



SUBJECT: AEP East Operating Companies' and East Transmission Companies' 2020 Formula Rate True-up Discovery Responses to Interested Parties.

Because of their voluminous nature, attachments referenced in these responses will be provided based on an emailed request. Requests for attachments deemed confidential will require execution of a non-disclosure agreement prior to being provided.

Requests can be sent to:

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**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 1:

General

Please provide copies of data requests submitted by any other interested parties related to the 2021 Updates and AEP's responses to any such data requests. Please provide this information on a continuing basis.

Response:

The responses to data requests from other parties will be provided to the Joint Intervenors.

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Data Request 2:

General

State whether AEP has identified any errors or items requiring correction in any of the 2021 Updates. If so, describe the error or correction and its effect on the relevant ATRR.

Response:

AEP confirms there was an input error to the 2020 update filed in 2021. Please refer to the response to JI Set 1-128.

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Data Request 3:

General

As part of the Joint Customers' Preliminary Challenges to AEP East's 2020 Update, as documented in AEP's January 22, 2021 response to the Joint Customers' Preliminary Challenges, please provide a detailed explanation as to whether AEP has incorporated the agreed upon resolutions into the 2021 Annual Update for each of the resolved preliminary challenges 1-12 and unresolved preliminary challenges 4 and 15, that were ultimately resolved.

Response:

For Preliminary Challenges 1-3 and 5-14 the Company did not agree with the arguments presented therein, and have made no adjustments for them. The Company did make the changes requested in PC II 2-11 in its formula rates. For PC-4, PC-15, PCII-1 and PC-12 the Company will reflect the appropriate true-up adjustments in its Projected Annual Revenue Requirement for 2022. In addition, as agreed to in PC-15, the Company has started including Asbestos Liabilities as an unfunded rate base offset in its formula rates.

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Data Request 4:

General

Please identify the nature and amount of any one-time expenses that were written-off to any transmission O&M account or A&G account of each of the OpCos and TransCos during 2020. In addition, please identify the FERC account numbers in which such write-offs were recorded. To the extent that any of the OpCos and TransCos wrote off any projects, please provide the following for each of the projects that were written off to cancelled projects:

- a. A detailed list of each project and the FERC Account each was recorded.
- b. Date each project started.
- c. Date each project was cancelled.
- d. Identify any debt or equity AFUDC included in each project and its associated amount.
- e. The purpose of each project.
- f. Identify whether each project was customer initiated or by the OpCos or TransCos. If it was customer initiated, please identify the specific customer that initiated the project.

Response:

The Company objects to this question on the grounds that it is vague and unduly burdensome. All individual transactions are, by definition, discrete and therefore constitute one time expenses as described in the question

Without waiving this objection, the Comapnay states as follows: See JI1-4 Attachment 1 for a charges by account representing write offs of activity from the 107 account and the projects that made up those charges. Because of the volume of information requested, the Company will provide the requested detail for a sample of projects to be selected by Joint Intervenors . The Company further notes each transaction may or may not be similar to other transactions recorded by the Company, and therefore cannot be appropriately distinguished as “one-time expenses” as described in the question.

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Data Request 5:

General

Please identify all projects that were written-off from Account 183 or Account 107 for each of the OpCos and TransCos during 2020. For each project identified, provide the FERC accounts debited to record the write-off, a description of the project written-off sufficient to justify the accounting for the cost, and the amount written-off.

Response:

See the Company's response to Date Request JI 1-4 for a discussion on write-offs from account 107.

Regarding account 183, the Company generally does not use this account for Operating Company transmission business units or Transmission Companies. The activity that is recorded in this account for Transmission is not related to Preliminary Survey and Investigation Activity. The balances shown in account 183 are associated with generation, and activity in the transmission BU's is minimal and cleared out in most months. See JI 1-5 Attachment 1 for the functional ledger balances of these accounts, which demonstrate the balances and activity associated with Generation Projects. This attachment also shows a summary of the balances for the AEP East Transmission Companies; for these Companies the balances are minimal as well. The source of most Transmission activity in these accounts is the AEP Service Corporation billing process that clears charges to the Operating and Transmission Companies. These amounts, which are immaterial, are a function of this process and do not represent actual PS&I charges incurred on behalf of these business units; to remove them from this account they are expensed each month to account 566000 or 1861060 for the East Operating Companies, and 9230003 for the East Transmission Companies.

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Data Request 6:

General

For each OpCo and TransCo, in relation to “Goodwill,” please provide the following:

- a. Indicate whether “Goodwill” is reflected on the books of any of the OpCos or TransCos as of December 31, 2020. If so, please identify the relevant entity or entities, the transaction that generated the goodwill, and the balance sheet accounts used with the associated balance.
- b. Identify any goodwill adjustments or write-offs recorded to income statement accounts during 2020 related to goodwill recorded on the books of any OpCo, Transco, or other affiliate.
- c. Indicate whether any “Goodwill” or similar item of intangible value is reflected in any of the OpCo or TransCo capital structures as of December 31, 2020. If so, please identify the relevant entity or entities, the basis for the goodwill or other intangible value reflected, and the amounts reflected.

Response:

In regards to Goodwill:

- a. There is no goodwill recorded on the books of the OpCos or TransCos, as of December 31, 2020.
- b. There were no goodwill adjustments to the income statements identified during 2020 on any OpCo, TransCo or other affiliate.
- c. There was no goodwill included in any of the capital structures provided in the OpCo or TransCo formula rates.

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Data Request 7:

General

For each OpCo or TransCo, please identify any costs incurred in 2020 paid to an entity retained with a primary or secondary purpose of engaging with elected officials or persuading legislation that is recorded in operating expense accounts. For each cost identified, please provide:

- a. The name of the entity;
- b. A description of the cost sufficient to justify the accounting for the cost;
and
- c. The amount incurred in 2020.

Response:

Please see JI-7 Attachment 1 Pivot Tab for the listing of each OPCO's and Transco's invoice payments in 2020 for the items listed in question 7. These items are recorded in 4264, which is not included in the formula.

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Data Request 8:

General

In relation to any 2020 expenses associated with remediation for any environmental or contamination recorded in administrative and general expense accounts or other accounts included in the formula rate, please provide a detailed list of expenses by FERC account, the nature of the contamination, assets involved, and remedial actions.

Response:

There were no remediation expenses recorded in administrative and general expense accounts or other accounts included in the formula rate in any of East Operating or Transmission Companies in 2020.

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Data Request 9:

General

For each OPCo and TransCo “Note Y” on tab TCOS states, “The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.” For each OPCo and TransCo, please provide a detailed listing of the associated balances included in accounts 228.1, 228.2, 228.3, and 228.4 and identify the accounts separately. To the extent that AEP East does not consider an item a contingent liability, is irrelevant. The Joint Intervenors have a right to review the data and make its own determination to ensure this note is being applied appropriately.

Response:

Please see file JI 9 Attachment 1.

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Data Request 10:

General

For each OpCo, please list any grandfathered point-to-point contracts that is included in the load divisor and provide the associated amount of revenues in 2020 associated with those contracts.

Response:

The Company objects to this request on the ground that is it vague, and construes the term 'grandfathered' to refer to contracts that were in effect prior to the Company's joining PJM. Without waiving this objection the Company states as follows: there are no current contracts meeting this request's description.

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Data Request 11:

General

For each OpCo and TransCo, please list any rental revenues earned on General Plant.

Response:

The East OpCo's and Transco's ledgers are not kept in a manner that identifies the plant account of an asset that has rental revenue associated with it. Therefore an all inclusive report of revenues earned on General Plant is not available.

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Data Request 12:

General

For each OpCo, please provide the specific references to the Excel cells used to compute the “Percentage of Plant” figures used to calculate the “Net Plant” for one of the state jurisdictions outlined in the tab entitled “Worksheet H Other Taxes.”

Response:

Please see JI 1-12 Attachment 1 for the Percentage of plant.

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Data Request 13:

General

Please identify all charitable donation expenditures incurred during 2020 and included in each OpCo and TransCo formula rate update. This identification should include, but not be limited to:

- a. Identification of the organization for which the expenditure or donation was made;
- b. Identification of each amount during 2020;
- c. Identification of the FERC Account where the expenditure or donation was recorded and identify the associated OpCo or TransCo that recorded the cost;
- d. Identification of all expenditures incurred in 2020 that would not have been incurred but for the charitable expenditure or donation, including the details on these expenditures requested in items a. through c. above; and
- e. If there were no charitable donation expenditures incurred during 2020 that have been included in any of the OpCo and/or TransCo formula rate updates, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Please see JI-13 Attachment 1_Pivot Tab for the listing of each OPCO's and Transco's invoice payments in 2020 for the items listed in question 13. Attachment 2_Non AP Pivot tab shows all non Accounts Payable corporate contributions of each OPCO and Transco, and the SCB Pivot tab shows detailed Service Corp activity billed to the OPCO's and Transco's related to corporate contributions. Items in both attachments are recorded to account 426, which is not included in the formula.

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Data Request 14:

General

Please identify all expenditures for lobbying and other civic, political and related activities incurred during 2020 and included in each OpCo and TransCo formula rate update. This identification should include, but not be limited to:

- a. Identification of the organization for which the expenditure was made;
- b. Identification of each amount during 2020;
- c. Identification of the FERC Account where the donation was recorded and identify the associated OpCo or TransCo that recorded the cost;
- d. Identification of all related expenditures incurred in 2020 that would not have been incurred but for the expenditure for civic, political and lobbying activities, including the details on these expenditures requested in items a. through c. above; and
- e. If there were no lobbying and other civic, political and related activities expenditures incurred during 2020 that have been included in any of the OpCo and/or TransCo formula rate updates, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Please see JI-14 Attachment 1_Acct 4264 Pivot Tab for the listing of each OpCo's and Transco's expenditures in 2020 for the items listed in question 14. SCB Acct 4264 Pivot tab shows more detail of the Service Corp activity billed to OpCo's and Transco's in the Civic and Political Activity Account 4264. SCB Pivot ABM 289 tab shows more detail of the Service Corp activity billed to OpCo's and Transco's related to lobbying.

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Data Request 15:

General

For each OpCo and Transco, please provide any accounting error detected after initial closing for the year end or quarterly reporting period during 2020 that were not corrected for FERC Form 1 reporting purposes and impact accounts used in the transmission formula rate. The response to this question should be inclusive of all items, whether considered material or not. In addition, the response should provide a description of the error, the change needed to correct the error, and the amount of the error.

Response:

Please refer to JI Set 1 - 15 Attachment 1.

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Data Request 16:

General

Please provide a list of the pension contributions (by fund and amount contributed), including the total dollar amount of such contributions, made by each OpCo and TransCo during 2020 and 2021 to-date.

Response:

The companies made the following contributions in 2020 and no contribution has been made in 2021.

Company	2020	2021 (YTD)
Appalachian Power Co.	\$6,984,000	\$0
Indiana Michigan Power Co.	\$6,431,000	\$0
Kentucky Power Co.	\$2,775,000	\$0
Kingsport Power Co.	\$388,000	\$0
Ohio Power Co.	\$90,000	\$0

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Data Request 17:

General

State whether AEP incurred or paid any monetary penalties for violations of NERC Reliability Standards during 2020. If so, please respond to the following:

- a. The amount of the penalties;
- b. The FERC accounts where such penalties were recorded;
- c. The nature of the alleged violation that gave rise to the penalty; and
- d. The amount of the penalties included in each OpCo and/or TransCo formula rate updates.

In responding to this request, please use the same response format as AEP used in answering the Joint Customers' data requests concerning the updates posted in May 2020.

Response:

- a. The Company did not pay any penalties for violations of NERC Reliability Standards in 2020.
- b. If a penalty were to be recorded, the Company would record the penalty in FERC Account 426.3, which is not included in the formula.
- c. Not applicable.
- d. See part b.

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Data Request 18:

General

In reference to the Prepaid Pension Benefit included in the 12/31/2020 balance for each of the AEP East OpCos shown on the “WS-C – Working Capital” tab for each company, please provide the following:

- a. Calculations of or the derivation of the Prepaid Pension Benefit.
- b. Identify any employee contributions included in the Prepaid Pension Benefit calculation.
- c. A detailed description of what this amount represents and the basis to record it to Account 165 – Prepayments.
- d. State whether these amounts are recorded in trust accounts.
- e. Provide the name(s) of the business or regulatory authority these prepayments were made to and their associated amounts.

Response:

The Prepaid Pension balance is a cumulative balance of contributions to the Pension trust held at Bank of New York Mellon net of actuarially determined expense calculated by Willis Towers Watson. See JI1-18 Attachment 1.xlsx for a summary of 2020 activity. Since the lifetime cumulative contributions exceed the cumulative expense, the balance is recorded as a prepaid. The plan is funded by employer contributions only, employees do not contribute to the plan.

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Data Request 19:

General

State whether, in the 2019-2020 timeframe, AEP implemented any changes in its accounting guidelines or procedures for any OpCo or TransCo that affected the manner in which costs or revenues reflected in that OpCo or TransCo's ATRR calculations are recorded. If so, describe each such change, specify the reason for the change, and quantify the impact of the change on the relevant ATRR.

Response:

There were no changes in accounting guidelines or procedures for the OpCo's or TransCo's that affected the manner of recordation of costs or revenues.

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Data Request 20:

General

Please provide a copy of the most recent audit report of each OpCo and TransCo conducted by or on behalf of:

- a. FERC;
- b. Any state regulatory commission;
- c. Internal audit covering items included in the ATRR; and
- d. Any other entity with authority to conduct such audits.

Please provide all correspondence and other documentation related to any such audit commenced but not yet completed, including any audit commenced at any point during the review period applicable to the 2021 Updates.

Response:

The Company has engaged Price Waterhouse Coopers to audit the OpCo and TransCo GAAP financial statements for inclusion in AEP's SEC Form 10-K and the FERC financial statements for inclusion in the FERC Form 1. These opinions can be found in the financial statements and regulatory reports posted on AEP.com

- a. The FERC finalized audit's of the Ohio Power Company and AEP Service Corporation in 2019. See JI Set 1-20 Attachment 1 for the final audit report of Ohio Power and JI Set 1-20 Attachment 2 for the audit report of AEPSC.
- b. The Public Utilities Commission of Ohio conducted a review of Ohio Power's January 20, 2020 application to update it's Basic Transmission Cost Rider rates.
- c. In 2020 and 2021 there were internal audits covering PJM and SPP settlements and accounting processes. These audit reports are confidential and will be made available for inspection under a confidentiality agreement.
- d. Other than the above mentioned audits/reviews, there were no other audits performed by a regulatory agency of the east operating companies in 2020.

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Data Request 21:

General

Please provide information identifying, by account, any costs reflected in the 2020 ATRR calculation for any OpCo or TransCo that were incurred, or the basis for which occurred, before January 1, 2020. Explain the reasons for including such prior-period costs in the 2020 ATRR calculations. If any such cost items instead were recorded in a deferred asset account (*e.g.*, Account 186) or other FERC account used to reflect costs awaiting future recovery, please provide a table describing each such item and specifying the amount of each such item, the account where the item was recorded, and when recovery of the deferred item will begin.

Response:

Please refer to JI Set 1 - 21 Attachment 1.

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Data Request 22:

General

Please verify whether any Operations and Maintenance (“O&M”) expenses were transferred or allocated from an OpCo to a TransCo. If yes, please provide the following:

- a. A detailed list of the expenses that were transferred and their associated amounts transferred to a TransCo by FERC account; and
- b. A description of the allocation methodology used to transfer the expenses from the OpCo to the TransCo.

Response:

The companies do not transfer costs amongst affiliates; however, AEP affiliates provide service to other AEP affiliates as a normal course of business. The Company uses a work order system to ensure that services provided by one business unit that benefit other business units are properly billed to the entities benefitting from that service. AEPSC is the primary service provider to the TransCo’s. However, since the TransCo’s do not have employees, they also rely on other AEP affiliates or third party vendors to provide necessary services. All services provided to affiliates are billed at cost. Labor charges billed between AEP affiliates represent the fully-loaded cost of labor, inclusive of benefits and administrative costs. Please refer to JI Set 1-22 Attachment 1 for the requested information.

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Data Request 23:

General

Please provide a discussion of any amended Federal income tax returns filed during 2020 that impact the income tax positions for any OpCo or Transco. The discussion should identify the specific items of income and deductions changed, the amount by which the items changed, the reason for the income tax amendment, the tax years being amended, and book accounting journal entries reflecting the amendments to the tax return. In AEP's response, please clarify for any accounting support which entity it relates and identify any FERC accounts effected.

Response:

None of the OpCos or Transcos have filed amended Federal income tax returns during the year 2020.

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Data Request 24:

General

For the following OpCos and TransCos that recorded State Public Service Commission Fees in FERC Account No. 408.1 - Taxes other than income taxes based on a “Gross Plant” allocator, please provide a narrative justification for recording these fees to Account 408.1 rather than Account 928 and explain why such accounting is consistent with the Commission’s accounting regulations.

