



SUBJECT: AEP East Operating Companies' and East Transmission Companies' 2019 Formula Rate True 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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**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-1:

[General] Please provide copies of data requests submitted by any other interested parties related to the 2019 Updates and AEP's responses to any such data requests. Please provide this information on a continuing basis.

Response:

The Company will provide responses to data requests from other parties at the time those responses are provided.

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Data Request JI Set 1-2:

[In General] State whether AEP has identified any errors or items requiring correction in any of the 2020 Updates. If so, describe the error or correction and its effect on the relevant ATRR.

Response:

The Company has made filings to update the 2019 transmission formula rate true-up. Both of these filings impacted the formula for AEP Indiana Michigan Transmission Company (IMTCO):

1. On August 21, 2020, AEP filed to replace the excel version of the IMTCO formula rate to replace the one that had been included in the initial true-up filing made on May 26, 2020 because the initial file was found to be corrupt and could not be opened. This did not have any impact on the revenue requirement.
2. On September 4, 2020, the IMTCO formula rate was refiled to correct an error noted in the 13 month-end balances from WS - A used to determine the deduction of IMTCO assets recovered in the MISO RTO. Subsequent to the initial filing, it was determined that the values used for this deduction included gross plant amounts that were recoverable in PJM, thus overstating this deduction in the initial filing. The impact of this filing was an increase to IMTCO's ATRR of \$1,117,928.

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Data Request JI Set 1-3:

[In General] Please identify and quantify any full or partial write-offs that were booked to the transmission O&M accounts or A&G accounts of each of the OpCos and TransCos during 2019.

Response:

Please refer to JI Set1-3 Attachment 1 for the requested information.

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Data Request JI Set 1-4:

[In General] For each OpCo, please provide the amounts associated with safety-related and educational advertisements, FERC Assessment Fees and Annual charges, state retail rate proceedings and other similar charges by FERC Account(s).

Response:

Costs related to safety and educational advertisements are recorded in account 930.1, which is not allocated to the transmission function in the formula. FERC assessment fees are incurred as assessments in the PJM bill and recorded as Regional Market Expense Activity (accounts that are not recovered in these formulas), or as incurred by shareholders as a debit offset to revenues. Costs that are requested for recovery relate to transmission rate activity and are reported in FERC account 9280005, the details of which are provided in the Company's response to question 54.

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Data Request JI Set 1-5:

[In General] Please 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, 2019. If so, please identify the relevant entity or entities, the basis for the goodwill or other intangible value reflected, and the amounts reflected.

Response:

No goodwill was included in any of the December 31, 2019 capital structures provided in the OpCo or TransCo formula rates.

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Data Request JI Set 1-6:

[In General] Please identify all charitable donation expenditures incurred during 2019 and included in each OpCo and TransCo formula rate update effective July 1, 2020. 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 2019;
- 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 2019 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 2019 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2020, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.
- e. If there were no lobbying and other civic, political and related activities expenditures incurred during 2019 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2020, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Please see JI Set 1-6 Attachment 1, Pivot Tab for the listing of each OPCO's and Transco's invoice payments in 2019 for the items listed in question 6. JI Set 1-6 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 Corporation activity billed to the OpCo's and Transco's related to corporate contributions. Please note that the expenditures requested are recorded in account 426 and are not included in the formula.

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Data Request JI Set 1-7:

[In General] Please identify all expenditures for lobbying and other civic, political and related activities incurred during 2019 and included in each OpCo and TransCo formula rate update effective July 1, 2020. 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 2019;
- 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 2019 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 2019 that have been included in any of the OpCo and/or TransCo formula rate updates effective July 1, 2020, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

Response:

Please see JI Set 1-7 Attachment 1, Acct 4264 Pivot Tab for the listing of each OpCo's and Transco's expenditures in 2019 for the items listed in question 7. SCB Acct 4264 Pivot tab shows more detail of the Service Corporation 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. Please note that the expenditures requested are recorded in account 426 and are not included in the formula.

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Data Request JI Set 1-8:

[In General] Please provide a detailed spreadsheet of payments by or on behalf of each OpCo and TransCo to industry trade associations or other membership organizations, e.g., Edison Electric Institute and American Gas Association, in 2019 and separately identify the portion of billings associated with charitable donations and lobbying. Also, provide the amount and FERC expense account charged to record billings for the membership organization dues and associated charitable donations and lobbying.

Response:

Please see JI Set 1-8 Attachment 1 Pivot Tab for the listing of each OpCo's and Transco's expenditures in 2019 for the items listed in question 8. Charitable CC 955 shows payments for charitable donations activity billed to OpCos and Transcos. Lobbying ABM 289 shows payments for lobbying activity billed to OpCos and Transcos. Please note that the expenditures requested are recorded in account 426 and are not included in the formula.

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Data Request JI Set 1-9:

[In General] Please state whether any allowances for Asset Retirement Obligations (“AROs”) are included in the 2019 ATRRs of any OpCo or TransCo. If so, please identify:

- a. The relevant entity or entities;
- b. The basis for including the ARO(s) in question;
- c. The schedules and lines in which the ARO(s) are included; and
- d. The ARO amounts included in each.

Response:

The Company does not include ARO balances in the determination of rate base.

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Data Request JI Set 1-10:

[In 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 2019 and 2020 to-date.

Response:

AEP did not contribute to the Pension plan in 2019 and contributed \$111,538,000 to the Pension plan in 2020. The amounts allocated the operating company transmission segments are in the table below. The transmission companies do not have direct employees and would not have been allocated a share of the contribution. This contribution was made to the AEP Pension plan and would have been invested into funds following the investment policy of the plan.

Company Number	Company Name	2020 Pension Contribution
150	Appalachian Power Co - Transmission	855,000
120	Indiana Michigan Power Co - Transmission	1,154,000
180	Kentucky Power Co - Transmission	178,000
160	Ohio Power Co - Transmission	90,000
260	Kingsport Power Co - Transmission	64,000
200	Wheeling Power Co - Transmission	0

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Data Request JI Set 1-11:

[In General] State whether AEP incurred or paid any monetary penalties for violations of NERC Reliability Standards during 2019. 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 2019.

Response:

The Company did not pay any penalties for violations of NERC Reliability Standards in 2019.

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Data Request JI Set 1-12:

[In General] In reference to the Prepaid Pension Benefit included in the 12/31/2019 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:

- a. The table below shows the balances at 12/31/2019.

2019 Activity in 1650010 Account

	OPENING	EXPENSE	CLOSING
APCO	157,955,904	(4,348,392)	153,607,512
I&M	93,272,832	(6,450,738)	86,822,094
KGPCO	4,462,995	(181,398)	4,281,597
KPCO	46,741,314	(1,241,208)	45,500,106
OPCO	193,033,174	(2,944,232)	190,088,942
WPCO	6,992,674	(42,645)	6,950,029

- b. The company did not make a pension contribution in 2019. See response to question 10 for a breakdown of the 2020 Pension contribution.
- c. The balance in the 1650010 Prepaid Pension account is the cumulative balance of company contributions and actuarially determined plan expense.
- d. & e. The Pension contributions and assets are held in a trust at Bank of New York Mellon. See response to question 10 for a breakdown of the 2020 Pension contribution.

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Data Request JI Set 1-13:

[In General] State whether, in the 2018-2019 timeframe, AEP implemented any changes in its accounting guidelines or procedures for any OpCo that affected the manner in which costs or revenues reflected in that OpCo'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 OpCos that affected the manner of recordation of costs or revenues.

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Data Request JI Set 1-14:

[In General] State whether, in the 2018-2019 timeframe, AEP implemented any changes in its accounting guidelines or procedures for any TransCo that affected the manner in which costs or revenues reflected in that 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 TransCos that affected the manner of recordation of costs or revenues.

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Data Request JI Set 1-15:

[In General] Please provide a copy of the most recent audit report of each OpCo 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 2020 Updates.

Response:

AEP has engaged Price Waterhouse Coopers to audit the OpCos' 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. See JI Set 1-15 Attachment 1 for the final audit report of Ohio Power, the response to question 16, and JI Set 1-16 Attachment 1 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. See JI Set 1-15 Attachment 2 for the PUCO's review and recommendations.
- c. In 2019 there were internal audits covering AEPSC and PJM 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 2019.

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Data Request JI Set 1-16:

[In General] Please provide a copy of the most recent audit report of each 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 2020 Updates.

Response:

- a. FERC has not conducted any audits on the TransCos. FERC did conduct an audit of AEPSC. Please refer to JI Set 1-16 Attachment 1 for copy of that audit report.
- b. No such audits were conducted on the TransCos.
- c. In 2019 there were internal audits covering AEPSC and PJM settlements and accounting processes. These audit reports are confidential and will be made available for inspection under a confidentiality agreement.
- d. AEP has engaged Price Waterhouse Coopers, LLC to audit the consolidated Transco's 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.

