are derivatives and accounted for using MTM accounting. KPCo defers the unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

Energy Marketing and Risk Management Activities

KPCo engages in power marketing as a major power producer and participant in electricity markets. KPCo also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

KPCo recognizes revenues and expenses from marketing and risk management transactions that are not derivatives upon delivery of the commodity. KPCo uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. The realized gains and losses on marketing and risk management transactions are included in revenues or expense based on the transaction's facts and circumstances. The unrealized MTM amounts are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the effective portion of the cash flow hedge's gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. KPCo defers the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains). See "Accounting for Cash Flow Hedging Strategies" section of Note 8.

Maintenance

Maintenance costs are expensed as incurred. If it becomes probable that KPCo will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.

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Income Taxes and Investment Tax Credits

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. KPCo revalued deferred tax assets and liabilities at the new federal corporate income tax rate of 21% in December 2017. See Note 10 for additional information related to Tax Reform.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost of service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

Investment tax credits (ITC) were historically accounted for under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process. In 2016, KPCo changed accounting for the recognition of ITC and elected to apply the preferred deferral methodology. This change had no financial impact to KPCo.

Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed into service, except where regulatory commissions reflect ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.

KPCo accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." KPCo classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Penalties.

Excise Taxes

As an agent for some state and local governments, KPCo collects from customers certain excise taxes levied by those state or local governments on customers. KPCo does not recognize these taxes as revenue or expense.

Debt

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt is refinanced, the reacquisition costs are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations.

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Pension and OPEB Plans

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo's employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees. KPCo accounts for its participation in the AEP sponsored pension and OPEB plans using multiple-employer accounting. See Note 7 - Benefit Plans for additional information including significant accounting policies associated with the plans.

Investments Held in Trust for Future Liabilities

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.

Benefit Plans

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

The investment philosophies for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

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The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

<u>Pension Plan Assets</u>	<u>Target</u>
Equity	25%
Fixed Income	59%
Other Investments	15%
Cash and Cash Equivalents	1%

<u>OPEB Plans Assets</u>	<u>Target</u>
Equity	49%
Fixed Income	49%
Cash and Cash Equivalents	2%

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No investment in excess of 5% of an outstanding class of any company.
- No securities may be bought or sold on margin or other use of leverage.

For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and opportunistic classifications and some investments in Real Estate Investment Trusts, which are publicly traded real estate securities.

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A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships and commingled funds to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investment instruments.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is to provide modest incremental income with a limited increase in risk.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

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Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2017 through February 22, 2018, the date that KPCo's 2017 annual report was available to be issued, and has updated such evaluation for disclosure purposes through April 12, 2018. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

2. NEW ACCOUNTING PRONOUNCEMENTS

During FASB's standard-setting process and upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to KPCo's business. The following pronouncements will impact the financial statements.

ASU 2014-09 "Revenue from Contracts with Customers" (ASU 2014-09)

In May 2014, the FASB issued ASU 2014-09 changing the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, determine the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts.

The FASB deferred implementation of ASU 2014-09 under the terms in ASU 2015-14, "Revenue from Contracts with Customers (Topic: 606): Deferral of the Effective Date." The new accounting guidance is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted.

Management analyzed the impact of the new revenue standard and related ASUs. During 2016 and 2017, revenue contract assessments were completed. Material revenue streams were identified within the AEP System and representative contract/transaction types were sampled. Performance obligations identified within each material revenue stream were evaluated to determine whether the obligations were satisfied at a point in time or over time. Contracts determined to be satisfied over time generally qualified for the invoicing practical expedient since the invoiced amounts reasonably represented the value to customers of performance obligations fulfilled to date. Additionally, the new standard did not give rise to any changes in current accounting systems. Management continues to develop disclosures to comply with the requirements of ASU 2014-09, including disclosures of significant disaggregated revenue streams, and information about fixed performance obligations that are unsatisfied (or partially unsatisfied) as of the end of a reporting period.

Management adopted ASU 2014-09 effective January 1, 2018. The adoption of ASU 2014-09 did not have a material impact on results of operations, financial position or cash flows. Management will continue to actively participate in informal industry forums throughout the period of initial adoption.

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ASU 2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities" (ASU 2016-01)

In January 2016, the FASB issued ASU 2016-01 revising the reporting model for financial instruments. Under the new standard, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. For equity investments that do not have a readily determinable fair value, entities are permitted to elect a practicality exception and measure the investment at cost, less impairment, plus or minus observable price changes.

The new standard also amends disclosure requirements and requires separate presentation of financial assets and liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheets or the accompanying notes to the financial statements. The amendments also clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted for certain provisions. Management adopted ASU 2016-01 effective January 1, 2018, by means of a cumulative-effect adjustment to the balance sheet. The adoption of ASU 2016-01 did not have an impact on results of operations, financial position or cash flows of KPCo.

ASU 2016-02 "Accounting for Leases" (ASU 2016-02)

In February 2016, the FASB issued ASU 2016-02 increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheets and disclosing key information about leasing arrangements. Under the new standard, an entity must recognize an asset and liability for operating leases on the balance sheets. Additionally, a capital lease will be known as a finance lease going forward. Leases with lease terms of 12 months or longer will be subject to the new requirements. Fundamentally, the criteria used to determine lease classification will remain the same, but will be more subjective under the new standard.

The new accounting guidance is effective for annual periods beginning after December 15, 2019, with early adoption permitted. The guidance will be applied by means of a modified retrospective approach. The modified retrospective approach will require lessees and lessors to recognize and measure leases at the beginning of the earliest period presented; however, the FASB is currently evaluating whether to provide reporting entities with an additional expedient to adopt the new lease requirements through a cumulative-effect adjustment in the period of adoption. Accordingly, management continues to monitor these standard-setting activities that may impact the transition requirements of the lease standard.

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ASU 2017-12 "Derivatives and Hedging" (ASU 2017-12)

In August 2017, the FASB issued ASU 2017-12 amending the recognition and presentation requirements for hedge accounting activities. The objectives are to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements and reduce the complexity of applying hedge accounting. Under the new standard, the concept of recognizing hedge ineffectiveness within the statements of income for cash flow hedges, which has historically been immaterial, will be eliminated. In addition, certain required tabular disclosures relating to fair value and cash flow hedges will be modified.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted for any interim or annual period after August 2017. Management is analyzing the impact of this new standard, including the possibility of early adoption, and at this time, cannot estimate the impact of adoption on results of operations, financial position or cash flows.

ASU 2018-02 "Reclassification of Certain Tax Effects from AOCI" (ASU 2018-02)

In February 2018, the FASB issued ASU 2018-02 allowing a reclassification from AOCI to Retained Earnings for stranded tax effects resulting from Tax Reform. Under existing accounting guidance for "Income Taxes", deferred tax assets and liabilities must be adjusted for the effect of a change in tax laws or rates with the effect included in income from continuing operations in the reporting period that includes the enactment date. This guidance is applicable for the tax effects of items in AOCI that were originally recognized in Other Comprehensive Income. As a result and absent the new guidance in this ASU, the tax effects of items within AOCI do not reflect the newly enacted corporate tax rate. While the reclassification between AOCI and Retained Earnings is optional under the new guidance, the ASU also requires certain new disclosure requirements regardless of whether the reclassification is made.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2018, with early adoption permitted. The new guidance must be applied either retrospectively to each period (or periods) in which the income tax effects of Tax Reform related to items remaining in AOCI are recognized, or at the beginning of the period of adoption. Management is analyzing the impact of this new standard, including the possibility of early adoption.

3. COMPREHENSIVE INCOME

Presentation of Comprehensive Income

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2017 and 2016. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 for additional details.

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Changes in Accumulated Other Comprehensive Income (Loss) by Component
For the Year Ended December 31, 2017

	Cash Flow Hedge - Interest Rate	Pension and OPEB		Total
		Amortization of Deferred	Changes in Funded	
		Costs	Status	
(In thousands)				
Balance in AOCI as of December 31, 2016	\$ (41)	\$ 3,229	\$ (4,542)	\$ (1,354)
Change in Fair Value Recognized in AOCI	—	—	1,544	1,544
Amount of (Gain) Loss Reclassified from AOCI				
Interest on Long-Term Debt	62	—	—	62
Amortization of Prior Service Cost (Credit)	—	(222)	—	(222)
Amortization of Actuarial (Gains)/Losses	—	270	—	270
Reclassifications from AOCI, before Income Tax (Expense) Credit	62	48	—	110
Income Tax (Expense) Credit	21	17	—	38
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	41	31	—	72
Net Current Period Other Comprehensive Income (Loss)	41	31	1,544	1,616
Balance in AOCI as of December 31, 2017	\$ —	\$ 3,260	\$ (2,998)	\$ 262

Changes in Accumulated Other Comprehensive Income (Loss) by Component
For the Year Ended December 31, 2016

	Cash Flow Hedge - Interest Rate	Pension and OPEB		Total
		Amortization of Deferred	Changes in Funded	
		Costs	Status	
(In thousands)				
Balance in AOCI as of December 31, 2015	\$ (101)	\$ 3,212	\$ (4,756)	\$ (1,645)
Change in Fair Value Recognized in AOCI	—	—	214	214
Amount of (Gain) Loss Reclassified from AOCI				
Interest on Long-Term Debt	93	—	—	93
Amortization of Prior Service Cost (Credit)	—	(222)	—	(222)
Amortization of Actuarial (Gains)/Losses	—	248	—	248
Reclassifications from AOCI, before Income Tax (Expense) Credit	93	26	—	119
Income Tax (Expense) Credit	33	9	—	42
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	60	17	—	77
Net Current Period Other Comprehensive Income (Loss)	60	17	214	291
Balance in AOCI as of December 31, 2016	\$ (41)	\$ 3,229	\$ (4,542)	\$ (1,354)

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4. RATE MATTERS

KPCo is involved in rate and regulatory proceedings at the FERC and the KPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. KPCo's recent significant rate orders and pending rate filings are addressed in this note.

2017 Kentucky Base Rate Case

In June 2017, KPCo filed a request with the KPSC for a \$66 million annual increase in Kentucky base rates based upon a proposed 10.31% return on common equity with the increase to be implemented no later than January 2018. The proposed increase included: (a) lost load since KPCo last changed base rates in July 2015, (b) incremental costs related to OATT charges from PJM not currently recovered from retail ratepayers, (c) increased depreciation expense including updated Big Sandy Plant, Unit 1 depreciation rates using a proposed retirement date of 2031, (d) recovery of other Big Sandy Plant, Unit 1 generation costs currently recovered through a retail rider and (e) incremental purchased power costs. Additionally, KPCo requested a \$4 million annual increase in environmental surcharge revenues. In August 2017, KPCo submitted a supplemental filing with the KPSC that decreased the proposed annual base rate revenue request to \$60 million. The modification was due to lower interest expense related to June 2017 debt refinancings.

In November 2017, KPCo filed a non-unanimous settlement agreement with the KPSC. The settlement agreement included a proposed annual base rate increase of \$32 million based upon a 9.75% return on common equity.

In January 2018, the KPSC issued an order approving the non-unanimous settlement agreement with certain modifications resulting in an annual revenue increase of \$12 million, effective January 2018, based on a 9.7% return on equity. The KPSC's primary revenue requirement modification to the settlement agreement was a \$14 million annual revenue reduction for the decrease in the corporate federal income tax rate due to Tax Reform. The KPSC approved: (a) the deferral of \$50 million of Rockport Plant, Unit Power Agreement expenses for the years 2018 through 2022, with recovery of the deferral to be addressed in KPCo's next base rate case, (b) the recovery/return of 80% of certain annual PJM OATT expenses above/below the corresponding level recovered in base rates, (c) KPCo's commitment to not file a base rate case for three years and (d) increased depreciation expense based upon updated Big Sandy Plant, Unit 1 depreciation rates using a 20-year depreciable life.

In February 2018, KPCo filed with the KPSC for rehearing of the January 2018 base case order and requested an additional \$2.3 million of annual revenue increases related to: (a) the calculation of federal income tax expense, (b) recovery of purchased power costs associated with forced outages and (c) capital structure adjustments. Also in February 2018, an intervenor filed for rehearing recommending that the reduced corporate federal income tax rate, as a result of Tax Reform, be reflected in lower purchased power expense related to the Rockport UPA. It is anticipated that the KPSC will rule upon this rehearing request in the first quarter of 2018.

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PJM Transmission Rates

In June 2016, PJM transmission owners, including KPCo and various state commissions filed a settlement agreement at the FERC to resolve outstanding issues related to cost responsibility for charges to transmission customers for certain transmission facilities that operate at or above 500 kV. In July 2016, certain parties filed comments at the FERC contesting the settlement agreement. Upon final FERC approval, PJM would implement a transmission enhancement charge adjustment through the PJM OATT, billable through 2025. Management expects that any refunds received would generally be returned to retail customers through existing state rider mechanisms.

FERC Transmission Complaint - AEP's PJM Participants

In October 2016, seven parties filed a complaint at the FERC that alleged the base return on common equity used by AEP's eastern transmission subsidiaries, including KPCo, in calculating formula transmission rates under the PJM OATT is excessive and should be reduced from 10.99% to 8.32%, effective upon the date of the complaint. In November 2017, a FERC order set the matter for hearing and settlement procedures. In March 2018, the AEP eastern transmission companies, including KPCo, and six of the complainants filed a settlement agreement with the FERC (the seventh complainant abstained). If approved by the FERC, the settlement agreement (a) establishes a base ROE for AEP's eastern transmission subsidiaries of 9.85% (10.35% inclusive of the RTO incentive adder of 0.5%), effective January 1, 2018, (b) requires the AEP eastern transmission companies to provide a one-time refund of \$50 million, attributable from the date of the complaint through December 31, 2017, to be credited to customer bills in the second quarter of 2018 and (c) increases the cap on the equity portion of the capital structure to 55% from 50%. As part of the settlement agreement, AEP's eastern transmission subsidiaries also filed updated transmission formula rates incorporating the reduction in the corporate federal income tax rate from 35% to 21%, effective January 1, 2018 and provides for the amortization of the portion of the excess accumulated deferred income taxes, not subject to the normalization method of accounting, ratably over a ten year period through credits to the federal income tax expense component of the revenue requirement.

Management believes KPCo's financial statements adequately address the impact of the settlement agreement. If the FERC orders revenue reductions in excess of the terms of the settlement agreement, it could reduce future net income and cash flows and impact financial condition. A decision from the FERC is pending.

Modifications to AEP's PJM Transmission Rates

In November 2016, AEP's eastern transmission subsidiaries filed an application at the FERC to modify the PJM OATT formula transmission rate calculation, including an adjustment to recover a tax-related regulatory asset and a shift from historical to projected expenses. In March 2017, the FERC accepted the proposed modifications effective January 1, 2017, subject to refund, and set this matter for hearing and settlement procedures. Effective January 1, 2017, the modified PJM OATT formula rates were implemented, subject to refund, based on projected 2017 calendar year financial activity and projected plant balances. If the FERC determines that any of these costs are not recoverable, it could reduce future net income and cash flows and impact financial condition.

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5. EFFECTS OF REGULATION

Regulatory Assets and Liabilities

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2017	2016	
	(in thousands)		
Regulatory Assets pending final regulatory approval:			
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs	\$ —	\$ 4,377	
Other Regulatory Assets Pending Final Regulatory Approval	50	52	
Total Regulatory Assets Pending Final Regulatory Approval	<u>50</u>	<u>4,429</u>	

Regulatory assets approved for recovery:

Regulatory Assets Currently Earning a Return

Plant Retirement Costs	212,466	212,380	23 years
Plant Retirement Costs - Asset Retirement Obligation Costs	34,334	18,344	23 years
Plant Retirement Costs - Materials and Supplies	3,555	3,903	23 years
Other Regulatory Assets Approved for Recovery	1,104	1,203	various

Regulatory Assets Currently Not Earning a Return

Income Tax Assets	138,895	173,278	22 years
Pension and OPEB Funded Status	39,431	57,544	12 years
Plant Retirement Costs - Asset Retirement Obligation Costs	37,165	48,942	23 years
Storm Related Costs	10,450	8,502	6 years
Environmental Costs	6,032	5,677	1 year
Postemployment Benefits	2,547	3,288	5 years
Under-recovered Fuel Cost	82	1,955	1 year
Peak Demand Reduction/Energy Efficiency	—	9,075	
Big Sandy Plant, Unit 1 Operating Rider	—	3,898	
Other Regulatory Assets Approved for Recovery	<u>4,740</u>	<u>4,937</u>	various
Total Regulatory Assets Approved for Recovery	<u>490,801</u>	<u>552,926</u>	
Total FERC Account 182.3 Regulatory Assets	<u>\$ 490,851</u>	<u>\$ 557,355</u>	

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Regulatory Liabilities:	December 31,		Remaining Refund Period
	2017	2016	
	(in thousands)		
Regulatory Liabilities pending final regulatory determination:			
Income Tax Liabilities (a)	\$ 268,434	\$ —	
Total Regulatory Liabilities Pending Final Regulatory Determination	<u>268,434</u>		
Regulatory Liabilities approved for payment:			
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Income Tax Liabilities	—	750	
Other Regulatory Liabilities Approved for Payment	<u>1,189</u>	<u>245</u>	various
Total Regulatory Liabilities Approved for Payment	<u>1,189</u>	<u>995</u>	
Total FERC Account 254 Regulatory Liabilities	<u>\$ 269,623</u>	<u>\$ 995</u>	

- (a) This balance primarily represents regulatory liabilities for excess accumulated deferred income taxes (Excess ADIT) as a result of the reduction in the corporate federal income tax rate from 35% to 21% related to the enactment of Tax Reform. The regulatory liability balance predominately pays a return due to the inclusion of Excess ADIT in rate base. The mechanism and refund period to provide the Excess ADIT to customers will be based on future orders from the respective commission in each jurisdiction. See "Federal Tax Reform" section of Note 10 for additional information.

6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

KPCo is subject to certain claims and legal actions arising in its ordinary course of business. In addition, KPCo's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation against KPCo cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

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COMMITMENTS

KPCo has substantial commitments to support its business. KPCo purchases fuel, energy and capacity contracts as part of its normal course of business. Certain contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for "Commitments", the following table summarizes KPCo's actual contractual commitments as of December 31, 2017:

Contractual Commitments	Less Than			After	Total
	1 Year	2-3 Years	4-5 Years	5 Years	
	(In thousands)				
Fuel Purchase Contracts (a)	\$ 157,916	\$ 102,759	\$ 89,177	\$ 54,192	\$ 404,044
Energy and Capacity Purchase Contracts	41,622	84,991	86,120	—	212,733
Total	\$ 199,538	\$ 187,750	\$ 175,297	\$ 54,192	\$ 616,777

- (a) Represents contractual commitments to purchase coal and other consumables as fuel for electric generation along with related transportation of the fuel.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties unless specified below.

Indemnifications and Other Guarantees

Contracts

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2017, there were no material liabilities recorded for any indemnifications.

KPCo is jointly and severally liable for activity conducted by AEPSC on behalf of AEP companies related to power purchase-and-sale activity.

Lease Obligations

KPCo leases certain equipment under master lease agreements. See "Master Lease Agreements" section of Note 11 for disclosure of lease residual value guarantees.

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CONTINGENCIES

Insurance and Potential Losses

KPCo maintains insurance coverage normal and customary for an electric utility, subject to various deductibles. KPCo also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third parties and are in excess of KPCo's retentions. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and nonhazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2017, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often nonhazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. At present, management's estimates do not anticipate material cleanup costs for identified sites.