- a. OH TransCo’s “WS H-p1 Other Taxes” tab, Line 16 - State Public Service Commission Fees in the amount of \$863,482.
- b. I&M’s “WS H Other Taxes” tab, Line 15 – State Public Service Commission Fees in the amount of \$2,719,523.
- c. “KPCo’s “WS H Other Taxes” tab, Line 16 – State Public Service Commission Fees in the amount of \$1,180,726.
- d. OPCo WSH Other Taxes Line 16 – State Public Service Commission Fees in the amount of \$4,833,637.
- e. WPCo WS H Other Tax – Line 14 – State Public Service Commission Fees in the amount of \$995,169.
- f. APCo’s “WS H Other Taxes” tab, Line 16 - Public Service Commission Fees, “Other” Column in the amount of \$4,468,513.
- g. To the extent there are any other OpCos or TransCos that have recorded State Public Service Commission Fees in an account other than FERC Accounts 408.1 or 928, please identify the FERC account(s) and associated amounts where these fees were recorded in 2020.

Response:

AEP’s East OPCo’s and TransCo’s, as well as other regulated utilities, have historically recorded commission fees in account 408.1. Additionally, this position was not flagged during recent audits performed by FERC staff on the books of the Ohio Power Company and American Electric Power Service Corporation. It has also not been raised as an issue by either the Companies' internal or external auditors. The Company does not plan to change the accounting for these charges.

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Data Request 25:

General

For each OpCo and Transo, please identify any components of Asset Retirement Obligations (ARO) costs included in the transmission formula rate. For purposes of this question, ARO costs include the following components: ARO asset, ARO accumulated depreciation, ARO liability, ARO depreciation and accretion expense, and ARO related deferred income taxes. In response, please provide by entity and by ARO category, the amount of ARO cost included in the 2021 formula rate update.

Response:

There are no AROs included in the 2020 ATRR's.

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Data Request 26:

General

For each OpCo, please provide a detailed discussion of the accounting for leases included in the 2020 FERC Form 1s. In addition, please discuss any change in accounting policies for leases since 2019 and verify whether any OpCo implements accounting practices to capture the non-principal portion of transmission, distribution, or production related capital lease payments within Account 931 or any other A&G account.

Response:

The Company adopted ASC 842 as of 1/1/2019.

Prior to 2019 all regulated capital lease interest expense was charged to the individual lines of accounting where the lease expense costs were charged for that specific asset. Effective, December 2019, a change was implemented to reclassify regulated capital lease interest expense dollars for all of 2019 from their original charged income statement account(s) to the 9310005.

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Data Request 27:

General

For each OpCo or TransCo, please identify all electric storage battery projects included in rate base of the transmission formula rate. For each identified electric storage battery project, please provide the functional FERC plant account within the formula rate such amounts are included in and the docket number to any FERC proceeding supporting that the storage project supports a transmission classification.

Response:

Please see 'JI-27 Attachment_SEND' for response.

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Data Request 28:

General

For each OpCo and TransCo, please identify the FERC account(s) and associated amounts where depreciation expense from AEPSC is recorded.

Response:

Please refer to JI Set 1-28 Attachment 1 for AEPSC depreciation expense billed to each OpCo and TransCo by FERC account for 2020.

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Data Request 29:

General

In reference AEP's response to Duke's complaint in EL20-71, AEP discusses that it included ADIT in I&M Transmission's MISO Attachment O formula rate that was unassociated with the assets included in the MISO Attachment O. Please provide the following:

- a. A detailed explanation as to how AEP treated the ADIT that was improperly included in the I&M Transmission MISO Attachment O in the I&M TransCo 2020 update (PJM), including ADIT items, associated amounts and any supporting workpapers.
- b. To the extent such ADIT amounts were not included in the I&M TransCo 2020 update, please explain the source of the book to tax timing difference and justify the exclusion of the ADIT.
- c. To the extent such ADIT amounts were not included in the I&M TransCo 2020 update, please explain the source of the book to tax timing difference giving rise to the ADIT and justify the exclusion of the ADIT from the 2020 update.

Response:

a. ADIT was properly reflected in the formula. The customers have misconstrued the language included in AEP Indiana Michigan Transmission Company's response filed on October 30, 2020. Specifically, IMTCO stated that:

'Moreover, while Duke takes issue with the use of an allocation factor for one particular cost component, it is important to keep in mind that the use of allocators can drive results in both directions. For example, under the MISO Generic Formula Rate, a portion of I&M Transco's pre-existing Accumulated Deferred Income Taxes ("ADIT") was credited as an offset to the 2018 rate base, resulting in a reduced MISO revenue requirement even though **I&M Transco did not receive any of the ADIT associated with the MISO assets (i.e., the Greentown Assets)** because those assets were purchased at the end of 2018 at Net Book Value without any discount for ADIT. [Response at 11]'

IMTCO was arguing that the operation of the MISO formula resulted in the allocation of IMTCO's net ADIT credit based on the the net-plant allocator in the MISO generic formula, despite the fact that the purchase of the assets from Duke did not include the ADIT for these assets as recorded on Duke's books.

- b. There was no exclusion of specific IMTCO ADIT balances in the PJM 2020 True-up.
- c. Not applicable.

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Data Request 30:

Questions Applicable to Each OpCo and TransCo

In relation to Right of Ways (“ROW”), please provide the following:

- a. For any ROW being utilized by a distribution line and/or a circuit that has been upgraded or converted to a new transmission line, please identify whether the cost of the ROW is recorded to a distribution or transmission account. In addition, please identify where vegetation management expenses related to clearing the ROW is being recorded (i.e., transmission, distribution function, etc.).
- b. State whether any OpCo or TransCo received any revenues from payments made by others for ROW use from or for utility pipelines. If so, provide a detailed breakdown of such payments and reconcile those amounts to 2020 FERC Form 1s and to the revenue credits included in the 2020 true-up for each OpCo or TransCo.

Response:

- a. ROW and Vegetation Management costs associated with Transmission lines are recorded to transmission accounts, regardless of whether the transmission facilities are located and use in whole or part any distribution ROW.
- b. There were three payments made to Operating Companies for ROW use by utility pipelines. As shown in JI Set 1-030 Attachment 1, all of these items were for payments on non-transmission plant, and would not be a revenue credit to the formula rate of the receiving company.

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Data Request 31:

Questions Applicable to Each OpCo and TransCo

Please provide the following related to spares with voltages between 34kV and 755 kV:

- c. Amounts spent on spares by FERC account.
- d. Number of spares purchased in 2020.
- e. Number of spares retired and/or scrapped.
- f. Number of spares placed into service in 2020 and the reason they were required. For anything that was replaced, please provide details of the age and condition.
- g. Identify any spares that were transferred between OpCos and TransCos and their associated amounts by FERC account.

Response:

- c. -\$17,774,196 in FERC Account 353 (due to units that were advance material purchases, 2020 experienced a reversal that caused the total amount to be negative) and \$10,531,862 in FERC Account 362.
- d. 10.
- e. 9.
- f. 10. These transformers were placed in service to mitigate a failure. The age and condition of the original equipment is not readily available.
- g. No spares were transferred between OpCos and TransCos in 2020.

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Data Request 32:

Questions Applicable to Each OpCo and TransCo

In relation to fiber buildout for “Smart Grid,” as defined by AEP on its website <https://www.aepsustainability.com/energy/reliability/>, please provide the following:

- a. A detailed tabulation, including associated amounts, by FERC account of where these expenses are recorded.
- b. How are the expenses determined to be distribution or transmission? What methodologies are used? Please provide an electronic copy of the most recent study performed to support the allocation methodology used to determine the allocation of expenses to distribution or transmission.
- c. What amount of bandwidth is being used to transfer data to transmission control centers versus distribution control centers?

Response:

a. Please see JI-1-032 Attachment 1 for fiber optic investments made by AEP's transmission subsidiaries in the PJM region related to Smart Grid fiber optic cable.
b-c. The fiber optic cable to support Transmission is a Transmission asset. At the beginning of the program, a bandwidth review, or analysis, was conducted and the asset was split 95/5 Transmission/Distribution based upon current circuit usage as measured on the AEP System fiber support backbone. AEP's transmission and distribution control centers have multiple groups within each facility, making it impossible to distinctly define who is utilizing how much of the aggregated bandwidth at any specific location. AEP uses Quality of Service (QoS) to make sure critical traffic gets first priority. Other facility users' usage will vary depending upon their current requirements and daily usage. The review, or analysis, was conducted in the context of forward-looking estimates of future needed infrastructure and associated estimated cost. The Companies further note that the actual incurred costs associated with this program relate to telecommunications networks necessary for the operation and deployment of the applications and technologies that are required between transmission stations and from transmission stations back to company facilities such as service centers, operations centers, and general office buildings. The fiber cable is being classified as a transmission asset because it is used to control and operate equipment installed on the transmission grid. The actual costs reflected in the transmission revenue requirement for the Companies does not include the approximately 5% capital costs associated with distribution functions, and are not based on the estimate calculations provided in JI-1-032 Attachment 1, but rather on actual costs recorded in the Companies' books associated with either distribution or transmission functions, as applicable.

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Data Request 33:

Questions Applicable to Each OpCo and TransCo

In relation to any costs associated with remediation for any environmental or contamination related to any function, please provide a detailed list of expenses by FERC account and the nature of the contamination.

Response:

See the response JI Set 1-8. There were no remediation expenses reported in 2020 for the East Operating or Transmission Companies.

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Data Request 34:

Questions Applicable to Each OpCo and TransCo

Please provide the following for each 34kV facility in an Excel format with the following columns:

- a. Name of each facility.
- b. Verify whether the transmission control room or distribution control room is operating the facility.
- c. Identify the associated labor cost associated with these facilities by FERC account.

Response:

- a. Please see JI Set 1-034 Attachment 1 for a list of transmission line facilities and JI Set 1-034 Attachment 2 for the substation facilities.
- b. The distribution dispatch center operates majority of the facilities listed in Attachment 1 and 2 with few exceptions.
- c. The labor costs associated with these facilities are not separately identified for these assets.

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Data Request 35:

Questions Applicable to Each OpCo and TransCo

Please identify the following related to major destructive events (*i.e.*, storms, fires, etc.) in 2020:

- a. The FERC Account(s) and corresponding amounts that were recorded related to restoration costs incurred for repair work.
- b. Any pending insurance claims and the amounts associated with anticipated reimbursements from these claims.
- c. The FERC Account(s) where the reimbursements in (b) above will be recorded.
- d. Verify whether OpCo and TransCo self-insures for property insurance by setting aside reserves. If so, please identify what FERC Account these reserves are held.
- e. Identify any instances where AEP did not seek insurance recovery of costs covered by insurance policies, provide the expense account used to record restoration costs, and the reasoning for not making an insurance claim.

Response:

There were no major destructive events/expenses incurred by the OpCo's or TransCo's that affected the ATRR.

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Data Request 36:

Questions Applicable to Each OpCo and TransCo

Please provide a detailed breakdown and description of the items (Excel format) by project underlying the amount shown as additions to Account 303 – Miscellaneous Intangible Plant, as reported on the following OpCos and TransCos FERC Form 1, Page 204, Line 4, Column (c) separately for:

- a. APCo in the amount of \$54,501,339
- b. I&M in the amount of \$49,471,579
- c. KPCo in the amount of \$ 12,230,573
- d. KgPCo in the amount of \$1,688,308
- e. AP TransCo in the amount of \$283,660
- f. IM TransCo in the amount of \$6,685,909
- g. OH TransCo in the amount of 10,454,041
- h. WV TransCo in the amount of 4,216,512

Response:

Please see JI-36 Attachment 1_SEND.

Date: 11/14/2023

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Data Request 37:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please provide a list of any capitalized software project not recorded in Account 303, Miscellaneous Intangible Plant. For each item listed provide a description of the capitalized software project, indicate the asset supported by the software, the 300 series FERC account used to record the software, and gross book value of the asset for 2020.

Response:

The Companies capitalized software costs are included in Account 303, Miscellaneous Intangible Plant. No capitalized software costs are included in other accounts.

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Data Request 38:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please provide a list of all capitalized software projects recorded in FERC Account 303. For each capitalized software project listed, provide:

- a. A description of the capitalized software project.
- b. The 500 and 900 series FERC account(s) used to record operating and maintenance expenses incurred on the software system in 2020.
- c. The primary function(s) served by the software: general and administrative, production, distribution, or transmission.

Response:

- a. & c. Please see 'JI-38 Attachment_SEND'.
- b. O&M Expense related to software is generally recorded to Account 935 unless it can be directly assigned to a function, in which case it is recorded to the corresponding FERC account for that function.

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Data Request 39:

Questions Applicable to Each OpCo and TransCo

Please identify all expenses that were recorded in Transmission O&M or A&G Expense accounts in 2020 that were incurred prior to 2020 and recorded in other O&M expense accounts and state the basis for the change in expense reporting.

Response:

There were no expenses that were recorded in Transmission O&M or A&G Expense accounts in 2020 that were incurred prior to 2020 and recorded in other O&M expense accounts.

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Data Request 40:

Questions Applicable to Each OpCo and TransCo

Please identify (by FERC Account and amount) all costs included in Transmission, Intangible or General Plant accounts in the 2020 true-up that, prior to 2020, were not recorded to Transmission, Intangible or General Plant accounts. State the reasons for the change in accounting for such costs.

Response:

Please see 'JI-40 Attachment_SEND'.

Date: 11/14/2023

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Data Request 41:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please explain the derivation of the “Percentage of Plant” figures used to calculate the “Net Plant” in each state jurisdiction as outlined in the tab entitled “Worksheet H Other Taxes.”

Response:

Please see JI 1-41 Attachment 1 for the Percentage of plant.

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Data Request 42:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please identify and provide a detailed breakdown of any Real Estate and Personal Property Taxes which are included in the 2020 FERC Form 1, Page 114, Line 14, Column (c) that were incurred and booked for any generating unit that was retired during 2018, 2019 or 2020.

Response:

The Company does not book taxes on a generation plant unit basis in FERC Form.

- For Appalachian Power, Glen Lyn Plant was \$34,195 and Clinch River Unit 3 was \$4,539. Kanawha River Plant final tax liability was paid in early 2018 with no additional cost going forward.
- Indiana Michigan Power had no retired generation during 2018-2020.
- Kentucky Power had no retired generation during 2018-2020.
- Kingsport Power has no generation equipment.
- Ohio Power has no generation equipment.
- Wheeling Power had no retired generation during 2018-2020.

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Data Request 43:

Questions Applicable to Each OpCo and TransCo

For each OpCo, refer to the 2020 FERC Form 1, Page 205 Line 46, Column (d), please provide a detailed tabulation by retired unit/plant and their associated retirement amounts related to each generation unit/plant.

Response:

Please refer to attached file 'JI-43 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

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Data Request 44:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please provide an explanation and a detailed tabulation of how the accumulated depreciation, as shown in the 2020 FERC Form 1, Page 219, Lines 20-24, Column (b) was adjusted for each generating unit/plant retired during 2020.

Response:

No generating plant or generating unit retirements occurred during calendar year 2020.

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Data Request 45:

Questions Applicable to Each OpCo and TransCo

For each OpCo, please verify whether or not Real Estate and Personal Property Taxes continue to be incurred at property locations where generating units or plants were retired during 2018, 2019 or 2020, and if so will these taxes continue to be incurred at the same level after the retirement?

Response:

- Appalachian Power's Glen Lyn plant taxes will continue to be approximately \$34,000 per year until the building is razed or sold. Clinch River 3 will continue to incur about \$4,500 per year until the building is razed or sold. No taxes have been incurred for Kanawha River since early 2018.

- Indiana Michigan Power had no retired generation 2018-2020.
- Kentucky Power had no retired generation 2018-2020.
- Kingsport Power has no generation units or plants.
- Ohio Power has no generation units or plants.
- Wheeling Power had no retired generation 2018-2020.

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Data Request 46:

Questions Applicable to Each OpCo and TransCo

For each TransCo, “WS O” tab, Cell D16, please provide a detailed description of what the manual adjustment of \$784,070 represents and any supporting documentation for this amount.

Response:

Please see page 30 of the attachment for the detail on the adjustment.

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Data Request 47:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide a 5-year projection of PBOP expenses for 2021 – 2025.

Response:

The forecasted PBOP cost for the OpCo's are shown in JI1-47 Attachment 1.xlsx. The TransCo's do not have employees or retirees.

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Data Request 48:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, reference FERC Form 1 page 429, for all Non-power Goods or Services Provided by Affiliate, for each intercompany billing between AEP affiliates and from AEP Service Company (“AEPSC”), please provide the following:

- a. A detailed breakout of costs (Excel format), including associates amounts and the cost center where each cost originated, that were allocated or directly charged to each OpCo and TransCo by FERC Account. For any amounts allocated to an OpCo or TransCo, please provide the detailed AEPSC journal entries (Excel format) prior to the allocation to each OpCo and TransCo. For example, please include similar columns with the following types of data (FERC Account Num CMD, Account ID, Account Long Descr, Oper Unit ID, Resp Center ID, Resource Type ID, Process ID, Project ID, Product ID, Journal ID, Business Unit, JD Journal Descr, JD Journal Line Descr, JD Operator ID JD, Vendor Name, Voucher ID JD, Accounting Period CMD, Fiscal Year CMD, Amount, Percentage of Amount allocated to each OpCo/TransCo, OpCo/TransCo Amount) for any account included in the formula.
- b. An electronic copy of the manual detailing the methodology used to support intercompany billing in respective of services rendered between AEP affiliates.