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Data Request JI Set 1-17:

[In General] Please provide information identifying, by account, any costs reflected in the 2019 ATRR calculation for any OpCo that were incurred, or the basis for which occurred, before January 1, 2019. Explain the reasons for including such prior-period costs in the 2019 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:

There were no material costs incurred prior to January 1, 2019 that were included in the OpCo's 2019 ATRR calculations. Please also see response to question 41.

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Data Request JI Set 1-18:

[In General] Please provide information identifying, by account, any costs reflected in the 2019 ATRR calculation for any TransCo that were incurred, or the basis for which occurred, before January 1, 2019. Explain the reasons for including such prior-period costs in the 2019 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:

There were no material costs incurred prior to January 1, 2019 that were included in the TranCo's 2019 ATRR calculations.

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Data Request JI Set 1-19:

[In General] For any OpCo substation that serves a dual function (i.e., transmission and distribution), please provide a list of these substations including (i) voltage level, (ii) when substations were placed into service (iii) FERC account(s) where these assets are recorded and (iv) a detailed description of how the costs of these dual-use substations were allocated to the transmission and distribution functions. This detailed description should include an explanation, together with supporting documentation, of the process employed by AEP to determine how the function of individual assets at the dual-use substations are determined to be “Transmission” or “Distribution.”

Response:

AEP Ohio is the only East Operating Company that has assets within a substation that are split between transmission or distribution. The other Operating Companies follow the primary use of the substation for determining whether transmission or distribution own the substation assets. The primary use can be located for each substation over 69kV on the FERC Form 1 for each Operating Company. Please see JI Set 1-19 Attachment 1 for a list of "dual function" substations in AEP Ohio with their corresponding voltage (i). The date the stations were placed in service (ii) is not readily maintained, however, the vintage year of the substation is also listed in JI Set 1-19 Attachment 1.

(iii) Station equipment identified as distribution plant are recorded to FERC Account 362 and Station equipment identified as transmission plant are recorded to FERC account 353.

(iv) Costs associated with each facility are recorded to transmission or distribution based on the function of that facility. For general O&M associated with the facilities, costs are allocated to transmission and distribution based on each business unit’s share of the station.

The requested one-line diagrams are critical energy infrastructure information (CEII) and will be made available for review at AEP’s headquarters, subject CEII confidentiality requirements. Alternatively, AEP will provide Joint Customers with the requested one-line diagrams upon the approval of an FOIA Request at FERC. An electronic FOIA request form may be found at the following link:

<https://www.ferc.gov/legal/ceii-foia/foia/foia-new-form/FOIARequest.aspx>

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Data Request JI Set 1-20:

[In 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. AEP 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 1-20 Attachment 1 for the requested information.

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Data Request JI Set 1-21:

[In General] For OpCo and TransCo lay down yards for materials and supplies, please provide the following:

- a. A description of how AEP separates materials and supplies in lay down yards between an OpCo and TransCo
- b. Provide the allocation methodologies used for splitting materials and supplies between an OpCo and TransCo.
- c. A detailed description of how lay down yards are managed (i.e., by AEP or a third-party, protocols for handling inventory, etc.)
- d. Whether these materials and supplies are being recorded into Accounts 154, 107, or capitalized to plant.
- e. Identify where labor related to these laydown yards are recorded by FERC account. In addition, please verify whether this labor is being split between the OpCos and TransCos.

Response:

- a. All OpCo and TransCo material in the laydown yards is physically separated by project and then by work order. Received material is logged by project and staged in separate yard locations (larger items). Smaller material is kitted on skids and stored in its own storage container. All containers are tagged with the specific project name and work orders.
- b. AEP does not split material and supplies between an OpCo and a TransCo. All OpCo and TransCo projects are managed as separate organizations.
- c. Laydown yards are managed by AEPSC personnel. The organization consists of an exempt Supervisor for each state, with regional Field Operations Assistants that oversee an assigned territory. Each Field Operations Assistant is assigned 4-6 laydown yards and is responsible for all the day to day operations. Each laydown yard will have a Stores Attendant and 3-6 Material Handlers depending on the number of projects assigned to that yard. The material is ordered by the specific business unit via material requisitions and routed through the supply chain material coordinators team. This team will route the internal request to the Regional Distribution Centers (RDCs) and the external request to the Procurement department for sourcing. As the material is received at the laydown yards, the Stores Attendant will verify correct items and quantities and will process a receipt in the inventory management system which clears the invoicing for Accounts Payable. The material is then logged in the project binder and assigned a specific location. As needed, the construction contractors will pick up the material and sign the packing slips. This management structure is standard for all laydown yards managed by AEPSC throughout the system.
- d. All material in the laydown yards is capital (Account 107), direct charged material that has already been issued to the job by one of two ways: 1) Transfer of materials - when the RDC fills the internal material requisition, or 2) Purchase of materials - when the Stores

Attendant creates a Purchase Order receipt for direct shipped material that was listed on the external material requisition.

- e. The labor at the laydown yards is allocated between the OpCo and TransCo projects being serviced from that location.

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Data Request JI Set 1-22:

[In General] Please describe how AEP handles scrap value for any assets retired (i.e., record any revenue to Account 454/456, or include it as an offset in Retirement Work in Process – tied to a specific asset). In addition, please verify whether these revenues are included as a reduction to rates.

Response:

The Company follows FERC Electric Plant Accounting Instruction number 10 "Additions and Retirements of Plant" when accounting for the value that is received for the scrap of its assets (i.e. gross salvage). FERC's instruction requires that gross salvage be credited to accumulated depreciation, or FERC account 108.

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Data Request JI Set 1-23:

[In General] In relation to AEP's membership in Grid Assurance, please provide the following:

- a. Verify whether Grid Assurance keeps similar spares to the ones held at AEP East.
- b. Where the expenses related to this membership are recorded by FERC account and the associated amounts.
- c. The number of spares received from the Grid Assurance membership and utilized by OpCo and TransCo during 2019.

Response:

- a. Grid Assurance does maintain spares with similar specifications to some of the spares held by the AEP East companies. For example, there are four 450-500 MVA, 345 kV/138 kV spares that are held by Ohio Transco (2) and Indiana Michigan Power (2). There is also one 350-450 MVA, 345 kV/138 kV spare held by Ohio Transco. However, the AEP East companies also hold spares with MVA ratings that are different than those maintained by Grid Assurance. Although Grid Assurance does maintain an inventory of spares compatible with a portion of the spares held by the AEP East companies, the Grid Assurance Subscription Agreement is limited to Qualifying Events that include catastrophic events such as a natural disaster or a physical or cyber-attack. The Subscription Agreement does not cover, and should not be considered a substitute for the need to have spares for planned outages and unplanned equipment issues.
- b. Expenses are recorded in FERC Account 5660011. The costs incurred in 2019 by the AEP East companies was \$3,097.46.
- c. No spares were received in 2019.

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Data Request JI Set 1-24:

[In General] In relation to EPC Contracts, please provide (i) the guidelines for how the contracts are bid, (ii) whether they are all sent for competitive bid, and (iii) the number sent for competitive bids versus the total number of contracts in 2019 for each OpCo and TransCo.

Response:

- i) The Company does not have a specific "guideline for how the contracts are bid". Projects that are not competitively bid are assigned to contractors that have undergone a vetting process.
- ii) Not all contracts for EPC projects were competitively bid.
- iii) Out of the five EPC projects that were competitively bid in 2019, two were for Indiana Michigan Power Company/AEP Indiana Michigan Transmission Company, one for Appalachian Power Company/AEP West Virginia Transmission Company, one for Appalachian Power Company/AEP Appalachian Transmission Company/Ohio Power Company/AEP Ohio Transmission Company, and one for Ohio Power Company/AEP Ohio Transmission Company.

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Data Request JI Set 1-25:

[In General] In relation to AEP's participation in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses, please provide:

- a. A list of OpCos and Transcos participating in this program;
- b. A list by OpCo and Transco of each security participating in the lending program;
- c. The amount and FERC accounts used to record income received from the lending program in 2019;
- d. The amount and FERC accounts used to record labor and other expenses associated with the lending program in 2019; and
- e. The operating agreement with BNY Mellon for the lending program.

Response:

a. - e. OpCos and Transcos do not directly participate in any securities lending programs. It is not clear that OpCos or Transcos could ever participate in a securities lending program because first and foremost: what securities would they lend?

The American Electric Power System Retirement Plan ("Pension Plan") participates in a securities lending program and holds investment securities within the Pension Plan. OpCos and Transcos have no control or any other rights to the securities or investment decisions of the Pension Plan.

Financial activity related to the Pension Plan's securities lending program is aggregated within Pension Plan accounting entries. While the returns help offset Pension Plan administrative expenses within the Trust, they are de minimis at a Plan level.

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Data Request JI Set 1-26:

[In General] Please provide a discussion of any amended Federal income tax returns filed during 2019 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.