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7. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see "Fair Value Measurements of Assets and Liabilities" and "Investments Held in Trust for Future Liabilities" sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo's employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans on its balance sheets. Disclosures about the plans are required by the "Compensation - Retirement Benefits" accounting guidance. KPCo recognizes an asset for a plan's overfunded status or a liability for a plan's underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for ratemaking purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

Actuarial Assumptions for Benefit Obligations

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		OPEB	
	December 31,			
	2017	2016	2017	2016
Discount Rate	3.65%	4.05%	3.60%	4.10%
Rate of Compensation Increase	4.45% (a)	4.40% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

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For 2017, the rate of compensation increase assumed varies with the age of the employee, ranging from 3.5% per year to 12% per year, with an average increase of 4.45%.

Actuarial Assumptions for Net Periodic Benefit Costs

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans		OPEB	
	Year Ended December 31,			
	2017	2016	2017	2016
Discount Rate	4.05%	4.30%	4.10%	4.30%
Expected Return on Plan Assets	6.00%	6.00%	6.75%	7.00%
Rate of Compensation Increase	4.45% (a)	4.40% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third party forecasts and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	December 31,	
	2017	2016
Initial	6.50%	7.00%
Ultimate	5.00%	5.00%
Year Ultimate Reached	2024	2024

Assumed health care cost trend rates have a significant effect on the amounts reported for the OPEB health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
	(in thousands)	
Effect on Total Service and Interest Cost Components of Net Periodic Postretirement Health Care Benefit Cost	\$ 60	\$ (51)
Effect on the Health Care Component of the Accumulated Postretirement Benefit Obligation	1,168	(1,069)

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Significant Concentrations of Risk within Plan Assets

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2017, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

Benefit Plan Obligations, Plan Assets and Funded Status

The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		OPEB	
	2017	2016	2017	2016
Change in Benefit Obligation				
	(in thousands)			
Benefit Obligation as of January 1,	\$ 180,736	\$ 178,076	\$ 51,849	\$ 50,890
Service Cost	2,916	2,461	332	283
Interest Cost	7,148	7,489	2,158	2,150
Actuarial (Gain) Loss	4,482	3,943	(2,488)	1,939
Benefit Payments	(9,887)	(11,233)	(4,962)	(4,850)
Participant Contributions	—	—	1,457	1,418
Medicare Subsidy	—	—	16	19
Benefit Obligation as of December 31,	\$ 185,395	\$ 180,736	\$ 48,362	\$ 51,849
Change in Fair Value of Plan Assets				
Fair Value of Plan Assets as of January 1,	\$ 174,047	\$ 173,368	\$ 57,740	\$ 57,829
Actual Gain on Plan Assets	22,490	10,403	12,289	3,343
Company Contributions	2,226	1,509	—	—
Participant Contributions	—	—	1,457	1,418
Benefit Payments	(9,887)	(11,233)	(4,962)	(4,850)
Fair Value of Plan Assets as of December 31,	\$ 188,876	\$ 174,047	\$ 66,524	\$ 57,740
Funded (Underfunded) Status as of December 31,	\$ 3,481	\$ (6,689)	\$ 18,162	\$ 5,891

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Amounts Recognized on the Balance Sheets

	<u>Pension Plans</u>		<u>OPEB</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	December 31,			
	(in thousands)			
Special Funds – Prepaid Benefit Costs	\$ 3,558	\$ —	\$ 18,162	\$ 5,891
Accumulated Provision for Pension Benefits – Long-term Benefit Liability	(77)	(6,689)	—	—
Funded (Underfunded) Status	<u>\$ 3,481</u>	<u>\$ (6,689)</u>	<u>\$ 18,162</u>	<u>\$ 5,891</u>

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Amounts Included in AOCI, Income Tax Expense and Regulatory Assets

Components	Pension Plans		OPEB	
	December 31,			
	2017	2016	2017	2016
(in thousands)				
Net Actuarial Loss	\$ 45,067	\$ 55,653	\$ 8,770	\$ 21,098
Prior Service Cost (Credit)	1	48	(14,808)	(17,233)
Recorded as				
Regulatory Assets	\$ 43,564	\$ 53,550	\$ (4,133)	\$ 3,994
Deferred Income Taxes	316	753	(400)	(44)
Net of Tax AOCI	977	1,398	(1,239)	(85)
Income Tax Expense (a)	211	—	(266)	—

(a) Amounts relate to the re-measurement of Deferred Income Taxes as a result of Tax Reform. In accordance with the accounting guidance for "Income Taxes", re-measurement of Deferred Income Taxes related to AOCI must flow through the statement of income.

Components of the change in amounts included in AOCI, Income Tax Expense and Regulatory Assets are as follows:

Components	Pension Plans		OPEB	
	2017	2016	2017	2016
	(in thousands)			
Actuarial (Gain) Loss During the Year	\$ (7,708)	\$ 3,673	\$ (10,937)	\$ 2,550
Amortization of Actuarial Loss	(2,878)	(2,943)	(1,391)	(1,151)
Amortization of Prior Service Credit (Cost)	(47)	(52)	2,425	2,425
Change for the Year Ended December 31,	\$ (10,633)	\$ 678	\$ (9,903)	\$ 3,824

Determination of Pension Expense

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

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Pension and OPEB Assets

The fair value tables within Pension and OPEB Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPCo using the percentages below:

Pension Plan		OPEB	
December 31,			
2017	2016	2017	2016
3.7%	3.6%	3.8%	3.7%

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The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2017:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 318.6	\$ —	\$ —	\$ —	\$ 318.6	6.2 %
International	507.7	—	—	—	507.7	9.8 %
Options	—	26.9	—	—	26.9	0.5 %
Common Collective Trusts (c)	—	—	—	452.9	452.9	8.7 %
Subtotal – Equities	826.3	26.9	—	452.9	1,306.1	25.2 %
Fixed Income:						
United States Government and Agency Securities	—	1,376.5	—	—	1,376.5	26.6 %
Corporate Debt	—	1,277.0	—	—	1,277.0	24.7 %
Foreign Debt	—	296.9	—	—	296.9	5.7 %
State and Local Government	—	31.7	—	—	31.7	0.6 %
Other – Asset Backed	—	10.2	—	—	10.2	0.2 %
Subtotal – Fixed Income	—	2,992.3	—	—	2,992.3	57.8 %
Infrastructure (c)	—	—	—	59.5	59.5	1.2 %
Real Estate (c)	—	—	—	290.3	290.3	5.6 %
Alternative Investments (c)	—	—	—	446.0	446.0	8.6 %
Securities Lending	—	501.8	—	—	501.8	9.7 %
Securities Lending Collateral (a)	—	—	—	(503.5)	(503.5)	(9.7)%
Cash and Cash Equivalents (c)	0.4	35.6	—	21.2	57.2	1.1 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	24.4	24.4	0.5 %
Total	\$ 826.7	\$ 3,556.6	\$ —	\$ 790.8	\$ 5,174.1	100.0 %

- (a) Amounts in "Other" column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share.

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The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)			
Balance as of January 1, 2017	\$ 57.6	\$ 254.9	\$ 411.1	\$ 723.6
Actual Return on Plan Assets				
Relating to Assets Still Held as of the Reporting Date	—	—	—	—
Relating to Assets Sold During the Period	—	—	—	—
Purchases and Sales	—	—	—	—
Transfers into Level 3	—	—	—	—
Transfers out of Level 3 (a)	(57.6)	(254.9)	(411.1)	(723.6)
Balance as of December 31, 2017	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

- (a) The classification of Level 3 assets from the prior year was corrected in the current year presentation and included within the fair value hierarchy table as of December 31, 2017 as "Other" investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). Management concluded that these disclosure errors were immaterial individually and in the aggregate to all prior periods presented.

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The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2017:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 307.1	\$ —	\$ —	\$ —	\$ 307.1	17.7 %
International	306.9	—	—	—	306.9	17.7 %
Options	—	9.4	—	—	9.4	0.5 %
Common Collective Trusts (b)	—	—	—	153.6	153.6	8.9 %
Subtotal – Equities	614.0	9.4	—	153.6	777.0	44.8 %
Fixed Income:						
Common Collective Trust Debt (b)	—	—	—	185.0	185.0	10.7 %
United States Government and Agency Securities	—	187.4	—	—	187.4	10.8 %
Corporate Debt	—	214.1	—	—	214.1	12.4 %
Foreign Debt	—	40.7	—	—	40.7	2.4 %
State and Local Government	49.7	16.8	—	—	66.5	3.8 %
Other – Asset Backed	—	0.2	—	—	0.2	— %
Subtotal – Fixed Income	49.7	459.2	—	185.0	693.9	40.1 %
Trust Owned Life Insurance:						
International Equities	—	105.4	—	—	105.4	6.1 %
United States Bonds	—	118.2	—	—	118.2	6.8 %
Subtotal – Trust Owned Life Insurance	—	223.6	—	—	223.6	12.9 %
Cash and Cash Equivalents (b)	36.7	—	—	4.2	40.9	2.4 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(2.9)	(2.9)	(0.2)%
Total	\$ 700.4	\$ 692.2	\$ —	\$ 339.9	\$ 1,732.5	100.0 %

(a) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.

(b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share.

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The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 357.8	\$ —	\$ —	\$ —	\$ 357.8	7.4 %
International	439.2	—	—	—	439.2	9.1 %
Options	—	20.0	—	—	20.0	0.4 %
Common Collective Trusts (c)	—	14.0	—	400.5	414.5	8.6 %
Subtotal – Equities	797.0	34.0	—	400.5	1,231.5	25.5 %
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	32.3	32.3	0.7 %
United States Government and Agency Securities (c)	—	423.3	—	17.7	441.0	9.1 %
Corporate Debt (c)	—	1,932.2	—	10.0	1,942.2	40.2 %
Foreign Debt (c)	—	373.7	—	12.1	385.8	8.0 %
State and Local Government	—	11.5	—	—	11.5	0.2 %
Other – Asset Backed (c)	—	5.4	—	7.4	12.8	0.3 %
Subtotal – Fixed Income	—	2,746.1	—	79.5	2,825.6	58.5 %
Infrastructure	—	—	57.6	—	57.6	1.2 %
Real Estate	—	—	254.9	—	254.9	5.3 %
Alternative Investments	—	—	411.1	—	411.1	8.5 %
Securities Lending	—	161.6	—	—	161.6	3.4 %
Securities Lending Collateral (a)	—	—	—	(163.3)	(163.3)	(3.4)%
Cash and Cash Equivalents (c)	—	—	—	29.7	29.7	0.6 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	18.6	18.6	0.4 %
Total	\$ 797.0	\$ 2,941.7	\$ 723.6	\$ 365.0	\$ 4,827.3	100.0 %

- (a) Amounts in "Other" column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share.

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The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
(In millions)					
Balance as of January 1, 2016	\$ 0.1	\$ 42.0	\$ 253.7	\$ 378.7	\$ 674.5
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	5.9	5.3	13.7	24.9
Relating to Assets Sold During the Period	—	0.9	23.2	21.1	45.2
Purchases and Sales	(0.1)	8.8	(27.3)	(2.4)	(21.0)
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance as of December 31, 2016	\$ —	\$ 57.6	\$ 254.9	\$ 411.1	\$ 723.6

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The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 517.1	\$ —	\$ —	\$ —	\$ 517.1	33.5 %
International	435.5	—	—	—	435.5	28.2 %
Options	—	15.2	—	—	15.2	1.0 %
Common Collective Trusts (b)	—	10.9	—	20.5	31.4	2.0 %
Subtotal – Equities	952.6	26.1	—	20.5	999.2	64.7 %
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	93.7	93.7	6.0 %
United States Government and Agency Securities	—	64.7	—	—	64.7	4.2 %
Corporate Debt	—	121.6	—	—	121.6	7.9 %
Foreign Debt	—	18.6	—	—	18.6	1.2 %
State and Local Government	—	3.0	—	—	3.0	0.2 %
Other – Asset Backed	—	5.9	—	—	5.9	0.4 %
Subtotal – Fixed Income	—	213.8	—	93.7	307.5	19.9 %
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	110.1	110.1	7.1 %
United States Bonds (b)	—	—	—	97.4	97.4	6.3 %
Subtotal – Trust Owned Life Insurance	—	—	—	207.5	207.5	13.4 %
Cash and Cash Equivalents	24.0	10.5	—	—	34.5	2.2 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(2.8)	(2.8)	(0.2)%
Total	\$ 976.6	\$ 250.4	\$ —	\$ 318.9	\$ 1,545.9	100.0 %

- (a) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.
(b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share.

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Accumulated Benefit Obligation

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2017	2016
	(in thousands)	
Qualified Pension Plan	\$ 179,162	\$ 177,235
Nonqualified Pension Plan	33	13
Total Accumulated Benefit Obligation	\$ 179,195	\$ 177,248

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For the underfunded pension plans that had an accumulated benefit obligation in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets of these plans were as follows:

	Underfunded Pension Plans	
	December 31,	
	2017	2016
	(in thousands)	
Projected Benefit Obligation	\$ 77	\$ 180,736
Accumulated Benefit Obligation	\$ 33	\$ 177,248
Fair Value of Plan Assets	—	174,047
Underfunded Accumulated Benefit Obligation	\$ (33)	\$ (3,201)

Estimated Future Benefit Payments and Contributions

KPCo expects contributions and payments for the pension plans of \$3.7 million during 2018. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	Estimated Payments	
	Pension Plans	OPEB
	(in thousands)	
2018	\$ 10,758	\$ 4,686
2019	11,323	4,672
2020	11,317	4,681
2021	11,741	4,729
2022	11,323	4,701
Years 2023 to 2027, in Total	62,186	22,704

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Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost (credit):

	Pension Plans		OPEB	
	Years Ended December 31,			
	2017	2016	2017	2016
	(In thousands)			
Service Cost	\$ 2,916	\$ 2,461	\$ 332	\$ 283
Interest Cost	7,148	7,489	2,158	2,150
Expected Return on Plan Assets	(10,299)	(10,133)	(3,840)	(3,954)
Amortization of Prior Service Cost (Credit)	47	52	(2,425)	(2,425)
Amortization of Net Actuarial Loss	2,878	2,943	1,391	1,151
Net Periodic Benefit Cost (Credit)	2,690	2,812	(2,384)	(2,795)
Capitalized Portion	(893)	(962)	791	956
Net Periodic Benefit Cost (Credit) Recognized In Expense	\$ 1,797	\$ 1,850	\$ (1,593)	\$ (1,839)

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Estimated amounts expected to be amortized to net periodic benefit costs (credits) and the impact on the balance sheet during 2018 are shown in the following tables:

Components	Pension Plans	OPEB
	(in thousands)	
Net Actuarial Loss	\$ 3,006	\$ 331
Prior Service Cost (Credit)	1	(2,425)
Total Estimated 2018 Amortization	\$ 3,007	\$ (2,094)
Expected to be Recorded as		
Regulatory Asset	\$ 2,952	\$ (1,924)
Deferred Income Taxes	11	(36)
Net of Tax AOCI	44	(134)
Total	\$ 3,007	\$ (2,094)

American Electric Power System Retirement Savings Plan

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.4 million in 2017 and \$2.3 million in 2016.

8. DERIVATIVES AND HEDGING

OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

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STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

Risk Management Strategies

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for "Derivatives and Hedging." Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as "Commodity," as these risks are related to energy risk management activities. KPCo also utilizes derivative contracts to manage interest rate risk associated with debt financing. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo's outstanding derivative contracts:

Notional Volume of Derivative Instruments

Primary Risk Exposure	Volume		Unit of Measure
	December 31, 2017	December 31, 2016	
(in thousands)			
Commodity:			
Power	10,812	10,562	MWhs
Natural Gas	206	—	MMBtus
Heating Oil and Gasoline	52	339	Gallons
Interest Rate	\$ —	\$ 22	USD

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Cash Flow Hedging Strategies

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase-and-sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo utilizes a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo also utilizes interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes, supply and demand market data and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third party contractual agreements and risk profiles. For the December 31, 2017 and 2016 balance sheets, KPCo netted \$379 thousand and \$119 thousand, respectively, of cash collateral received from third parties against short-term and long-term risk management assets and \$589 thousand and \$134 thousand, respectively, of cash collateral paid to third parties against short-term and long-term risk management liabilities.

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The following tables represent the gross fair value of KPCo's derivative activity on the balance sheets:

Fair Value of Derivative Instruments
December 31, 2017

Balance Sheet Location	Risk Management Contracts- Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Derivative Investment Assets	\$ 12,512	\$ (10,458)	\$ 2,054
Long-term Portion of Derivative Instrument Assets	469	(266)	203
Derivative Investment Liabilities	11,106	(10,668)	438
Portion of Derivative Instrument Liabilities	275	(239)	36

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Fair Value of Derivative Instruments
December 31, 2016

Balance Sheet Location	Risk Management	Gross Amounts Offset	Net Amounts of
	Contracts- Commodity (a)	in the Statement of Financial Position (b)	Assets/Liabilities Presented in the Statement of Financial Position (c)
	(in thousands)		
Derivative Investment Assets	\$ 5,057	\$ (4,600)	\$ 457
Long-term Portion of Derivative Instrument Assets	359	(359)	—
Derivative Investment Liabilities	4,981	(4,615)	366
Portion of Derivative Instrument Liabilities	675	(362)	313

- (a) Derivative instruments within this category are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) There are no derivative contracts subject to a master netting arrangement or similar agreement which are not offset in the statement of financial position.

The table below presents KPCo's activity of derivative risk management contracts:

**Amount of Gain (Loss) Recognized on
Risk Management Contracts**

Location of Gain (Loss)	Years Ended December 31,	
	2017	2016
	(in thousands)	
Operating Expenses	\$ 3,089	\$ 2,764
Operating Revenues	78	855
Maintenance Expenses	25	(90)
Regulatory Assets (a)	(174)	150
Regulatory Liabilities (a)	510	967
Total Gain on Risk Management Contracts	\$ 3,528	\$ 4,646

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

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For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo's statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo's statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same expense line item on the statements of income as that of the associated risk. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

Accounting for Cash Flow Hedging Strategies

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income on the balance sheets until the period the hedged item affects Net Income. KPCo would recognize any hedge ineffectiveness as a regulatory asset (for losses) or a regulatory liability (for gains) if applicable.

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Realized gains and losses on derivative contracts for the purchase-and-sale of power designated as cash flow hedges are included in Operating Revenues or Operation Expenses on KPCo's statements of income or in Regulatory Assets or Regulatory Liabilities on KPCo's balance sheets, depending on the specific nature of the risk being hedged. During 2017 and 2016 KPCo did not apply cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income on its balance sheets into Interest on Long-term Debt on its statements of income in those periods in which hedged interest payments occur. During 2017 and 2016, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

During 2017 and 2016, hedge ineffectiveness was immaterial or nonexistent for all cash flow hedge strategies disclosed above.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income on KPCo's balance sheets and the reasons for changes in cash flow hedges, see Note 3.

Cash flow hedges included in Accumulated Other Comprehensive Income on KPCo's balance sheets were:

Impact of Cash Flow Hedges on the Balance Sheets

	Interest Rate	
	December 31, 2017	December 31, 2016
	(in thousands)	
AOCI Loss Net of Tax	\$ —	\$ (41)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	—	(40)

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income to Net Income can differ from the estimate above due to market price changes. As of December 31, 2017, KPCo is not hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") its exposure to variability in future cash flows related to forecasted transactions.

Credit Risk

Management mitigates credit risk in KPCo's wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses Moody's Investor's Service Inc., S&P Global Inc. and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

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Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. A counterparty is required to post cash or letters of credit in the event an exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a failure or inability to post collateral.