Response:

a. Please see JI-48 Attachment 1 AEPSC for detail of AEPSC billings to each OpCo and TransCo for the year 2020. Due to voluminous amount of detail requested, it was not possible to combine all fields requested on one spreadsheet tab, so the attachment is broken up into several tabs to present many of the fields requested.

Please see JI-48 Attachment 2 Intercompany for detail of Intercompany billings to each OPco and Transco for the year 2020. Due to voluminous amount of detail requested, it was not possible to combine all fields requested on one spreadsheet tab, so the attachment is broken up into several tabs to present many of the fields requested.

b. See JI -48 Attachment 3 Master Cam Document-12-31-20.pdf

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Data Request 49:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, refer to the 2020 FERC Form 1, page 321, Line 97, Column b, Account 566 - Miscellaneous Transmission Expenses, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item and amount.

- a. APCo in the amount of (\$40,014,724)
- b. I&M in the amount of \$3,799,819
- c. KPCo in the amount of \$(17,316,318)
- d. KgPCO in the amount of \$213,196
- e. OPCo in the amount of \$(43,056,218)
- f. WPCo in the amount of \$234,234
- g. IM TransCo in the amount of \$2,157,949
- h. KY TransCo in the amount of \$143,563
- i. OH TransCo in the amount of \$4,334,721
- j. WV TransCo in the amount of \$1,468,641

Response:

Please see JI-49 Attachment 1 for a detailed listing of all items booked to Account 566 - Miscellaneous Transmission Expenses in 2020 as reported in the 2020 FERC Form 1, Page 321, Line 97, Column (b).

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Data Request 50:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, refer to the 2020 FERC Form 1, page 323, Line 184, Column b, Account 923 – Outside Services Employed, please provide a detailed tabulation (Excel format) of every entry booked to this account during 2020, including name, description of cost item and amount.

- a. APCo in the amount of \$8,899,129.
- b. I&M in the amount of \$6,503,145
- c. KPCo in the amount of \$1,923,757
- d. KgPCo in the amount of \$200,257
- e. OPCo in the amount of \$5,834,205
- f. AP TransCo in the amount of \$247,375
- g. IM TransCo in the amount of \$2,287,554
- h. KY TransCo in the amount of \$370,691
- i. OH TransCo in the amount of \$4,860,531
- j. WV TransCo in the amount of \$1,865,921

Response:

See JI-50 Attachment 1.

Date: 11/14/2023

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Data Request 51:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo refer to the 2020 FERC Form 1, page 323, Line 190, Account 929 – (Less) Duplicate Charges – Cr, please provide:

- a. A detailed list of each transaction (all debits and credits) by FERC Account for each OpCo and TransCo where these types of duplicative charge transactions are being recorded in 2020, which utilities normally record in Account 929 as defined as: “This account shall include concurrent credits for charges which may be made to operating expenses or to other accounts for the use of utility service from its own supply. Include, also, offsetting credits for any other charges made to operating expenses for which there is no direct money outlay” in the FERC USoA.
- b. If an OpCo and TransCo has no amounts associated with this line item in 2020, please provide an explanation as to why and where these amounts are recorded.

Response:

See JI-51 Attachment 1.

Date: 11/14/2023

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Data Request 52:

Questions Applicable to Each OpCo and TransCo

For the OpCos only, refer to the 2020 FERC Form 1 page 323, Line 193, Account 931 – Rents, please provide a detailed tabulation of every entry booked to this account during 2020, including name, description of cost item and amount.

Response:

See JI-52 Attachment 1.

Date: 11/14/2023

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Data Request 53:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide the detailed PowerTax reports (e.g. detailed 257 report) and Provision reports (Excel format) to support each input and the balances shown on tab “WS B-3.”

Response:

Please see JI-53 Attachment 1 & 2 for Provision reports to support the balances and entries in WS B-3 for each OpCo and TransCo. JI-53 Attachment 1 is Provision report 51040H which supports the beginning and ending Excess ADIT balances. JI-53 Attachment 2 is Provision report 51020 which supports the tax expense entries. The data within PowerTax is not configured such that Report 257 provides information to directly support OpCos and Transcos Excess amounts.

Date: 11/14/2023

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Data Request 54:

Questions Applicable to Each OpCo and TransCo

In each OPCo and TransCo template, AEP has reported \$0 for both direct payroll and payroll billed from AEP Service Corp. Please provide the following:

- a. The FERC accounts and associated amounts where the labor associated with regional market activities is recorded on each OpCo and TransCo.
- b. If AEPSC performs regional market activities on behalf of the OpCos and TransCos, please identify the associated labor amounts allocated to each OpCo and TransCo.
- c. For each OpCo and TransCo, identify the FERC accounts where the amounts in subpart b. are recorded.

Response:

In regards to activity in FERC Accounts 575 and 576 (Regional Market Expenses), there were no labor charges recorded in either of those FERC accounts in 2020.

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Data Request 55:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide any changes to its capitalization policy or methodologies, including changes in the manner employee labor costs are assigned to capital projects through timecards, employee time studies, or other basis.

Response:

In 2020, the Company evaluated and implemented operational practices which conform to its capitalization policy which primarily impact the Distribution function. As a result, the Company has made updates to its systems to account for clarifications made to its Accounting Bulletin 6 (Accounting for Relocations and Rearrangements Made in Connection with Construction and Replacement) to distinguish between the relocation/rearrangement of an asset and the re-attachment of existing equipment to an asset as part of a capital job. Although mainly driven by Distribution, the clarifications made could also affect the Transmission function but are not expected to be significant.

Date: 11/14/2023

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Data Request 56:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide an explanation of its overhead construction cost allocation methodology and provide the percentage of overhead costs capitalized to total overhead costs for 2018, 2019, and 2020 for transmission projects.

Response:

Please see 'JI-56 Attachment_SEND' for the percentage of overheads capitalized during 2018, 2019, & 2020.

Date: 11/14/2023

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Data Request 57:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please identify all credit facilities outstanding during 2020. For each credit facility, provide the amount of upfront and commitment fees recorded to expense in 2020 and the offsetting FERC account(s) charged, and identify any portion of the credit facility acquired to comply with provisions of specific a debt agreement.

Response:

Please see JI Set 1-57 Attachment 1 for a list of credit facilities and details of expenses and related accounting. The Companies do not have any debt covenants that require the maintenance of separate lines of credit.

Date: 11/14/2023

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Data Request 58:

Questions Applicable to Each OpCo and TransCo

Please indicate whether any OpCo or Transco has made any investments in electric charging stations. If the answer is yes, please provide the FERC accounts used for investments in, and operation of, electric vehicle charging stations.

Response:

Appalachian Power, Indiana Michigan Power, Kentucky Power, Ohio Power, AEP Indiana Michigan Transmission Company, and AEP Ohio Transmission Company have made investments in electric charging stations. The investment in electric charging stations is recorded to general plant account 39800 - Miscellaneous Equipment and the maintenance of this equipment is recorded to accounts 1840029 (Transp - Assigned Vehicles) and 935 (Maintenance of general plant).

Date: 11/14/2023

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Data Request 59:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide a detailed discussion of the changes from 2020 beginning balance to end of year balance of net operating loss and tax credit carryforwards reported on the FERC Form 1, Page 234.

Response:

Please see JI-59 Attachment 1 for the details in the changes to net operating loss (NOL) and tax credit carryforwards reported on the FERC Form 1, page 234. The changes to the state NOL represent the tax value of the utilization or generation of tax losses for a particular state income tax return. The tax credit carryforwards represent the change in the utilization or generation of federal income tax credits.

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Data Request 60:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please identify any accounting changes related to ADIT, net operating losses (NOLs), or classification or valuation methodologies. For each accounting change, please provide a detailed discussion of change and the impact to the ADIT accounts and other accounts.

Response:

For all east Operating and Transmission Companies there was an automatic change in accounting method in 2020 related to the software development costs as described in Section 5.01 of Rev. Proc. 2000-50. Please see JI-60 Attachment 1 for the adjustment. ADIT is decreased by 21% of the change and would also include each Company's state impact.

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Data Request 61:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide a detailed description of the accounting policy to recognize NOLs on a stand-alone basis. In addition, please discuss the accounting policy and provide the accounting entries for the allocation of current tax losses of the parent company or another affiliate to the OpCos and TransCos during 2020.

Response:

In determining the income taxes in the separate financial statements of the members of a consolidated tax return group, GAAP allows for different methods of doing so. ASC 740 does not require the use of any particular allocation method. The members of the AEP consolidated federal income tax return have elected to follow a parent company down method for their GAAP books. In the parent company down method, the allocation of taxes is calculated by applying a pro-rata allocation of a member's attribute to that of the return group's attribute. This is what is included in the GAAP financial statements as well as for purposes of FERC financial reporting.

The accounting policy for the allocation of current tax losses of the parent company and other affiliates is directed by the AEP consolidated tax allocation agreement. Each member of the consolidated group is required to make a payment to AEP, Inc. (Parent) equal to its stand-alone tax liability. This is recorded with a credit to cash and a debit to taxes payable (Account 236). If a company generates a taxable loss and that loss can be offset with taxable income within the consolidated return group, the loss company contributes the loss to Parent and receives a distribution from Parent for that amount. This is recorded with a credit to the NOL carryforward (190) and a debit to cash.

While for GAAP and financial reporting purposes it is acceptable under ASC 740 and FERC guidance to report the ADIT related to NOL carryforwards using the parent company down method, for ratemaking purposes the NOL carryforward should be recognized on a stand-alone basis. The Company has identified the need to make a ratemaking adjustment to its GAAP books to appropriately recognize the NOL carryforward on a stand-alone basis. The Company had not yet established the information required to include this data in the instant case (2020 FRP true-up) and therefore the balances reported are reflective of the GAAP balances. The Company has now established that data and fully intends to use its next available opportunity to correct the inconsistency.

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Data Request 62:

Questions Applicable to Each OpCo and TransCo

In reference to the OpCos and TransCos' 2020 FERC Form 1, *e.g.*, APCo's FERC Form 1, Page 123.27, AEP's subsidiaries implemented a temporary waiver of the Commission's AFUDC rules in response to the COVID-19 pandemic. Specifically, the Commission allowed jurisdictional entities to use a methodology for calculating an AFUDC rate that would use a simple average of historical short-term debt balances for the year ended 2019, while leaving all other aspects of the AFUDC rate formula (including current period short-term debt cost rates) unchanged. (See Edison Elec. Inst., 171 FERC ¶ 61,285 (2020).) Please provide the following with regard to the OpCos and TransCos' implementation of the AFUDC waiver:

- a. For each OpCo and Transco, provide the daily balance of outstanding short-term debt on the books during 2019;
- b. For each OpCo and Transco, identify any source of short-term financing on the books during 2019 and excluded from the 2020 AFUDC rate computation;
- c. For each OpCo and Transco, provide balance of short-term debt used in the 2020 AFUDC rate calculation and describe the method used to compute it; and
- d. For each OpCo and Transco, provide the short-term debt cost rate used in the 2020 AFUDC rate calculation and provide a detailed spreadsheet demonstrating its computation.

Response:

- a. Please refer to JI-62_Attachment_1 for the requested information.
- b. The temporary waiver authorized by FERC in docket number AC20-127 leaves all aspects of the AFUDC rate formula unchanged, except for the short-term debt input to the calculation. Companies electing the temporary waiver may use the simple average of 2019 short-term debt balances as the short-term debt input to the calculation, in lieu of current period average short-term debt balances. Therefore, there are no other calculation changes or exclusions to report.
- c. and d. Please refer to JI-62_Attachment_2 for the requested information. 2019 daily effective borrowed interest rates used in the computation of the monthly average short-term debt cost rate used in 2019 AFUDC rate calculations, and in 2020 AFUDC rate calculations for each Company electing the temporary waiver authorized by FERC in docket number AC20-17, are provided in JI-62_Attachment_1.

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Data Request 63:

Questions Applicable to Each OpCo and TransCo

For each OpCo and Transco, please provide the following related to AFUDC:

- a. The calculation and formula supporting the AFUDC rates (debt and equity) applied to construction costs for 2020. Include this information in spreadsheets showing all inputs (common stock, preferred stock, long term debt, short term debt, and average CWIP), and provide supporting documentation and calculations that provide for verification of the equity and debt rates derived. Explain any differences between these rates and the rates reported in the 2020 FERC Form No. 1; and
- b. Describe the method used to accrue AFUDC and the frequency of compounding.

Response:

a.) Please refer to 'JI-063 Attachment 1_ xxx' for the calculations and support used to determine the company's AFUDC debt and equity rates for the month December 2020. The AFUDC debt and equity rates are calculated monthly for each company and the information is an illustration of those calculations for the month of December 2020. Please refer to the series of attachments named 'JI-063 Attachment 2_ xxx' for an explanation by company of how AFUDC is accrued on a work order. The Company uses the AFUDC formula as prescribed by FERC for its AFUDC debt and equity rate calculations.

b.) AFUDC is calculated on construction charges during the construction period. AFUDC is calculated on construction projects using the prior month construction balance, plus 1/2 the current month applicable charges plus the prior month AFUDC (compound AFUDC). Projects that are excluded from the AFUDC calculation include construction expenditures to be reimbursed, CWIP that is currently in rate base, contractor's retention, and purchases of plant and equipment that require no construction period.

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Data Request 64:

Questions Applicable to Each OpCo and TransCo

For each OpCo and Transco, please provide all journal entries recorded on the books in 2020 related to the amended income tax returns filed in 2019 or other prior years. Specifically, please provide any adjustments to the current or deferred tax accounts of all and identify any other accounts impacted by amended tax returns.

Response:

There were no entries recorded in 2020 regarding any 2019 or prior year amended returns.

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Data Request 65:

Questions Applicable to Each OpCo and TransCo

For each OpCo and Transco, please provide a discussion of the accounting used to record net borrowings from the AEP Corporate Borrowing Program during 2019, including the Utility Money Pool and the FERC accounts to record the borrowings. Discuss how the money pool borrowings included or excluded from the 2020 AFUDC rate calculation.

Response:

The AEP Operating Companies and TransCo's utilize the AEP Corporate Borrowing Program (Money Pool) for short term borrowing needs. All their daily activities (revenues and expenses) settle in the money pool instead of through a cash bank account. Refer to AEP's 2020 10K filing, page 372, available on AEP.COM for a more complete explanation of, and balances in, the Corporate Borrowing Program. See the table below for the FERC Accounts related to the money pool activity.

Position in Money Pool	Account	Interest	Account
Lender	145	419	
Borrower	233	430	

The interest costs/balances are used as short term borrowings in the AFUDC rate calculation.

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Data Request 66:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “WS E Revenue Credits” tab for Accounts 451, 454, and 456 (to the extent there are amounts included in these accounts), including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2020. To the extent a revenue item is associated with rent from the use of a general asset (*i.e.* office building), please specify the FERC account in which the asset is recorded. Also, please explain the derivation of the transmission-related amounts for each account shown on the “WS E Revenue Credits” tab, Column (k).

Response:

For the OpCo's, the transmission amounts are derived from the functional books associated with each OpCo which tie to total company FF1. For the Transco's, the balances in account 454 are treated as 100% transmission as there is no distribution or generation. Please see JI 1-66 Attachment 1 for the breakdown by OpCo.

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Data Request 67:

Questions Applicable to Each OpCo and TransCo

For each OpCo and TransCo, please provide the following:

- a. A complete list of all transmission facilities NOT under PJM's operational control.
- b. For the facilities not under PJM's operational control, please provide all costs assigned to AEP by PJM associated with real time congestion management for these facilities.
- c. State whether any of these facilities are zonal inter-ties.
- d. Identify the Transmission Planning organization responsible for these facilities.
- e. Identify which of these facilities are operated by AEP's transmission operations control center and AEP's distribution control center.

Response:

- a. All asset costs included in the current update are under functional control of PJM.
- b-e. Not applicable.

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Data Request 68:

Questions Applicable to Each OpCo and TransCo

For each OPCo and TransCo, refer to the “TCOS” tab, Line 120 (OPCos) and Line 103 (TransCos), Tax Effect of Permanent and Flow-Through Differences; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission;
- b. A detailed listing of the individual items that compose the amounts in Columns (3) and (5), including each individual item’s amount; and
- c. Confirm that these amounts are the actual 2020 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, provide a detailed explanation of what year it represents.

Response:

- a. See JI-68 Attachment 1.
- b. See JI-68 Attachment 1.
- c. Confirmed.

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Data Request 69:

Questions Applicable to Each OpCo and TransCo

In reference to APTransCo, WV TransCo, and OH TransCo's "WS P Dep. Rates" tab, please confirm that the following account numbers are incorrect and should correlate to the accounts/rates that were included in AEP's 12/23/2020 depreciation rate filing under Docket No. ER21-735-000.