Response:

During the third quarter of 2019, AEP and subsidiaries elected to amend the 2014, 2015, 2016 and 2017 consolidated federal returns. The Company amended these returns for the following items:

- 2014
 - Repairs 481(a) Increased deduction of \$(9.9)M
 - Umbrella trust income not originally recorded of \$480K
 - Decrease in DPAD \$890K
 - Charitable limitation reduction \$950K
- 2015
 - Increased R&D Credit of \$(719)K
 - Umbrella trust income not originally recorded of \$480K
 - Charitable limitation increase of \$(50)K
 - NOL Carryback from 2017 of \$(332)M
- 2016
 - Increased R&D Credit of \$(1.3)M
 - Umbrella trust income not originally recorded of \$490K
- 2017
 - Hurricane Harvey Casualty loss of \$(206.5)M
 - Mixed Service Cost reduced deduction by \$6M
 - River Ops Capital Loss of \$(4.7)M
 - Umbrella trust income not originally recorded of \$510K

See JI Set 1-26 Attachment 1 for the journal entries recorded as a result of the amended returns.

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Data Request JI Set 1-27:

For All OpCos and/or TransCos - For each OpCo, reference the worksheet entitled “WS H Other Taxes,” Lines 15 – 22, please provide the description of each miscellaneous tax that these amounts represent.

Response:

See descriptions of each item below:

- **Federal Excise Taxes:** Tax imposed on purchases of a specific good, such as gasoline. Excise taxes are often included in the price of the product. There are also excise taxes on activities, such as on highway usage by trucks.
- **Sales and Use Tax:** An excise tax imposed on sale or purchase price of certain goods and services.
- **State Business and Occupation Taxes:** A tax that is imposed on a business for the privilege of doing business in the jurisdiction. The tax is often based upon the gross revenue received by the business from activities conducted in the taxing jurisdiction.
- **State Franchise Taxes:** Tax imposed by state governments on a taxable entity for the privilege of doing business in that state. The tax is based on the apportioned value of capital employed in a taxing jurisdiction.
- **State License/Registration Fee:** A government regulation requiring a license or registration to operate a business within a jurisdiction.
- **State Public Service Commission Fee:** A charge imposed on users of regulated services, which is used to finance operational cost of the regulatory body (e.g., P.U.C.).

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Data Request JI Set 1-28:

For All OpCos and/or TransCos - For each OpCo and each TransCo, reference 2019 FERC Form 1, Account 182.3 – Other Regulatory Assets, pages 232 through 232.4 (as applicable) Column (d), Written off During Quarter/Year Account Charged.

- a. In respect of each instance where Column (d) states “Various” please provide a detailed tabulation by FERC account, including associated subaccounts if applicable (i.e. FERC Accounts 408.1, 561.1, 930.1, etc.), and their associated amounts that were charged.
- b. For each instance the account changed is included in the formula rate, provide the FERC order authorizing the amortization of the regulatory asset in the formula rate.

Response:

There were no instances where we used "Various" to detail offsetting accounts on our regulatory assets page.

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Data Request JI Set 1-29:

For All OpCos and/or TransCos - For each OpCo and each TransCo, reference 2019 FERC Form 1, Page 123.xx, Accounting for Leases. Please provide the following:

- a. A detailed listing of all the OpCo and TransCo “leases” which were impacted by the new accounting standard (Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 842, adopted by OpCo and TransCo on Jan. 1, 2019), including whether OpCo and TransCo has recorded each lease as either a “Capital” or “Operating” lease. (in Excel format);
- b. For each OpCo and TransCo “lease” listed in sub-part (a) please provide the following:
 - i. Complete copies of the journal entries (“JEs”) and/or transaction details where OpCo and TransCo recorded the recognition of the assets and liabilities for each lease. (These JEs should reflect both the FERC “asset” and “liabilities” accounts.)
 - ii. State specifically on which page and line number, in the OpCo and TransCo FERC Form 1’s, the new “lease” assets are reflected.
 - iii. State specifically on which page and line number, in the OpCo and TransCo FERC Form 1’s, the new “lease” liabilities are reflected.
 - iv. State specifically on which page and line number, in the OpCo and TransCo FERC Form 1’s, where the annual lease expense is recorded for each new “lease” asset.
- c. Confirm that OpCo and TransCo has not included these new “lease” assets in the transmission rate base calculations. If confirmation cannot be provided, please provide a detailed explanation, copies of all supporting documentation and or guidance which OpCo and TransCo relied upon for the basis for the Company’s FERC accounting and ratemaking treatment; and
- d. Provide a tabulation of 2019 lease payments, by lease, including the amount of the payment(s) and the FERC accounts used to record the payment and lease expense.

Response:

For All OpCos and/or TransCos - For each OpCo and each TransCo, reference 2019 FERC Form 1, Page 123.xx, Accounting for Leases. Please provide the following:

- a. Please refer to file JI Set 1-29_Attachment 1 - 2019 CR DETAILS SUMMARY.xlsx.
- b.
 - i. Please refer to file JI Set 1-29_Attachment 2 - Combined AEP Lease Forecast Balance Sheet JEs - FINAL - PJM QA-47649.
 - ii.-iv. The FERC Form 1 for each OpCo and TransCo reflects the new “lease” assets on page 200, liabilities on page 112, and balance sheet on page 110.
- c. The OpCo and TransCo do not include these new “lease” assets in the transmission rate base calculations.
- d. Please refer to file JI Set 1-29_Attachment 3 - 2019 CR DETAILS SUMMARY.xlsx.

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Data Request JI Set 1-30:

For All OpCos and/or TransCos - For any Right of Way (“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.).

Response:

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.

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Data Request JI Set 1-31:

[For All OpCos and/or TransCos] Please provide the following related to spares with voltages between 34kV and 755 kV:

- a. Amounts spent on spares by FERC account.
- b. Number of spares purchased in 2019.
- c. Number of spares retired and/or scrapped.
- d. Number of spares placed into service in 2019 and the reason they were required. For anything that was replaced, please provide details of the age and condition.
- e. Identify any spares that were transferred between OpCos and TransCos and their associated amounts by FERC account.

Response:

- a. \$33,451,761 in FERC Account 353 and \$13,898,153 in FERC Account 362.
- b. 17.
- c. 0.
- d. 29. These transformers were placed in service to mitigate a failure. The age and condition of the original equipment is not readily available.
- e. No spares were transferred between OpCos and TransCos in 2019.

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Data Request JI Set 1-32:

[For All OpCos and/or TransCos] 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 Set 1-32 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 cable is classified as a transmission asset because it is used to control and operate equipment installed on the transmission grid. The assets are 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.

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Data Request JI Set 1-33:

For All OpCos and/or TransCos - In relation to any costs associated with remediation for any environmental or contamination, please provide a detailed list of expenses by FERC account and the nature of the contamination.

Response:

No significant environmental remediation was conducted in 2019 for transmission assets in either the OpCos or TransCos.

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Data Request JI Set 1-34:

For All OpCos and/or TransCos - - 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 1-34 Attachment 1 for a list of transmission line facilities and Attachment JI Set 1-34 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 JI Set 1-35:

[For All OpCos and/or TransCos] Please identify the following related to major destructive events (i.e., storms, fires, etc.) in 2018:

- 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 was one 2019 major destructive event identified. It was a transformer fire and the estimated loss and insurance coverage details are in JI Set 1-35 Attachment 1.

- a. The replacement of the transformer has not been completed. Charges to date are recorded in accounts 107.
- b. There is a claim pending on this case. Refer to JI Set 1-35 Attachment 1 for details.
- c. The reimbursement from the insurance claim referred to above will be recorded in account 107
- d. The OPCos and Transcos are self-insured up to their deductible amount. This event carries a \$2.5M deductible. Refer to JI Set 1-35 Attachment 1 for details.
- e. There were no instances identified where AEP did not seek recovery of costs (exceeding deductibles) covered by insurance.

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Data Request JI Set 1-36:

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

- a. Each OpCo; and
- b. Each TransCo.

Response:

Please see JI Set 1-36 Attachment 1.xls for the additions to account 303.

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Data Request JI Set 1-37:

For All OpCos and/or TransCos - 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 2019.

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 JI Set 1-38:

For All OpCos and/or TransCos - 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 2019.
- c. The primary function(s) served by the software: general and administrative, production, distribution, or transmission.

Response:

- a. Please see the Company's response to question 36 for the list of capital software projects recorded to Account 303 in 2019.
- b. Software system maintenance are primarily recorded to FERC 9350. However, additional operational and maintenance FERC Accounts such as 5000, 5600, 5660, 5692, 5800 and 9230 may also have charges.
- c. Account 303, or Capitalized Software, is typically allocated to each of the AEP legal entity's general ledger Business Units from AEP Service Corp. (AEPSC). Just like other AEPSC costs, the allocation of Capitalized Software is driven by the work order selected to capture the costs at AEPSC. The work order will determine the functional Business Units that incur the costs of this software.