Collateral Triggering Events

Credit Downgrade Triggers

A limited number of derivative contracts include collateral triggering events, which include a requirement to maintain certain credit ratings. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering events in contracts. KPCo has not experienced a downgrade below a specified credit rating threshold that would require the posting of additional collateral. As of December 31, 2017 and 2016, KPCo did not have derivative contracts with collateral triggering events in a net liability position.

Cross-Default Triggers

In addition, a majority of KPCo's non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount this exposure has been reduced by cash collateral posted and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering contractual netting arrangements:

	December 31,	
	2017	2016
	(in thousands)	
Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	\$ 120	\$ 25
Additional Settlement Liability if Cross Default Provision is Triggered	104	—

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9. FAIR VALUE MEASUREMENTS

Fair Value Measurements of Long-term Debt

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo's Long-term Debt are summarized in the following table:

	December 31,			
	2017		2016	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 870,000	\$ 976,163	\$ 869,889	\$ 965,423

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Fair Value Measurements of Financial Assets and Liabilities

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the "Fair Value Measurements of Assets and Liabilities" section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo's financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

December 31, 2017

	Level 1	Level 2	Level 3	Other	Total
Assets:	(in thousands)				
Risk Management Assets					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 10,440	\$ 2,000	\$ (10,386)	\$ 2,054
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 10,847	\$ 187	\$ (10,596)	\$ 438

Assets and Liabilities Measured at Fair Value on a Recurring Basis

December 31, 2016

	Level 1	Level 2	Level 3	Other	Total
Assets:	(in thousands)				
Risk Management Assets					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,395	\$ 616	\$ (4,554)	\$ 457
Liabilities:					
Risk Management Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,517	\$ 418	\$ (4,569)	\$ 366

(a) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."

(b) Substantially comprised of power contracts.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2017 and 2016.

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The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

Year Ended December 31, 2017	Net Risk Management Assets (Liabilities) (in thousands)
Balance as of December 31, 2016	\$ 198
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	2,298
Settlements	(2,543)
Changes in Fair Value Allocated to Regulated Jurisdictions (e)	1,860
Balance as of December 31, 2017	\$ 1,813
Year Ended December 31, 2016	Net Risk Management Assets (Liabilities) (a) (in thousands)
Balance as of December 31, 2015	\$ 2,246
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	1,387
Settlements	(3,658)
Transfers out of Level 3 (d)	22
Changes in Fair Value Allocated to Regulated Jurisdictions (e)	201
Balance as of December 31, 2016	\$ 198

- (a) Includes both affiliated and nonaffiliated transactions.
- (b) Included in revenues on KPCo's statements of income.
- (c) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (d) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (e) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These net gains (losses) are recorded as regulatory assets/liabilities.

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The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2017 and 2016:

Significant Unobservable Inputs

December 31, 2017

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
(In thousands)							
Energy Contracts	\$ 153	\$ 86	Discounted Cash Flow	Forward Market Price	\$ 20.52	\$ 195.00	\$ 33.80
FTRs	1,847	101	Discounted Cash Flow	Forward Market Price	(0.73)	5.75	0.66
Total	\$ 2,000	\$ 187					

Significant Unobservable Inputs

December 31, 2016

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
(in thousands)							
Energy Contracts	\$ 94	\$ 81	Discounted Cash Flow	Forward Market Price	\$ 19.68	\$ 48.55	\$ 36.34
FTRs	522	337	Discounted Cash Flow	Forward Market Price	0.01	8.91	0.96
Total	\$ 616	\$ 418					

(a) Represents market prices in dollars per MWh.

The following table provides sensitivity of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2017 and 2016:

Sensitivity of Fair Value Measurements

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

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10. INCOME TAXES

Federal Tax Reform

In December 2017, legislation referred to as Tax Reform was signed into law. Substantially all of the provisions in the new legislation are effective for taxable years beginning after December 31, 2017. Tax Reform includes significant changes to the Internal Revenue Code of 1986 (as amended, the Code), including amendments which significantly change the taxation of business entities and also includes provisions specific to regulated public utilities. The more significant changes that affect KPCO include the reduction in the corporate federal income tax rate from 35% to 21%, and several technical provisions including, among others, limiting the utilization of net operating losses arising after December 31, 2017 to 80% of taxable income with an indefinite carryforward period. The Tax Reform provisions related to regulated public utilities generally allow for the continued deductibility of interest expense, eliminate bonus depreciation for certain property acquired after September 27, 2017 and continue certain rate normalization requirements for accelerated depreciation benefits.

Provisional Amounts

Given the significance of the legislative changes resulting from Tax Reform, the timing of its enactment, and the widespread applicability to KPCO, the SEC staff recognized the potential challenges faced by KPCO when reflecting the effects of Tax Reform in their 2017 financial statements. Accordingly, in order to address potential uncertainty or diversity of views in practice regarding the application of the accounting guidance for "Income Taxes" in situations where KPCO does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for "Income Taxes" for certain tax effects of Tax Reform for the reporting period in which the legislation was enacted, the SEC staff issued Staff Accounting Bulletin 118 (SAB 118) in December 2017. For such areas of analysis that are incomplete, SAB 118 provides for up to a one year period in which to complete the required analyses and accounting required by the accounting guidance for "Income Taxes," referred to as the measurement period.

If applied, SAB 118 describes three categories associated with KPCo's status of accounting for Tax Reform during the measurement period: (a) KPCo is complete with its accounting for certain effects of Tax Reform, (b) KPCo's accounting is incomplete but is able to determine a reasonable estimate for certain effects of Tax Reform and records that estimate as a provisional amount, or (c) the accounting is incomplete and KPCo is not able to determine a reasonable estimate and therefore continues to apply existing accounting guidance for income taxes, based on the provisions of the tax laws that were in effect immediately prior to the enactment of the Tax Reform legislation. For items in which the accounting assessment is complete, KPCo must reflect the income tax effects of Tax Reform for those items in its financial statements that include the enactment of the Tax Reform legislation. SAB 118 also requires certain disclosures to provide information about the material financial reporting impacts, if any, due to Tax Reform for which the accounting is not complete. Subsequent disclosures in future reporting periods in which the accounting is completed are also a requirement of the guidance.

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KPCo has completed, or has made a reasonable estimate for, the measurement and accounting of certain effects of Tax Reform which have been reflected in the December 31, 2017 financial statements. The adjustments to deferred tax assets and liabilities are provisional amounts that are based on the best available information as of December 31, 2017. While KPCo was able to make reasonable estimates of the impact of Tax Reform, the final impact may differ from the recorded provisional amounts to the extent refinements are made to the estimated cumulative temporary differences or as a result of additional guidance or technical corrections that may be issued by the IRS that may impact management's interpretation and assumptions utilized. KPCo expects to complete the analysis of the provisional items during the second half of 2018.

Impact of Tax Reform on the Financial Statements

Changes in the Code due to Tax Reform had a material impact on KPCo's 2017 financial statements. In accordance with the accounting guidance for "Income Taxes", the effect of a change in tax law must be recognized at the date of enactment. The accounting guidance for "Income Taxes" also requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences will be realized or settled. As a result, KPCo's deferred tax assets and liabilities were re-measured using the newly enacted tax rate of 21% in December 2017. This re-measurement resulted in a significant reduction in KPCo's net accumulated deferred income tax liability. The reduction of the net accumulated deferred income tax liability was primarily offset by a corresponding decrease in income tax related regulatory assets and an increase in income tax related regulatory liabilities because the benefit of the lower federal tax rate is expected to be provided to customers. For KPCO's nonutility operations, the re-measurement of deferred taxes arising from those operations was recorded as an adjustment to income tax expense.

KPCo reflected a decrease in Deferred Income Tax Liabilities of \$308.4 million and resulted in an increase in income tax related Regulatory Liabilities of \$267.7 million, a decrease in income tax related Regulatory Assets of \$41.3 million and an adjustment to Income Tax Expense of \$553 million.

Regulatory Treatment

As a result of Tax Reform, KPCo recognized a net regulatory liability for approximately \$212 million of Excess Accumulated Deferred Income Taxes (ADIT), as well as an incremental liability of \$55 million to reflect the \$212 million Excess ADIT on a pre-tax basis, which is presented in Other Regulatory Liabilities on the balance sheets. The Excess ADIT is reflected on a pre-tax basis to appropriately contemplate future tax consequences in the periods when the net regulatory liability is settled. Approximately \$93 million of the Excess ADIT relates to temporary differences associated with depreciable property. The Tax Reform legislation includes certain rate normalization requirements that stipulate how the portion of the total Excess ADIT that is related to certain depreciable property must be passed back to customers.

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Specifically, KPCo is subject to those rate normalization requirements, Excess ADIT resulting from the reduction of the corporate tax rate with respect to prior depreciation or recovery deductions on property placed in service before December 22, 2017, will be normalized using the average rate assumption method. As a result, once the amortization of Excess ADIT related to depreciable property begins, customers will receive the benefits over the remaining weighted average useful life of the applicable property.

For the remaining \$119 million of Excess ADIT, KPCo expects to continue working with the KPSC to determine the appropriate mechanism and time period over which to provide the benefits of Tax Reform to customers.

KPCo expects the mechanism and time period to provide the benefits of Tax Reform to customers will reduce future cash flows and may impact financial condition, but is not expected to have a material impact on future net income.

State Regulatory Matters

The KPSC has recently issued orders requiring public utilities, including KPCo, to record regulatory liabilities to reflect the corporate federal income taxes currently collected in utility rates in excess of the enacted corporate federal income tax rate of 21% beginning January 1, 2018. See Note 4 - Rate Matters for additional information regarding state utility commission orders received impacting KPCO.

Income Tax Expense (Credit)

The details of KPCo's income taxes are as follows:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Charged (Credit) to Operating Expenses, Net:		
Current	\$ (10,820)	\$ 5,801
Deferred	28,145	19,772
Deferred Investment Tax Credits	(1)	(3)
Total	<u>17,324</u>	<u>25,570</u>
Charged (Credit) to Non-Operating Income, Net:		
Current	(708)	(777)
Deferred	934	(1,200)
Total	<u>226</u>	<u>(1,977)</u>
Income Tax Expense	<u>\$ 17,550</u>	<u>\$ 23,593</u>

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The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Net Income	\$ 35,246	\$ 50,210
Income Tax Expense	17,550	23,593
Pretax Income	\$ 52,796	\$ 73,803
Income Taxes on Pretax Income at Statutory Rate (35%)	\$ 18,479	\$ 25,831
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Depreciation	2,981	1,300
AFUDC	(570)	(537)
Removal Costs	(2,032)	(1,681)
Investment Tax Credits, Net	(1)	(3)
State and Local Income Taxes, Net	(3,703)	(1,536)
Tax Adjustments	1,608	97
Tax Reform	553	—
Other	235	122
Income Tax Expense	\$ 17,550	\$ 23,593
Effective Income Tax Rate	33.2 %	32.0 %

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The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:

	December 31,	
	2017	2016
	(in thousands)	
Deferred Tax Assets	\$ 97,831	\$ 58,627
Deferred Tax Liabilities	(493,157)	(726,071)
Net Deferred Tax Liabilities	\$ (395,326)	\$ (667,444)
Property Related Temporary Differences	\$ (272,605)	\$ (425,887)
Amounts Due to/(from) Customers for Future Federal Income Taxes	47,958	(29,389)
Deferred State Income Taxes	(104,019)	(95,772)
Deferred Income Taxes on Other Comprehensive (Income)/Loss	(84)	729
Regulatory Assets	(71,118)	(124,041)
All Other, Net	4,542	6,916
Net Deferred Tax Liabilities	\$ (395,326)	\$ (667,444)

AEP System Tax Allocation Agreement

KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss and the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.

Federal and State Income Tax Audit Status

KPCo and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2011. The IRS examination of years 2011, 2012 and 2013 started in April 2014. AEP and subsidiaries received a Revenue Agents Report in April 2016, completing the 2011 through 2013 audit cycle indicating an agreed upon audit. The 2011 through 2013 audit was submitted to the Congressional Joint Committee on Taxation for approval. The Joint Committee referred the audit back to the IRS exam team for further consideration. To resolve the issue under consideration, AEP and subsidiaries and the IRS exam team agreed to go to Appeals using Fast Track in December 2017. The issue was resolved with Appeals in March 2018 and now resides with the IRS exam team for further consideration. Although the outcome of tax audits is uncertain, in management's opinion, adequate provisions for federal income taxes have been made for potential liabilities resulting from such matters. In addition, KPCo accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to materially impact net income.

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KPCo and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns. KPCo and other AEP subsidiaries are currently under examination in several state and local jurisdictions. However, it is possible that previously filed tax returns have positions that may be challenged by these tax authorities. Management believes that adequate provisions for income taxes have been made for potential liabilities resulting from such challenges and that the ultimate resolution of these audits will not materially impact net income. KPCo is no longer subject to state or local income tax examinations by tax authorities for years before 2009.

Net Income Tax Operating Loss Carryforward

KPCo has Kentucky state net income tax operating loss carryforwards of \$150 million and \$89 million in 2017 and 2016, respectively. As a result, KPCo recognized deferred state income tax benefits in 2017 and 2016 of \$9 million and \$5 million, respectively. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward expires for Kentucky in 2037.

Uncertain Tax Positions

KPCo recognizes interest accruals related to uncertain tax positions in interest income or expense as applicable, and Penalties expense in accordance with the accounting guidance for "Income Taxes."

The following table shows amounts reported for interest expense and interest income:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Interest Expense	\$ —	\$ 7
Interest Income	76	6

The following table shows balances for amounts accrued for the payment of interest and penalties:

	December 31,	
	2017	2016
	(in thousands)	
Accrual for Payment of Interest and Penalties	\$ 22	\$ 17

The total amount of unrecognized tax benefits (costs) that, if recognized, would affect the effective tax rate is \$0 for 2017 and 2016. Management believes there will be no significant net increase or decrease in unrecognized tax benefits within 12 months of the reporting date.

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Federal Tax Legislation

The Protecting Americans from Tax Hikes Act of 2015 (PATH) included an extension of the 50% bonus depreciation for three years through 2017, phasing down to 40% in 2018 and 30% in 2019. PATH also provided for the extension of research and development, employment and several energy tax credits for 2015. PATH also includes provisions to extend the wind energy production tax credit through 2016 with a three-year phase-out (2017-2019), and to extend the 30% temporary solar investment tax credit for three years through 2019 and with a two-year phase-out (2020-2021). PATH also provided for a permanent extension of the Research and Development tax credit. The enacted provisions did not materially impact KPCo's net income or financial condition but did have a favorable impact on cash flows. The Federal Tax Reform eliminated bonus depreciation for certain property acquired after September 27, 2017.

11. LEASES

Leases of property, plant and equipment are for remaining periods up to 10 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to Operation Expenses and Maintenance Expenses in accordance with rate-making treatment for regulated operations. For capital leases, a capital lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. The components of rental costs are as follows:

Lease Rental Costs	Years Ended December 31,	
	2017	2016
	(in thousands)	
Net Lease Expense on Operating Leases	\$ 2,024	\$ 1,886
Amortization of Capital Leases	992	995
Interest on Capital Leases	102	114
Total Lease Rental Costs	\$ 3,118	\$ 2,995

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12. FINANCING ACTIVITIES

Long-term Debt

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted Average Interest			Outstanding as of	
		Rate as of December 31, 2017	Interest Rate Ranges as of December 31, 2017 2016		2017	2016
(in thousands)						
Senior Unsecured Notes	2017-2047	4.69%	3.13%-8.13%	4.18%-8.13%	\$ 730,000	\$ 730,000
Pollution Control Bonds (a)	2017-2020	2.00%	2.00%	0.73%	65,000	65,000 (b)
Other Long-term Debt	2018	2.78%	2.78%	2.39%	75,000	75,000
Unamortized Discount, Net						(111)
Total Long-term Debt Outstanding					\$ 870,000	\$ 869,889

- (a) KPCo's pollution control bond is subject to redemption earlier than the maturity date.
(b) For KPCo's pollution control bond, the interest rate is subject to periodic adjustments and may be purchased on demand at periodic interest adjustment dates. Consequently, this bond has been classified for maturity purposes based on the mandatory redemption date.

Long-term debt outstanding as of December 31, 2017 is payable as follows:

	2018	2019	2020	2021	2022	After 2022	Total
(in thousands)							
Principal Amount	\$ 75,000	\$ —	\$ 65,000	\$ 40,000	\$ —	\$ 690,000	\$ 870,000
Total Long-term Debt Outstanding							\$ 870,000

Dividend Restrictions

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

All of the dividends declared by KPCo are subject to a Federal Power Act restriction that prohibits the payment of dividends out of capital accounts without regulatory approval; payment of dividends is allowed out of retained earnings only.

KPCo has credit agreements that contain a covenant that limit its debt to capitalization ratio to 67.5%. As of December 31, 2017, KPCo did not exceed its debt to capitalization limit. The method for calculating outstanding debt and capitalization is contractually defined in the credit agreements.

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The most restrictive dividend limitation for KPCo is through the Federal Power Act. As of December 31, 2017, the maximum amount of restricted net assets of KPCo that may not be distributed to Parent in the form of a loan, advance or dividend was \$576.8 million.

The Federal Power Act restriction does not limit the ability of KPCo to pay dividends out of retained earnings. The credit agreement covenant restrictions can limit the ability of KPCo to pay dividends out of retained earnings. As of December 31, 2017, there were no restrictions on KPCo's ability to pay dividends out of retained earnings.

Corporate Borrowing Program – AEP System

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2017 and 2016 are included in Notes Payable to Associated Companies on KPCo's balance sheets. KPCo's Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

Years Ended December 31,	Maximum Borrowings from the Utility Money Pool	Maximum Loans to the Utility Money Pool	Average Borrowings from the Utility Money Pool	Average Loans to the Utility Money Pool	Borrowings from the Utility Money Pool as of December 31,	Authorized Short-Term Borrowing Limit
(in thousands)						
2017	\$ 24,612	\$ 332,983	\$ 8,139	\$ 13,992	\$ 9,641	\$ 180,000
2016	39,102	15,557	12,628	6,593	1,807	225,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

Years Ended December 31,	Maximum Interest Rate for Funds Borrowed from the Utility Money Pool	Minimum Interest Rate for Funds Borrowed from the Utility Money Pool	Maximum Interest Rate for Funds Loaned to the Utility Money Pool	Minimum Interest Rate for Funds Loaned to the Utility Money Pool	Average Interest Rate for Funds Borrowed from the Utility Money Pool	Average Interest Rate for Funds Loaned to the Utility Money Pool
2017	1.85%	0.95%	1.70%	0.92%	1.37%	1.34%
2016	1.02%	0.69%	0.90%	0.75%	0.79%	0.87%

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Interest expense and interest income related to the Utility Money Pool are included in Interest on Debt to Associated Companies and Interest and Dividend Income, respectively, on KPCo's statements of income. For amounts borrowed from and advanced to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	Years Ended December 31,	
	2017	2016
	(in thousands)	
Interest Expense	\$ 77	\$ 89
Interest Income	60	8

Securitized Accounts Receivables – AEP Credit

Under a sale of receivables arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience for KPCo's receivables. The costs of customer accounts receivable sold are reported in Other Deductions on KPCo's statements of income. KPCo manages and services its accounts receivable sold.

AEP Credit's receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables and expires in June 2019.

KPCo's amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$45.6 million and \$49.3 million as of December 31, 2017 and 2016, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$3.1 million and \$2.8 million for each of the years ended December 31, 2017 and 2016, respectively.