- a. AP TransCo – Excel Rows 31 – 35
- b. OH TransCo – Excel Rows 16 – 23 and Excel Rows 30-34
- c. WV TransCo - Excel Rows 30 – 34

Response:

AEP confirms the account numbers were incorrect and will be corrected going forward. These changes have no impact on rate.

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Data Request 70:

Questions Applicable to Each OpCo and TransCo

In reference to APTransCo, WV TransCo, and OH TransCo's "WS P Dep. Rates" tab, please provide an explanation as to why the Electric Storage Equipment depreciation rate is 0.00% instead of 14.22% as is included in AEP's 12/23/2020 deprecation rate filing under Docket No. ER21-735-000.

Response:

APCo currently has no investment in Account 35100 (Electric Storage Equipment) and therefore did not request depreciation rates for this account in its most recent base case. Additionally, there is currently no investment recorded in account 35100 for APTransCo, WVTransCo, and OHTransCo.

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Data Request 71:

Questions Applicable to Each OpCo and TransCo

For each OpCo, refer to “WS B-1 – Actual Stmt. AF” tab, Excel row 100 - ACCRUED BK PENSION EXPENSE (*See* APCo’s template for example reference), please confirm that this ADIT item represents the normal pension expense that is typically recorded in Account 926 – Employee Pensions and Benefits. If not, provide a detailed explanation of what underlying expense that gave rise to this ADIT represents.

Response:

Confirmed. Accrued Bk Pension Expense is recorded to account 926 - Employee Pensions and Benefits.

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Data Request 72:

Questions Applicable to Each OpCo and TransCo

For each OpCo, refer to “WS C-Working Capital” tab, please identify the ADIT items in each respective OpCo that correlate to the following items (*See* APCo’s template for example references below):

- a. Line 18 – Prepaid Pension
- b. Line 19 – FAS 158 Qual Contra Asset

Response:

- a. Line 18- Prepaid Pension correlates to the ADIT item Accrued Bk Pension Expense.
- b. Line 19 - FAS 158 Qual Contra Asset correlates to the ADIT item Accrued Bk Pension Expense - SFAS 158.

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Data Request 73:

Questions Applicable to Each OpCo and TransCo

For the following OpCos and TransCos, WS F Misc Exp – Line 1, please identify where on the respective company’s 2020 FERC Form 1, Page 232 the following amortization amounts are shown. To the extent that they are not provided for on this page, please provide detailed support for each of the amounts.

- a. KPCo – 5660009 - PJM OATT Over/Under Rec in the amount of (\$18,660,181)
- b. OPCO – 5660005 - Misc Transmission Expense in the amount of (\$49,555,762)
- c. APCo 5660007 - Virginia T-RAC UnderRecovery in the amount of (\$46,906,876)

Response:

- a. The amount of (\$18,660,181) recorded to account 5660009 is included on the 2020 KPCo FERC Form 1, Page 232.1, line 41 and Page 278, line 13. During 2020, the balance changed from a regulatory liability to a regulatory asset.
- b. The amount of (\$49,555,762) recorded to account 5660005 is included on the 2020 OPCo FERC Form 1, Page 232.2, line 16 and Page 278.1, line 1. During 2020, the balance changed from a regulatory liability to a regulatory asset.
- c. The amount of (\$46,906,876) recorded to account 5660007 is included on the 2020 APCo FERC Form 1, Page 232.3, line 13 and Page 278, line 9. During 2020, the balance changed from a regulatory liability to a regulatory asset.

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Data Request 74:

Questions Applicable to Each OpCo and TransCo

In reference to the “WS B-1 - Actual Stmt. AF” and “WS B-2 - Actual Stmt. AG” tabs, Column H – Functionalization Average Transmission, for each OpCo and TransCo items listed below please provide the following: (i) A detailed breakout (e.g., workable Excel format) of the customers and their associated amounts related to CIAC, (ii) the FERC account(s) and associated amounts where the associated plant is recorded, (iii) the FERC account(s) and associated amounts where the depreciation expense is recorded, (iv) State whether there are offsetting entries for the amounts in part ii. and iii. above that remove the effects of the CIAC from the formula rate template. If not, please provide the justification for including CIAC in the formula rate template, (v) Copies of every contract associated with this CIAC ADIT and (v) the justification for including CIAC related to specific customers in the “transmission” column.

- a. WS B-1 - OH TransCo - Row 35 – CIAC – BOOK RECEIPTS - \$(2,326,663)
- b. WS B-1 - WV TransCo - Row 35 – CIAC – BOOK RECEIPTS - \$(194,250)
- c. WS B-2 - APCo - Excel row 21 - CIAC - BOOK RECEIPTS-DISTR -SV in the amount of \$911,032.
- d. WS B-2 - APCo - Excel row 22 - CIAC - BOOK RECEIPTS-TRANS in the amount of \$203,424.
- e. WS B-2 - APCo - Excel row 23 - CIAC - BOOK RECEIPTS-DISTR -SW in the amount of \$127,039.
- f. WS B-2 - APCo - Excel row 27 - CIAC - PROVS POSS REV REFDS in the amount of \$446,340.
- g. WS B-2 - I&M - Excel row 22 - CIAC - BOOK RECEIPTS in the amount of \$ 1,002,561.
- h. WS B-2 - OPCo - Excel row 21 - CIAC-BOOK RECEIPTS in the amount of \$1,954,741.
- i. WS B-2 - WPCo - Excel row 20 - CIAC-BOOK RECEIPTS in the amount of \$283,472.
- j. WS B-2 - IM TransCo - Excel Row 19 - CIAC - BOOK RECEIPTS - \$1,296,517.

Response:

- i. Customer information is confidential and will be provided subject signing a non-disclosure agreement.
- ii. CIAC is recorded as a credit to account 1070001 and ultimately placed in service in FERC accounts 1010001/1060001 at zero cost to the Company.
- iii. AEP does not include depreciation expense associated with CIAC projects that have been reimbursed.

iv. See the responses to parts (ii) and (iii). The process for CIAC records the asset at zero cost on the Company's books when placed in service, which results in no depreciation expense to be recorded.

v. Copies of contracts are confidential and will be provided subject signing a non-disclosure agreement.

v. The referenced ADIT items arose due to transmission activities and have been recorded on the Companies' transmission functional books. As contemplated in the Settlement in ER17-405 and ER17-406, the Companies use the transmission functional books to determine what ADIT is used in the formula rate calculation.

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Data Request 75:

Questions Applicable to Each OpCo and TransCo

In reference to “WS B-2 - Actual Stmt. AG” tab, , Column H – Functionalization Average Transmission, for each OpCo and TransCo listed below please provide: (i) a detailed description of this ADIT item, (ii) the underlying expense/revenue accounts that gave rise to this ADIT, and (iii) the justification for including these amounts in the “transmission” column.

- a. APCo - Excel row 80 - ACCRD OPEB COSTS - SFAS 158 in the amount of \$164,979.
- b. I&M - Excel row 47 - BK PROV UNCOLL ACCTS in the amount of \$357.
- c. OPCo - Excel row 97 - ACCRD OPEB COSTS - SFAS 158 in the amount of \$437,320. In addition, please provide a detailed explanation as why transmission is positive compared to the negative amount in distribution. Please provide the detailed calculations between transmission and distribution.
- d. OPCo - Excel row 118 - AMT CREDIT – DEFERRED in the amount of \$32,416.

Response:

- a. (i) The book tax timing differences were created in conjunction with the adoption of SFAS 158. (ii) The underlying accounts are 129, 165 and 219. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.
- b. (i) Book accruals for uncollectible accounts are not deductible for tax until written off. (ii) Amount is booked to account 9040007 - Uncollectible Accounts-Misc. Receivable. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.
- c. (i) The book tax timing differences were created in conjunction with the adoption of SFAS 158. (ii) The underlying accounts are 129 and 165. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.
- d. (i) Credit Carryforward on the Alternative Minimum Tax credit. (ii) Tax Only. No Revenue or Expense account that gave rise to the ADIT. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the

settlement filed in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

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Data Request 76:

Questions Applicable to Each OpCo and TransCo

In reference to “WS B-2 - Actual Stmt. AG” tab, , Column H – Functionalization Average Transmission, for each OpCo listed below please provide: (i) a detailed description of this ADIT item, (ii) the underlying expense/revenue accounts that gave rise to this ADIT, and (iii) the justification for including these amounts in the “transmission” column.

- a. APCo - Excel row 63 - DEFD BK CONTRACT REVENUE in the amount of \$58,778.
- b. I&M - Excel row 77 - DEFD BK CONTRACT REVENUE in the amount of \$163,932.
- c. OPCo - Excel row 77 - DEFD BK CONTRACT REVENUE in the amount of \$49,836.

Response:

- a. (i) Recognized revenue for tax purposes and deferred for book purposes. (ii) The underlying account is 124. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.
- b. (i) Recognized revenue for tax purposes and deferred for book purposes. (ii) The underlying account is 124. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.
- c. (i) Recognized revenue for tax purposes and deferred for book purposes. (ii) The underlying account is 124. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

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Data Request 77:

Questions Applicable to Each OpCo and TransCo

In reference to “WS B-2 - Actual Stmt. AG” tab, , Column H – Functionalization Average Transmission, for each OpCo and TransCo listed below please provide: (i) a detailed description of this ADIT item, (ii) the underlying expense/revenue accounts that gave rise to this ADIT, and (iii) the justification for including these amounts in the “transmission” column, (iv) a detailed explanation as to whether this is associated with the revenues on the “WS E Rev Credits” tab, Line 5 - Account 456 - Other Electric Revenues (*See* IM TransCo for reference example), (v) confirm that those revenues are not included in the formula rate template and (vi) state whether these revenues are associated with any regulatory asset in Account 182.3

- a. I&M - Excel Row 25 - PROVS POSS REV REFDS - \$(443,878).
- b. I&M - Excel Row 26 - PROV FOR REFUND - FERC TRANS - \$(390,000).
- c. I&M - Excel Row 27 - PROVS POSS REV REFDF-FR - \$390,001.
- d. I&M - Excel Row 28 - PROV FOR RATE REFUND-TAX - \$622,752.
- e. AP TransCo - Excel Row 19 - PROVS POSS REV REFDS-A/L- \$21,894
- f. IM TransCo - Excel Row 20 - PROV POSS REV REFDS - \$260,799
- g. KY TransCo - Excel Row 19 - PROV POSS REV REFDS - \$7,793
- h. OH TransCo - Excel Row 20 - PROV POSS REV REFDS - \$285,859
- i. WPCo - Excel Row 23 - PROVS POSS REV REFDS in the amount of \$10,860
- j. OPCo - Excel Row 24 - PROVS POSS REV REFDS in the amount of \$822,734

Response:

- a. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.
- b. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers.(ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.
- c. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the “transmission” column because they are recorded

to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

d. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

e. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

f. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

g. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

h. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

i. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

j. (i) Provision for refunds is not deductible for tax purposes until the refund is actually made to the customers. (ii) Account 4491003 - Provision Rate Refund is used to give rise to this ADIT amount. (iii) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate. (iv) Account 4491003 is not included on Worksheet E (v) Confirmed (vi) Not associated with account 182.3.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 78:

Questions Applicable to Each OpCo and TransCo

In reference to “WS B-1 - Actual Stmt. AF” tab, , Column H – Functionalization Average Transmission, for each TransCo listed below please provide: (i) a detailed description of this ADIT item, (ii) the underlying expense/revenue accounts that gave rise to this ADIT, (iii) the FERC Docket No. that authorized the recovery of the regulatory asset and (iv) the justification for including these amounts in the “transmission” column.

- a. AP TransCo - Excel Row 53 - REG ASSET-TRANSCO PRE-FORMATION COSTS - \$29,938
- b. KY TransCo - Excel Row 51 - REG ASSET-TRANSCO PRE-FORMATION COSTS - \$(919)
- c. OH TransCo - Row 35 – CIAC – BOOK RECEIPTS - \$(2,326,663)
- d. WV TransCo - Row 35 – CIAC – BOOK RECEIPTS - \$(194,250)

Response:

a. (i) and (ii) Excel Row 53 - Reg Asset-Transco Pre-Formation Costs description was accidentally input incorrectly. The correct description to match the amount in the template is Reg Asset-Depr Exp Deferral -VA. (iii) ER10-355 (iv) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

b. (i) and (ii) Excel Row 51 - Reg Asset-Transco Pre-Formation Costs description was accidentally input incorrectly. The correct description to match the amount in the template is NOL State C/F-DEF Tax Asset-L/T-KY. (iii) ER10-355 (iv) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

c. (i). Contributions for specific construction received from the customer recognized for tax in the year received. (ii) The underlying account is 107. (iii) N/A (iv) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

d. (i). Contributions for specific construction received from the customer recognized for tax in the year received. (ii) The underlying account is 107. (iii) N/A (iv) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

Date: 11/14/2023

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Data Request 79:

Questions Applicable to Each OpCo and TransCo

In reference to “WS B-1 - Actual Stmt. AF” tab, , Column H – Functionalization Average Transmission, for each OpCo and TransCo listed below please provide: (i) a detailed description of this ADIT item; (ii) the underlying expense/revenue accounts that gave rise to this ADIT; (iii) for any incremental costs associated with COVID-19, copies of all supporting documentation and guidance (Federal, State(s), Public Service Commissions, FERC, etc., that AEP received and relied upon related to the recording of the COVID-19 journal entries; (iv) Copies of all supporting calculations, by month for incremental costs; and (v) the justification for including these amounts in the “transmission” column.

- a. OPCo - Excel row 105 - Accrued COVID-19 Incremental Costs - non-TX in the amount of \$4,145
- b. WPCo - Excel row 71 - Accrued COVID-19 Incremental Costs - non-TX in the amount of \$ 1,166

Response:

a. (i) COVID 19 deferred costs on the books which result in book to tax differences where taxable income will be recognized in the future as the deferral is collected from customers. (ii) The underlying account is 4265. (iii) and (iv) Please see JI-79 Attachment 1 for a summary of the accounting related to the deferrals authorized by OPCO's respective retail Commissions as a result of the COVID pandemic. (v) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

b. (i) COVID 19 deferred costs on the books which result in book to tax differences where taxable income will be recognized in the future as the deferral is collected from customers. (ii) The underlying account is 4265. (iii) and (iv) Please see JI-79 Attachment 1 for a summary of the accounting related to the deferrals authorized by WPCO's respective retail Commissions as a result of the COVID pandemic. (v) The amounts are included in the “transmission” column because they are recorded to the Company’s transmission functional books. As implemented in the Company’s original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

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**Responses to Joint Customers
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Data Request 80:

APPALACHIAN POWER

In reference to APCo FERC Form 1, Page 103, APCo identifies several subsidiary companies (Cedar Coal Company, Central Appalachian Coal Company, Southern Appalachian Coal Company, and Central Coal Company), which are further described on Page 123.10. Please explain whether these coal companies are reported on APCo's books on a consolidated basis and whether any assets or associated costs of operations are recorded in APCo's plant or O&M and A&G expense accounts. To the extent, any of the costs associated with the coal businesses are recorded on APCo's books, please verify the costs are excluded from the transmission formula rate or discuss the impact on the transmission formula rate.

Response:

APCo maintains its books on a Consolidated level for FERC (excludes subsidiaries) and Integrated Consolidated level for SEC (Includes subsidiaries). Therefore, the Consolidated FERC level used to prepare the FERC Form 1's does not include the assets or the O&M/A&G expenses of the inactive coal company subsidiaries. If the coal subsidiaries have a net income or loss for the year, it is recorded in 4181001 – Equity Earnings of Subsidiaries, an account that is not pulled in the ATRR calculation.

Date: 11/14/2023

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Data Request 81:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Pages 123.24 – 123.26 and 123.33, APCo discusses the accounting treatment for its previously retired coal-fired generation assets. Please provide the following:

- a. APCo's journal entries to record the pretax expense of \$93 million in December 2019.
- b. The accounting journal entries to record the regulatory asset and associated amortization required by the Virginia SCC.
- c. Identify any cost associated with the retire coal-fired generation assets recorded as transmission, general, common, or intangible plant accounts.

Response:

Please see JI Set 1-81 Attachment 1 for the response.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 82:

APPALACHIAN POWER

In reference to APCo's 2019 FERC Form 1 Page 123.25, Notes to the Financial Statements, APCo stated that "APCo is currently in the process of retiring and replacing its Virginia jurisdictional Automated Meter Reading (AMR) meters with AMI meters. As of December 31, 2020 and 2019, APCo had approximately \$35 million and \$51 million of Virginia jurisdictional AMR meters as well as \$73 million and \$75 million of Virginia jurisdictional AMI meters recorded on its balance sheets." Please identify the FERC account(s) and associated amounts where these assets are recorded.

Response:

The meter investment referenced is recorded in FERC account 37000 (Meters) and 37016 (AMI Meters). At year end 2019, the balance in 37000 was \$100,737,572 and the balance in 37016 was \$78,614,275. At year end 2020, the balance in 37000 was \$81,179,258 and the balance in 37016 was \$111,487,186.