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Data Request JI Set 1-39:

For All OpCos and/or TransCos - Please provide a detailed breakdown and description of the items by transmission project underlying the amount shown as additions to Transmission Plant in Service in 2019, as reported in the FERC Form 1, Page 206, Line 58, Column (c) separately for:

- a. Each OpCo; and
- b. Each TransCo.

Response:

Please see JI Set 1-39 Attachment 1.xlsx for the additions to transmission plant in 2019.

Date: 10/19/2020

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Data Request JI Set 1-40:

For All OpCos and/or TransCos - For the AEP OpCo's only, please provide a detailed breakdown and description of the items underlying the additions to General Plant in 2019, as reported in the FERC Form 1, Page 206, Line 99, Column (c).

Response:

Please see JI Set 1-40 Attachment 1.xlsx for the detailed additions to General Plant.

Date: 10/19/2020

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Data Request JI Set 1-41:

For All OpCos and/or TransCos - JI-41. For All OpCos and/or TransCos - Please identify all expenses that were recorded in Transmission O&M or A&G Expense accounts in 2019 that were incurred prior to 2019 and recorded in other O&M expense accounts and state the basis for the change in expense reporting.

Response:

Please see JI Set 1-41 Attachment 1.

Date: 10/19/2020

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Data Request JI Set 1-42:

For All OpCos and/or TransCos - Please identify (by FERC Account and amount) all costs included in Transmission, Intangible or General Plant accounts in the 2019 true-up that, prior to 2019, 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 Set 1-42 Attachment 1.xls for the amounts transferred to during 2019.

Date: 10/19/2020

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Data Request JI Set 1-43:

For All OpCos and/or TransCos - Please 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 2019 FERC Form 1s and to the revenue credits included in the 2019 true-up for each OpCo or TransCo.

Response:

There were five payments made to Operating Companies for ROW use by utility pipelines. As shown in JI Set 1-43 Attachment 1, four 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. A fifth payment was for assets owned by Ohio Power Company's transmission function and was included as a credit on W/S E for OPCo. However, in the preparation of this response, it was determined that one of the payments was incorrectly recorded to APCO non-transmission and should have been recorded as OPCo transmission and a \$1,200 revenue credit should have been included in the OPCo formula rate. A \$1,200 adjustment will be made in 2020 and picked up as a credit in the 2020 true-up.

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Data Request JI Set 1-44:

For All OpCos and/or TransCos - 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:

These figures are derived from the net plant figures reported on page 2 of the TCOS in formula.

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Data Request JI Set 1-45:

For All OpCos and/or TransCos - For each OpCo, please identify and provide a detailed breakdown of any Real Estate and Personal Property Taxes which are included in the 2019 FERC Form 1, Page 114, Line 14, Column (c) that were incurred and booked for any generating unit that was retired during 2017, 2018 or 2019.

Response:

AEP does not book taxes on a generating plant unit basis in FERC Form 1.

For Indiana Michigan Power, Tanners Creek plant was sold in 2016, \$0 in 2019.

For Kentucky Power, Big Sandy Unit 2 was retired no taxes were expensed. All remaining Big Sandy taxes are associated with Big Sandy Unit 1.

Kingsport Power has no generation equipment.

Wheeling Power had no retired generation.

Ohio Power had no generation equipment.

For Appalachian Power:

- Glen Lyn plant was \$36,034.
- Clinch River Unit 3 was \$5,789.
- Kanawha River final tax liability for this plant was paid in early 2018, \$0 in 2019.

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Data Request JI Set 1-46:

For All OpCos and/or TransCos - For each OpCo, refer to the 2019 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 see JI Set 1-46 Attachment 1 for the retirements recorded for each Company in 2019. No generating plant or generating unit retirements occurred during calendar year 2019.

Date: 10/19/2020

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Data Request JI Set 1-47:

For All OpCos and/or TransCos - For each OpCo, please provide an explanation and a detailed tabulation of how the accumulated depreciation, as shown in the 2019 FERC Form 1, Page 219, Lines 20-24, Column (b) was adjusted for each generating unit/plant retired during 2019.

Response:

No generating plant or generating unit retirements occurred during calendar year 2019.

Date: 10/19/2020

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Data Request JI Set 1-48:

For All OpCos and/or TransCos - 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 2017, 2018 or 2019, and if so will these taxes continue to be incurred at the same level after the retirement?

Response:

Indiana Michigan Power - Tanners Creek plant was sold in 2016, no taxes have been incurred since then.

Kentucky Power - Big Sandy Unit 2 was retired no taxes were expensed.

Kingsport Power - no generation units or plants.

Wheeling Power - no retired generation.

Ohio Power - no generation units or plants.

Appalachian Power - the amounts below were paid in 2019.

- Glen Lyn plant = \$36,034. Taxes will continue at approximately this level until the building is razed or sold.
- Clinch River Unit 3 = \$5,789. Taxes will continue at approximately this level until the building is razed or sold.
- Kanawha River - no taxes incurred since early 2018 for this plant.

Date: 10/19/2020

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Data Request JI Set 1-49:

For All OpCos and/or TransCos - For each OpCo and TransCo, please provide a 5-year projection of PBOP expenses for 2020 – 2025.

Response:

See file "JI Set 1-49 Attachment 1_PBOP Forecasted 2020-2025" for the requested information. PBOP is not specifically forecasted for the Transcos beyond 2020 as they do not have any employees.

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Data Request JI Set 1-50:

[For All OpCos and/or TransCos] 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 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 Set 1-50 Attachment 1 AEPSC for detail of AEPSC billings to each OpCo and TransCo for the year 2019. 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 Set 1-50 Attachment 2 Intercompany for detail of Intercompany billings to each OpCo and TransCo for the year 2019. 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 Set 1-50 Attachment 3 Master Cam Document-12-31-19.pdf

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Data Request JI Set 1-51:

For All OpCos and/or TransCos - For each OpCo and TransCo, refer to the 2019 FERC Form 1, page 323, Line 184, Account 923 – Outside Services Employed, please provide a detailed tabulation of every entry booked to this account during 2019, including name, description of cost item and amount. Also, please explain the main drivers for the decline in expenses in 2019 for this account for each company.

Response:

Please see JI Set 1-51 Attachment 1.

Date: 10/19/2020

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Data Request JI Set 1-52:

For All OpCos and/or TransCos - For the OpCos only, refer to the 2019 FERC Form 1 page 323, Line 192, Account 930.2 – Miscellaneous General Expenses, please provide a detailed tabulation of every entry booked to this account during 2019, including name, description of cost item and amount.

Response:

Please see JI Set 1-52 Attachment 1.

Date: 10/19/2020

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Data Request JI Set 1-53:

For All OpCos and/or TransCos - For the OpCos only, refer to the 2019 FERC Form 1 page 323, Line 193, Account 931 – Rents, please provide a detailed tabulation of every entry booked to this account during 2019, including name, description of cost item and amount.

Response:

Please see JI Set 1-53 Attachment 1.

Date: 10/19/2020

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Data Request JI Set 1-54:

For All OpCos and/or TransCos - For each OpCo and TransCo, please refer to the worksheet entitled "WS F Misc Exp," and the regulatory commission expenses allocated to the Transmission function please respond to the following questions:

- a. Please describe the nature of these expenses and provide the associated FERC docket numbers related to these expenses.
- b. Please provide a detailed listing (Excel format) of all items that are recorded in Account Number 9280005 for each OpCo and TransCo.

Response:

- a. These expenses are primarily for administration of AEP's formula rates in Docket Nos. ER17-405 and ER17-406.
- b. Please see JI Set 1-54 Attachment 1, QUERY Tab to see detailed listing of all items recorded in Account 9280005 for each OpCo and TransCo (part b). The detail also helps describe the nature of the expenses (part a).

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-55:

For All OpCos and/or TransCos - For each TransCo, please provide the total of short-term advances from the AEP Money Pool included in Account 430 - Interest on Debt to Associated Companies. To the extent short-term advances from the AEP Money Pool are recorded in other FERC accounts, please provide those accounts and their associated amounts.

Response:

The Moneypool balances at 12/31/2019 for the TransCo companies are shown below.

Year	Account	Unit	Descr	Balance
2019	2330000	380	AEP Ohio Trans Co	-18,157,028.65
2019	1450000	382	AEP Appalachian Trans Co	3,142,134.24
2019	1450000	383	AEP West Virginia Trans Co	13,620,877.00
2019	2330000	384	AEP Kentucky Trans Co	-10,357,606.53
2019	2330000	385	AEP Indiana Michigan Trans Co	-105,696,774.54

Date: 10/19/2020

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

Data Request JI Set 1-56:

For All OpCos and/or TransCos - 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:

There were no changes to the Companies' capitalization policy or methodologies in 2019.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-57:

For All OpCos and/or TransCos - 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 2017, 2018, and 2019 for transmission projects.