KPCo's proceeds on the sale of receivables to AEP Credit were \$573.8 million and \$582.8 million for the years ended December 31, 2017 and 2016, respectively.

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13. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 10 in addition to “Corporate Borrowing Program – AEP System” and “Securitized Accounts Receivables – AEP Credit” sections of Note 12.

Power Coordination Agreement (PCA) and Bridge Agreement

Effective January 1, 2014, the FERC approved the following agreements. See “Organization” section of Note 1.

- A Power Coordination Agreement (PCA) among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants’ respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.
- A Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR committed to use its capacity to help meet the PJM capacity obligations of member companies through the PJM planning year that ended May 31, 2015.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Effective January 1, 2014 and revised in May 2015, power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement.

System Integration Agreement (SIA)

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM and MISO generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

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Affiliated Revenues and Purchases

The following table shows the revenues derived from auction sales to affiliates, net transmission agreement sales and other revenues for the years ended December 31, 2017 and 2016:

Related Party Revenues	Years Ended December 31,	
	2017	2016
	(in thousands)	
Auction Sales to OPCo (a)	\$ 1,436	\$ 1,670
Transmission Agreement Sales	14,495	5,871
Other Revenues	766	745
Total Affiliated Revenues	\$ 16,697	\$ 8,286

(a) Refer to the Ohio Auctions section below for further information regarding this amount.

The following table shows the purchased power expenses incurred for purchases from affiliates for the years ended December 31, 2017 and 2016:

Related Party Purchases	Years Ended December 31,	
	2017	2016
	(in thousands)	
Direct Purchases from AEGCo (a)	\$ 95,957	\$ 97,941
Total Affiliated Purchases	\$ 95,957	\$ 97,941

(a) Refer to the Unit Power Agreements section below for further information regarding this amount.

Transmission Agreement (TA)

APCo, I&M, KGPCo, KPCo, OPCo and WPCo are parties to the TA, effective November 2010, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies, KGPCo and WPCo on a 12-month average coincident peak basis.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2017 and 2016 were \$30.9 million and \$20.4 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

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Ohio Auctions

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. Certain affiliated entities, including KPCo, participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions.

Unit Power Agreements (UPA)

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

Pursuant to an assignment between I&M and KPCo and a UPA between KPCo and AEGCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. The KPCo UPA ends in December 2022.

I&M Barging, Urea Transloading and Other Services

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO_x emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$5 million and \$5 million in 2017 and 2016, respectively, for urea transloading provided by I&M. These expenses were recorded as Operation Expenses.

Central Machine Shop

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1.8 million and \$1.5 million for the years ended December 31, 2017 and 2016, respectively.

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)					
<p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.</p> <p>5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)		
1	1. INTANGIBLE PLANT				
2	(301) Organization				
3	(302) Franchises and Consents	52,919			
4	(303) Miscellaneous Intangible Plant	19,472,967	10,996,503		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	19,525,886	10,996,503		
6	2. PRODUCTION PLANT				
7	A. Steam Production Plant				
8	(310) Land and Land Rights	4,857,884			
9	(311) Structures and Improvements	63,990,672	3,357,272		
10	(312) Boiler Plant Equipment	938,099,863	7,776,968		
11	(313) Engines and Engine-Driven Generators				
12	(314) Turbogenerator Units	115,454,575	1,381,621		
13	(315) Accessory Electric Equipment	28,934,166	430,290		
14	(316) Misc. Power Plant Equipment	11,428,310	771,481		
15	(317) Asset Retirement Costs for Steam Production	11,624,651			
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	1,174,390,121	13,717,632		
17	B. Nuclear Production Plant				
18	(320) Land and Land Rights				
19	(321) Structures and Improvements				
20	(322) Reactor Plant Equipment				
21	(323) Turbogenerator Units				
22	(324) Accessory Electric Equipment				
23	(325) Misc. Power Plant Equipment				
24	(326) Asset Retirement Costs for Nuclear Production				
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)				
26	C. Hydraulic Production Plant				
27	(330) Land and Land Rights				
28	(331) Structures and Improvements				
29	(332) Reservoirs, Dams, and Waterways				
30	(333) Water Wheels, Turbines, and Generators				
31	(334) Accessory Electric Equipment				
32	(335) Misc. Power Plant Equipment				
33	(336) Roads, Railroads, and Bridges				
34	(337) Asset Retirement Costs for Hydraulic Production				
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)				
36	D. Other Production Plant				
37	(340) Land and Land Rights				
38	(341) Structures and Improvements				
39	(342) Fuel Holders, Products, and Accessories				
40	(343) Prime Movers				
41	(344) Generators				
42	(345) Accessory Electric Equipment				
43	(346) Misc. Power Plant Equipment				
44	(347) Asset Retirement Costs for Other Production				
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)				
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,174,390,121	13,717,632		

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
			52,919	3
1,492,228			28,977,242	4
1,492,228			29,030,161	5
				6
				7
			4,857,884	8
324,854			67,023,090	9
2,732,544			943,144,287	10
				11
327,241			116,508,955	12
43,715			29,320,741	13
29,473			12,170,318	14
			11,624,651	15
3,457,827			1,184,649,926	16
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3,457,827			1,184,649,926	46

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) //	Year/Period of Report End of 2017/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	843,932,104	845,034,559	-1,102,455	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	80,310,739	80,310,739		
4	(403.1) Depreciation Expense for Asset Retirement Costs	222,408	222,408		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	1,100,940	1,100,940		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	81,634,087	81,634,087		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	18,811,021	18,810,699	322	
13	Cost of Removal	8,096,896	7,977,311	119,585	
14	Salvage (Credit)	5,413,357	4,190,995	1,222,362	
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	21,494,560	22,597,015	-1,102,455	
16	Other Debit or Cr. Items (Describe, details in footnote):	1,125,519	1,125,519		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	905,197,150	905,197,150		

Section B. Balances at End of Year According to Functional Classification

20	Steam Production	446,849,364	446,849,364		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	201,947,724	201,947,724		
26	Distribution	242,005,823	242,005,823		
27	Regional Transmission and Market Operation				
28	General	14,394,239	14,394,239		
29	TOTAL (Enter Total of lines 20 thru 28)	905,197,150	905,197,150		

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Big Sandy Ash Pond deferred depreciation expense (ref: Case No. 2012-00578)	\$210,958
Environmental costs recovered per KPSC Order (ref: Case No. 2014-00396)	212,151
Asbestos ARO depreciation expense in account 1080013	5,633
Commission approved to recover Big Sandy U1 non fuel operating costs during conversion to natural gas (ref: Case No. 2014-00396)	<u>672,198</u>
Total	\$1,100,940

Schedule Page: 219 Line No.: 13 Column: c

Includes \$3,653,880 of removal cost in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 14 Column: c

Includes (\$3,527,631) of salvage in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 16 Column: c

Investment transferred between accounts.	\$1,407,859
Asbestos ARO reserve in account 1080013.	<u>(282,340)</u>
	\$1,125,519

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Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2	PJM #AC1-102	933	186	743	186
3	PJM #AC1-101	925	186	735	186
4					
5					
6					
7					
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19					
20					
21	Generation Studies				
22	Big Sandy U1	48,121	500	6,115	500
23	Big Sandy U1			12,888	107
24					
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Storm Expense	4,377,336				4,377,336
2	Kentucky PSC Case No. 2016-00180					
3						
4	Deferred Storm Expense	8,502,200		593	2,429,200	6,073,000
5	Kentucky PSC Case No. 2014-00396					
6	Amortz period: July 2015 - June 2020					
7						
8	SFAS 109 Deferred FIT	84,719,302	28,645,969	190,282.3	73,303,924	40,061,377
9						
10	SFAS 109 Deferred SIT	88,559,273	10,822,861	283	548,724	98,833,410
11						
12	Post In-Service AFUDC Hanging Rock/	532,008		406	33,408	498,600
13	Jefferson 765 KV Line					
14	Amortz period: Dec 1984 - Nov 2032					
15						
16	Depreciation Expense - Hanging Rock/	82,897		406	5,208	77,689
17	Jefferson 765 KV Line					
18	Amortz period: Dec 1984 - Nov 2032					
19						
20	Deferred DSM Expense	9,075,321	10,448,305	456,908	19,523,626	
21						
22	RTO Deferred Equity Carrying Charge	(37,764)	12,588			-25,176
23						
24	BridgeCo Transmission Orig Funding	123,283		407,421	37,940	85,343
25	Amortz period: Jan 2005 - Dec 2019					
26	FERC Docket AC04-101-000					
27						
28	Other PJM Integration	130,249		407,421	40,084	90,165
29	Amortz period: Jan 2005 - Dec 2019					
30	FERC Docket AC04-101-000					
31						
32	Carrying Charges - RTO Startup Costs	81,512		407,421	25,085	56,427
33	Amortz period: Jan 2005 - Dec 2019					
34	FERC Docket AC04-101-000					
35						
36	Alliance RTO Deferred Expense	64,525		407,421	19,858	44,667
37	Amortz period: Jan 2005 - Dec 2019					
38	FERC Docket AC04-101-000					
39						
40	SFAS 112 Post Employment Benefit	3,288,265	122,877	Various	863,675	2,547,467
41						
42	SFAS 158 Employers' Accounting for Defined	57,543,887	2,201,311	Various	20,314,536	39,430,662
43	Benefit Pension and Other Postretirement Plans					

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Unrealized Loss on Forward Commitments	(1,365,984)	1,047,916	Various	584,719	-902,787
2						
3	Netting of Trading Activities related to	1,379,891	591,077	Various	1,068,181	902,787
4	Unrealized Gains/Losses on Forward Commitments					
5	between Regulated Assets/Liabilities					
6						
7	SFAS 106 Medicare Subsidy	1,732,960		926	216,620	1,516,340
8	Amortz period: Jan 2013 - Dec 2024					
9						
10	Under Recovery of PJM True-Up		282,865			282,865
11	Amortz period: Jan 2018 - Dec 2018					
12						
13	Cost of Removal-Big Sandy Coal	(41,732,004)	2,923,670			-38,808,334
14	Kentucky PSC Case No. 2014-00396					
15						
16	NBV - AROs Retired Plants	48,942,098	4,213,279	108	15,989,980	37,165,397
17	Kentucky PSC Case No. 2014-00396					
18						
19	M&S - Retiring Plants	3,803,293	67,454	154	416,141	3,554,606
20	Kentucky PSC Case No. 2014-00396					
21						
22	Unrecovered Plant - Big Sandy	257,195,944				257,195,944
23	Kentucky PSC Case No. 2014-00396					
24						
25	IGCC Pre-Construction Costs	1,251,379		506	53,250	1,198,129
26	Kentucky PSC Case No. 2014-00396					
27						
28	CCS FEED Study Costs	820,487		506	34,915	785,572
29	Kentucky PSC Case No. 2014-00396					
30						
31	Spent AROs - Big Sandy Coal	18,343,994	15,989,980			34,333,974
32	Kentucky PSC Case No. 2014-00396					
33						
34	Big Sandy Recovery Over/Under	(3,083,924)	264,313	407	3,101,504	-5,921,115
35	Kentucky PSC Case No. 2014-00396					
36						
37	Big Sandy Retirement Rider Unit 2 O&M	840,916	782,123	506	770,231	852,808
38	Kentucky PSC Case No. 2014-00396					
39						
40	Unrecovered Purchased Power-PPA	32,234	88,533	555	38,929	81,838
41	Kentucky PSC Case No. 2014-00396					
42						
43						

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Depreciation - Environmental	1,690,208	2,239,328	403	2,027,177	1,902,359
2	Kentucky PSC Case No. 2014-00396					
3	Carrying Charge - Environmental	3,136,180	3,866,139	421, 431	3,806,921	3,195,398
4	Kentucky PSC Case No. 2014-00396					
5						
6	CC - Unrec Equity - Environmental	(1,569,043)	1,904,632	1823	1,934,241	-1,598,652
7	Kentucky PSC Case No. 2014-00396					
8						
9	Deferred O&M - Environmental	1,579,022	1,751,154	Various	1,849,702	1,480,474
10	Kentucky PSC Case No. 2014-00396					
11						
12	Deferred Consumable Expense Environmental	808,748	1,055,238	502	847,577	1,016,409
13	Kentucky PSC Case No. 2014-00396					
14						
15	Deferred Property Tax - Environmental	31,239	42,612	408	37,662	36,189
16	Kentucky PSC Case No. 2014-00396					
17						
18	BS1OR Under Recovery	3,897,836	3,863,875	Various	7,761,508	203
19	Kentucky PSC Case No. 2014-00396					
20						
21	Unrecovered Fuel Cost	1,923,070	2,812,080	Various	4,735,150	
22						
23	NERC Compliance and Cybersecurity Costs	51,451	81,145	421, 403	11,485	121,111
24	Kentucky PSC Case No. 2014-00396					
25						
26	Capacity Charge Tariff	502,815	295,959	Various	490,510	308,264
27	Kentucky PSC Case No. 2014-00396, TFS 2016-00430					
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44	TOTAL :	557,355,104	96,417,313		162,921,671	490,850,746

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MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Property Tax	16,778,345	15,430,917	408	16,468,974	15,740,268
2						
3	Agency Fees - Factored A/R	996,379	11,782,004	Various	11,866,101	912,282
4						
5	Unamortized Credit Line Fees	407,497	16,566	431	188,080	235,983
6	Amortized thru June 2021					
7						
8	Deferred Lease Assets	42,109	263,501	Various	300,450	5,160
9						
10	Estimated Barging Bills		862,376			862,376
11						
12	Miscellaneous Items	18,831	25,838	Various	25,184	19,485
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47	Misc. Work in Progress	55,122				3,615,318
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	18,298,283				21,390,892

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Provision Revenue Refunds	644,214	975,261
3	Accrued BK ARO Exp	22,047,989	17,933,374
4	Int Exp Capd for Tax	8,188,898	8,120,138
5	Pension	-16,026,954	-15,833,476
6	NOL State Deferred Tax Asset	5,310,754	9,030,721
7	Other	4,932,956	-436,817
8	TOTAL Electric (Enter Total of lines 2 thru 7)	25,097,857	19,789,201
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	33,528,476	78,042,108
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	58,626,333	97,831,309

Notes

Page 234 Line 17	Beginning of Year	End of Year
Non Utility -Acct 190.2	1,546,403	1,003,953
SFAS 109	31,252,748	77,122,514
SFAS 133	21,690	0
SFAS 87	707,635	(84,359)
	<hr/>	<hr/>
	33,528,476	78,042,108

Summary:

1901001	Accum DFIT -Other	10,758,480
1902001	Accum DFIT-Other Income & Deductions	1,003,953
1901002	Accum DSIT	9,030,721
1903001	Accum DFIT- SFAS 109 Flow Thru	20,751,439
1904001	Accum DFIT - SFAS 109 Excess	56,371,075
		<hr/>
	Subtotal A/C 190	97,915,668
1900010/11	ADIT Federal - Pension OCI/NON UMWA	(84,359)
1900015	ADIT Federal Hdq CF Int Rate	0
		<hr/>
	Subtotal A/C 190	(84,359)
	Total A/C 190	97,831,309

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CAPITAL STOCKS (Account 201 and 204)

- Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
- Entries in column (b) should represent the number of shares authorized by the articles of Incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock	2,000,000	50.00	
2				
3	Total Common Stock	2,000,000		
4				
5				
6	Preferred Stock: None			
7				
8	Total Preferred Stock			
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
 4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
 5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
 Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,009,000	50,450,000					1
						2
1,009,000	50,450,000					3
						4
						5
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 208 - Donations Received From Stockholders	
2	Contributions by Parent Company prior to 2017	523,324,094
3		
4		
5		
6	Subtotal - Account 208	523,324,094
7		
8	Account 209 - Reduction in Par or Stated Value of Capital Stock	
9		
10	Account 210 - Gain on Resale/Cancellation of Reacquired Capital Stock	
11		
12	Account 211 - Miscellaneous Paid-In-Capital	2,811,185
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39		
40	TOTAL	526,135,279

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221 - BONDS		
2	SUBTOTAL ACCOUNT 221 - BONDS		
3			
4	ACCOUNT 222 - REQUIRED BONDS		
5	SUBTOTAL ACCOUNT 222 - REQUIRED BONDS		
6			
7	ACCOUNT 223 - ADVANCES FROM ASSOCIATED COMPANIES		
8	SUBTOTAL ACCOUNT 223 - ADVANCES FROM ASSOCIATED COMPANIES		
9			
10	ACCOUNT 224 - OTHER LONG-TERM DEBT		
11	Senior Unsecured Notes - 5.625%, Series D	75,000,000	736,575
12			
13	Senior Unsecured Notes - 6.000%, Series E	325,000,000	2,277,883
14	KPSC Authority Docket No.2006-0034		1,667,250 D
15			
16	Amortization of Cash Flow Hedges on 6.000% SUN		
17			
18	Senior Unsecured Notes - 7.250%, State Commission Authority Case # 2008-00442	40,000,000	217,919
19			
20	Senior Unsecured Notes - 8.030%, State Commission Authority Case # 2008-00442	30,000,000	148,032
21			
22	Senior Unsecured Notes - 8.130%, State Commission Authority Case # 2008-00442	60,000,000	342,285
23			
24	Senior Unsecured Notes - 4.180%, Series A	120,000,000	638,464
25	State Commission Authority Case# 2014-00210		
26			
27	Senior Unsecured Notes - 4.33%, Series B	80,000,000	414,941
28	State Commission Authority Case# 2014-00210		
29			
30	West Virginia Economic Development Authority Mitchell Project Series 2014A	65,000,000	675,501
31	State Commission Authority Case# 2013-00410		146,250
32			
33	TOTAL	1,195,000,000	8,828,195

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
06/13/2003	12/01/2032	06/13/2003	12/01/2032	75,000,000	4,218,750	11
						12
09/11/2007	09/15/2017	09/11/2007	09/15/2017		13,758,333	13
						14
						15
		09/11/2007	09/15/2017		61,971	16
						17
06/18/2009	06/18/2021	06/18/2009	06/18/2021	40,000,000	2,900,000	18
						19
06/18/2009	06/18/2029	06/18/2009	06/18/2029	30,000,000	2,409,000	20
						21
06/18/2009	06/18/2039	06/18/2009	06/18/2039	60,000,000	4,878,000	22
						23
9/30/2014	9/30/2026	9/30/2014	9/30/2026	120,000,000	5,016,000	24
						25
						26
12/30/2014	12/30/2026	12/30/2014	12/30/2026	80,000,000	3,464,000	27
						28
						29
6/26/2014	4/1/2036	6/26/2014	6/26/2017	65,000,000	926,604	30
		6/19/2017	6/19/2020			31
						32
				870,000,000	42,982,017	33

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the Issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt Issued (b)	Total expense, Premium or Discount (c)
1	Local Bank Term Loan, State Commission Authority Case# 2014-00210	75,000,000	509,274
2			
3	Private Placement Senior Unsecured Notes - 3.13%, Series F	65,000,000	210,764
4	State Commission Authority: Case No. 2016-00345		
5			
6	Private Placement Senior Unsecured Notes - 3.35%, Series G	40,000,000	129,701
7	State Commission Authority: Case No. 2016-00345		
8			
9	Private Placement Senior Unsecured Notes - 3.45%, Series H	165,000,000	535,017
10	State Commission Authority: Case No. 2016-00345		
11			
12	Private Placement Senior Unsecured Notes - 4.12%, Series I	55,000,000	178,339
13	State Commission Authority: Case No. 2016-00345		
14			
15	SUBTOTAL ACCOUNT 224 - OTHER LONG-TERM DEBT	1,195,000,000	8,828,195
16			
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19			
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21			
22			
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26			
27			
28			
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30			
31			
32			
33	TOTAL	1,195,000,000	8,828,195

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
11/5/2014	11/5/2018	11/5/2014	11/5/2018	75,000,000	1,917,979	1
						2
09/12/2017	09/12/2024	09/12/2017	09/12/2024	65,000,000	616,001	3
						4
						5
09/12/2017	09/12/2027	09/12/2017	09/12/2027	40,000,000	405,722	6
						7
						8
09/12/2017	09/12/2029	09/12/2017	09/12/2029	165,000,000	1,723,563	9
						10
						11
09/12/2017	09/12/2047	09/12/2017	09/12/2047	55,000,000	686,094	12
						13
						14
				870,000,000	42,982,017	15
						16
						17
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						25
						26
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						28
						29
						30
						31
						32
				870,000,000	42,982,017	33

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 13 Column: a

\$325M Senior Unsecured Notes - 6.000%, Series E
 Issued: 09/11/2007
 Retired: 09/15/2017

Schedule Page: 256 Line No.: 30 Column: a

Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A
 Principal Amount: \$65,000,000
 Date of Issuance: 06/26/2014
 Date of Maturity: 04/01/2036
 Puttable Date: Bonds were subject to mandatory tender for purchase on 06/26/2017. Issuance expense of 675,501 was fully amortized as of 06/19/2017.