Date: 11/14/2023

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Data Request 83:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Page 123.71, in relation to the 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. APCo billed its affiliates \$8 million and \$7 million for the years ended December 31, 2020 and 2019, respectively." Please provide the following:

- a. State whether this Central Machine Shop only supports AEP affiliates.
- b. Identify the FERC account(s) and associated amounts where the assets related to the Central Machine Shop are recorded.
- c. Identify all the costs associated with the Central Machine Shop that are deferred. For example, the depreciation expense, direct labor, and labor overheads etc.
- d. For any OpCos that receive a bill for the Central Machine Shop, please identify the FERC account(s) where such expenses are recorded on their books.

Response:

- a. Central Machine Shop supports both AEP affiliates and non-AEP companies.
- b. Central Machine Shop assets are recorded to FERC account 101 - Electric Plant in Service. As of December 31, 2020, Central Machine Shop assets totaled \$20,765,886.
- c. Please see JI-83 Attachment 1 for a summary by cost type for 2020 Central Machine Shop costs that are deferred.
- d. Please see JI-83 Attachment 2 for a summary by FERC account and OpCo for 2020 Central Machine Shop costs.

Date: 11/14/2023

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Data Request 84:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Page 123.72 states that "APCo had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions." APCo had sales of \$5.7 million and \$5.5 million in 2020 and 2019, respectively. APCo had purchases of \$1.3 million and \$6.0 million in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and APCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- a. Please see 'JI-84 Attachment_SEND'
- b. Please see 'JI-84 Attachment_SEND' . The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 85:

APPALACHIAN POWER

In reference to APCo's 2020 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2020 Retirements in the amount of \$29,428,379? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-85 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 86:

APPALACHIAN POWER

In reference to APCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions of the 2020 Additions for each of the following accounts:

- a. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$21,916,838.
- b. Line 50, Column c, Account 353 – Station Equipment in the amount of \$228,181,728.
- c. Line 51, Column c, Account 354 – Towers and Fixtures in the amount of \$6,787,169.
- d. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$35,310,590.
- e. Line 54, Column c, Account 357 – Underground Conduit in the amount of \$6,402,374.
- f. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$31,127,744

Response:

Please refer to attached file 'JI-86 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 87:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Page 230a, please provide a detailed breakout of the Account(s) Charged and Amount(s) for this schedule as it does not appear this portion of the FERC Form 1 is filled out given the changing ending balance.

Response:

APCO's FERC Form 1, page 230 is filled out correctly. The page does not provide a column for the current year's beginning balance but instead provides a column for the Total Amount of Loss, col b. Therefore, the page will not add/subtract across. The Losses Recognized During the Year, col c is provided but the account is not requested. Only if an amount is written off during the year, is the account requested. There were no write-off's. \$3,924,665 was recognized in 2020 recorded in accounts 407 and 411.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 88:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Page 232.2, Line 22 - Greenhat, please provide:

- a. A detailed description of this line item.
- b. Identify the nature of this regulatory asset.
- c. Identify the FERC Docket No. where AEP received authorization for recovery of this regulatory asset.

Response:

- A. To account for probable loss contingency as a result of the Greenhat default
- B. See A
- C. N/A. The Company is not recovering this regulatory asset through the formula. This amortization is removed.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 89:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Page 269, please provide a detailed description of each of the following items:

- a. Line 1 - T.V. Pole Attachments – Specify the location (*i.e.* transmission or distribution) of these pole attachments.
- b. Line 3 - Deferred Gain - Fiber Optic Leases Amortize through June 2026 - In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.
- c. Line 6 - Deferred Revenue - Fiber Optic Lines Sold - Amortize IRU through May 2021 - Amortize KDL through Jan 2025 - In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.

Response:

In reference to the various line items on APCo's FERC Form 1 Page 269:

- a. Advanced rental billings are for attachments on operating company poles by non-affiliated companies. The billings are recorded in account 253 and amortized to rental income, account 454, over a 12 month period. The attachments are primarily on distribution facilities. (\$1,860,763 - Dist, \$13,473 – Trans)
- b. The deferred gains that are recorded in 253 on APCo, I&M, KPCo and WPCo are for the value of the in-kind-services related to fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred gains are recorded in 253 and being amortized to 411, 419 and 921 over various lengths of time. They will be completely amortized in 2026. These assets are not recorded in plant accounts on the companies books.
- c. The deferred revenues that are recorded in 253 on APCo, I&M and KPCo are related to the Infeasible Right of Use gains of fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred revenues are recorded in 253 and being amortized to 451 over various lengths of time. They will be completely amortized in 2025. These assets are no longer on the companies' books.

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**Responses to Joint Customers
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Data Request 90:

APPALACHIAN POWER

In reference to APCo's FERC Form 1, Pages 426 - 426.19, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and associated amount:

- a. Page 426.2, Line 21 – BYLLESBY – VA – 69.00 – 7.20
- b. Page 426.2, Line 22 – BYLLESBY – VA – 69.00
- c. Page 426.2, Line 27 – CABIN CREEK 46KV – WV – 46.00 – 12.00
- d. Page 426.2, Line 37 – CAPITOL HILL 46KV – WV – 46.00 -
- e. Page 426.8, Line 24 – GRUNDY - VA – 69.00 – 34.50
- f. Page 426.8, Line 25 – GRUNDY - VA – 69.00
- g. Page 426.8, Line 26 – GRUNDY - VA – 69.00 – 12.00
- h. Page 426.11, Line 29 – MCDOWELL – WV – 34.50 – 13.20
- i. Page 426.12, Line 28 – MOUNT UNION – VA – 69.00
- j. Page 426.12, Line 29 – MOUNT UNION – VA – 69.00 – 34.50
- k. Page 426.12, Line 30 – MOUNT UNION – VA – 69.00 – 12.00
- l. Page 426.13, Line 22 – PACKSVILLE – VA – 46.00
- m. Page 426.15, Line 37 – SCARBRO – WV – 46.00
- n. Page 426.16, Line 6 – SHABDUE - WV – 46.00
- o. Page 426.16, Line 27– SOPHIA - WV – 46.00
- p. Page 426.17, Line 30 – TAZEWELL – VA – 34.50 – 13.00
- q. Page 426.17, Line 32– TAZEWELL – VA – 34.50 – 12.00
- r. Page 426.18, Line 4 – TRAMMEL – VA – 69.00 – 12.00
- s. Page 426.18, Line 30 – WARD HOLLOW – WV – 46.00 – 12.00
- t. Page 426.18, Line 31 – WARD HOLLOW – WV – 46.00
- u. Page 426.19, Line 6 – WHARNCLIFFE – WV – 46.00

Response:

APCO functionalizes assets according to their use, and not their voltage level. See JI 1-90 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 91:

APPALACHIAN POWER

Provide all available information supporting the determination of Appalachian's Transmission, Common, General and Intangible Plant depreciation expenses including information showing the application of the depreciation rates to monthly depreciable plant balances for 2020.

Response:

Please see 'JI-91 Attachment_SEND'.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 92:

APPALACHIAN POWER

In reference to APCo's "WS A - Rate Base Support" tab, Lines 29 through 41, Column, OATT Ancillary Services (GSU) Plant In Service, please provide supporting documentation (Excel format) with a detailed tabulation of each plant item exhibiting the following columns: end of year 2019 balance in the amount of \$81,926,089, activity during 2020 (including additions and retirements separately) and the end of year 2020 balance in the amount of \$82,615,504.

Response:

Please see 'JI-92 Attachement_SEND'.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 93:

APPALACHIAN POWER

Please refer to the “WS B-1 - Actual Stmt. AF” tab, Line 10.04 – Excess ADFIT, please reconcile the amounts shown for Generation Column M – \$(134,257,717), Transmission Column N – \$(41,419,482), and Distribution Column O - \$(8,671,983).

Response:

Please see JI-93 Attachment 1 for a reconciliation of Excess ADFIT by Generation, Transmission, and Distribution for APCo.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 94:

APPALACHIAN POWER

In reference to APCo's "WS F Misc Exp" tab, Account 930.2, Line 42 – Assoc Business Development Exp, Transmission Related Column in the amount of \$2,200,084. Please provide a detailed tabulation of every item and associated amount included in this total.

Response:

Please see JI 1-94 Attachment 1 for a summary by work order for the \$2,200,084 from APCo's "WS F Misc Exp" tab, Account 930.2, Line 42 – Assoc Business Development Exp, Transmission Related Column.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 95:

APPALACHIAN POWER

Please identify all APCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. Line 2.17 – PROV WORKER’S COMP
- b. Line 2.28 – ACCRD COMPANYWIDE INCENTV PLAN
- c. Line 2.29 - ACCRD ENVIRONMENTAL LIAB-CURRENT
- d. Line 2.30 – ACCRUED VACATION PAY
- e. Line 2.34 - ACCRUED BK SEVERANCE BENEFITS
- f. Line 2.62 – ACCRD SFAS 106 PST RETIRE EXP
- g. Line 2.63 – SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT
- h. Line 2.64 – ACCRD OPEB COSTS - SFAS 158
- i. Line 2.65 – ACCRD SFAS 112 PST EMPLOY BEN
- j. Line 2.74 - ACCRD SIT/FRANCHISE TAX RESERVE

Response:

Please see attachment to Question 95

Date: 11/14/2023

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Data Request 96:

INDIANA MICHIGAN POWER

In reference to I&M's FERC Form 1, Page 103, I&M identifies two subsidiary companies (Blackhawk Coal Company and Price River Coal Company), which are further described on Page 123.11. Please explain whether these coal companies are reported on I&M's books on a consolidated basis and whether any assets or associated costs of operations are recorded in I&M's plant or O&M and A&G expense accounts. To the extent, any of the costs associated with the coal businesses are recorded on I&M's books, please verify the costs are excluded from the transmission formula rate or discuss the impact on the transmission formula rate.

Response:

I&M maintains its books on a Consolidated level for FERC (excludes subsidiaries) and Integrated Consolidated level for SEC (Includes subsidiaries). Therefore, the Consolidated FERC level used to prepare the FERC Form 1's does not include the assets or the O&M/A&G expenses of the inactive coal company subsidiaries. If the coal subsidiaries have a net income or loss for the year, it is recorded in 4181001 – Equity Earnings of Subsidiaries, an account that is not pulled in the ATRR calculation.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 97:

INDIANA MICHIGAN POWER

In reference to I&M's FERC Form 1, Page 123.78 states that "I&M had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions." I&M had sales \$1.5 million and \$7.5 million in 2020 and 2019, respectively. I&M had purchases of \$3.4 million and \$900k in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and I&M's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- a. Please see 'JI-97 Attachment_SEND'.
- b. Please see 'JI-97 Attachment_SEND'. The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 98:

INDIANA MICHIGAN POWER

In reference to I&M's FERC Form 1, Page 123.78, I&M explain its acquisition of Sempra Renewables LLC and its ownership interest in 724 MWs of wind generation. Please identify any of the assets acquired from Sempra Renewables LLC that are included in transmission, general, common, or intangible plant accounts by FERC account and associated amounts. In addition, please identify where any associated expenses are recorded by FERC account and amount.

Response:

None of the assets acquired during the Sempra Renewables LLC acquisition or related expenses are recorded on Indiana Michigan Power's books. Indiana Michigan Power simply purchase power from Fowler Ridge and all purchases are recorded to purchased power FERC Accounts.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 99:

INDIANA MICHIGAN POWER

In reference to I&M's 2020 FERC Form 1, Page 232.1 – Line 35 Greenhat default regulatory asset, please provide:

- a. A detailed description of this line item.
- b. Identify the nature of this regulatory asset.
- c. Identify the FERC Docket No. where AEP received authorization for recovery of this regulatory asset.

Response:

- A. To account for probable loss contingency as a result of the Greenhat default
- B. See A.
- C. N/A. The Company is not recovering this regulatory asset through the formula. This amortization is removed.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 100:

INDIANA MICHIGAN POWER

In reference to I&M's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format) of every entry, including project name and detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$19,365,400.
- b. Line 50, Column c, Account 353 – Station Equipment in the amount of \$34,767,324.
- c. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$12,110,487.
- d. Line 53, Column c, Account 356 – Overhead Conductors and Devices the amount of \$19,252,605.
- e. Line 86, Column c, Account 389 – Land and Land Rights in the amount of \$1,472,482.
- f. Line 87, Column c, Account 390 – Structures and Improvements in the amount of \$6,126,352.
- g. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$10,016,157.

Response:

Please refer to attached file 'JI-100 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 101:

INDIANA MICHIGAN POWER

In reference to I&M's FERC Form 1, Page 269, please provide a detailed description of each of these items:

- a. Line 1 - Pole Attachment Rentals – Specify the location (*i.e.* transmission or distribution) of these pole attachments.
- b. Line 5 - Defd Gain-Fiber Optics Agrmt – In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.
- c. Line 8 - Deferred Revenues-Verizon Amortized thru March 2023 Amortized thru Dec 2022 – In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.
- d. Line 11 - Deferred Revenues-KDL – In addition, provide the meaning of the term “KDL.” To the extent these are related to fiber optic sales or leases, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.

Response:

In reference to the identified line items on I&M's FERC Form 1, page 269:

- a. Advanced rental billings are for attachments on operating company poles by non-affiliated companies. The billing are recorded in account 253 and amortized to rental income, account 454, over a 12 month period. The attachments are primarily on distribution facilities. (\$664,389 - Dist, \$7,651 – Trans)
- b. The deferred gains that are recorded in 253 on APCo, I&M, KPCo and WPCo are for the value of the in-kind-services related to fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred gains are recorded in 253 and being amortized to 411, 419 and 921 over various lengths of time. They will be completely amortized in 2026. These assets are not recorded in plant accounts on the companies' books.
- c. The deferred revenues that are recorded in 253 on APCo, I&M and KPCo are related to the Indefeasible Right of Use (IRU) gains of fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred revenues are recorded in 253 and being amortized to 451 over various lengths of time. They will be completely amortized in 2023. The fiber assets are no longer on the companies' books. Verizon is a non-affiliated party with whom the companies had long haul fiber agreements with.
- d. The deferred revenues that are recorded in 253 on APCo, I&M and KPCo are related to the Indefeasible Right of Use (IRU) gains of fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred revenues are recorded in 253 and being amortized to 451

over various lengths of time. They will be completely amortized in 2025. The fiber assets are no longer on the companies' books. KDL (Kentucky Data Links, LLC.) is a non-affiliated party with whom the companies had long haul fiber agreements with.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 102:

INDIANA MICHIGAN POWER

In reference to I&Ms FERC Form 1, Pages 426 - 426.8, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and associated amount:

- a. Page 426, Line 9 - ALMENA - MI-69.00 - 34.50
- b. Page 426, Line 10 - ALMENA – MI - 69.00 - 12.00
- c. Page 426, Line 33 - BERRIEN SP HYDR STAT - MI - 34.50 - 12.00. In addition, please provide an explanation as to whether this is an interconnection to the hydro plant.
- d. Page 426, Line 34 - BERRIEN SP HYDR STAT - MI - 34.50 - 13.00. In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.
- e. Page 426, Line 35 - BERRIEN SP HYDR STAT - MI - 34.50. In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.
- f. Page 426, Line 36 - BIG RUN - IN - 69.00 - 0.48
- g. Page 426, Line 39 - BLUFF POINT - IN - 69.00 - 13.00
- h. Page 426, Line 40 - BLUFF POINT - IN - 69.00 –
- i. Page 426, Line 1 – BLUFFTON (IM) – IN – 69.00
- j. Page 426.1, Line 5 - BUCHANAN HYDRO STA - MI - 69.00 - 34.00 - In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.
- k. Page 426.1, Line 6 - BUCHANAN HYDRO STA - MI - 69.00 - 12.00 - In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.
- l. Page 426.2, Line 2 - DC COOK 69/12 - MI - 69.00 -
- m. Page 426.2, Line 3 - DC COOK 69/12 - MI - 69.00 - 13.00
- n. Page 426.2, Line 4 - DECATUR (FTW) - IN - 69.00 - 4.00
- o. Page 426.2, Line 5 - DECATUR (FTW) - IN - 69.00 -
- p. Page 426.2, Line 6 - DECATUR (FTW) - IN - 69.00 - 13.00
- q. Page 426.2, Line 30 - ELKHART HYDRO STAT - IN - 34.50 - In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.
- r. Page 426.2, Line 31 - ELKHART HYDRO STAT – IN - 34.50 - 13.00 - In addition, please provide an explanation as to whether this is an interconnection to the hydro plant. If yes, state whether it has been excluded from the formula rate.

- s. Page 426.3, Line 6 - GATEWAY (IM) - IN - 69.00
- t. Page 426.3, Line 7 - GATEWAY (IM) - IN - 69.00 - 34.00
- u. Page 426.4, Line 19 - LAKE STREET - MI - 69.00 - 34.00
- v. Page 426.4, Line 20 - LAKE STREET - MI - 69.00
- w. Page 426.6, Line 28 - ROCKPORT - IN - 34.50 - 13.00
- x. Page 426.7, Line 14 - SOUTH SUMMITVILLE - IN - 34.50 - 13.09
- y. Page 426.8, Line 12 - TWIN BRANCH 34KV - IN - 34.50 - 13.00
- z. Page 426.8, Line 35 - WHITLEY SW - IN - 34.50
- aa. Page 426.8, Line 36 - WINCHESTER (IM) - IN - 69.00
- bb. Page 426.8, Line 37 - WINCHESTER (IM) - IN - 69.00 - 13.00

Response:

I&M functionalizes assets according to their use, and not their voltage level. See JI 1-102 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 103:

INDIANA MICHIGAN POWER

In reference to I&M, please (i) state whether the following interconnections were excluded in the formula rate template and (ii) identify the FERC accounts and associated amounts where the assets are recorded.