Response:

Please see JI Set 1-57 Attachment 1.xls for the percentage of overheads capitalized during 2017, 2018, 2019.

Construction/retirement overhead charges are booked monthly to construction/retirement overhead work orders. The construction/retirement overhead charges are spread monthly from the construction/retirement overhead work orders to individual construction/retirement work orders in proportion to the current month's direct costs to each individual work order. The monthly allocation from the construction/retirement overhead work orders produce a uniform monthly construction/retirement overhead rate that is applied to all construction/retirement expenditures subject to construction/retirement overheads. The Company's property accounting system accumulates the appropriate construction/retirement overhead costs and performs the above detail allocations each month for transmission BU's.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-58:

For All OpCos and/or TransCos - or each OpCo and TransCo, please identify all credit facilities outstanding during 2019. For each credit facility, provide the amount of upfront and commitment fees recorded to expense in 2019 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 1-58 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: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-59:

For All OpCos and/or TransCos - 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, 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 are recorded to general plant account 39800 - Miscellaneous Equipment and the maintenance of this equipment is recorded to O&M account 935 (Maintenance of general plant).

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-60:

For All OpCos and/or TransCos - Per the OpCo's 2019 FERC Form 1, Notes to the Financial Statements, e.g., APCo's FERC Form 1, Page 123.65, states it sells, without recourse, certain of its customer accounts receivable and accrued utility balances to AEP Credit. For each OpCo and Transco, please identify the specific costs associated with the sales of customer accounts receivable that are reported as Other Deductions and the FERC Account charged. Also, indicate whether the OpCos and Transcos incurs labor or other costs to administer the sales of accounts receivable on behalf of AEP Credit. If "yes", please provide the accounting journal entries to record the costs, revenues, and reimbursements to administer sales of accounts receivable on behalf of AEP Credit.

Response:

The cost associated with the sales of customer accounts receivables are recorded to Account 426.5. This account is not included in the formula rate so the requested data has not been provided.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-61:

For All OpCos and/or TransCos - 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 2019. 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 2019 FERC Form No. 1;
- b. Describe the method used to accrue AFUDC and the frequency of compounding. Illustrate this method using the largest work order (by dollar) for 2019;and
- c. Explain the components of the construction base and the types of costs included and/or excluded. Provide a schedule of costs included and excluded by type and dollar amount for the work order illustration in b above.

Response:

Please refer to JI Set-1-61_Attachment_1.pdf for the calculations and support used to determine the company's AFUDC debt and equity rates for the month December 2019. 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 2019. Please refer to the series of attachments named 'JI Set-1-61_Attachment_2 - xxx - SEND' for an explanation by company of how AFUDC is accrued on a work order, a sample calculation of AFUDC accruals on a work order for each company, a listing of charge types eligible for inclusion in all AFUDC accruals, and a listing of charges by charge type for the sample work order. The company utilizes the AFUDC formula as prescribed by FERC for its AFUDC debt and equity rate calculations.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-62:

For All OpCos and/or TransCos - n reference to OPCo's FERC Form 1, OPCo states IRS audits of all years through 2015 were completed in 2019 with an amendment to the 2014 and 2015 tax returns by AEP and its subsidiaries. Please provide any adjustments to the current or deferred tax accounts of all OpCos and Transcos in 2019 as a result of the amended tax returns for 2014, 2015, or any other year that occurred in 2019. Please identify any other accounts impacted by amended tax returns during 2019. Please provide a list of all income tax elections made or income tax provisions changed through the amended tax returns.

Response:

Please see JI Set 1-26_Attachment_1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-63:

For All OpCos and/or TransCos - For each OpCo and Transco, please provide a discussion of the accounting used to record net borrowings from the AEP Corporate Borrowing Program, including the Utility Money Pool and the FERC accounts to record the borrowings and associated interest expense. Discuss how the money pool borrowings and interest costs are factored into the 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 2019 10K filing, page 296, 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.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-64:

For All OpCos and/or TransCos - 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. N/A
- c. N/A
- d. N/A
- e. N/A

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-65:

APCO - 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 2019.

Response:

Please see JI Set 1-65 Attachment 1.xls for the information regarding Appalachian Power Company's depreciation expense.

Date: 10/19/2020

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

Data Request JI Set 1-66:

APCO - Please refer to the “TCOS” tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$130,389,156) and (\$4,686,942) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. Please see JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-67:

APCO - Please refer to the "TCOS" tab, Line 120, 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 of \$10,808,852 and \$1,487,012 respectively;
- 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 2019 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 Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-68:

APCO - Please refer to the "TCOS" tab, Line 139, Regional Market Expenses, Total, please provide an explanation as to why there is an input in Excel Cell H236 rather than a formula.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-69:

APCO - Please refer to the “WS B ADIT & ITC” tab, Line 3, Less: ARO Related Deferrals, Balance @ December 31, 2018, please provide an explanation as to why there is an inputted value in Excel Cell G18 rather than a link as stated in the source in Excel Column D.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

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

Data Request JI Set 1-70:

APCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 9.97 – Excess ADFIT, please reconcile the amounts shown for Generation Column M – (\$94,622,922), Transmission Column N – (\$13,421,964), and Distribution Column O - (\$10,772,920).

Response:

Please see JI Set 1-70 Attachment 1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-71:

APCO - 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, 2018, and December 31, 2019.

- a. Line 2.17 – PROV WORKER’S COMP
- b. Line 2.28 – ACCRD COMPANYWIDE INCENTV PLAN
- c. Line 2.30 – ACCRUED VACATION PAY
- d. Line 2.60 – ACCRD SFAS 106 PST RETIRE EXP
- e. Line 2.61 – SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT
- f. Line 2.62 – ACCRD OPEB COSTS - SFAS 158
- g. Line 2.63 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

The Company has identified the provision for workers compensation as an unfunded reserve associated with contingent liabilities recorded in accounts 228.1-228.4 and removed appropriate amounts from rate base in accordance with footnote Y of the formula. See balances for requested years in JI Set 1-71 Attachment 1. The other related items are not contingent liabilities and mainly relate to historical payroll activity or other known direct liabilities paid to employees. Additionally, OPEB and Pension are prepaid assets and the expense reduces those assets over-time so there is no liability to provide as an offset to rate base.

Date: 10/19/2020

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

Data Request JI Set 1-72:

APCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 2.03 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - \$16,326,026 and Column N - \$18,232,267.

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-73:

APCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D116 of \$475,476,687 to APCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$480,143,225.

Response:

The difference is due to account 190-2001. There are 3 charitable contribution carryforward entries that are not picked up in the APCo formula rate. Correcting this issue would not affect the formula rate. JI Set 1-73_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

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

Data Request JI Set 1-74:

APCO - 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, including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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:

Please see JI Set 1-74_Attachment_1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits' for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

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

Data Request JI Set 1-75:

APCO - Please refer to the “WS E Rev Credits” tab, Line 6, Subtotal – Other Operating Revenues, please reconcile the amount shown in Excel Cell I27 of \$166,868,322 to APCo’s 2019 FERC Form 1, Page 300, Line 26, Column (b) which states \$167,504,526.

Response:

The difference identified relates to non-transmission revenues in account 456. Please see attachment JI Set 1-75_Attachment_1 which illustrates the impact to WS E if values were corrected. This correction does not affect rates.

Date: 10/19/2020

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

Data Request JI Set 1-76:

APCO - Please refer to the “WS M – Cost of Capital” tab, Line 37, Total Interest Expense, please explain why Line 32 is not included in the reference yet is included in the formula in Excel Cell E56.

Response:

The inclusion of line 32 is appropriate in this calculation to ensure that the limit on hedging gains and losses is recognized as described in the note on line 39 of WS-M. In this note, the formula clearly stipulates that the formula is to include net hedging gains or losses up to a limit of five basis point of total capita. in the determination of the cost of debt. Line 32 on this worksheet represents the calculated limit as determined in lines 50-55 of this worksheet, and specifically adds back the includable amount after subtracting the total net hedging gain or loss on line 31. While line 37 in the tariff does not show line 32 as being in the equation, it is clearly the intent of the formula to include this line in the calculation.

Date: 10/19/2020

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

Data Request JI Set 1-77:

APCO - In reference to APCo's 2019 FERC Form 1 Page 114, Line 12, Column c, please provide a detailed explanation of the transactions leading to Account 407.3 having a negative \$2.8 million balance in 2019.

Response:

The primary reason for the negative \$2.8 million balance in Account 407.3 in 2019 is the under-recovery of revenues for Appalachian Consumer Rate Relief securitization. In 2019, revenues totaled \$29.6 million, while expenses were \$33 million for an under-recovery of \$3.4 million. This was partially offset by \$0.6 million for the amortization of Regional Transmission Organization (RTO) deferrals.