These bonds were re-marketed 06/19/2017:

Issuance: West Virginia Economic Development Authority, Mitchell Project Series 2014A
 Principal Amount: \$65,000,000
 Date of Issuance: 06/19/2017
 Date of Maturity: 04/01/2036
 Puttable Date: Bonds are subject to mandatory tender for purchase on 6/19/2020. Issuance expense of 146,250 to be amortized through 06/19/2020.

Schedule Page: 256.1 Line No.: 1 Column: a

The \$75 million multiple draw term loan was issued on November 5, 2014. The interest rate is variable and the maturity date is November 5, 2018.
 The initial draw took place on November 5, 2014 for \$25 million.
 The second draw took place on March 31, 2015 for \$25 million.
 The Third draw took place on October 15, 2015 for \$25 million.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	35,245,743
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	-23,947,417
28	Show Computation of Tax:	
29		
30		
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43		
44		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2017/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 28 Column: b

Net Income for the Year (Per Page 117)	35,246
Federal Income Tax Expense	23,248
State Income Tax Expense	<u>(5,697)</u>
	52,797
Excess Tax vs Book Depreciation	(10,460)
Accrued Book ARO Expense	(11,595)
AFUDC and Other Capitalization Differences	(2,879)
Book Unit of Property Adjustment	(56,282)
Removal Cost	(9,947)
Pollution Control Equipment	7,872
Property Tax	29
Provision for Revenue Refunds	946
Deferred Fuel	1,923
Self Insurance / Worker's Comp	73
Accrued Book Pension Expense	378
Misc Book Accruals, Reserves & Deferrals	309
Deferred Storm Damage	2,429
Demand Side Management Expense	9,075
Book Deferred Revenue	(432)
ATR Under Recovery	-
SFAS 106 - Post Retirement Benefit Expense	(1,942)
Tax Accruals & Deferrals	(2,620)
Mark-to-Market	(182)
Emission Allowances	328
Tax Loss Big Sandy Retirement	(4,213)
	-
	-
	-
	-
Other	366
Taxable Income Before State Tax Deduction	<u>(24,027)</u>
State and Local Income Tax	<u>(80)</u>
Federal Taxable Income	<u>(23,947)</u>
	0
Federal Income Tax at Statutory Rate	<u>(8,381)</u>
Adjustment Due to System Consolidation (a)	-
NOL Reclass	45
Tax Credit CFWD	230
Estimated Tax Currently Payable (b)	<u>(8,106)</u>
Adjustments of Prior Year's Accruals	<u>(3,472)</u>
Estimated Current Federal Income Taxes	(11,578)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
Kentucky Power Company			
FOOTNOTE DATA			

(a) Represents the allocation of the estimated current year net operating tax loss of American Electric Power Company, Inc.

(b) The Company joins in the filing of a consolidated Federal income tax return with its affiliated companies in the AEP system. The allocation of the AEP System's consolidated Federal income tax to the System companies allocates the benefit of current tax losses to the System companies giving rise to them in determining their current tax expense. The tax loss of the System parent company, American Electric Power Company, Inc., is allocated to its subsidiaries with taxable income. With the exception of the loss of the parent company, the method of allocation approximates a separate return result for each company in the consolidating group.

INSTRUCTION 2.

* The tax computation above represents an estimate of the Company's allocated portion of the System consolidated Federal income tax. The computation of actual 2017 System Federal income taxes will not be available until the consolidated Federal income tax return is completed and filed by October 2018. The actual allocation of the System consolidated Federal income tax to the members of the consolidated group will not be available until after the consolidated federal income tax return is filed

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 185) (c)			
1	FEDERAL TAXES:					
2	INCOME TAX	1,978,197		-11,577,878	-2,866,136	-22
3	FIN 48	-98,715				
4						
5	FICA - 2017	658,259		3,979,995	4,243,801	
6	Unemployment - 2017	11,730		25,241	25,266	
7						
8	Federal Excise Tax - 2016			1,191	1,191	
9	Federal Excise Tax - 2017			6,711	6,711	
10						
11	STATE INC. TAX - FIN 48	-5,588		1,770		
12						
13	STATE OF ILLINOIS:					
14	Income					
15	2012					
16	2015					
17	2016	-12,856		8,042	15,000	
18	2017			-121,590	3,000	
19	STATE OF KENTUCKY:					
20	Income					
21	2015					
22	2016	-426,247			-426,247	
23	2017			-6,001		
24						
25	Kentucky Franchise Taxes					
26	2016			626,959	626,959	
27	2017			958,000	750,000	
28						
29	License Fee 2016			25	25	
30	License Fee 2017			300	300	
31	Unemployment - KY 2017	6,648		19,585	21,754	
32						
33	Registration Fees					
34	2017			15	15	
35						
36	PUBLIC SER COMM'S-2016		563,400	563,400		
37	PUBLIC SER COMM'S-2017			603,550	1,207,100	
38	UTILITY GR LIC - EDP -			21,227	21,227	
39	UTILITY GR LIC - EDP -			21,227	18,666	
40						
41	TOTAL	27,673,529	929,479	14,624,814	24,805,182	-22

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	USE TAX - 2016	101,935	46,292	61,151	116,794	
2	USE TAX - 2017			965,853	949,038	
3						
4						
5	SALES TAX - 2016		319,787		-319,787	
6	SALES TAX - 2017				317,183	
7						
8	REAL & PERS PROP-2013			-127	-127	
9	REAL & PERS PROP-2015	8,072,861		-572,776	7,488,636	
10	REAL & PERS PROP-2016	12,130,988		-1,400,055	3,359,624	
11	REAL & PERS PROP-2017			11,005,200		
12						
13	PERS PROP LEASED-2016	239,449		-11,843	218,211	
14	PERS PROP LEASED-2017			280,992	3,845	
15						
16	REAL PROP LEASES-2016	12,821				
17	REAL PROP LEASES-2017			24,000	12,919	
18						
19	STATE OF WEST VIRGINIA:					
20	Income					
21	2013					
22	2014					
23	2015					
24	2016	-131,811		131,811		
25	2017			90,013	110,000	
26						
27	Franchise					
28	2013					
29	2014					
30						
31	WV USE - 2016	8,196		860	9,056	
32	WV USE - 2017			137,907	119,068	
33						
34	State Bus & Occp Tax-2016	329,450		-1	329,449	
35	State Bus & Occp Tax-2017			5,853,348	5,360,331	
36						
37	REAL & PERS PROP-2015	1,605,769		2,215	1,607,984	
38	REAL & PERS PROP-2016	3,096,212		84,445	1,605,586	
39	REAL & PERS PROP-2017			3,176,799		
40	PERS PROP LEASED-2016	5,100		-965	4,135	
41	TOTAL	27,673,529	929,479	14,824,814	24,605,162	-22

Name of Respondent Kentucky Power Company	This Report is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	///	End of <u>2017/Q4</u>

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 238) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	PERS PROP LEASED-2017			4,570		
2						
3	License Fee - 2016					
4	License Fee - 2017			20	20	
5						
6	Registration Fees					
7	2017			25	25	
8						
9	WV State Unemployment -	15,474		49,715	50,126	
10						
11						
12	OH CAT TAX - 2016	9,000		-14,498	-5,498	
13	OH CAT TAX - 2017			14,554	7,654	
14	OH CAT TAX - Audit			-385,961	-385,961	
15	STATE OF MICHIGAN:					
16	Income					
17	2015					
18	2016	-2,911		-1,247	-4,158	
19	2017			-1,397	2,142	
20	OTHER:					
21	REAL/PERS PROP-LA-2017			235	235	
22						
23	PA Gross Receipts - Audit	71,358				
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	27,673,529	929,479	14,524,814	24,605,162	-22

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot-note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (j) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (i) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-6,733,365		-10,799,697			-777,979	2
-98,715						3
						4
392,453		1,948,756			2,031,239	5
11,705		11,110			14,131	6
						7
		1,191				8
		6,711				9
						10
-3,818		1,770				11
						12
						13
						14
		3,858			-3,858	15
						16
-21,614		-38,622			44,684	17
-124,590		-82,783			-38,807	18
						19
						20
						21
		248			-248	22
-6,001		-49,862			43,861	23
						24
						25
		626,959				26
208,000		958,000				27
						28
		25				29
		300				30
4,479		13,065			6,520	31
						32
						33
		15				34
						35
		563,400				36
	603,550	603,550				37
		21,227				38
2,561		21,227				39
						40
17,745,357	981,677	13,308,932			1,315,882	41

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
		43,874			17,277	1
77,759	60,944	53,118			912,735	2
						3
						4
						5
	317,183					6
						7
		-127				8
11,449		-597,916			25,140	9
7,371,319		10,551,019			-11,951,074	10
11,005,200					11,005,200	11
						12
9,395		-11,843				13
277,147		280,992				14
						15
12,821						16
11,081		24,000				17
						18
						19
						20
		-59,837			59,837	21
		10,257			-10,257	22
		-23,449			23,449	23
		181,342			-49,531	24
-19,987		81,468			28,545	25
						26
						27
		59,836			-59,836	28
		-10,257			10,257	29
						30
					850	31
18,839					137,907	32
						33
		-1				34
493,017		5,853,348				35
						36
		1,666,923			-1,664,708	37
1,575,071		1,785,969			-1,701,524	38
3,176,799					3,176,799	39
		-965				40
17,745,357	981,677	13,308,932			1,315,882	41

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (j) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
4,570		4,570				1
						2
						3
		20				4
						5
						6
		25				7
						8
15,063		14,665			35,050	9
						10
						11
		-14,498				12
6,900		14,554				13
		-385,961				14
						15
						16
						17
		-1,222			-25	18
-3,539		-1,420			23	19
						20
					235	21
						22
71,358						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
17,745,357	981,677	13,308,932			1,315,882	41

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Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f

FUEL TAX CREDIT (22)

Schedule Page: 262.1 Line No.: 5 Column: a

Consist of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Schedule Page: 262.1 Line No.: 6 Column: a

Consist of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	1,420			411.4	1,009	
6							
7							
8	TOTAL	1,420				1,009	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
30							
31							
32							
33							
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35							
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39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
411	VARIOUS		5
			6
			7
411			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			30
			31
			32
			33
			34
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			48

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OTHER DEFERRED CREDITS (Account 253)

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	TV Pole Attachments	83,276	454	576,405	592,506	99,377
2						
3	Customer Advance Receipts	1,620,542	142,143	1,620,542	2,011,084	2,011,084
4						
5	Deferred Gain:	134,775	124	9,496		125,279
6	Fiber Optic Agrmts-In Kind Svc					
7	Amortize through June 2026					
8						
9	Deferred Revenue	62,506	451	13,556		48,950
10	Fiber Optic Lines-Sold-Defd Rev					
11	Amortize through January 2025					
12						
13	IPP - System Upgrade Credits	296,781			11,583	308,364
14						
15	Miscellaneous	14,223	Various	188		14,035
16						
17	Federal Mitigation Deferral (NSR)	1,110,644	242	786,150		324,494
18						
19	Contract Settlement Reserve	500,342	Various	500,342		
20						
21	Noble Energy Deferred Lease	1,006,983	421	431,564		575,419
22						
23	Contribution Aid of Construction	76,873	107,108	76,873	7,576	7,576
24						
25	Allowances	984			5,500	6,484
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	4,907,929		4,015,116	2,628,249	3,521,062

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
- For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	58,282,271		2,778,542
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)	58,282,271		2,778,542
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16	OTHER			
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	58,282,271		2,778,542
18	Classification of TOTAL			
19	Federal Income Tax	58,282,271		2,778,542
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						55,503,729	4
							5
							6
							7
						55,503,729	8
							9
							10
							11
							12
							13
							14
							15
		VARIOUS	22,201,491			-22,201,491	16
			22,201,491			33,302,238	17
							18
			22,201,491			33,302,238	19
							20
							21

NOTES (Continued)

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Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 272 Line No.: 16 Column: b

	Balance at Beginning of Year	Balance at End of Year
Non-Utility	0	0
SFAS 133	0	0
SFAS 109	0	(22,201,491)
Total	\$0	\$(22,201,491)

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

- Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
- For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	340,485,495	46,183,615	15,162,785
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	340,485,495	46,183,615	15,162,785
6	SFAS 109	54,574,121		
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	395,059,616	46,183,615	15,162,785
10	Classification of TOTAL			
11	Federal Income Tax	395,059,616	46,183,615	15,162,785
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						371,506,325	2
							3
							4
						371,506,325	5
		VARIOUS	179,548,851	VARIOUS	5,755,628	-119,219,102	6
							7
							8
			179,548,851		5,755,628	252,287,223	9
							10
			179,548,851		5,755,628	252,287,223	11
							12
							13

NOTES (Continued)

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

- Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
- For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Deferred Fuel Costs	673,074	1,390,094	2,063,169
4	Reg Asset Retired Plant	98,193,952	8,261,557	5,794,793
5	Capitalized Software - Book	3,952,823	2,129,893	386,086
6	Emission Allowances	3,396,228		114,697
7	Reg Asset - SFAS 112	1,150,894	43,007	302,286
8	Other	16,008,087	11,289,602	19,713,322
9	TOTAL Electric (Total of lines 3 thru 8)	123,374,858	23,114,153	28,374,353
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Other	149,353,091		
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	272,727,949	23,114,153	28,374,353
20	Classification of TOTAL			
21	Federal Income Tax	176,956,015	23,114,153	26,347,019
22	State Income Tax	95,771,934		2,027,334
23	Local Income Tax			

NOTES

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
						-1	3
						100,660,716	4
						5,696,430	5
						3,281,531	6
						891,615	7
3,705,136	3,347,263					7,942,240	8
3,705,136	3,347,263					118,472,531	9
							10
							11
							12
							13
							14
							15
							16
							17
7,930	63,814	VARIOUS	81,558,438	VARIOUS	21,355,761	89,094,530	18
3,713,066	3,411,077		81,558,438		21,355,761	207,567,061	19
							20
3,713,066	3,411,077		81,009,714		10,532,900	103,548,324	21
			548,724		10,822,861	104,018,737	22
							23

NOTES (Continued)

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 18 Column: a

Line 18 Other - Detail	Balance at Beginning of Year	Balance at End of Year
-----	-----	-----
Non-Utility	146,317	90,433
SFAS 109	149,206,774	89,004,097
SFAS 133	0	0
Total	\$149,353,091	\$89,094,530
	=====	=====

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

- Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Home Energy Assistance Program	154,809	Various	479,397	490,104	165,516
2						
3	SFAS 109 Deferred FIT	750,428	Various	1,689,433	269,372,804	288,433,799
4						
5	Kentucky Demand Side Management				265,083	265,083
6						
7	Green Pricing Option	796	557	892	776	680
8						
9	Over Recovered Fuel Cost				567,437	567,437
10						
11	Netting of Trading Activities related to					
12	Unrealized Gains/Losses on Forward Commitments					
13	between Regulated Assets/Liabilities	1,379,892	182.3	1,068,181	591,076	902,787
14						
15	Unrealized Gain on Forward Commitments	(1,290,611)	Various	1,794,556	2,373,485	-711,682
16						
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41	TOTAL	995,314		5,032,459	273,660,765	269,623,620

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	232,153,022	254,059,898
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	150,440,647	156,542,122
5	Large (or Ind.) (See Instr. 4)	157,574,769	160,233,948
6	(444) Public Street and Highway Lighting	1,980,402	1,974,809
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	542,148,840	572,810,777
11	(447) Sales for Resale	56,844,518	51,246,008
12	TOTAL Sales of Electricity	598,993,358	624,056,785
13	(Less) (449.1) Provision for Rate Refunds	1,648,913	928,472
14	TOTAL Revenues Net of Prov. for Refunds	597,344,445	623,128,313
15	Other Operating Revenues		
16	(450) Forfeited Discounts	4,403,192	3,928,057
17	(451) Miscellaneous Service Revenues	762,517	746,580
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	6,128,139	6,678,203
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	17,508,467	10,514,915
22	(456.1) Revenues from Transmission of Electricity of Others	26,409,939	17,008,927
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	55,212,254	38,876,682
27	TOTAL Electric Operating Revenues	652,556,699	662,004,995

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

8. For Lines 2,4,5, and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

9. include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,932,804	2,128,530	135,890	137,013	2
				3
1,243,883	1,315,497	30,210	30,293	4
2,403,071	2,408,194	1,154	1,191	5
10,448	10,476	345	351	6
				7
				8
				9
5,590,206	5,862,697	167,599	168,848	10
1,516,154	1,413,350	19	31	11
7,106,360	7,276,047	167,618	168,879	12
				13
7,106,360	7,276,047	167,618	168,879	14

Line 12, column (b) includes \$ 969,004 of unbilled revenues.
 Line 12, column (d) includes 24,308 MWH relating to unbilled revenues

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 300 Line No.: 10 Column: b

Detail of Unmetered Sales:

	Revenue	MWH	Average Customers
Residential	5,971,168	25,925	38,663
Commercial	2,792,055	15,074	6,927
Industrial	139,083	819	230
Public Street Lighting	30,779	109	38
Total	8,933,085	41,927	45,856

Schedule Page: 300 Line No.: 10 Column: c

Detail of Unmetered Sales:

	Revenue	MWH	Average Customers
Residential	6,118,801	26,194	39,125
Commercial	2,791,160	15,170	6,989
Industrial	142,989	850	242
Public Street Lighting	30,543	109	36
Total	9,083,493	42,323	46,392

Schedule Page: 300 Line No.: 17 Column: b

Customer Service Revenue including connects, reconnects, disconnects, temporary services and other charges billed to customers.

Schedule Page: 300 Line No.: 17 Column: c

Customer Service Revenue including connects, reconnects, disconnects, temporary services and other charges billed to customers.