- a. Energy Developments Watervliet, LLC (EDW)
- b. Lawrenceburg Power, LLC

Response:

a. & b., b. i. & ii. N/A The Company does not own interconnection facilities associated with the reference facilities.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 104:

INDIANA MICHIGAN POWER

Please identify all I&M unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. Line 2.17 – PROV WORKER’S COMP
- b. Line 2.19 – ACCRUED BK PENSION EXPENSE
- c. Line 2.20 – ACCRUED BK PENSION COSTS - SFAS 158
- d. Line 2.21 – SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
- e. Line 2.22 – ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158
- f. Line 2.26 – ACCRUED PSI PLAN EXP
- g. Line 2.37 – ACCRD COMPANYWIDE INCENTV PLAN
- h. Line 2.39 – ACCRUED BOOK VACATION PAY
- i. Line 2.89 – ACCRD SFAS 106 PST RETIRE EXP
- j. Line 2.90 – ACCRD OPEB COSTS - SFAS 158
- k. Line 2.91– ACCRD SFAS 112 PST EMPLOY BEN

Response:

Please see response to question 95.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 105:

INDIANA MICHIGAN POWER

In reference to I&M's "WS A - Rate Base Support" tab, Lines 29 through 41, OATT Ancillary Services (GSU) Plant In Service Column, please provide supporting documentation (Excel format) with a detailed tabulation of each plant item exhibiting the following columns: end of year 2019 balance in the amount of \$58,627,794, activity during 2020 (including additions and retirements separately) and the end of year 2020 balance in the amount of \$58,679,268.

Response:

Please see 'JI-105 Attachment_SEND'.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 106:

INDIANA MICHIGAN POWER

In reference to I&M's "WS B-1 – Actual Stmt. AF" and "WS B-2 – Actual Stmt. AG," – please provide a detailed explanation as to what the new "RTD" Column represents and any associated FERC Docket Nos. where AEP received approval to revise the template.

Response:

Worksheets B1 and B2 were added as part of the settlement in ER17-405, though the Company also provided this detail as a workpaper as part of the annual update dating back to the original formation of the formula rate. The RTD column is not new to this annual update. For transparency purposes, I&M has always broken out the three "Generation" components of its functional books, Generation, Nuclear and RTD (River Transportation) on worksheets B1 and B2 (and the workpaper sent prior to their adoption) rather than consolidate them into one column. Note only the amount included on the Transmission functional books is included in the revenue requirement calculation.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 107:

INDIANA MICHIGAN POWER

Please refer to the "WS M – Cost of Capital" tab, Line 27, December of Rate Year, Acct 224 – Senior Unsecured Notes, please provide the amount of related to the liability for Spent Nuclear Fuel recorded in Account 224.

Response:

The liability recorded in Account 224 for Spent Nuclear Fuel is excluded from the "WS M - Cost of Capital" tab, line 27.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 108:

INDIANA MICHIGAN POWER

Please refer to the “IMC - WS P Dep. Rates” tab, please confirm that AEP updated the footnotes to reflect the latest state rate case dockets in which the depreciation rates were approved.

Response:

The Copmany has confirmed the footnotes and they reflect the latest state rate case dockets.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 109:

KENTUCKY POWER

In reference to KPCo's 2020 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2020 Retirements in the amount of \$7,480,586? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-109 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 110:

KENTUCKY POWER

In reference to KPCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$1,559,073.
- b. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$2,406,334.
- c. Line 50, Column c, Account 353 – Station Equipment in the amount of \$11,749,610.
- d. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$31,413,845. – In addition, please explain why there was a 23% increase in this account over last year's balance.
- e. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$1,818,446.

Response:

Please refer to attached file 'JI-110 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 111:

KENTUCKY POWER

In reference to KPCo's 2020 FERC Form 1 Page 207, Line 50, Column d, Account 353 – Station Equipment, what is the nature of the 2020 Retirements in the amount of \$2,083,632? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-111 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 112:

KENTUCKY POWER

In reference to KPCo's FERC Form 1, Page 232.1, Line 41 – KY Under-recovered PPA Rider, Column (d) - Written off During Quarter/Year Account Charged in the amount \$894,330 to Account 566, please provide:

- a. A detailed description of this line item.
- b. Identify the nature of this regulatory asset.
- c. Confirm whether KPCo recorded the amortization expense of this item to Account 566 as stated in the FERC Form 1.
- d. Identify the FERC Docket No. where AEP received authorization for recovery of this regulatory asset.

Response:

- A. A regulatory assets recording the under-recovered balance of Kentucky Power's PPA rider.
- B. See a.
- C. Confirmed
- D. N/A. The Company is not recovering this regulatory asset through the formula. All activity in 566 is removed in Worksheet F.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 113:

KENTUCKY POWER

In reference to KPCo's FERC Form 1, Page 269, please provide a detailed description of each of the following items:

- a. Line 1 - TV Pole Attachments – Specify the location (*i.e.* transmission or distribution) of these pole attachments.
- b. Line 5 - Deferred Gain: Fiber Optic Agrmts-In Kind Svc Amortize through June 2026 – In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.
- c. Line 9 - Deferred Revenue Fiber Optic Lines-Sold-Defd Rev Amortize through January 2025 - In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.
- d. Line 15 – Miscellaneous - Please identify the items and amounts that are being expensed to account 561 and 566.

Response:

In reference to the identified line items on KPCo's FERC Form 1, page 269:

- a. Advanced rental billings are for attachments on operating company poles by non-affiliated companies. The billing are recorded in account 253 and amortized to rental income, account 454, over a 12 month period. The attachments are primarily on distribution facilities. (\$142,893 - Dist, \$512 – Trans)
- b. The deferred gains that are recorded in 253 on APCo, I&M, KPCo and WPCo are for the value of the in-kind-services related to fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred gains are recorded in 253 and being amortized to 411, 419 and 921 over various lengths of time. They will be completely amortized in 2026. These assets are not recorded in plant accounts on the companies' books.
- c. The deferred revenues that are recorded in 253 on APCo, I&M and KPCo are related to the Indefeasible Right of Use (IRU) gains of fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred revenues are recorded in 253 and being amortized to 451 over various lengths of time. They will be completely amortized in 2025. The fiber assets are no longer on the companies' books. KDL (Kentucky Data Links, LLC.) is a non-affiliated party with whom the companies had long haul fiber agreements with.
- d. A loss contingency for the Greenhat default is recorded in 253. The amortization of \$1,790 and \$467 is recorded in 561 and 566, respectively.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 114:

KENTUCKY POWER

In reference to KPCo's FERC Form 1, Pages 426 - 426.3, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and the associated amounts:

- a. Page 426.1, Line 30 – GARRETT (KP) - KY- 46.00 – 12.00
- b. Page 426.2, Line 26 – LESLIE - KY- 69.00 – 34.50
- c. Page 426.2, Line 27 – LESLIE - KY- 69.00

Response:

KPCO functionalizes assets according to their use, and not their voltage level. See JI 1-114 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 115:

KENTUCKY POWER

In reference to KPCo's, "WS A – Rate Base Support" tab, Lines 29 through 41, Column OATT Ancillary Services (GSU) Plant In Service, please provide supporting documentation (Excel format) with a detailed tabulation of each plant item exhibiting the following columns: (i) end of year 2019 balance in the amount of \$12,196,666, (ii) activity during 2020 (including additions and retirements separately) and (iii) the ending balance in 2020 in the amount of \$12,207,857.

Response:

Please see the attachment JI 1-115 for the documentation received from accounting.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 116:

KENTUCKY POWER

Please identify all KPCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. Line 2.14 – PROV WORKER’S COMP
- b. Line 2.15 – ACCRUED BK PENSION EXPENSE
- c. Line 2.28 – ACCRD COMPANYWIDE INCENTV PLAN
- d. Line 2.29 – ACCRUED BOOK VACATION PAY
- e. Line 2.55 – ACCRD SFAS 106 PST RETIRE EXP
- f. Line 2.56 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- g. Line 2.57 – ACCRD OPEB COSTS - SFAS 158
- h. Line 2.58 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

Please see response to Question 95.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 117:

KINGSPORT POWER

In reference to KgPCo's FERC Form 1, P page 123.52, KGPCo had affiliated sales and purchases of meters and transformers. There were no gains or losses recorded on the transactions. KGPCo had sales of \$740k and \$1.745 million in 2020 and 2019, respectively. KGPCo had purchases of \$814k and \$4.834 million in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and KgPCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- a. Please see 'JI-117 Attachment_SEND'.
- b. Please see 'JI-117 Attachment_SEND'. The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 118:

KINGSPORT POWER

In reference to KgPCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 50, Column c, Account 353 – Station Equipment in the amount of \$ 888,922.
- b. Line 52, Column c, Account 355 – Poles and Fixtures the amount of \$ 1,426,783.
- c. Line 87, Column c, Account 390 – Structures and Improvements in the amount of \$3,934,909.
- d. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$1,160,385.

Response:

Please refer to attached file 'JI-118 Attachment_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 119:

KINGSPORT POWER

In reference to KgPCo's FERC Form 1, Page 269, Line 15 – NERC Penalties, please provide a detailed description of this item and the FERC account(s) where any NERC penalties were recorded.

Response:

Please see JI Set 1-119 Attachment 1 for the NERC penalty details. The accruals were recorded to 4263003, which is not included in the formula.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 120:

KINGSPORT POWER

Please identify all KgPCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. Line 2.07 – ACCRUED BK PENSION EXPENSE
- b. Line 2.09 – ACCRD COMPANYWIDE INCENTV PLAN
- c. Line 2.10 – ACCRUED BOOK VACATION PAY
- d. Line 2.21 – ACCRD SFAS 106 PST RETIRE EXP
- e. Line 2.22 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- f. Line 2.23 – ACCRD OPEB COSTS - SFAS 158

Response:

Please see response to Question 95.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 121:

KINGSPORT POWER

In reference to KgPCo's "WS B-3" tab, Lines 1e and 1f, 4b. through 4.g and 6, the beginning balances for Protected and Unprotected Excess ADIT in Utility Deferrals do not tie to last year's ending balance. It appears that an item(s) have been moved from protected to unprotected. Please provide a detailed description of the items and associated amounts moved from protected to unprotected.

Response:

The worksheet filed last year had data in the incorrect cells. The 2019 worksheet has been updated to tie to beginning balances in the 2020 true-up. Please review JI 1-121 Attachment 1.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 122:

OHIO POWER

In reference to OPCo's FERC Form 1, Page 123.70, OPCo states it "paid \$121 million and \$133 million for power purchased from OVEC for the years ended December 31, 2020 and 2019, respectively. The amounts shown above are recoverable from customers and are included in Operating Revenues and Operation Expenses on the statement of income." Please provide the FERC account(s) used to record these purchase power costs and indicate any amounts included in the transmission formula rate.

Response:

OPCo's purchased power costs from OVEC are in accounts 5550095 and 5550144. These two accounts are not included in the formula. See JI Set 1-80 Attachment 1

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 123:

OHIO POWER

In reference to OPCo's 2020 FERC Form 1, Page 123.70 states that "OPCo had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions." OPCo had sales of \$7 million and \$7 million in 2020 and 2019, respectively. OPCo had purchases of \$1.2 million and \$3 million in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and OPCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- a. Please see 'JI-123 Attachment_SEND'
- b. Please see 'JI-123 Attachment_SEND' . The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 124:

OHIO POWER

In reference to OPCo's 2020 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2020 Retirements in the amount of \$34,554,737? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-124 Attachment 1_SEND' for detail supporting the retirements.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 125:

OHIO POWER

In reference to OPCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$9,321,259.
- b. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$62,010,056.
- c. Line 55, Column c, Account 356 – Underground Conductors and Devices in the amount of \$4,235,682.
- d. Line 87, Column c, Account 390 – Structures and Improvements in the amount of \$29,158,731.
- e. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$71,056,163.

Response:

Please refer to attached file 'JI-125 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 126:

OHIO POWER

In reference to OPCo's 2020 FERC Form 1 Page 207, Line 53, Column d, Account 353 – Overhead Conductors and Devices, what is the nature of the 2020 Retirements in the amount of \$6,968,866? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-126 Attachment 1_SEND' for detail supporting the retirements.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 127:

OHIO POWER

In reference to OPCo's 2020 FERC Form 1, Page 426.5 -426.23, please provide (i) a detailed explanation, including a description of the asset(s), as to why the following assets are designated as Transmission given the voltage levels (shown below as Primary to Secondary Voltage) appear to be distribution and (ii) state where the assets are recorded by FERC account and associated amount:

- a. Page 426.5 – Line 19 – DENNISON – OH – 69.00
- b. Page 426.5 - Line 20 - DENNISON – OH – 69.00 – 36.20
- c. Page 426.5 - Line 21 - DENNISON – OH – 34.50 – 4.00
- d. Page 426.5 - Line 24 - DIAMOND STREET - OH– 69.00 – 23.00
- e. Page 426.5 - Line 38 - DIAMOND STREET - OH– 69.00
- f. Page 426.5 - Line 39 - DIAMOND STREET - OH– 69.00 – 13.09
- g. Page 426.5 - Line 40 - DIAMOND STREET - OH– 69.00 – 36.20
- h. Page 426.6 - Line 11 - EAST CAMBRIDGE - OH– 69.00 – 34.50
- i. Page 426.6 - Line 12 - EAST CAMBRIDGE - OH– 69.00
- j. Page 426.6 - Line 37 - EAST OTTAWA – OH – 69.00
- k. Page 426.6 - Line 38 - EAST OTTAWA – OH – 69.00
- l. Page 426.7 - Line 37 - FOREST (OP) - OH– 69.00 – 13.09
- m. Page 426.7 - Line 38 - FOREST (OP) - OH– 69.00
- n. Page 426.9 - Line 2 - GREER OH– 69.00 – 35.00
- o. Page 426.9 - Line 3 - GREER OH – 34.50 – 12.90
- p. Page 426.9 - Line 4 - GREER OH – 34.50 – 12.00
- q. Page 426.9 - Line 5 - GREER OH – 34.50 – 12.00
- r. Page 426.9 - Line 16 - HAMMONDSVILLE - OH – 69.00 – 4.36
- s. Page 426.9 - Line 17 - HAMMONDSVILLE - OH - 69.00
- t. Page 426.9 - Line 24 - HARPSTER OH – 69.00 – 35.00
- u. Page 426.10 - Line 33 - KAISER JUNCTION SW - OH– 69.00
- v. Page 426.10 - Line 34 - KALIDA – OH – 69.00 – 34.50
- w. Page 426.10 - Line 35 - KALIDA – OH – 69.00
- x. Page 426.10 - Line 36 - KALIDA – OH – 69.00
- y. Page 426.15 - Line 23 - OWENS CORNING SW - OH– 69.00
- z. Page 426.15 - Line 35 - PEKIN - OH– 69.00
- aa. Page 426.15 - Line 36 - PEKIN - OH– 69.00 – 13.09
- bb. Page 426.15 - Line 40 - PLEASANT STREET - OH – 69.00 – 34.50
- cc. Page 426.16 - Line 1 - PLEASANT STREET - OH – 69.00
- dd. Page 426.16 - Line 2 - PLEASANT STREET - OH – 69.00 – 13.09
- ee. Page 426.16 - Line 14 - RACINE HYDRO – OH – 69.00 – 13.09
- ff. Page 426.17 - Line 8 - ROSS – OH – 13.20

gg. Page 426.17 - Line 9 - ROSS – OH – 12.00
hh. Page 426.17 - Line 28 - SCHROYER AVENUE - OH– 69.00 – 13.09
ii. Page 426.17 - Line 29 - SCHROYER AVENUE - OH– 69.00 – 23.00
jj. Page 426.17 - Line 30 - SCHROYER AVENUE - OH– 69.00 – 4.00
kk. Page 426.18 - Line 21 – SOUTH CAMBRIDGE – OH – 69.00
ll. Page 426.18 - Line 21 – SOUTH CAMBRIDGE – OH – 69.00 – 34.50
mm. Page 426.18 - Line 21 – SOUTH CAMBRIDGE – OH – 69.00 – 34.50
nn. Page 426.19 – Line 32– STANLEY COURT – OH – 69.00
oo. Page 426.19 - Line 33 – STANLEY COURT – OH – 69.00 – 13.09
pp. Page 426.21- Line 33 – WAPAKONETA SW - OH– 69.00
qq. Page 426.23- Line 22 – WEST VAN WERT – OH – 69.00 – 35.00

Response:

OPCO functionalizes assets according to their use, and not their voltage level. See JI 1-127 Attachment 1 for the requested accounting information. The assets in the list recorded to transmission utility accounts are used for transmission purposes. Assets shown as recorded in Distribution plant accounts serve distribution purposes and are not included in the formula rate base.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 128:

OHIO POWER

In reference to OPCo's "TCOS" tab, Line 100 – Transmission depreciation and amortization expense in the amount of \$65,344,514. Please confirm whether this was an input error as the FERC Form 1 page 336, Line 7 – Transmission Plant, Column f states \$62,344,514. If yes, please confirm that AEP will be issuing refunds for this error.