Date: 10/19/2020

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

Data Request JI Set 1-78:

APCO - In reference to APCo's 2019 FERC Form 1 Page 123.24, Notes to the Financial Statements, APCo stated it recorded a \$93 million pretax expense related to previously retired coal-fired generation assets in December 2019. Please provide the complete journal entries associated with the write-off, including current and deferred income tax entries.

Response:

Please see JI Set 1-78_Attachment_1 for the journal entries associated with the \$93 million write-off.

Date: 10/19/2020

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

Data Request JI Set 1-79:

APCO - In reference to APCo's 2019 FERC Form 1 Page 123.66, Notes to the Financial Statements, APCo stated PJM Transmission Service Charges for 2019 were \$222 million. Please provide the expense accounts used to record the service charges in 2019 and a detailed description of the types of costs billed by FERC account. Please explain the increase of RTO billings from the \$128 million billed in 2018.

Response:

Please refer to JI Set 1-79_Attachment_1 for the expense accounts used to record the service charges in 2019 and the account description of the costs. The increase of RTO billings from 2018 to 2019 was primarily related to increased PJM transmission revenue requirements for Network Integration Transmission Service, which causes costs to increase.

Date: 10/19/2020

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

Data Request JI Set 1-80:

I&M In reference to I&M's 2019 FERC Form 1 Page 207, Line 49, Column d, Account 352 – Structures and Improvements, what is the nature of the 2019 Retirements in the amount of \$2,429,176? Please provide a detailed listing of the 2019 Retirements for this account.

Response:

Please see JI Set 1-80_Attachment_1.xlsx for the listing of retirements for I&M Account 352 – Structures and Improvements.

Date: 10/19/2020

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

Data Request JI Set 1-81:

I&M Please refer to the “TCOS” tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$42,478,993) and (\$4,604,320) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66_Attachment_1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-82:

I&M Please refer to the “TCOS” tab, Line 120, 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 of \$4,025,006 and \$1,481,153 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI-66 Attachment 1.
- b. See JI-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-83:

I&M Please refer to the “TCOS” tab, Line 139, Regional Market Expenses, please provide an explanation as to why there is an input in Excel Cell H236 rather than a formula.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-84:

I&M Please refer to the “WS B-1 Actual Statement AF” tab, Line 12, Total Account 283, please reconcile the amount shown in Excel Cell D236 of \$789,202,738 to I&M’s 2019 FERC Form 1, Page 277, Line 19, Column (k) which states \$852,069,530.

Response:

The difference is due to accounts 283.2001, 283.3001, 283.3002 and 283.4001. Correcting this issue would not affect the formula rate. JI Set 1-84_Attachment_1 illustrates the impact of the correction on WS B-1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-85:

I&M 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, 2018, and December 31, 2019.

- a. Line 2.16 – PROV WORKER’S COMP
- b. Line 2.18 – ACCRUED BK PENSION EXPENSE
- c. Line 2.19 – ACCRUED BK PENSION COSTS - SFAS 158
- d. Line 2.20 – SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
- e. Line 2.21 – ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158
- f. Line 2.25 – ACCRUED PSI PLAN EXP
- g. Line 2.36 – ACCRD COMPANYWIDE INCENTV PLAN
- h. Line 2.38 – ACCRUED BOOK VACATION PAY
- i. Line 2.84 – ACCRD SFAS 106 PST RETIRE EXP
- j. Line 2.85 – ACCRD OPEB COSTS - SFAS 158
- k. Line 2.86 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

Please see response to question 71.

Date: 10/19/2020

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

Data Request JI Set 1-86:

I&M Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D140 of \$969,970,207 to I&M’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$970,838,274.

Response:

The difference is due to the value in account 190.3. Correcting this issue would not affect the formula rate. JI Set 1-86_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-87:

I&M Please refer to the “WS C – Working Capital” tab, Excel Cells K45 and K74, Account 1650009 - Prepaid Carry Cost-Factored AR, please state whether AEP agrees these inputted values should properly reflect formulas.

Response:

The cells should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-88:

I&M 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 including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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:

See JI Set 1-74 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits" for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-89:

I&M Please refer to the “WS M – Cost of Capital” tab , Line 15, December Prior to Rate Year, Acct 224 – Senior Unsecured Notes, please reconcile the amount shown in Excel Cell F29 of \$2,654,833,358 to I&M’s 2019 FERC Form 1, Page 112, Line 21, Column (d) which states \$2,928,439,660.

Response:

The balance on WS – M does not include the liability for Spent Nuclear Fuel which is recorded in account 224. There is an offsetting asset recorded in Account 128 – Spent Nuclear Fuel Trust Funds.

Source:	Dec-18
<hr/>	
FERC Form 1 Page 112, line 21	2,928,439,660
Less:	
Spent Nuclear Fuel Liability recorded in FERC account 224	273,606,302
<hr/>	
WS M	2,654,833,358
<hr/>	

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-90:

I&M Please refer to the “WS M – Cost of Capital” tab , Line 27, December of Rate Year, Acct 224 – Senior Unsecured Notes, please reconcile the amount shown in Excel Cell F41 of \$2,628,157,779 to I&M’s 2019 FERC Form 1, Page 112, Line 21, Column (c) which states \$2,907,986,757.

Response:

The balance on WS – M does not include the liability for Spent Nuclear Fuel which is recorded in account 224. There is an offsetting asset recorded in Account 128 – Spent Nuclear Fuel Trust Funds.

Source:	Dec-19
<hr/>	
FERC Form 1 Page 112, line 21	2,907,986,757
Less:	
Spent Nuclear Fuel Liability recorded in FERC account 224	279,828,978
<hr/>	
WS M	2,628,157,779
<hr/>	

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-91:

I&M Please refer to the “IMC - WS P Dep. Rates” tab, AEP filed revised depreciation rates under FERC Docket No. ER18-2277 for Indiana Michigan Power Company, however it appears that AEP did not update the footnotes to reflect the new state rate case dockets in which the depreciation rates were approved as shown in AEP’s FERC filing. Please state whether AEP intends to correct the footnotes to reflect the following references:

- a. (1) As approved in Indiana Case No. 44967.
- b. (2) As approved in Michigan Case No. U-18370.

Response:

The depreciation rates tab has been updated with the appropriate footnotes. See JI Set 1-91_Attachment_1 for corrected footnote.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-92:

KPCO - In reference to KPCo's 2019 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2019 Retirements in the amount of \$3,605,147? Please provide a detailed listing of the 2019 Retirements for this account.

Response:

Please see JI Set 1-92 Attachment 1.xlsx for the listing of retirements for KPCO Account 303 – Miscellaneous Intangible Plant.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-93:

KPCO - Please provide a detailed listing (Excel format) of all items booked to Account 566 - Miscellaneous Transmission Expenses of (\$1,763,300) in 2019 reported in KPCo's 2019 FERC Form 1, Page 321, Line 97, Column (b).

Response:

Please see JI Set 1-93_Attachment_1 for a detailed listing of all items booked to Account 566 - Miscellaneous Transmission Expenses in 2019 as reported in KPCO's 2019 FERC Form 1, Page 321, Line 97, Column (b).

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-94:

KPCO - Please explain and provide supporting documentation for the drivers underlying the increase in Account 925 - Injuries and Damages from \$4,039,813 to \$1,585,690 as shown in KPCo's 2019 FERC Form 1, Page 323, Line 186, Columns (c) and (b), respectively.

Response:

In 2018, AEP implemented a process using trend analysis to calculate and record estimated liabilities associated with asbestos exposure claims. Based on this new process, KPCo recorded \$2,572,437 of additional asbestos accruals to account 925 in 2018. This caused the decrease from 2018 to 2019, not an increase as the question states. These accruals are adjusted annually.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-95:

KPCO - Please refer to the “TCOS” tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$10,867,964) and (\$1,251,942) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-96:

KPCO - Please refer to the "TCOS" tab, Line 120, 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 of \$1,471,093 and \$709,497 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-97:

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

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-98:

KPCO - 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, 2018, and December 31, 2019.

- a. Line 2.13 – PROV WORKER’S COMP
- b. Line 2.14 – ACCRUED BK PENSION EXPENSE
- c. Line 2.25 – ACCRD COMPANYWIDE INCENTV PLAN
- d. Line 2.26 – ACCRUED BOOK VACATION PAY
- e. Line 2.49 – ACCRD SFAS 106 PST RETIRE EXP
- f. Line 2.50 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- g. Line 2.51 – ACCRD OPEB COSTS - SFAS 158
- h. Line 2.52 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

See response to question 71.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-99:

KPCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 2.02 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - \$1,643,069 and Column N - \$1,832,959.

Response:

- a. Equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-100:

KPCO - Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “WS E Rev Credits” tab for Accounts 451 and 454 including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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 Rev Credits” tab, Column (k).

Response:

See JI Set 1-74 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits' for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-101:

KPCO - please refer to the “WS M – Cost of Capital” tab, Line 13, Account 219.1, Accumulated Other Comprehensive Income, December of Rate Year, please explain and provide supporting documentation of the amount shown of \$789,724.