Schedule Page: 300 Line No.: 21 Column: b

Description	YTD
Oth Elect Rev - Demand Side Management Program	17,324,309
All Other (under \$250,000)	184,158
	<u>17,508,467</u>

Schedule Page: 300 Line No.: 21 Column: c

Description	YTD
Oth Elect Rev - Demand Side Management Program	10,129,246
Other Electric Revenues - ABD	338,449
All Other (under \$250,000)	47,220
	<u>10,514,915</u>

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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	440 Residential Sales					
2	Residential Service	1,881,580	224,373,803	135,304	13,906	0.1192
3	Residential Service - Employee	8,804	981,823	495	17,785	0.1115
4	Res Service Load Mgmt TOD	1,684	180,875	85	19,812	0.1074
5	Residential Service TOD	89	9,753	5	17,800	0.1096
6	Small General Service	5	611	1	5,000	0.1222
7	Kentucky Rider		-103,793			
8	All Outdoor Lighting	25,925	5,971,168			0.2303
9	Subtotal Billed	1,918,087	231,414,240	135,890	14,115	0.1206
10	Unbilled Revenue	14,717	738,782			0.0502
11	Total Residential	1,932,804	232,153,022	135,890	14,223	0.1201
12						
13	442 Commercial Sales					
14	Small General Service	128,597	20,832,914	23,006	5,590	0.1620
15	Medium General Service	418,266	55,952,251	8,387	65,487	0.1338
16	Medium General Service TOD	3,477	422,580	77	45,156	0.1215
17	Large General Service	387,236	43,886,196	543	713,142	0.1134
18	Industrial General Service	174,574	13,301,038	23	7,590,174	0.0762
19	All Outdoor Lighting	15,074	2,792,055			0.1852
20	Public Schools	108,225	12,842,807	164	659,909	0.1187
21	Kentucky Rider		-69,489			
22	Mark West HC	1,999	223,220	10	199,900	0.1117
23	Estimated Revenue	-35	-4,366			0.1247
24	Subtotal Billed	1,237,413	150,189,184	30,210	40,960	0.1214
25	Unbilled Revenue	6,470	251,463			0.0389
26	Total Commercial	1,243,883	150,440,647	30,210	41,175	0.1209
27						
28	442 Industrial Sales					
29	Industrial General Service	395,764	33,467,538	37	10,696,324	0.0846
30	Gen Service TOD-PA	1,669,214	98,443,893	9	185,468,222	0.0578
31	Small General Service	4,168	651,098	710	5,870	0.1562
32	Medium General Service	19,686	2,564,818	273	72,110	0.1303
33	Medium General Service TOD	24	1,807	1	24,000	0.0753
34	Large General Service	111,399	12,840,284	121	920,653	0.1153
35	Church Service	214,872	12,442,411	3	71,624,000	0.0579
36	Kentucky Rider		-25,321			
37	All Outdoor Lighting	818	139,083			0.1698
38	Estimated Revenue	-15,979	-928,078			0.0581
39	Subtotal Billed	2,399,967	157,597,333	1,154	2,079,694	0.0657
40	Unbilled Revenue	3,104	-22,564			-0.0073
41	TOTAL Billed	5,565,896	541,179,836	167,599	33,210	0.0972
42	Total Unbilled Rev. (See Instr. 6)	24,308	969,004	0	0	0.0369
43	TOTAL	5,590,206	542,148,840	167,599	33,355	0.0970

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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding data for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Total Industrial	2,403,071	157,574,769	1,154	2,082,384	0.0656
2						
3	444 Public Street Lighting					
4	Small General Service	589	143,819	277	2,126	0.2442
5	Medium General Service	1,233	156,672	13	94,848	0.1271
6	Street Lighting	8,500	1,643,759	55	154,545	0.1934
7	Kentucky Rider		4,050			
8	All Outdoor Lighting	109	30,779			0.2824
9	Subtotal Billed	10,431	1,979,079	345	30,235	0.1897
10	Unbilled Revenue	17	1,323			0.0778
11	Total Public Street Lighting	10,448	1,980,402	345	30,284	0.1895
12						
13	Instruction 5. (See Footnote)					
14						
15						
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34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	5,565,898	541,179,836	167,599	33,210	0.0972
42	Total Unbilled Rev. (See Instr. 6)	24,308	969,004	0	0	0.0399
43	TOTAL	5,590,206	542,148,840	167,599	33,355	0.0970

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	CITY OF OLIVE HILL	RQ	KPCO 52			
2	CITY OF VANCEBURG	RQ	KPCO 51			
3	PJM TRANSMISSION FOR RQ	RQ	Various			
4	ADVAN PROMOTIONS INC.	OS	Note 1			
5	ALLEGHENY ELECTRIC COOPERATIVE	OS	Note 1			
6	AMEREN CILCO	OS	Note 1			
7	AMEREX POWER, LTD	OS	Note 1			
8	BGC FINANCIAL LP	OS	Note 1			
9	CALIFORNIA ISO	OS	Note 1			
10	CALIFORNIA POWER EXCHANGE	OS	Note 1			
11	CITY OF BANGOR, WISCONSIN	OS	Note 1			
12	CITY OF BARRON, WISCONSIN	OS	Note 1			
13	CITY OF BLOOMER, WISCONSIN	OS	Note 1			
14	CITY OF CORNELL, WISCONSIN	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Power Company	This Report Is.		Date of Report (Mo, Da, Yr)	Year/Period of Report
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see Instruction 4), and then totaled on the Last line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
22,860	870,021	1,023,669		1,893,690	1
57,209	2,034,898	2,331,580		4,368,478	2
			-1,114,273	-1,114,273	3
		-2,059		-2,059	4
4,874		228,748		228,748	5
		-483		-483	6
		-4,493		-4,493	7
		-909		-909	8
		11,676		11,676	9
		-597		-597	10
2		-1,282		-1,282	11
-23		-6,075		-6,075	12
-28		-4,828		-4,828	13
		-640		-640	14
79,869	2,904,919	3,355,249	-1,114,273	5,145,895	
1,436,285	2,177,193	49,521,430	0	51,698,623	
1,516,154	5,082,112	52,876,679	-1,114,273	56,844,518	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	CITY OF MEDFORD	OS	Note 1			
2	CITY OF RICE LAKE UTILITIES	OS	Note 1			
3	CITY OF SPOONER, WISCONSIN	OS	Note 1			
4	CITY OF WAKEFIELD, WISCONSIN	OS	Note 1			
5	CITY OF WESTERVILLE	OS	Note 1			
6	COMMONWEALTH EDISON COMPANY	OS	Note 1			
7	DP&L POWER SERVICES	OS	Note 1			
8	DUKE ENERGY OHIO, INC	OS	Note 1			
9	DUQUESNE LIGHT COMPANY	OS	Note 1			
10	EOH HOLDINGS, LLC	OS	Note 1			
11	EVOLUTION MARKETS FUTURES, LLC	OS	Note 1			
12	FEDERAL ENERGY REGULATORY	OS	Note 1			
13	GFI SECURITIES LLC	OS	Note 1			
14	ICAP ENERGY LLC	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	/ /	End of 2017/Q4

SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
51		-4,088		-4,088	1
-63		-12,600		-12,600	2
		322		322	3
-3		-782		-782	4
-14		1,023		1,023	5
30,347		1,087,652		1,087,652	6
20,404		1,049,943		1,049,943	7
37,059		1,853,882		1,853,882	8
57,516		2,913,169		2,913,169	9
		-80		-80	10
		-1,260		-1,260	11
		2,978		2,978	12
		-8		-8	13
		-10,908		-10,908	14
78,868	2,904,919	3,355,249	-1,114,273	5,145,895	
1,436,285	2,177,193	49,521,430	0	51,698,623	
1,516,154	5,082,112	52,878,679	-1,114,273	56,844,518	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliation) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	ICE TRADE VAULT LLC	OS	Note 1			
2	IVG ENERGY, LTD	OS	Note 1			
3	MIDWEST ISO	OS	Note 1			
4	MIZUHO SECURITIES USA INC	OS	Note 1			
5	OHIO POWER COMPANY (AUCTION)	OS	Note 1			
6	PJM INTERCONNECTION	OS	Note 1			
7	RBC CAPITAL MARKET, LLC	OS	Note 1			
8	SPSR2 - MAREX SPECTRON	OS	Note 1			
9	TFS ENERGY FUTURES, LLC	OS	Note 1			
10	TIMBER CANYON	OS	Note 1			
11	TOWN OF HAGERSTOWN, INDIANA	OS	Note 1			
12	TULLETT PREBON AMERICAS CORP.	OS	Note 1			
13	TVA BULK POWER TRADING	OS	Note 1			
14	UBS AG, LONDON BRANCH	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent Kentucky Power Company	This Report is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as Identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
		-3,885		-3,885	1
		-4,701		-4,701	2
73		57,771		57,771	3
		-413,195		-413,195	4
28,449		1,435,824		1,435,824	5
1,257,728	2,177,193	40,220,581		42,397,774	6
		1,142,634		1,142,634	7
		-124		-124	8
		-709		-709	9
		-2,059		-2,059	10
-29		-2,005		-2,005	11
		-3,507		-3,507	12
-49		-1,369		-1,369	13
		43		43	14
78,869	2,904,919	3,355,249	-1,114,273	5,145,895	
1,436,285	2,177,193	49,521,430	0	51,698,623	
1,516,154	5,082,112	52,878,679	-1,114,273	56,844,518	

Name of Respondent Kentucky Power Company	This Report Is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
-8		-1,549		-1,549	1
1		-623		-623	2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
79,869	2,904,919	3,355,249	-1,114,273	5,145,895	
1,438,285	2,177,193	49,521,430	0	51,898,623	
1,518,154	5,082,112	52,876,679	-1,114,273	56,844,518	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: k

Margins for Off System Sales (OSS) reported in KPCO's generation formula rates are included in the total revenue amount. The margins are specifically identified in the ledger as a subset of the accounts that make up these OSS revenues.

Schedule Page: 310 Line No.: 3 Column: j

Amount represents transmission services and related charges.

Schedule Page: 310 Line No.: 4 Column: c

FERC Electric Tariff, First Revised Volume No. 5.

Schedule Page: 310.2 Line No.: 5 Column: a

An affiliated company.

Schedule Page: 310.2 Line No.: 5 Column: c

The PUCO (Public Utilities Commission Ohio) ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning June 2015. APCo, KPCo, I&M and WPCo participated in the auction process and were awarded tranches of OPCo's SSO load.

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
1	1. POWER PRODUCTION EXPENSES				
2	A. Steam Power Generation				
3	Operation				
4	(500) Operation Supervision and Engineering	4,090,204	3,250,812		
5	(501) Fuel	116,261,498	114,435,169		
6	(502) Steam Expenses	6,218,859	5,789,966		
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred-Cr.				
9	(505) Electric Expenses	5,875	180,082		
10	(506) Miscellaneous Steam Power Expenses	10,589,882	9,802,107		
11	(507) Rents				
12	(509) Allowances	362,045	547,130		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	137,528,363	134,005,266		
14	Maintenance				
15	(510) Maintenance Supervision and Engineering	2,530,852	2,474,313		
16	(511) Maintenance of Structures	1,535,143	1,956,240		
17	(512) Maintenance of Boiler Plant	12,574,868	14,853,674		
18	(513) Maintenance of Electric Plant	3,867,651	4,874,112		
19	(514) Maintenance of Miscellaneous Steam Plant	1,561,877	1,805,152		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	22,070,391	25,963,491		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	159,598,754	159,968,757		
22	B. Nuclear Power Generation				
23	Operation				
24	(517) Operation Supervision and Engineering				
25	(518) Fuel				
26	(519) Coolants and Water				
27	(520) Steam Expenses				
28	(521) Steam from Other Sources				
29	(Less) (522) Steam Transferred-Cr.				
30	(523) Electric Expenses				
31	(524) Miscellaneous Nuclear Power Expenses				
32	(525) Rents				
33	TOTAL Operation (Enter Total of lines 24 thru 32)				
34	Maintenance				
35	(528) Maintenance Supervision and Engineering				
36	(529) Maintenance of Structures				
37	(530) Maintenance of Reactor Plant Equipment				
38	(531) Maintenance of Electric Plant				
39	(532) Maintenance of Miscellaneous Nuclear Plant				
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)				
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)				
42	C. Hydraulic Power Generation				
43	Operation				
44	(535) Operation Supervision and Engineering				
45	(536) Water for Power				
46	(537) Hydraulic Expenses				
47	(538) Electric Expenses				
48	(539) Miscellaneous Hydraulic Power Generation Expenses				
49	(540) Rents				
50	TOTAL Operation (Enter Total of Lines 44 thru 49)				
51	C. Hydraulic Power Generation (Continued)				
52	Maintenance				
53	(541) Maintenance Supervision and Engineering				
54	(542) Maintenance of Structures				
55	(543) Maintenance of Reservoirs, Dams, and Waterways				
56	(544) Maintenance of Electric Plant				
57	(545) Maintenance of Miscellaneous Hydraulic Plant				
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)				
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)				

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	139,521,382	149,674,900
77	(556) System Control and Load Dispatching	574,325	515,588
78	(557) Other Expenses	1,220,612	1,516,083
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	141,316,319	151,706,571
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	300,915,073	311,675,328
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	2,190,274	1,371,905
84			
85	(561.1) Load Dispatch-Reliability	1,930	8,547
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	402,603	778,887
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services	1,102,321	1,128,598
89	(561.5) Reliability, Planning and Standards Development	77,254	116,663
90	(561.6) Transmission Service Studies	4	
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	349,027	293,410
93	(562) Station Expenses	316,752	229,138
94	(563) Overhead Lines Expenses	60,752	117,014
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	35,571,456	26,168,870
97	(566) Miscellaneous Transmission Expenses	844,092	1,484,735
98	(567) Rents	-127,369	170,159
99	TOTAL Operation (Enter Total of lines 83 thru 98)	40,789,096	31,867,926
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	18,305	27,397
102	(569) Maintenance of Structures	9,237	21,759
103	(569.1) Maintenance of Computer Hardware	5,659	1,651
104	(569.2) Maintenance of Computer Software	115,352	107,394
105	(569.3) Maintenance of Communication Equipment	1,246	6,347
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	591,135	678,388
108	(571) Maintenance of Overhead Lines	2,515,974	1,831,232
109	(572) Maintenance of Underground Lines	241	42
110	(573) Maintenance of Miscellaneous Transmission Plant	189,288	384,784
111	TOTAL Maintenance (Total of lines 101 thru 110)	3,446,437	3,058,994
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	44,235,533	34,926,920

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	1,179,892	996,718
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	1,179,892	996,718
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)	1,179,892	996,718
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	835,610	555,751
135	(581) Load Dispatching	947	3,134
136	(582) Station Expenses	159,946	238,129
137	(583) Overhead Line Expenses	439,031	1,121,334
138	(584) Underground Line Expenses	103,451	115,357
139	(585) Street Lighting and Signal System Expenses	166,526	181,462
140	(586) Meter Expenses	1,058,210	910,321
141	(587) Customer Installations Expenses	120,930	157,706
142	(588) Miscellaneous Expenses	3,736,609	4,180,377
143	(589) Rents	1,498,279	1,684,554
144	TOTAL Operation (Enter Total of lines 134 thru 143)	8,119,539	9,148,125
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	4,019	2,472
147	(591) Maintenance of Structures	14,658	29,653
148	(592) Maintenance of Station Equipment	498,193	475,219
149	(593) Maintenance of Overhead Lines	40,093,211	39,508,115
150	(594) Maintenance of Underground Lines	73,580	94,505
151	(595) Maintenance of Line Transformers	41,392	50,399
152	(596) Maintenance of Street Lighting and Signal Systems	9,201	41,144
153	(597) Maintenance of Meters	76,094	78,484
154	(598) Maintenance of Miscellaneous Distribution Plant	62,927	60,914
155	TOTAL Maintenance (Total of lines 146 thru 154)	40,873,275	40,340,905
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	48,992,814	49,489,030
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	154,377	206,587
160	(902) Meter Reading Expenses	389,782	386,804
161	(903) Customer Records and Collection Expenses	5,319,350	5,227,697
162	(904) Uncollectible Accounts	36,559	-131,730
163	(905) Miscellaneous Customer Accounts Expenses	20,074	17,864
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	5,920,142	5,707,222

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	110,156	110,126
168	(908) Customer Assistance Expenses	14,184,247	6,244,318
169	(909) Informational and Instructional Expenses	139,525	41,692
170	(910) Miscellaneous Customer Service and Informational Expenses	96,414	147,511
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	14,530,342	6,543,647
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision	366	110
175	(912) Demonstrating and Selling Expenses	48,155	60,058
176	(913) Advertising Expenses	4,088	33,884
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	52,609	94,050
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	8,824,656	9,367,015
182	(921) Office Supplies and Expenses	595,791	710,379
183	(Less) (922) Administrative Expenses Transferred-Credit	1,063,115	1,441,385
184	(923) Outside Services Employed	1,683,599	2,144,345
185	(924) Property Insurance	657,371	733,002
186	(925) Injuries and Damages	2,378,577	2,067,119
187	(926) Employee Pensions and Benefits	3,796,598	3,761,903
188	(927) Franchise Requirements	140,370	140,317
189	(928) Regulatory Commission Expenses	4,118,531	497,536
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	501,674	138,785
192	(930.2) Miscellaneous General Expenses	288,415	489,756
193	(931) Rents	321,308	397,820
194	TOTAL Operation (Enter Total of lines 181 thru 193)	22,243,775	19,006,592
195	Maintenance		
196	(935) Maintenance of General Plant	2,608,683	2,704,114
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	24,852,458	21,710,706
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	440,678,863	431,143,621

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 320 Line No.: 5 Column: b

The portion of account 501 that is excluded from the fuel costs in KPCo's generation formula rate is identified by a query of the general ledger.

Schedule Page: 320 Line No.: 93 Column: b

Generation Step-Up Units' (GSUs) O&M expenses included in KPCo's generation formula rates are the ratio of GSU balances to all investment for plant accounts 352 & 353 multiplied by the balance in O&M accounts 562, 569 & 570.

Schedule Page: 320 Line No.: 185 Column: b

The insurance expenses for generation included in KPCO's generation formula rate are identified by a query of the general ledger.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for Intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for Intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the length of the contract and service from designated units of less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	AEP GENERATING COMPANY	RQ	AEG 2			
2	KY ENVIRONMENTAL SURCHARGE RIDER	OS				
3	PJM INTERCONNECTION	OS				
4	PJM OVER/UNDER RECOVERY	OS				
5	PURCHASED POWER ADJUSTMENT	OS				
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
1,638,514			54,742,743	41,214,182		95,956,925	1
				-138,947		-138,947	2
1,441,502				43,719,799		43,719,799	3
				33,209		33,209	4
				-49,604		-49,604	5
							6
							7
							8
							9
							10
							11
							12
							13
							14
3,080,016			54,742,743	84,778,639		139,521,382	

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2017/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: a

Affiliated Company

Schedule Page: 326 Line No.: 2 Column: a

Over/under accounting for the KY environmental surcharge. KPSC Order Case No. 2014-00396

Schedule Page: 326 Line No.: 4 Column: a

KPSC Order Case No. 2014-00396. Commission approved recovery of Big Sandy U1 non fuel operating costs as a coal burning unit and costs associated with its conversion to natural gas. AEP gets a return of the capital investment once the gas unit goes into service.