Response:

The Company confirms there was an input error and will issue refunds for the error as a credit to the 2022 PTRR.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 129:

OHIO POWER

In reference to OPCo's "WS B-1 - Actual Stmt. AF" tab, Column H – Functionalization Average Transmission, Excel row 90 - DEFERRED INTERCOMPANY TAX G/L in the amount of \$(178,227), please provide the following:

- a. A detailed description of this ADIT item.
- b. The underlying expense/revenue accounts that gave rise to this ADIT.
- c. Provide the specific transaction(s) that created the deferred tax gain or loss and to justify why the ADIT on the deferred tax gain or loss is appropriate for rate recovery.
- d. The justification for including these amounts in the "transmission" column.

Response:

- a. Gain on sale of intercompany assets recognized over depreciable lives of Assets.
- b. The underlying account is 107.
- c. In 2014, Assets were transferred from Ohio Power - Transmission to AEP West Virginia Transmission Company creating a deferred taxable gain on the AFUDC portion with a 15 year MACRS life.
- d. The amounts are included in the "transmission" column because they are recorded to the Company's transmission functional books. As implemented in the Company's original formula rate filing and continued with the settlement filed in in ER17-405, the Companies use their functional books to allocate ADIT to the formula rate.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 130:

OHIO POWER

Refer to the tab entitled “WS B-3,” Excel Cell O48, 410/411 Deferred Tax Expense/ (Benefit) Total For Accounting Entries (Sum of Lines 4a through 5b), please explain why the formula shown is not consistent with all other AEP East formulas, which is the following negated formula: “= -SUM(O34:O46)”.

Response:

The formula should be consistent and will be fixed going forward. This change has no impact on rate.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 131:

OHIO POWER

In reference to OPCo's "APCo - WS P Dep. Rates" and "WPC-WS P Dep. Rates" tabs, these depreciation rates appear to have changed. Please provide the FERC Docket No(s). where these rates were approved.

Response:

APCo's Dep. Rates were approved under FERC Docket ER21-735. The rates were made effective January 1, 2020. The WPCo rates have not changed and match what was filed in the 2019 true-up. .

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 132:

OHIO POWER

Please identify all OPCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

- a. Line 2.15 – PROV WORKER’S COMP
- b. Line 2.33 – ACCRD COMPANYWIDE INCENTV PLAN
- c. Line 2.35 – ACCRUED BOOK VACATION PAY
- d. Line 2.80 – ACCRD SFAS 106 PST RETIRE EXP
- e. Line 2.81 – ACCRD OPEB COSTS - SFAS 158
- f. Line 2.82 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

Please see response to Question 95.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 133:

OHIO POWER

Please provide a detailed listing (Excel format) of all items booked to Facility Credits under PJM OATT Section 30.9, shown on the “WS E Rev Credits” tab, Line 9, in the amount of \$5,499,946. In addition, please confirm that OPCo has not added any new customers in 2020 since FERC Docket No. ER18-254. If yes, please provide the associated docket nos.

Response:

See JI 1-133 Attachment 1 for data provided by Buckeye power. No new customers have been added.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 134:

OHIO POWER

In reference to OPCo's FERC Form 1, Page 123.29, OPCo discusses the Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation. Please provide the accounting journal entries in 2020 to record any costs associated with the Superfund and State Remediation, including contingent liabilities, expenses, or revenues.

Response:

There is nothing to report for 2020 related to costs associated with the Superfund and State Remediation, including contingent liabilities, expenses, or revenues.

Date: 11/14/2023

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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 135:

OHIO POWER

Please provide a description of any costs incurred in 2020 related to its previous production business and provide the accounting for such activities and costs.

Response:

OPCO incurs costs related to the OVEC purchased power arrangement and certain renewable energy purchase arrangements (REPAs) that did not transfer upon corporate separation of OPCO's generation and wires business. The revenues collected from customers are recorded in various 44x accounts and the expenses are recorded in 555 for OVEC and 555/557 for the REPAs. None of these expenses are included in the formula.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 136:

OHIO POWER

Please provide OPCo's accounting for depreciation expense related to asset retirement obligations and explain why no costs are reported in FERC Account 403.1 for 2020.

Response:

Please see 'JI-136 Attachment 1_SEND' for depreciation expense related to asset retirement obligations. When asset retirement obligations were established for asbestos abatement, the company determined that asbestos removal was generally included in depreciation rates, as removal cost. Since it was already provided for in rates, the company recorded a debit to account 108 for the cumulative effect at adoption and for ongoing monthly ARO depreciation - continuing until new rates are implemented which exclude asbestos removal costs from depreciation and include them as ARO in cost of service.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 137:

WHEELING POWER

In reference to WPCo's FERC Form 1, Page 123.62 states that "WPCo had affiliated sales and purchases of meters and transformers. There were no gains or losses recorded on the transactions." WPCo had sales of \$1.338 million and \$1.8 million in 2020 and 2019, respectively. WPCo had purchases of \$1.211 million and \$266k in 2020 and 2019, respectively. Please provide the following:

- a. Identify each affiliate sale and purchase separately for 2019 and 2020.
- b. The full accounting journal entries to record the sale and purchases of the aforementioned propert(ies) identified in subpart a. above on each of the affiliate's and WPCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- a. Please see 'JI-137 Attachment_SEND'.
- b. Please see 'JI-137 Attachment_SEND'. The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 138:

WHEELING POWER

In reference to WPCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$555,281.
- b. Line 50, Column c, Account 353 – Station Equipment in the amount of \$2,946,300.
- c. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$4,463,467.
- d. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$1,496,038.
- e. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$3,845,622.

Response:

Please refer to attached file 'JI-138 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 139:

WHEELING POWER

In reference to WPCo's FERC Form 1, Page 230a - Extraordinary Property Losses – Account 182.1, Line 1 - Wheeling Office Building, please state the FERC account and associated amount where Wheeling recorded the write-off in 2020.

Response:

In reference to WPCo's Extraordinary Property Losses - Account 182.1, there was not a write-off in 2020. The Wheeling Office Building loss is being amortized monthly to 4117000 through March 2021. Total amortization for 2020 was \$15,086.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 140:

WHEELING POWER

In reference to WPCo's FERC Form 1, Page 232, Line 27 – GreenHat Default Contingency, please provide:

- a. A detailed description of this line item.
- b. Identify the nature of this regulatory asset.
- c. Identify the FERC Docket No. where AEP received authorization for recovery of this regulatory asset.

Response:

- A. To account for probable loss contingency as a result of the Greenhat default
- B. See A
- C. N/A. The Company is not recovering this regulatory asset through the formula. This amortization is removed.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 141:

WHEELING POWER

In reference to WPCo's FERC Form 1, Page 269, please provide a detailed description of each of the following items:

- a. Line 3 - Advance Rental Billings – TV Pole Attachments – Specify the location (*i.e.* transmission or distribution) of these pole attachments.
- b. Line 6 - Deferred Gain Re: Fiber Optic Leases Amortize through Aug 2025 – In addition, please explain whether assets or the rights to utilize assets were a part of this agreement. Identify the location (*e.g.* FERC plant account) of the fiber optic that is being sold or leased.

Response:

In reference to the identified line items on WPCo's FERC Form 1, page 269:

- a. Advanced rental billings are for attachments on operating company poles by non-affiliated companies. The billing are recorded in account 253 and amortized to rental income, account 454, over a 12 month period. The attachments are primarily on distribution facilities. (\$148,724 - Dist, \$159 – Trans)
- b. The deferred gains that are recorded in 253 on APCo, I&M, KPCo and WPCo are for the value of the in-kind-services related to fiber optic lines constructed by the companies in the late 1990's and early 2000's. These deferred gains are recorded in 253 and being amortized to 411, 419 and 921 over various lengths of time. They will be completely amortized in 2026. These assets are not recorded in plant accounts on the companies' books.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 142:

WHEELING POWER

Refer to the tab entitled “WS B-3,” Excel Cell I48, Excess ADIT Regulatory Offset Total For Accounting Entries (Sum of Lines 4a through 5b), please explain why the formula was removed.

Response:

The formula was removed in error. The balance is zero and has no impact on rate. The formula will be fixed going forward.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 143:

WHEELING POWER

Refer to the tab entitled “WS B-3,” Excel Cell J48, Excess ADIT in Utility Deferrals Total For Accounting Entries (Sum of Lines 4a through 5b), please explain why the formula was removed.

Response:

The formula was removed in error. The balance in the cell was hardcoded but matched the sum. The formula will be fixed going forward. This error had no impact on rate.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
FERC Docket No ER17-405-000 and ER17-406-000 2020 ATRR**

**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 144:

WHEELING POWER

Please refer to the "TCOS" tab, Line 139, Regional Market Expenses, please state whether AEP agrees Excel Cell H236 should reflect a formula rather than an input.

Response:

The Company agrees this cell should reflect a formula. It will be fixed going forward. This change has no impact on rate.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 145:

WHEELING POWER

In reference to WPCo's, "WS A – Rate Base Support" tab, Lines 29 through 41, Column OATT Ancillary Services (GSU) Plant In Service, please provide supporting documentation (Excel format) with a detailed tabulation of each plant item exhibiting the following columns: (i) end of year 2019 balance in the amount of \$11,587,238, (ii) activity during 2020 (including additions and retirements separately) and (iii) the ending balance in 2020 in the amount of \$11,596,440.

Response:

Please see 'JI-145 Attachment_SEND'.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 146:

WHEELING POWER

In reference to WPCo's "WS E Rev Credits" tab, Line 3 – Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records – Note 1) in the amount of \$269,066. Please provide an explanation for the 36% decrease in transmission revenues, which appears to represent the majority of the overall decrease.

Response:

The 36% decrease was driven mainly by \$160k royalty payment recorded in 454 in 2019. This payment was for oil and gas royalties from a transmission substation property.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 147:

WHEELING POWER

In reference to WPCo's "WS E Rev Credits" tab, Line 4 – Account 4560015, Associated Business Development - (Company Records - Notes 1, 2) in the amount of \$0. Please confirm that there were no transmission revenues associated with business development as in the prior year.

Response:

The Company has confirmed the amount in question has a zero balance for 2020.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 148:

WHEELING POWER

Please identify all WPCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with the following ADIT items included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020

- a. Line 2.16 – ACCRD COMPANYWIDE INCENTV PLAN
- b. Line 2.17 – ACCRUED BOOK VACATION PAY
- c. Line 2.32 – ACCRD SFAS 106 PST RETIRE EXP
- d. Line 2.33 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- e. Line 2.35 – ACCRD OPEB COSTS - SFAS 158

Response:

Please see response to Question 95.

Date: 11/14/2023

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Data Request 149:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's 2020 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2020 Retirements in the amount of \$1,454,674? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to file 'JI-149 Attachment 1_SEND' for detail supporting the retirements.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 150:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$7,339,084.
- b. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$25,580,577.
- c. Line 50, Column c, Account 353 – Station Equipment in the amount of \$141,555,623.
- d. Line 51, Column c, Account 354 – Towers and Fixtures in the amount of \$3,883,893.
- e. Line 54, Column c, Account 357 – Underground Conduit in the amount of \$9,728,363.
- f. Line 55, column c, Account 358 – Underground Conductors and Devices in the amount of \$1,678,605.
- g. Line 87, Column c, Account 390 – Structures and Improvements in the amount of \$30,557,025.
- h. Line 94, Column c, Account 397 – Communication Equipment in the amount of \$1,017,851.

Response:

Please refer to attached file 'JI-150 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 151:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's 2020 FERC Form 1 Page 207, Line 50, Column d, Account 353 – Station Equipment, what is the nature of the 2020 Retirements in the amount of \$4,595,223? Please provide a detailed listing of the 2020 Retirements for this account.

Response:

Please refer to attached file 'JI-151 Attachment 1_SEND' for detail supporting the retirements.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 152:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's 2020 FERC Form 1, Page 216, Line 3 - Elkhart Hydro Transco, please provide a detailed description of this item and the FERC account(s) and associated amounts where this asset is recorded.

Response:

The work at Elkhart Hydro station is part of a larger Elkhart Network Improvements project to improve the reliability of the Elkhart, IN transmission system. The Transco work at Elkhart Hydro specifically will rebuild the high side of the Elkhart Hydro station to 69kV standards replacing current equipment based on the condition and performance of the aging assets. Note that Page 216 of the FERC Form 1 identifies CWIP, which has not been included in the 2020 annual update.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 153:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's 2020 FERC Form 1, Page 422.1, please provide (i) detailed descriptions of each project, (ii) state whether interconnection has been excluded, and (iii) amounts associated with each project by FERC account.

- a. Line 18 - 0124 College Corner-Duke Energy Interconnect
- b. Line 19 0124 College Corner-Duke Energy Interconnect

Response:

- a. & b. i. Interconnection costs are paid for by the developer and thus not excluded by the Company. The referenced lines are two taps that have since been built by IMTCo. ii. Please see JI 1-153 Attachment 1.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 154:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's FERC Form 1, Page 426 please provide (i) a detailed explanation as to why distribution assets are recorded on I&M TransCo's books, (ii) the FERC account(s) and associated amounts where these items are recorded, (iii) the justification for including these assets in transmission given the distribution designation.

- a. Line 27 - NEW BUFFALO – MI - 69.00
- b. Line 30 - PIGEON RIVER – MI – 69.00
- c. Line 37 - ROYERTON – IN – 138.00 – 70.50

Response:

No distribution assets are recorded to IMTCO's books. The identified substations include assets owned by both IMTCO and I&M. All assets recorded to IMTCO's business unit serve transmission purposes and are functionalized to transmission. JI 1-154 Attachment 1 provides the requested accounting detail. As shown in the detail in JI 1-154 Attachment 1, the requested substations also include assets that are recorded on I&M and functionalized as either distribution or transmission. None of the I&M-owned assets provided in the list impact the revenue requirement of IMTCO.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 155:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

Refer to the tab entitled "TCOS," Excel Cell L205, Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42. (d)) (Note P), please explain why the formula was removed and also provide supporting documentation of the amount shown of \$30,680,104, yet the referenced amount on Worksheet A, line 42. Col. (d)) states \$30,690,780.

Response:

Upon further review, the Company notes that Worksheet A omitted certain projects from the excluded plant amount. JI 1-155 Attachment 1 reconciles this difference between \$30,680,104 and \$30,690,780.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 156:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo's "WS A - Rate Base Support" tab, Lines 29 through 41, Column "Excluded Plant - Plant In Service," please provide supporting documentation (Excel format) with a detailed tabulation of each plant item exhibiting the following columns: (i) end of year 2019 balance in the amount of \$31,594,762, (ii) activity during 2020 (including additions and retirements separately) and (iii) the end of year 2020 balance in the amount of \$32,482,639.

Response:

Please review JI 1-156 Attachment 1.

Date: 11/14/2023

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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 157:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

In reference to IM TransCo, please state whether the following interconnections were excluded in the formula rate template and identify the FERC account(s) and associated amounts where the assets are recorded.

- a. Bitter Ridge Wind Farm, LLC (Bitter Ridge),
- b. Broadlands Wind Farm, L.L.C.

Response:

a. & b. i & ii. N/A. The Company does not own interconnection facilities associated with the reference facilities.

Date: 11/14/2023

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Data Request 158:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of IM TransCo’s Line 9.03 EXCESS ADFIT - UNPROTECTED amount for Columns K and N in the amounts of \$(10,410,609) and \$(9,365,121) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 159:

AEP INDIANA MICHIGAN TRANSMISSION COMPANY

Please identify all IM TransCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with Line 2.05 – ACCRD COMPANYWIDE INCENTV PLAN included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2018, and December 31, 2020.

Response:

See response to Question 95.

Date: 11/14/2023

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Data Request 160:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's 2020 FERC Form 1, Page 109.1, OH Transco states, "The notification for the acquisition by AEP Ohio Transmission Company of certain transmission assets from Hog Creek Wind Project, LLC was submitted to FERC on March 5, 2020. The Commission authorized the transaction in Docket No. EC20-1-000." In the March 5, 2020 filing, AEP described the transaction as an acquisition of a substation and associated land with a combined value of \$3.3 million for a purchase price of \$10. Please provide the full accounting journal entries to record the acquisition of the abovementioned property on Ohio Transco's books, including all accounting entries for associated amounts of deferred income taxes and appears to be a negative acquisition adjustment. In addition, please provide a detailed discussion how the accounting entries recorded result in the net book value of both the substation and land totaling \$10.

Response:

There were no day one entries for deferred taxes associated with this transaction. As of the acquisition, the tax basis was equal to the book basis and did not require any separate entries.