Response:

The balance in WS M - Cost of Capital, line 13 is driven by two actuarially determined activities for the Pension and Post Retirement Welfare plans as shown in JI Set 1-101 Attachment 1. Quarterly, the plans amortize the gain & losses and the prior service cost. In addition, the plan obligation is re-measured in December using updated actuarial assumptions such as discount rate and mortality table.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-102:

KPCO - Please refer to the “WS M – Cost of Capital” tab, Line 37, Total Interest Expense, please explain why Line 32 is not included in the reference yet is included in the formula in Excel Cell E56.

Response:

The inclusion of line 32 is appropriate in this calculation to ensure that the limit on hedging gains and losses is recognized as described in the note on line 39 of WS-M. In this note, the formula clearly stipulates that the formula is to include net hedging gains or losses up to a limit of five basis point of total capita. in the determination of the cost of debt. Line 32 on this worksheet represents the calculated limit as determined in lines 50-55 of this worksheet, and specifically adds back the includable amount after subtracting the total net hedging gain or loss on line 31. While line 37 in the tariff does not show line 32 as being in the equation, it is clearly the intent of the formula to include this line in the calculation.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-103:

KNGPT - Please refer to the “TCOS” tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$403,712) and (\$92,982) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-104:

KNGPT - Please refer to the "TCOS" tab, Line 120, 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 of \$48,404 and (\$943) respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-105:

KNGPT - Please refer to the “TCOS” tab, Line 139, Regional Market Expenses, please update the value in Excel Cell H236 to a formula rather than an input.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-106:

KNGPT - Please refer to the “WS B ADIT & ITC” tab, Line 17, Account 190, Year End Utility Deferrals, balances for December 31, 2019 and 2018, please reconcile and provide an explanation as to why the amounts shown of \$1,982,666 and \$1,613,333 are not equivalent to the referenced FERC Form 1 amounts of \$193,251 and \$67,543, respectively.

Response:

The amounts shown in the formula include the respective balances of DSIT (account 1901002) as of December 31, 2018 and 2019. Page 234 in Kingsport Power's FERC Form 1 has been prepared with the balance of this account included in the non-utility deferral balance shown on line 17, instead of as part of the utility operations deferral balance shown on line 8. The amount of each differences is shown as a reconciling item in the detail of line 17 footnote. In the preparation of the formula rate these amounts were properly included on line 17 off WS B ADIT & ITC.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-107:

KNGPT - Please refer to the “WS B-1 Actual Statement AF” tab, Line 12, Total Account 283, please reconcile the amount shown in Excel Cell D82 of \$9,903,039 to KgPCo’s 2019 FERC Form 1 Page 277, Line 19, Column (k) which states \$10,676,169.

Response:

The difference is due to account 283.3002. Correcting this issue would not affect the formula rate. JI Set 1-107 Attachment 1 illustrates the impact of the correction on WS B-1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-108:

KNGPT - Please refer to the “WS B-1 Actual Statement AF” tab, Line 12, Total Account 283, please reconcile the amount shown in Excel Cell F82 of (\$6,137,668) to KgPCo’s 2019 FERC Form 1 Page 277, Line 18, Column (k) which states (\$6,910,798).

Response:

The difference is due to account 283.3002. Correcting this issue would not affect the formula rate. JI Set 1-108 Attachment 1 illustrates the impact of the correction on WS B-1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-109:

KNGPT - 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, 2018, and December 31, 2019.

- 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 2.20 – ACCRD SFAS 106 PST RETIRE EXP
- e. Line 2.21 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- f. Line 2.22 – ACCRD OPEB COSTS - SFAS 158

Response:

See response to question 71.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-110:

KNGPT - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D57 of \$6,296,361 to KgPCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$6,348,140.

Response:

The difference is due to account 190.2. Correcting this issue would not affect the formula rate. JI Set 1-110 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-111:

KNGPT - Please refer to the “WS B-3” tab, Line 3, Total for Accounting Entries, please update the values in Excel Cells I30 and J30 to be formulas rather than inputs.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-112:

KNGPT - Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “WS E Rev Credits” tab for Accounts 454 and 456 including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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 Rev Credits” tab, Column (k).

Response:

See JI Set 1-74 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits' for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-113:

KNGPT - Please refer to the “WS M – Cost of Capital” tab, Line 33, Amort of Debt Discount & Expense – Acct 428, please reconcile the amount shown in Excel Cell E52 of \$0 to KgPCo’s 2019 FERC Form 1, Page 117, Line 63, Column (c) which states \$986.

Response:

The Company agrees that this amount, \$986 should have been included on line 33, Col (d) of the Kingsport formulas. However because inclusion of the amount would result in an increase in revenue requirement of \$198, the company is going to decline to correct this error due to immateriality.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-114:

OPCO - Please provide a detailed listing (Excel format) of all items booked to Account 566 - Miscellaneous Transmission Expenses of (\$28,475,451) in 2019 reported in OPCo's 2019 FERC Form 1, Page 321, Line 97, Column (b).

Response:

Please see JI Set 1-114 Attachment 1 for all items booked to Account 566 - Miscellaneous Transmission Expenses as reported in OPCo's 2019 FERC Form 1, Page 321, Line 97, Column (b).

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-115:

OPCO - In reference to OPCo's 2019 FERC Form 1, Page 354, Line 21, Column b, Transmission Wages Expense, please explain and provide supporting documentation for the decrease of approximately \$376,048, or 77%, from the 2018 expense.

Response:

The decrease in Transmission Wages Expense from 2018 to 2019 is due to the transfer of OPCo transmission employees to AEPSC at the end of 2018. The average number of OPCo transmission employees were 11 and 3 in 2018 and 2019, respectively.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-116:

OPCO - Please refer to the "TCOS" tab, Line 68, Rate Base, please explain why there is a link to WS B ADIT & ITC Cell L106 in the rate base formula in Excel Cell L125.

Response:

The link will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-117:

OPCO - Please refer to the “TCOS” tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$27,313,510) and (\$7,187,460) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-118:

OPCO - Please refer to the “TCOS” tab, Line 120, 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 of (\$1,376,183) and \$1,064,241 respectively; 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-119:

OPCO - Please refer to the “TCOS” tab, Line 139, Regional Market Expenses, please state whether AEP agrees Excel Cell H236 should be update to a formula.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-120:

OPCO - Please refer to the “WS A – RB Support” tab, Line 14, Production ARO Total, please state whether AEP agrees Excel Cell D23 should be updated to a formula rather than an input.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-121:

OPCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 6, Total Account 282, please reconcile the amount shown in Excel Cell E70 of \$422,348,091 to OPCo’s 2019 FERC Form 1, Page 274, Line 8, Column (b) which states \$422,803,657.

Response:

The balance in cell E70 includes the non-utility 282-2001 account balance which is on FF1 page 274 line 7, column B. Total account 282 (cell C70) does tie to FF1 page 274 line 8, column B.

Date: 10/19/2020

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

Data Request JI Set 1-122:

OPCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 6, Total Account 282, please reconcile the amount shown in Excel Cell F70 of \$378,605,231 to OPCo’s 2019 FERC Form 1, Page 275, Line 8, Column (k) which states \$379,060,797.

Response:

The balance in cell F70 includes the non-utility 282-2001 account balance which is on FF1 page 275 line 7, column K. Total account 282 (cell D70) does tie to FF1 page 275 line 9, column K.

Date: 10/19/2020

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

Data Request JI Set 1-123:

OPCO - 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, 2018, and December 31, 2019.

- a. Line 2.14 – PROV WORKER’S COMP
- b. Line 2.32 – ACCRD COMPANYWIDE INCENTV PLAN
- c. Line 2.34 – ACCRUED BOOK VACATION PAY
- d. Line 2.79 – ACCRD SFAS 106 PST RETIRE EXP
- e. Line 2.80 – ACCRD OPEB COSTS - SFAS 158
- f. Line 2.81 – ACCRD SFAS 112 PST EMPLOY BEN

Response:

See response to question 71.

Date: 10/19/2020

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

Data Request JI Set 1-124:

OPCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 2.04 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - \$9,065,810 and Column N - \$10,059,319.

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

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

Data Request JI Set 1-125:

OPCO - Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “WS E Rev Credits” tab for Accounts 451, 454, and 456 including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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 Rev Credits” tab, Column (k).

Response:

See JI Set 1-74 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits' for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

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

Data Request JI Set 1-126:

OPCO - Please refer to the “WS E Rev Credits” tab, Line 6, Subtotal – Other Operating Revenues, please reconcile the amount shown in Excel Cell I27 of \$141,737,391 to OPCo’s 2019 FERC Form 1, Page 300, Line 26, Column (b) which states \$141,841,604.

Response:

The difference identified relates to non-transmission revenues in account 456. Please see attachment JI 1-126 which illustrates the impact to WS E if values were corrected. This correction does not affect rates.