Schedule Page: 326 Line No.: 5 Column: a

Deferral to track over/under of permitted Purchase Power costs in KYP (not included in the KYP FAC), in accordance with the Stipulation and Settlement Agreement approved in KYP Case No. 2012-00578.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as wheeling)

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	PJM Network Integ Trans Rev Wholesale	Various	Various	FNO
2	PJM Network Integ Trans Serv	Various	Various	FNO
3	PJM Trans Enhancement Rev	Various	Various	FNO
4	PJM Trans Enhancement Rev - Affil	Various	Various	FNS
5	PJM Trans Enhancement Rev Wholesale	Various	Various	FNO
6	PJM Network Integ Rev - Affil	Various	Various	FNS
7	PJM Point to Point Trans Serv	Various	Various	LFP
8	PJM Trans Owner Admin Revenue	Various	Various	OLF
9	PJM Trans Owner Serv Rev Wholesale	Various	Various	OLF
10	PJM Expansion Cost Recovery	Various	Various	OS
11	PJM Power Factor Credits Rev Wholesale	Various	Various	OS
12	RTO Formation Costs Recovery	Various	Various	OS
13	PJM Trans Owner Serv - Affil	Various	Various	OLF
14	East Kentucky Power Cooperative	Various	Various	OLF
15	SECA Transmission Rev	Various	Various	OS
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatt-hours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM OATT	Various	Various				1
PJM OATT	Various	Various				2
PJM OATT	Various	Various				3
PJM OATT	Various	Various				4
PJM OATT	Various	Various				5
PJM OATT	Various	Various				6
PJM OATT	Various	Various				7
PJM OATT	Various	Various				8
PJM OATT	Various	Various				9
PJM OATT	Various	Various				10
PJM OATT	Various	Various				11
PJM OATT	Various	Various				12
PJM OATT	Various	Various				13
See Footnote	Various	Various		35,247	35,247	14
PJM OATT	Various	Various				15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	36,247	36,247	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as "wheeling")

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
3,177,438			3,177,438	1
6,397,862			6,397,862	2
1,895,058			1,895,058	3
298,512			298,512	4
78,393			78,393	5
13,501,216			13,501,216	6
448,850			448,850	7
	141,826		141,826	8
	48,158		48,158	9
				10
		10,799	10,799	11
21,676			21,676	12
	231,846		231,846	13
		52,871	52,871	14
		105,634	105,634	15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				28
				29
				30
				31
				32
				33
				34
26,818,805	421,830	169,304	26,408,939	

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: e

Effective October 1, 2004, the administration of the transmission tariff was turned over to PJM. PJM does not provide any detail except for the total revenue by the major classes listed. OATT (Open Access Transmission tariff) 3rd Revised Volume No. 6.

Schedule Page: 328 Line No.: 11 Column: m

Per Proforma ILDSA (Interconnection and Local Delivery Service Agreement) AEP Tariff 3rd Revised Volume No. 6.

Schedule Page: 328 Line No.: 14 Column: e

Compensation should be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No. 1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.

Schedule Page: 328 Line No.: 14 Column: m

Compensation should be at a rate of one and one-half (1.5) mills per kilowatt-hour for energy delivered pursuant to Appendix IV of PJM Service Agreement No. 1530, the Interconnection Agreement between AEPSC and East Kentucky Power Cooperative.

Schedule Page: 328 Line No.: 15 Column: m

Settlement of Seams Elimination Cost Allocation (SECA) revenue, which was subject to refund. Amount represents reserves that exceeded settlement.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 585)
(Including transactions referred to as "wheeling")

- Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
- In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
- In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
- Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
- Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
- Enter "TOTAL" in column (a) as the last line.
- Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Concurrent Energy	LFP	84,407	84,407			126,510	126,510
2	East KY Power Coop							
3	PJM - Enhancements	OS					10,201,155	10,201,155
4	PJM - NITS	OS					25,243,728	25,243,728
5	Other	OS					63	63
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		84,407	84,407			35,571,456	35,571,456

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: g

Concurrent Energy Charges from East Kentucky Power.

Schedule Page: 332 Line No.: 3 Column: g

Transmission Enhancement Charges and Credits (PJM OATT Schedule 12).

Schedule Page: 332 Line No.: 4 Column: g

Network Integration Transmission Service Charges - NITS (PJM OATT Schedule H).

Schedule Page: 332 Line No.: 5 Column: g

Midwest Independent Transmission System Operator (MISO) Membership/Participant Dues.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	67,012
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	163
4	Pub & Dist Info to Stkhldrs...exrn servicing outstanding Securities	2,200
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Associated Business Development	61,925
7	AEP Service Corporation Billings	28,500
8	Intercompany Allocations	27,633
9	Corporate Money Pool Allocations	10,191
10	Corporate and Fiscal	8,923
11	Prepaid Insurance	73,748
12	Miscellaneous	8,120
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
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38		
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41		
42		
43		
44		
45		
46	TOTAL	288,415

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification listed in column (a). If plant mortality studies are prepared to assist in estimating average service lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			4,340,895		4,340,895
2	Steam Production Plant	35,216,823	222,408			35,439,031
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant	15,441,147				15,441,147
8	Distribution Plant	27,880,463				27,880,463
9	Regional Transmission and Market Operation					
10	General Plant	1,772,506		117,078		1,889,585
11	Common Plant-Electric					
12	TOTAL	80,310,739	222,408	4,457,974		84,991,121

B. Basis for Amortization Charges

Section A, Line 1, Column D represents amortization of franchises over the life of the franchise, amortization of capitalized software development costs over a 5 year life, and the amortization of costs associated with the Oracle strategic partnership over a 10 year life.
Section A, Line 10, Column D represents amortization of Leasehold Improvements over the term of the lease for the respective building.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	STEAM - COAL/LIGNITE						
13	311 - Big Sandy	13,068					
14	311 - Mitchell	53,024					
15	312 - Big Sandy	77,087					
16	312 - Mitchell	857,420					
17	312 - Mitchell SCR	8,255					
18	314 - Big Sandy	62,072					
19	314 - Mitchell	54,260					
20	315 - Big Sandy	3,983					
21	315 - Mitchell	25,303					
22	316 - Big Sandy	3,642					
23	316 - Mitchell	8,458					
24	TOTAL COAL/LIGNITE	1,166,552					
25							
26	TRANSMISSION						
27	350.1	30,787					
28	352	6,630					
29	352 - Big Sandy	10					
30	352 - Mitchell	72					
31	353	189,553					
32	353 - Big Sandy	603					
33	353 - Mitchell	9,513					
34	354	96,776					
35	355	103,205					
36	356	137,898					
37	357	12					
38	358	106					
39	TOTAL TRANSMISSION	575,165					
40							
41	DISTRIBUTION						
42	360.1	5,348					
43	361	4,624					
44	362	103,633					
45	362.16	34					
46	364	205,089					
47	365	226,410					
48	366	7,285					
49	367	11,296					
50	368	133,271					

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	369	61,258					
13	370	24,885					
14	371	19,523					
15	373	4,013					
16	TOTAL DISTRIBUTION	806,667					
17							
18	GENERAL PLANT						
19	389.1	38					
20	390	22,184					
21	391	2,042					
22	392	15					
23	393	237					
24	394	4,488					
25	395	281					
26	396	6					
27	397	9,082					
28	397.16	1,164					
29	398	1,638					
30	TOTAL GENERAL	41,133					
31							
32	DEPRECIABLE SUM	2,569,517					
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 7 Column: b

Generation Step-up Units' (GSU's) depreciation expenses included in KPCo's generation formula rates are a subset of transmission depreciation and identified by a query of the plant accounting system.

Schedule Page: 336.1 Line No.: 32 Column: b

The depreciable plant base is the November 30, 2017 total company depreciable plant.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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REGULATORY COMMISSION EXPENSES

- Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
- Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Integrated Resource Plan Filing		144,169	144,169	
2					
3	2016 - Kentucky Power Rate Case		3,915,679	3,915,678	
4	KPSC - Case No. 2016-00180				
5					
6	Minor Items < \$25,000		58,683	58,683	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL		4,118,531	4,118,531	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
	928	144,169					1
							2
	928	3,915,679					3
							4
							5
	928	58,683					6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
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							39
							40
							41
							42
							43
							44
							45
		4,118,531					46

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

- a. Overhead
- b. Underground

(1) Generation

- a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
- b. Fossil-fuel steam
- c. Internal combustion or gas turbine
- d. Nuclear
- e. Unconventional generation
- f. Siting and heat rejection

- (3) Distribution
- (4) Regional Transmission and Market Operation
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of \$50,000.)
- (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

(2) Transmission

Line No.	Classification (a)	Description (b)
1	A(1)b: Generation: Fossil-Fuel Steam	4 items under \$50,000
2		
3		
4	A(1)e: Generation: Unconventional	1 item under \$50,000
5		1 item under \$50,000
6		
7	A(2): Transmission	2 items under \$50,000
8		
9	A(3): Distribution	2 items under \$50,000
10		
11	A(5): Environment (other than equipment)	Industrial Advisory Committee - Southern Company
12		2 items under \$50,000
13		
14	A(6): Other	2 items under \$50,000
15		2 items under \$50,000
16		3 items under \$50,000
17		
18	A(6)f: Other (Metering)	1 item under \$50,000
19		
20	A(6)g: Other (program management)	1 item under \$50,000
21		1 item under \$50,000
22		
23	B: Electric R&D External	1 item under \$50,000
24		3 items under \$50,000
25		4 items under \$50,000
26		
27	B(1): R&D support to the Research Council	EPRI Environmental Controls
28	or the Electric Power Research	EPRI Environmental Science
29	Institute	EPRI Research Portfolio
30		EPRI Research Portfolio
31		12 items under \$50,000
32		12 items under \$50,000
33		5 items under \$50,000
34		
35	B(4): Research Support to Others	4 items under \$50,000
36		1 items under \$50,000
37		
38		

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
55,187		506	55,187		1
					2
					3
379		506	379		4
1		588	1		5
					6
5,820		566	5,820		7
					8
13,594		588	13,594		9
					10
64,866		506	64,866		11
838		506	838		12
					13
4,088		506	4,088		14
1,093		566	1,093		15
2,155		588	2,155		16
					17
676		588	676		18
					19
130		566	130		20
204		588	204		21
					22
	3,759	506	3,759		23
	2,837	566	2,837		24
	8,368	588	8,368		25
					26
	92,007	506	92,007		27
	320,847	506	320,847		28
	90,155	506	90,155		29
	64,021	566	64,021		30
	29,984	506	29,984		31
	33	566	33		32
	27,351	588	27,351		33
					34
	19,175	506	19,175		35
	3,146	566	3,146		36
					37

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	26,007,537	1,582,962	27,590,499
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	9,393,439	571,737	9,965,176
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	9,393,439	571,737	9,965,176
72	Plant Removal (By Utility Departments)			
73	Electric Plant	1,998,243	121,624	2,119,867
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	1,998,243	121,624	2,119,867
77	Other Accounts (Specify, provide details in footnote):			
78	152 - Fuel Stock Undistributed	2,842,418		2,842,418
79	163 - Stores Expense Undistributed	1,343,969	-1,343,969	
80	183 - Prelim Survey	3,280	-3,280	
81	184 - Clearing Accounts	929,074	-929,074	
82	185 - ODD Temporary Facilities	38,944		38,944
83	186 - Misc Deferred Debits	1,499,917		1,499,917
84	188 - Research & Development	-314		-314
85	426 - Political Activities	113,536		113,536
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	6,770,824	-2,276,323	4,494,501
96	TOTAL SALARIES AND WAGES	44,170,043		44,170,043

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 28 Column: b

The labor charges from AEP Service Corporation included in the development of the KPCo generation formula rate payroll allocator is derived from a query of the general ledger.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				42,009,967
3	Net Sales (Account 447)				(46,409,428)
4	Transmission Rights				(3,281,239)
6	Ancillary Services				1,500,007
6	Other Items (list separately)				
7	Congestion				2,603,187
8	Operating Reserves				238,234
9	Transmission Purchase Expense				1,067,459
10	Transmission Losses				7,098,813
11	Meter Corrections				(306,842)
12	Inadvertent				48,551
13	Capacity Credits				(2,177,193)
14	Miscellaneous				
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				2,389,518

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

Line No.	Type of Ancillary Service (a)	Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch						
2	Reactive Supply and Voltage						
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)						

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 1 Column: b

The final grandfathered contracts (under the AEP OATT) expired 12/31/2010. Currently, services are provided under the SPP and PJM OATTS.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	5,590,206
3	Steam	4,407,133	23	Requirements Sales for Resale (See instruction 4, page 311.)	79,869
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	1,436,285
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	380,789
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	7,487,149
9	Net Generation (Enter Total of lines 3 through 8)	4,407,133			
10	Purchases	3,080,016			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received	35,247			
17	Delivered	35,247			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	7,487,149			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	638,964	49,824	1,214	9	800
30	February	524,398	29,781	1,131	4	900
31	March	572,751	43,500	1,173	16	800
32	April	464,391	21,668	806	7	1100
33	May	548,024	95,714	870	16	1800
34	June	623,210	148,929	909	21	1700
35	July	764,619	243,516	1,005	19	1700
36	August	684,075	183,533	971	17	1600
37	September	558,019	121,440	861	26	1700
38	October	733,685	297,070	878	30	900
39	November	620,464	122,176	979	27	800
40	December	754,549	139,315	1,217	28	900
41	TOTAL	7,487,149	1,496,466			

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2017/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Big Sandy</i> (b)	Plant Name: <i>Mitchell-KEPCo Share</i> (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	STEAM	STEAM
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL	OUTDOOR BOILER
3	Year Originally Constructed	1963	1971
4	Year Last Unit was Installed	2016	1971
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	280.50	817.00
6	Net Peak Demand on Plant - MW (80 minutes)	302	783
7	Plant Hours Connected to Load	3228	8252
8	Net Continuous Plant Capabllity (Megawatts)	0	0
9	When Not Limited by Condenser Water	280	780
10	When Limited by Condenser Water	280	780
11	Average Number of Employees	39	125
12	Net Generation, Exclusive of Plant Use - KWh	563707000	3843426000
13	Cost of Plant: Land and Land Rights	1753939	3103945
14	Structures and Improvements	13529078	53494011
15	Equipment Costs	146786051	954378252
16	Asset Retirement Costs	4241543	7383108
17	Total Cost	186290811	1018359316
18	Cost per KW of Installed Capacity (line 17/5) Including	592.8364	1248.4818
19	Production Expenses: Oper, Supv, & Engr	685766	3404438
20	Fuel	28202162	92649844
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	9555	6209304
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	2190	3685
26	Misc Steam (or Nuclear) Power Expenses	3672070	6917812
27	Rents	0	0
28	Allowances	40248	321797
29	Maintenance Supervision and Engineering	323068	2207784
30	Maintenance of Structures	866070	869073
31	Maintenance of Boiler (or reactor) Plant	1535270	11039598
32	Maintenance of Electric Plant	1086902	2780749
33	Maintenance of Misc Steam (or Nuclear) Plant	885833	876044
34	Total Production Expenses	35309134	128780128
35	Expenses per Net KWh	0.0628	0.0330
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Coal Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mct/Nuclear-indicate)	MCFs	Tons Barrels
38	Quantity (Units) of Fuel Burned	4671961 0 0	1492363 18630 0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1237000 0 0	12299 134327 0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	4.594 0.000 0.000	57.485 76.892 0.000
41	Average Cost of Fuel per Unit Burned	4.932 0.000 0.000	59.738 70.366 0.000
42	Average Cost of Fuel Burned per Million BTU	3.987 0.000 0.000	2.429 12.472 0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.041 0.000 0.000	0.023 0.000 0.000
44	Average BTU per KWh Net Generation	10249.000 0.000 0.000	9970.000 0.000 0.000

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: -1 Column: c

Plant Name: Mitchell - This plant is owned jointly by Respondent and Wheeling Power Company, also a subsidiary of American Electric Power, Inc.

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	0700 BIG SANDY, KY	AMOS WV	765.00	765.00	3	0.13		1
2	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	24.20		1
3	0701 BIG SANDY, KY	SARGENTS, OH	765.00	765.00	3	4.79		1
4	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	12.65		1
5	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	3.04		1
6	0702 BIG SANDY, KY	BROADFORD, VA	765.00	765.00	3	58.26		1
7	0703 HANGING ROCK, OH	JEFFERSON, IN	765.00	765.00	3	154.74		1
8	0300 BIG SANDY, KY	TRI-STATE, WV	345.00	345.00	3	8.36		1
9	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	1	45.62		1
10	0600 HAZARD, KY	PINEVILLE, KY	161.00	161.00	3	0.72		1
11	0135 WOOTEN	ARNOLD DELVINTA (LGE)	161.00	161.00	1	1.09		1
12	0136 WOOTEN EXTENSION		161.00	161.00	3			1
13	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	12.08		1
14	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	14.77		1
15	0100 BIG SANDY, KY	BELLEFONTE	138.00	138.00	3	16.30		2
16	0101 BIG SANDY, KY	W HUNTINGTON, WV	138.00	138.00	3	0.33		1
17	0102 BELLEFONTE, KY	N PROCTORVILLE, OH	138.00	138.00	3	1.10	1.10	1
18	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	5.91		1
19	0103 HAZARD, KY	BEAVER CREEK, KY	138.00	138.00	3	23.25		1
20	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	3	2.30		1
21	0105 CLINCH RIVER, VA	BEAVER CREEK, KY	138.00	138.00	1	16.09	16.92	1
22	0107 LOGAN, WV	SPRIGG, KY	138.00	138.00	3	0.64		2
23	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	3	32.43		1
24	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	1	10.05		1
25	0110 BEAVER CREEK, KY	BIG SANDY, KY	138.00	138.00	1	16.41	0.33	1
26	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	3	0.71	14.41	1
27	0111 TRI STATE, WV	BELLEFONTE, KY	138.00	138.00	1	0.38		1
28	0113 CHADWICK	KY ELECTRIC STEEL	138.00	138.00	1	7.90		1
29	0115 CHADWICK	COALTON	138.00	138.00	1	0.98		1
30	0133 CHADWICK		138.00	138.00				
31	0117 MILBROOK PARK, OH	FULLERTON	138.00	138.00	1	5.08	1.58	1
32	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	1	25.83		1
33	0116 BEAVER CREEK	SPICEWOOD	138.00	138.00	3	0.63		
34	0120 HATFIELD	SPRIGG	138.00	138.00	1	5.88		1
35	0121 HATFIELD	INEZ	138.00	138.00	1	14.67		1
36					TOTAL	1,278.57	40.50	56

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
954 MCMA								1
954 MCMA								2
								3
4-954 KCM ACSR								4
								5
								6
1351.5 KCM ACSR								7
954 KCM ACSR								8
500 KCM CU								9
759 KCM ACSR								10
795 KCM ACSR								11
795 KCM ACSR								12
556.5 KCM ACSR								13
795 KCM ACSR								14
795 KCM ACSR								15
1033.5 KCM ACSR								16
397.5 MA								17
397.5 MCMCU								18
								19
636 MCMA								20
								21
397 MCMA								22
397.5 MCMA								23
								24
								25
795 MCMA								26
								27
795 MCMA								28
795 MCMA								29
								30
556.5 MCM								31
795 MCMA								32
1590 KCM								33
1033 MCM								34
10335 VAR								35
	33,094,402	339,311,114	372,405,516	60,752	2,516,215		2,576,967	36