Date: 11/14/2023

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Data Request 161:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's 2020 FERC Form 1, Page 120, Note Page 450.1, Line 53, Column b., it appears that OH TransCo received an "Insurance Receivable" in the amount of \$244,073. Please (i) identify the FERC account(s) the receivable was recorded to and (ii) state what the receivable represents.

Response:

The insurance receivable related to a claim on a capital project (Bixby station 345kv install) and was recorded as a credit of \$(244,073) to FERC Account 107 CWIP.

Date: 11/14/2023

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Data Request 162:

AEP OHIO TRANSMISSION COMPANY

In reference to Ohio TransCo's 2020 FERC Form 1, Page 123.28 states that "OHTCo purchased \$3.6 million and \$5.7 million of transmission property at book value from OPCo during the years ended December 31, 2020 and 2019, respectively. There were no gains or losses recorded on these transactions." Please provide the full accounting journal entries to record the acquisition of the abovementioned propert(ies), to the extent multiple properties were transferred provide the entries for each transaction, on Ohio Transco's and Ohio Power's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

- A. Please see 'JI-162 Attachment_SEND'.
- b. Please see 'JI-162 Attachment_SEND'. The company's fixed asset system does not track the deferred taxes at the individual asset level.

Date: 11/14/2023

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Data Request 163:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$26,209,931.
- b. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$32,927,909.
- c. Line 50, Column c, Account 353 – Station Equipment in the amount of \$145,264,767.
- d. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$361,957,889.
- e. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$104,852,636.

Response:

Please refer to attached file 'JI-163 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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Data Request 164:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's 2020 FERC Form 1, page 207, Line 86, Column f, Account 389 – Land and Land Rights in the amount of \$5,577,760, please provide the following:

- a. A description of the nature of the 2020 Transfers.
- b. A detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Transfers for this account.
- c. Identify the FERC Account(s) and associated amounts where these amounts were transferred from.

Response:

See JI-164 Attachment 1_SEND.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 165:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's 2020 FERC Form 1, Page 426, please provide (i) a detailed explanation as to why distribution assets are recorded on OH TransCo's books, (ii) the FERC account(s) and associated amounts where these items are recorded, (iii) the justification for including these assets in transmission given the distribution designation.

- a. Page 426 - Line 19 - CARROLLTON - OH
- b. Page 426 - Line 21 - CLOUSE - OH
- c. Page 426 - Line 22 - CLOUSE - OH
- d. Page 426 - Line 24 - CONTINENTAL - OH
- e. Page 426 - Line 27 - DILLES BOTTOM - OH
- f. Page 426 - Line 31 - EAST WILLARD - OH
- g. Page 426.1 - Line 5 - HIGHLAND (CS) - OH
- h. Page 426.1 - Line 9 - KILLBUCK - OH
- i. Page 426.1 - Line 30 - SAINT CLAIR AVENUE (CS) - OH
- j. Page 426.1 - Line 33 - SOUTH FULTONHAM - OH

Response:

No distribution assets are recorded to OHTCO's books. The identified substations include assets owned by both OHTCO and OPCO. All assets recorded to OHTCO's business unit serve transmission purposes and are functionalized to transmission. JI 1-165 Attachment 1 provides the requested accounting detail. As shown in the detail in JI 1-165 Attachment 1, the requested substations also include assets that are recorded on OPCO and functionalized as either distribution or transmission. None of the OPCO-owned assets provided in the list impact the revenue requirement of OHTCO.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 166:

AEP OHIO TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of OH TransCo’s Line 9.06 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$(3,389,127)) and \$(3,006,927)) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 167:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo, “WS C – Working Capital” tab, Lines 13 and 30 – Other Prepayments, the explanation states “Prepaid transmission projects.” Please provide the following:

- a. A detailed description of the projects.
- b. An explanation as to what this prepayment is for (*e.g.* materials).
- c. The third-party who the prepayment is being made to.
- d. The FERC account(s) where the expense is ultimately recorded.

Response:

In regards to the identified item on WS C:

a-c. The \$1.6M was paid to EPRI (Electric Power Research Group) for demonstration of a transmission line robot and RD sensors.

d. The \$1.6M was reversed off of OH TransCo in 2021 (acct 165) and reallocated to all AEP affiliated transmission companies. A portion (\$58,148) was billed back to OH Transco and recoded in account 566.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
Set JI Set 1 of Data Requests**

Data Request 168:

AEP OHIO TRANSMISSION COMPANY

In reference to OH TransCo's "WS C – Working Capital" tab, Lines 15 and 32 – Prepaid Use Tax, please provide the following:

- a. A detailed description of this ADIT item.
- b. The time period these taxes are being prepaid for.
- c. The third-party the tax is being paid to.
- d. Identify the item purchases that this use tax relates.
- e. Provide the FERC account(s) where the expense from this prepayment is ultimately recorded.

Response:

Account 1650.012xx is for prepaid state and local use taxes. Accounts 1650.01219 and 1650.01220 are lien year accounts. Account 1650.1219 represents prepayments made for the 2019 calendar year and 1650.01220 represents prepayments made for the 2020 calendar year. Therefore, the responses below are applicable to both the 1650.01219 and 1650.01220 accounts.

a. A detailed description of this ADIT item

Please note that the following description is of the prepaid use tax and is not included in Accumulated Deferred Income Tax. The State of Ohio requires all tax payers who remit \$75,000 or more use tax per calendar year to make monthly prepayments. The criteria to determine the amount of prepayment is either actual tax due for the first 15 days of a calendar business month or 75% of actual tax paid from prior year same business month. AEP OH Transmission utilizes the 75% of actual tax paid from prior year same business month option. The current month prepayment is made at the same time the prior business month tax return is filed. The current month prepayment reduces the current month actual tax liability when that current month tax return is filed. Example, September business month tax return is due October 23. On the September business month tax return, the October prepayment will be paid. When the October tax return is filed on November 23, the October prepayment will reduce the actual tax due and the November prepayment will also be made.

b. The time period these taxes are being prepaid for

Based on the lien year of each of the accounts in this inquiry, the prepayments were made for the 2019 and 2020 calendar years.

c. The third-party the tax is being paid to

Taxes are remitted to the Treasurer, State of Ohio.

d. Identify the item purchases that this use tax relates

Prepayments do not directly relate to specific item(s) purchased. AEP OH Transmission utilizes the 75% of actual tax paid from prior year same business month option to determine each prepayment made. When the actual tax is paid, it is for Ohio use taxes due on purchase of taxable capital and expense materials and services.

e. Provide the FERC account(s) where the expense from this prepayment is ultimately recorded

Each month's prepayment is debited to the 1650.012XX account when made and then the 1650.012xx account is credited when that month's return is filed. The tax accrual for each taxable purchase is credited to the 2360007XX liability account and debited to the expense or capital account charged for that specific taxable purchase. GL posting of tax is done when the invoice is vouchered and set up for payment during the Accounts Payable nightly batch processing.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 169:

AEP OHIO TRANSMISSION COMPANY

Please identify all OH TransCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

Response:

See response to Question 95.

Date: 11/14/2023

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**Responses to Joint Customers
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Data Request 170:

AEP OHIO TRANSMISSION COMPANY

Please state the FERC Docket Number reference in which the Facility Credits under PJM OATT Section 30.9, shown on the “WS E Rev Credits” tab, Line 9, in the amount of \$1,334,508 was approved by the Commission. In addition, please confirm that OH TransCo has not added any new customers in 2020 since FERC Docket No. ER18-2110. If yes, please provide the associated docket nos.

Response:

The FERC Docket Number is ER18-2110. The Company confirms no new customers have been added.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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**Responses to Joint Customers
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Data Request 171:

AEP WEST VIRGINIA TRANSMISSION COMPANY

In reference to WV TransCo's 2020 FERC Form 1, Page 123.27 states that "WVTCO purchased \$1.3 million and \$1.7 million of transmission property at book value from WPCo during the years ended December 31, 2020 and 2019, respectively, and WVTCO purchased \$18 thousand of transmission property at book value from OPCo during the year ended December 31, 2020. WVTCO also purchased \$410 thousand of transmission property at book value from APCo during the year ended December 31, 2019. There were no gains or losses recorded on these transactions." Please provide the full accounting journal entries to record the acquisition of the abovementioned propert(ies), to the extent multiple properties were transferred provide the entries for each transaction, on WV TransCo, WPCo, APCo, and OPCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020.

Response:

Please see 'JI-171 Attachment_SEND'.

Date: 11/14/2023

**Discovery for 2020 ATRR True-up of Transmission Formula Rates in PJM
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Data Request 172:

AEP WEST VIRGINIA TRANSMISSION COMPANY

In reference to WV TransCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 48, Column c, Account 350 – Land and Land Rights in the amount of \$6,332,448.
- b. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$6,030,930.
- c. Line 50, Column c, Account 353 – Station Equipment in the amount of \$28,812,714.
- d. Line 51, Column c, Account 354 – Towers and Fixtures in the amount of \$5,614,087.
- e. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$113,047,926.
- f. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$36,008,349.

Response:

Please refer to attached file 'JI-172 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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Data Request 173:

AEP WEST VIRGINIA TRANSMISSION COMPANY

In reference to WV TransCo's 2020 FERC Form 1, Page 426, (i) a detailed explanation as to why distribution assets are recorded on WV TransCo's books, (ii) the FERC account(s) and associated amounts where these items are recorded, (iii) the justification for including these assets in transmission given the distribution designation.

- a. Line 14 - SOUTH PRINCETON - WV
- b. Line 17 - WASHINGTON STREET (AP) - WV

Response:

No distribution assets are recorded to WVTCO's books. The identified substations include assets owned by both WVTCO and APCo. All assets recorded to WVTCO's business unit serve transmission purposes and are functionalized to transmission. JI 1-173 Attachment 1 provides the requested accounting detail. As shown in the detail in JI 1-173 Attachment 1, the requested substations also include assets that are recorded on APCo and functionalized as either distribution or transmission. None of the APCo-owned assets provided in the list impact the revenue requirement of WVTCO.

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Data Request 174:

AEP WEST VIRGINIA TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of WV TransCo’s Line 9.04 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$(5,773,365) and \$(5,159,998) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

Date: 11/14/2023

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Data Request 175:

AEP WEST VIRGINIA TRANSMISSION COMPANY

Please identify all WV TransCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with Line 2.05 – ACCRD COMPANYWIDE INCENTV PLAN included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020

Response:

See response to Question 95.

Date: 11/14/2023

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Data Request 176:

AEP KENTUCKY TRANSMISSION COMPANY

In reference to KY TransCo's 2020 FERC Form 1, Page 123.26, KY Transco states "KTCO purchased \$222 thousand of transmission property at book value from KPCo during the year ended December 31, 2019. There were no gains or losses recorded on this transaction." Please provide the full accounting journal entries to record the transfer of the abovementioned transmission asset(s), to the extent multiple assets were transferred provide the entries for each transaction, on KTCO and KPCo's books, including all accounting entries for associated amounts of deferred income taxes for 2019 and 2020. In addition, please provide a descriptive list of each retirement unit transferred.

Response:

Please see 'JI-176 Attachment_SEND'.

Date: 11/14/2023

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Data Request 177:

AEP KENTUCKY TRANSMISSION COMPANY

In reference to KY TransCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 50, Column c, Account 353 – Station Equipment in the amount of \$1,372,874.
- b. Line 53, Column c, Account 356 – Overhead Conductors and Devices in the amount of \$3,386,148.

Response:

Please refer to attached file 'JI-177 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

Date: 11/14/2023

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Data Request 178:

AEP KENTUCKY TRANSMISSION COMPANY

In reference to KY TransCo's 2020 FERC Form 1, Page 426, Line 5 – Breaks – KY, please provide (i) a detailed explanation as to why this distribution asset is recorded on KY TransCo's books, (ii) the FERC account(s) and associated amounts where these items are recorded, (iii) the justification for including these assets in transmission given the distribution designation.

Response:

No distribution assets are recorded to KYTSCO's books. The identified substations include assets owned by both KYTSCO and KPCo. All assets recorded to KYTSCO's business unit serve transmission purposes and are functionalized to transmission. JI 1-178 Attachment 1 provides the requested accounting detail. As shown in the detail in JI 1-178 Attachment 1, the requested substations also include assets that are recorded on KPCo and functionalized as either distribution or transmission. None of the KPCo-owned assets provided in the list impact the revenue requirement of IMTSCO.

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Data Request 179:

AEP KENTUCKY TRANSMISSION COMPANY

Refer to the tab entitled “TCOS,” Excel Cell L42, Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b), the formula should be “='WS F Misc Exp'!D28”.

Response:

The Company agrees the formula should use cell D28. This formula has been fixed going forward and has no impact on rate.

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Data Request 180:

AEP KENTUCKY TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of KY TransCo’s Line 9.03 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$(617,774) and \$(542,701) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

Date: 11/14/2023

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Data Request 181:

AEP KENTUCKY TRANSMISSION COMPANY

Please identify all KY TransCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with Line 2.04 – ACCRD COMPANYWIDE INCENTV PLAN included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

Response:

See response to Question 95.

Date: 11/14/2023

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Data Request 182:

AEP APPALACHIAN TRANSMISSION COMPANY

Please provide a detailed listing (Excel format), including software names, vendors, and detailed journal entry descriptions, of all items booked to Account 303 - Miscellaneous Intangible Plant in the amount of \$720,213 reported in AP TransCo's 2020 FERC Form 1, page 205, Line 4, Column (g).

Response:

Please refer to attached file 'JI-182 Attachment 1_SEND' for 2020 detail supporting the 303 activity.

Date: 11/14/2023

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Data Request 183:

AEP APPALACHIAN TRANSMISSION COMPANY

In reference to AP TransCo's 2020 FERC Form 1, page 206, please provide (i) the nature of the 2020 Additions and (ii) a detailed listing (Excel format), including detailed journal entry descriptions, of the 2020 Additions for each of the following accounts:

- a. Line 49, Column c, Account 352 – Structures and Improvements in the amount of \$2,170,177.
- b. Line 50, Column c, Account 353 – Station Equipment, what is the nature of the 2020 Additions in the amount of \$7,099,798.
- c. Line 52, Column c, Account 355 – Poles and Fixtures in the amount of \$791,954.
In addition, please provide a detailed explanation as to why AP TransCo has never recorded amounts previously in this account and why amounts are being recorded now.

Response:

Please refer to attached file 'JI-183 Attachment 1_SEND' for detail supporting the additions. Detailed journal entry descriptions making up the plant in service additions by utility account are unavailable in the Powerplan application.

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Data Request 184:

AEP APPALACHIAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description AP TransCo’s Line 5.05 ABFUDC amounts for Columns K and N in the amounts of \$314,300 and \$349,502 for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The ADFIT on Line 5.05 is associated with the Schedule M adjustment for the book income statement benefit for the allowance for borrowed funds used during construction in FERC account 432.
- b. The ADFIT is built up year-over-year based on the activity in FERC account 432 each year. For example, the difference between the amounts in Column K and N is the 2020 activity in FERC account 432 multiplied by the federal income tax rate.

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Data Request 185:

AEP APPALACHIAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of AP TransCo’s Line 5.12 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$8,689 and \$(44,492) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

Date: 11/14/2023

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Data Request 186:

AEP APPALACHIAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of AP TransCo’s Line 9.01 NOL STATE CARRYFORWARD amounts for Columns K and N in the amounts of \$13,989 and \$72,261 for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. NOL State Carryforward ADIT amount is the deferred income tax offset to the NOL for the state carryforward.
- b. N/A

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Data Request 187:

AEP APPALACHIAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of AP TransCo’s Line 9.02 NOL STATE CARRYFORWARD – VALUATION ALLOWANCE amounts for Columns K and N in the amounts of \$(11,155) and \$(11,155) for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The NOL STATE CARRYFORWARD – VALUATION ALLOWANCE recorded in Account 283 was based on assessment of all the positive and negative evidence associated with the NOL State Carryforward and, in the company's opinion, a valuation allowance should be recorded.
- b. N/A

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Data Request 188:

AEP APPALACHIAN TRANSMISSION COMPANY

Please refer to the “WS B-1 Actual Statement AF” tab, please provide:

- a. A detailed description of AP TransCo’s Line 9.03 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$33,758 and \$220,373 for 2019 and 2020 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The balances relate to the re-measurement of the ADFIT balances related to timing differences as of 12-31-2017, per the enactment of The Tax Cuts and Jobs Act. These timing differences are both non-plant related and non-method/life plant related timing differences.
- b. Please see JI-68 Attachment 1.

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Data Request 189:

AEP APPALACHIAN TRANSMISSION COMPANY

Please identify all AP TransCo unfunded or partially funded reserves (i.e., reserves accrued through expenses included in the formula but for which no escrow or restricted fund has been established, which are typically included in FERC Accounts 228.1, 228.2, 228.3, 228.4, 232, 242 and 253). This response should identify which amounts are associated with Line 2.04 – ACCRD COMPANYWIDE INCENTV PLAN included on WS B-2 Actual Statement AG. In addition, please provide (i) the FERC Account number where each such reserve has been recorded, (ii) the FERC Account number to which the reserve accrual(s) is (are) booked, and (iii) the balances as of December 31, 2019, and December 31, 2020.

Response:

See response to Question 95.

Date: 11/14/2023