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	0122 INEZ	LOVELY	138.00	138.00	1	6.86		1
2	0126 INEZ	MARTIKI	138.00	138.00	1	0.33		1
3	0127 BIG SANDY	INEZ	138.00	138.00	3	23.00		1
4	0106 DORTON	FLEMING	138.00	138.00	1	6.81		1
5	0106 DORTON	FLEMING	138.00	138.00	3	0.83		
6	0108 BEAVER CREEK	SPRIGG #1	138.00	138.00	1	32.60		1
7	0124 BIG SANDY	SOUTH NEAL	138.00	138.00	1	0.01		1
8	0109 BEAVER CREEK	SPRIGG #3	138.00	138.00				
9	0125 BELLEFONTE	AK STEEL OXYGEN PLANT	138.00	138.00	3	0.22		2
10	0130 JOHNS CREEK	SPRIGG	138.00	138.00	3	13.00		
11	0131 BAKER	BIG SANDY EXT.	138.00	138.00	3	1.00		1
12	0128 INEZ	JOHNS CREEK	138.00	138.00	3	17.00		
13	0129 BEAVER CREEK	JOHNS CREEK	138.00	138.00	3	22.00		
14	0132 GRANGSTON LOOP		138.00	138.00	1	2.01		2
15	0137 HAYS BRANCH	MORGAN FORK	138.00	138.00	3	8.30		1
16	0138 SOFT SHELL	BEAVER CREEK	138.00	138.00	3	1.40		2
17	0138 SOFT SHELL	SPICEWOOD	138.00	138.00	3	1.40		2
18	0139 MORGAN FORK	BETSY LANE	138.00	138.00	3	0.10		1
19	0139 MORGAN FORK	BEAVER CREEK	138.00	138.00	3	0.10		1
20	0140 BONNYMAN	SOFT SHELL	138.00	138.00	3	0.88		2
21	0140 BONNYMAN	SOFT SHELL	138.00	138.00	1	19.15		1
22								
23	LINES < 132KV		89.00	89.00		594.25	6.16	
24								
25	Line cost and expense are	not available by individual						
26	transmission line	Total shown in Column j - p						
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,278.57	40.50	56

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
10335 VAR								1
10335 VAR								2
795 MCMA								3
795 MCMA								4
795 MCMA								5
397 MCMA								6
10335 VAR								7
								8
795 ACSR								9
1033 MCM								10
1351 KCM								11
2-556.5 MCM								12
1033 MCM								13
556.5 KCM ACSR								14
795 ACSR								15
1590 ACSR								16
1590 ACSR								17
795 ACSR								18
795 ACSR								19
1590 KCM ACSS								20
1590 KCM ACSS								21
	33,094,402	339,311,114	372,405,516	60,752	2,516,215		2,576,967	22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	33,094,402	339,311,114	372,405,516	60,752	2,516,215		2,576,967	36

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSMISSION LINES ADDED DURING YEAR

- Report below the information called for concerning Transmission Lines added or altered during the year. It is not necessary to report minor revisions of lines.
- Provide separate subheadings for overhead and under-ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (f) to (g), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	NO LINES ADDED						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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40							
41							
42							
43							
44	TOTAL						

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2017/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Tralls, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST				Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
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								44

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	ALLEN (KP) - KY	D	46.00		
2	ALLEN (KP) - KY	D	46.00	12.00	
3	ASHLAND - KY	D	69.00	12.00	
4	ASHLAND - KY	D	69.00		
5	BAKER 345KV - KY	T	345.00	138.00	34.50
6	BAKER 765KV - KY	T	765.00	345.00	34.50
7	BAKER 765KV - KY	T	69.00	12.00	
8	BAKER 765KV - KY	T	138.00	34.50	
9	BAKER 765KV - KY	T	69.00	4.00	
10	BAKER 765KV - KY	T	69.00	12.00	
11	BARRENSHE - KY	D	69.00	12.00	
12	BEAVER CREEK - KY	T	138.00	34.50	
13	BEAVER CREEK - KY	T	138.00	69.00	46.00
14	BEAVER CREEK - KY	T	138.00		
15	BECKHAM - KY	D	138.00		
16	BECKHAM - KY	D	138.00	34.50	
17	BEEPHIDE - KY	D	138.00	34.50	
18	BELFRY - KY	D	46.00	12.00	
19	BELHAVEN - KY	D	138.00	13.09	
20	BELLEFONTE 138KV - KY	T	138.00	69.00	34.50
21	BELLEFONTE 138KV - KY	T	138.00	35.00	
22	BELLEFONTE 138KV - KY	T	138.00	13.09	
23	BELLEFONTE 69KV - KY	T	69.00		
24	BETSY LAYNE - KY	T	46.00		
25	BETSY LAYNE - KY	T	138.00	34.00	
26	BETSY LAYNE - KY	T	46.00	12.00	
27	BETSY LAYNE - KY	T	138.00	69.00	46.00
28	BIG SANDY 138KV - KY	T	138.00	69.50	13.20
29	BIG SANDY 138KV - KY	T	138.00	13.09	
30	BIG SANDY 138KV - KY	T	138.00	34.50	
31	BLUE GRASS - KY	D	69.00	12.00	
32	BONNYMAN - KY	T	138.00	70.50	13.00
33	BONNYMAN - KY	T	69.00	34.50	
34	BULAN - KY	D	69.00	12.00	
35	BURDINE - KY	D	46.00	12.00	
36	BURTON - KY	D	46.00	12.00	
37	BUSSEYVILLE - KY	D	138.00	34.50	
38	CANNONSBURG - KY	D	69.00	34.50	
39	CEDAR CREEK - KY	T	138.00	69.00	46.00
40	CEDAR CREEK - KY	T	69.00	12.00	

Name of Respondent Kentucky Power Company	This Report is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
			STATCAP	1	13	1
6	1					2
22	1					3
			STATCAP	1	16	4
672	1					5
1500	3					6
11		1				7
30		1				8
3		1				9
3		1				10
25	1					11
30	1					12
146	2					13
			STATCAP	4	235	14
			STATCAP	1	43	15
30	1					16
20	1					17
11	1					18
20	1					19
308	2					20
45	1					21
22	1					22
			STATCAP	1	14	23
			STATCAP	1	10	24
25	1					25
6	1					26
50	1					27
129	1					28
20	1					29
20	1					30
11	1					31
130	1					32
30	1					33
9	1					34
8	1					35
6	1					36
55	2					37
25	1					38
90	1					39
6		1				40

Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (in MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	CEDAR CREEK - KY	T	138.00	34.50	
2	CEDAR CREEK - KY	T	138.00	34.50	
3	CHADWICK - KY	T	138.00	69.00	34.50
4	CHAVIES - KY	D	69.00	12.00	
5	CHAVIES - KY	D	69.00		
6	COALTON - KY	D	69.00		
7	COALTON - KY	D	69.00	12.00	
8	COLEMAN - KY	D	69.00	34.50	
9	COLEMAN - KY	D	69.00	12.00	
10	COLLIER - KY	D	69.00		
11	COLLIER - KY	D	69.00	34.00	
12	COMBS - KY	D	69.00		
13	COMBS - KY	D	69.00	12.00	
14	DAISY - KY	D	69.00		
15	DAISY - KY	D	69.00	12.00	
16	DEWEY - KY	T	138.00	69.00	12.00
17	DEWEY - KY	T	138.00	34.50	
18	DEWEY - KY	T	69.00		
19	DORTON - KY	T	138.00	46.00	
20	DRAFFIN - KY	D	46.00	12.00	
21	EAST PRESTONSBURG - KY	D	46.00	12.00	
22	ELWOOD (KP) - KY	D	46.00		
23	ELWOOD (KP) - KY	D	46.00	34.50	6.50
24	ENGLE - KY	D	69.00	34.50	
25	FALCON - KY	D	69.00	46.00	
26	FALCON - KY	D	69.00	12.00	
27	FEDS CREEK - KY	D	69.00	12.00	
28	FISHTRAP - KY	D	69.00	12.00	
29	FLEMING - KY	T	69.00	12.00	
30	FLEMING - KY	T	138.00	69.00	46.00
31	FLEMING - KY	T	69.00		
32	FORDS BRANCH - KY	D	46.00	34.50	12.00
33	FORDS BRANCH STEPDOWN - KY	D	34.50	12.00	
34	FORTY SEVENTH STREET - KY	D	69.00	13.09	
35	GARRETT (KP) - KY	T	46.00	12.00	
36	GRAHN - KY	D	69.00	12.00	
37	GRAYS BRANCH - KY	D	69.00	12.00	
38	GRAYSON - KY	D	69.00	12.00	
39	HADDIX - KY	D	69.00	34.50	
40	HADDIX - KY	D	69.00		

Name of Respondent Kentucky Power Company	This Report is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
30		1				1
25		1				2
200	1					3
4	1					4
			STATCAP	1	10	5
			STATCAP	1	14	6
25	1					7
20	1					8
4	1					9
			STATCAP	1	10	10
25	1					11
			STATCAP	1	13	12
8	1					13
			STATCAP	1	13	14
5	1					15
90	1					16
25	1					17
			STATCAP	1	27	18
45	1					19
11	1					20
20	1					21
			STATCAP	1	14	22
25	1					23
20	1					24
20	1					25
20	1					26
22	1					27
4	1					28
20	1					29
130	1					30
			STATCAP	1	14	31
30	1					32
4	1					33
20	1					34
11	1					35
3	1					36
5	1					37
20	1					38
25	1					39
			STATCAP	1	5	40

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	HATFIELD (KP) - KY	T	138.00	69.00	46.00
2	HAYWARD - KY	D	69.00	13.09	
3	HAZARD - KY	T	161.00	138.00	11.00
4	HAZARD - KY	T	34.50	12.00	
5	HAZARD - KY	T	138.00		
6	HAZARD - KY	T	69.00		
7	HAZARD - KY	T	138.00	69.00	12.00
8	HAZARD - KY	T	138.00	36.20	
9	HAZARD - KY	T	69.00	34.00	2.50
10	HENRY CLAY - KY	D	46.00		
11	HENRY CLAY - KY	D	46.00	34.50	
12	HIGHLAND (KP) - KY	D	69.00	13.09	
13	HIGHLAND (KP) - KY	D	69.00		
14	HITCHINS - KY	D	69.00	13.09	
15	HOODS CREEK - KY	D	69.00	12.00	
16	HOWARD COLLINS - KY	D	69.00	12.00	
17	INDEX - KY	D	69.00	12.00	
18	INEZ - KY	T	138.00		
19	INEZ - KY	T	69.00		
20	INEZ - KY	T	138.00	69.00	13.09
21	JACKSON - KY	D	69.00	12.00	
22	JACKSON - KY	D	69.00		
23	JEFF - KY	D	69.00	36.20	
24	JENKINS - KY	D	69.00	12.00	
25	JOHNS CREEK - KY	T	138.00	69.00	34.00
26	JOHNS CREEK - KY	T	138.00		
27	JOHNS CREEK - KY	T	69.00		
28	KENWOOD - KY	D	46.00		
29	KENWOOD - KY	D	46.00	12.00	
30	KEYSER - KY	D	69.00	12.00	
31	KIMPER - KY	D	69.00	12.00	
32	LESLIE - KY	T	69.00	34.50	
33	LESLIE - KY	T	161.00	69.00	12.00
34	LESLIE - KY	T	69.00		
35	LOVELY - KY	D	138.00	34.00	
36	MANSBACH - KY	D	69.00	4.00	
37	MAYKING - KY	D	69.00	12.00	
38	MAYO TRAIL - KY	D	69.00	12.00	
39	MCKINNEY - KY	D	34.50	12.00	
40	MCKINNEY - KY	D	46.00	34.00	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
60	1					1
9	1					2
135	3					3
9	1					4
			STATCAP	1	32	5
			STATCAP	1	24	6
180	2					7
30	1					8
6		1				9
			STATCAP	1	10	10
30	1					11
25	1					12
			STATCAP	1		13
25	1					14
11	1					15
31	2					16
9	1					17
			STATCAP	2	106	18
			STATCAP	1	10	19
50	1					20
15	2					21
			STATCAP	1	10	22
30	1					23
11	1					24
90	1					25
			STATCAP	1	53	26
			STATCAP	1	10	27
			STATCAP	1	7	28
20	1					29
20	1					30
9	1					31
30	1					32
90	1					33
			STATCAP	1	14	34
30	1					35
9	1					36
20	1					37
25	1					38
7	1					39
20	1					40

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	MIDDLE CREEK - KY	D	48.00	12.00	
2	MORGAN FORK - KY	T	138.00		
3	NEW CAMP - KY	D	69.00	12.00	
4	OLIVE HILL - KY	D	69.00	4.00	
5	OLIVE HILL - KY	D	69.00	12.00	
6	PIKEVILLE - KY	D	69.00	12.00	
7	PRESTONSBURG - KY	D	46.00	13.09	
8	PRESTONSBURG - KY	D	46.00		
9	PRINCESS - KY	D	69.00		
10	PRINCESS - KY	D	69.00	34.50	
11	RACELAND - KY	D	69.00	2.40	
12	REEDY COAL - KY	D	69.00	34.00	
13	RUSSELL - KY	D	69.00	12.00	
14	RUSSELL FORK - KY	D	69.00	12.00	
15	SALISBURY (KP) - KY	D	46.00	13.09	
16	SECOND FORK - KY	D	69.00	12.00	
17	SECOND FORK - KY	D	69.00		
18	SHAMROCK - KY	D	69.00	34.50	
19	SIDNEY - KY	D	69.00	12.00	
20	SILOAM - KY	D	69.00	12.00	
21	SLEMP - KY	D	69.00	34.00	
22	SLEMP - KY	D	69.00	34.50	
23	SOFT SHELL - KY	D	138.00	34.50	
24	SOUTH PIKEVILLE - KY	D	69.00	13.09	
25	SOUTH SHORE - KY	D	69.00	13.09	
26	SPRING FORK - KY	D	46.00	7.20	
27	STINNETT - KY	D	161.00	34.50	7.20
28	STINNETT - KY	D	161.00	34.50	7.20
29	STINNETT - KY	D	161.00	34.00	7.20
30	STONE - KY	T	138.00	46.00	
31	STONE - KY	T	138.00	69.00	12.00
32	TENTH STREET - KY	D	69.00	13.09	
33	THELMA - KY	T	138.00	69.00	12.00
34	THELMA - KY	T	138.00	69.00	46.00
35	THELMA - KY	T	138.00		
36	THELMA - KY	T	46.00		
37	TOM WATKINS - KY	D	69.00	12.00	
38	TOPMOST - KY	D	138.00	13.09	
39	VICCO - KY	D	138.00	34.50	
40	WEEKSBURY - KY	D	69.00	12.00	

Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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SUBSTATIONS (Continued)

5. Show in columns (f), (g), and (h) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (l)	Number of Units (j)	Total Capacity (In MVA) (k)	
4	1					1
			STATCAP	1	43	2
20	1					3
5	1					4
8	1					5
25	1					6
10	1					7
			STATCAP	1	10	8
			STATCAP	1	22	9
20	1					10
8	1					11
20	1					12
22	1					13
4	1					14
20	1					15
8	1					16
			STATCAP	1	14	17
11	1					18
20	1					19
5	1					20
20	1					21
11	1					22
30	1					23
25	1					24
8	1					25
1	1					26
22	1					27
22		1				28
15	1					29
30	1					30
56	1					31
25	1					32
90	1					33
70	1					34
			STATCAP	1	32	35
			STATCAP	1	7	36
11	1					37
20	1					38
30	1					39
6	1					40

Name of Respondent Kentucky Power Company	This Report Is:		Date of Report (Mo, Da, Yr)	Year/Period of Report
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission	//	End of 2017/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
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4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVs)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	WEST PAINTSVILLE - KY	D	69.00	12.00	
2	WEST PAINTSVILLE - KY	D	69.00	12.00	
3	WHITESBURG - KY	D	69.00		
4	WHITESBURG - KY	D	69.00	12.00	
5	WORTHINGTON - KY	D	69.00	12.00	
6	WURLAND - KY	D	69.00	12.00	
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
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Name of Respondent Kentucky Power Company	This Report is:		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
	(1) <input checked="" type="checkbox"/> An Original	(2) <input type="checkbox"/> A Resubmission		

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
25	1					1
20		1				2
			STATCAP	1	13	3
38	2					4
2	1					5
20	1					6
						7
						8
						9
						10
						11
						12
						13
						14
						15
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						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Administrative and General Expenses - Maintenance	AEPSC	935	1,339,447
3	Administrative and General Expenses - Operation	AEPSC	Various	1,985,538
4	Barging	I&M	151	5,017,215
5	Central Machine Shop	APCo	Various	1,830,429
6	Construction Services	AEPSC	107,108	24,561,583
7	Customer Accounts Expenses - Operation	AEPSC	Various	3,232,727
8	Distribution Expenses - Maintenance	AEPSC	Various	445,261
9	Distribution Expenses - Operation	AEPSC	Various	1,232,076
10	Factored Customer A/R Bad Debts	AEP Credit	426.5	1,682,555
11	Factored Customer A/R Expense	AEP Credit	426.5	1,145,614
12	Fuel & Storeroom Services	AEPSC	152,163	3,216,848
13	Materials and Supplies	APCo	Various	2,643,809
14	Materials and Supplies	OPCo	Various	858,660
15	Other Power Supply Expense	AEPSC	555-557	1,716,583
16	Research and Other Services	AEPSC	Various	2,178,825
17	Steam Power Generation - Maintenance	AEPSC	510-514	2,762,461
18	Steam Power Generation - Operation	AEPSC	Various	5,929,742
19	Transmission Expenses - Maintenance	AEPSC	Various	1,499,909
20	Non-power Goods or Services Provided for Affiliate			
21	Building and Property Leases	AEPSC	454	373,676
22	Distribution Expenses - Maintenance	AEP Texas	593	283,649
23	Fleet and Vehicle Charges	AEPSC	146	1,490,696
24	Materials and Supplies	APCo	154	3,186,346
25	O&M Services for Jointly Owned Facility- Mitchell	WPCo	Various	141,013,933
26	Urea	APCo	154	595,446
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Name of Respondent Kentucky Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

- Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
- The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
- Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Transmission Expenses - Operation	AEPSC	Various	3,177,383
3	Urea	APCo	154	803,580
4	Audit Services	AEPSC	920,923	643,641
5	Corporate Accounting	AEPSC	920,923	1,562,793
6	Corporate Communications	AEPSC	920,923	285,139
7	Corporate Planning & Budgeting	AEPSC	920,923	633,542
8	Human Resources	AEPSC	920,923	766,646
9	Information Technology	AEPSC	920,923	2,378,638
10	Legal GC/Administration	AEPSC	920,923	1,638,667
11	Real Estate & Workplace Svcs	AEPSC	920,923	1,015,878
12	Regulatory Services	AEPSC	920,923	555,637
13	Risk and Strategic Initiatives	AEPSC	920,923	407,540
14	Treasury & Investor Relations	AEPSC	920,923	407,281
15	Utility Operations	AEPSC	920,923	453,791
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
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Name of Respondent Kentucky Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4
FOOTNOTE DATA			

Schedule Page: 429 Line No.: 3 Column: c 920, 921, 923, 925, 926, 928, 930.1, 930.2, 931, 922
Schedule Page: 429 Line No.: 5 Column: c 107, 108, 500, 506, 512-514
Schedule Page: 429 Line No.: 7 Column: c 901-903, 905
Schedule Page: 429 Line No.: 8 Column: c 590-595, 597, 598
Schedule Page: 429 Line No.: 9 Column: c 580-584, 586, 588, 589
Schedule Page: 429 Line No.: 13 Column: c 107, 108, 154, 163, 184, 511-513, 560-580, 585-587, 592-595, 598, 935
Schedule Page: 429 Line No.: 14 Column: c 107, 154, 163, 512, 513, 566, 570, 586, 592-594, 903, 935
Schedule Page: 429 Line No.: 16 Column: c 183, 184, 186, 188
Schedule Page: 429 Line No.: 18 Column: c 500, 501, 502, 506
Schedule Page: 429 Line No.: 19 Column: c 568, 569.0-569.3, 570, 571, 572, 573
Schedule Page: 429 Line No.: 25 Column: c 107, 108, 151, 154, 186, 408, 421, 426, 500, 501, 502, 505, 506, 510-514, 920, 921, 923, 925, 926, 928, 930, 931, 935
Schedule Page: 429.1 Line No.: 2 Column: c 560, 561.1, 561.2, 561.5, 561.6, 562, 563, 566, 567

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