Date: 10/19/2020

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

Data Request JI Set 1-127:

OPCO - 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 \$4,689,331. In addition, please confirm that OPCo has not added any new customers in 2019 since FERC Docket No. ER18-254. If yes, please provide the associated docket nos.

Response:

This amount is a schedule 30.9 credit provided to AEP by Buckeye Power and flows through OPCo's formula rate. No other customers have been added.

Date: 10/19/2020

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

Data Request JI Set 1-128:

OPCO - In reference to OPCo's FERC Form 1, Pages 109.1 and 123.29, AEP issues several Letters of Credit on behalf of OPCo to cover a variety of operational needs under six uncommitted facilities totaling \$405 million. For 2019, please (i) provide the journal entries and amounts to record all costs associated with letters of credit and (ii) discuss how the cost of letters of credit enter into formula rate recoveries, including the cost of debt for AFUDC and capital structure calculations, operating expense recoveries, prepayments, and long-term and short-term debt balances.

Response:

Please see JI Set 1-128 Attachment 1, Pivot Tab for the listing of journal entries and amounts to record costs associated with letters of credit for OPCo. The amounts were recorded in account 4310007 which is not included in the transmission cost of service calculation.

Date: 10/19/2020

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

Data Request JI Set 1-129:

OPCO - In reference to OPCo's FERC Form 1, Page 123.24, Notes to the Financial Statements, OPCo recorded a SEET provision of \$58 million in 2016. OPCo stated that in February 2019, the PUCO issued an order that OPCo did not have significantly excessive earnings in 2016. As a result of the order, OPCo reversed the \$58 million provision in the first quarter of 2019. Please provide OPCo's accounting to record the provision in 2016 and reverse the provision in 2019.

Response:

<u>Account</u>	<u>Description</u>	<u>Year/Amount Dr/(Cr)</u>	
		<u>2016</u>	<u>2019</u>
229	Accumulation Provision for Rate Refund	(58,345,374.82)	58,345,374.82
449.1	Provision for Rate Refund - Retail	58,345,374.82	(58,345,374.82)

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-130:

OPCO - 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 2019 to record any costs associated with the Superfund and State Remediation, including contingent liabilities, expenses, or revenues.

Response:

There were no expenses recorded on OPCo in 2019 associated with Superfund or State Remediation activities.

Date: 10/19/2020

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

Data Request JI Set 1-131:

OPCO - In reference to OPCo's FERC Form 1, Prepaid pension/OPEB, Page 123.33, notes participant contributions to OPEB. To the extent OPCo has prepaid OPEB in rate base ensure the participant contributions are removed. How is it factored into the determination of Net Periodic Benefit Cost (Credit) when the expected return on plan assets is partially funded by participant contributions?

Response:

Participant contributions shown on page 123.33 increase the fair value of plan assets. Increases in the fair value of plan assets reduce net periodic benefit costs. Since the participant contributions lower expense it also decreases the amount the Company would contribute and is reflected in the prepaid pension recorded on the Company's books.

Date: 10/19/2020

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

Data Request JI Set 1-132:

OPCO - In reference to OPCo's FERC Form 1, Page 123.53, OPCo identifies a deferred tax asset of \$18.3 million related to an operating lease liability. Please provide (i) a description of the operating lease liability (i.e. whether it's an OPCo owned lease or a lease OPCo pays to a third-party) and (ii) the FERC account used to record this deferred tax item and discuss its treatment in the formula rate.

Response:

- (i) These obligations are for multiple operating leases that are paid to third parties.
- (ii) The ADFIT related to the book operating lease liability is recorded to FERC account 190 and can be seen on "WS B-1 - Actual Stmt. AF" row 5.31. The footnote on Page 123.53 incorrectly identifies the balance of the DTA at \$18.3M due to a late accounting entry that was not included in the footnote workpaper. This DTA is almost entirely offset by a DTL for book operating lease assets as seen on "WS B-2 - Actual Stmt. AG" row 2.83.

Date: 10/19/2020

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

Data Request JI Set 1-133:

OPCO - Please provide a description of any costs incurred in 2019 related to its previous production business and provide the accounting for such activities and costs.

Response:

OPCO incurs costs related to the OVEC purchase 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 mainly in 555 for OVEC and 555/557 for the REPAs. None of these expenses are included in the formula rate.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-134:

OPCO - In reference to OPCo's 2019 FERC Form 1, Page 207, Line 98, column g, please discuss the nature of this asset retirement obligation and the asset(s) it relates to.

Response:

Please see JI Set 1-134 Attachment 1.xlsx for the nature of the asset retirement obligations and the related assets.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-135:

OPCO - 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 2019.

Response:

Please see JI Set 1-135 Attachment 1.xlsx 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: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-136:

OPCO - In reference to OPCo's 2019 FERC Form 1, Page 269, line 35, please provide the journal entries associated with "Qual of SVC Penalties – LT" in 2019 along with detailed descriptions of each journal entry.

Response:

Please see JI Set 1-136 Attachment 1 for the journal entries associated with "Qual of SVC Penalties – LT". Note that this activity is recorded in account 426 and not included in the formula.

Date: 10/19/2020

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

Data Request JI Set 1-137:

WPCO - In reference to WPCo's 2019 FERC Form 1 Page 207, Line 50, Column d, Account 353 – Station Equipment, what is the nature of the 2019 Retirements in the amount of \$2,862,134? Please provide a detailed listing of the 2019 Retirements for this account.

Response:

Please see JI Set 1-137 Attachment 1.xlsx for the listing of retirements for WPCO Account Account 353 – Station Equipment.

Date: 10/19/2020

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

Data Request JI Set 1-138:

WPCO - Please refer to the "TCOS" tab, Line 119, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of (\$10,015,422) and (\$99,278) respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-139:

WPCO - Please refer to the “TCOS” tab, Line 120, 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 of \$866,799 and \$44,489 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

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

Data Request JI Set 1-140:

WPCO - 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 cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

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

Data Request JI Set 1-141:

WPCO - 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, 2018, and December 31, 2019.

- a. Line 2.15 – ACCRD COMPANYWIDE INCENTV PLAN
- b. Line 2.16 – ACCRUED BOOK VACATION PAY
- c. Line 2.30 – ACCRD SFAS 106 PST RETIRE EXP
- d. Line 2.31 – SFAS 106 PST RETIRE EXP – NON-DEDUCT CONT
- e. Line 2.33 – ACCRD OPEB COSTS - SFAS 158

Response:

See response to question 71.

Date: 10/19/2020

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

Data Request JI Set 1-142:

WPCO - Please refer to the “WS B-1 Actual Statement AF” tab, Excel Cells A29:A53, please correct the line numbers shown.

Response:

The line numbers have been corrected.

Date: 10/19/2020

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

Data Request JI Set 1-143:

WPCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 2.03 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - \$183,542 and Column N - \$176,107.

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

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Set 1 of Data Requests**

Data Request JI Set 1-144:

WPCO - Please refer to the “WS C – Working Capital” tab, Excel Cell K40, Account 165000219 - Prepaid Taxes, please state whether AEP agrees the inputted value in the cell should reflect a formula.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

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

Data Request JI Set 1-145:

WPCO - Please refer to the “WS C – Working Capital” tab, Excel Cell K60, Account 165000218 - Prepaid Taxes, please state whether AEP agrees the inputted value in the cell should reflect a formula.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

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

Data Request JI Set 1-146:

WPCO - Please provide the derivation of and any workpapers supporting the transmission-related revenue credits identified on the “WS E Rev Credits” tab for Accounts 454 and 456 including a listing of each revenue amount and a description of each total company revenue amount (\$) booked in 2019. 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 Rev Credits” tab, Column (k).

Response:

See JI Set 1-74 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits" for Accounts 451, 454 and 456, for each East Operating Company. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

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

Data Request JI Set 1-147:

IMTCO - In reference to IM TransCo's 2019 FERC Form 1 Page 205, Line 4, Column d, Account 303 – Miscellaneous Intangible Plant, what is the nature of the 2019 Retirements in the amount of \$1,215,996? Please provide a detailed listing of the 2019 Retirements for this account.

Response:

Please see JI Set 1-147 Attachment 1.xlsx for the listing of retirements for IMTCO Account 303 – Miscellaneous Intangible Plant.

Date: 10/19/2020

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

Data Request JI Set 1-148:

IMTCO - Please refer to the "TCOS" tab, Line 102, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of \$1,161,092 and \$1,136,937 respectively;
- b. Confirm that these input amounts should have been input as "negatives" and not "positives." If not, please provide a detailed explanation for the amounts being "positive"; and
- c. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Based on the information provided on W/S B-3 to the formula, the amortization of Excess ADIT is properly reported as a debit to tax expense. Note that, per Note C on W/S B-3, (which is the Excess ADIT tracking sheet required by FERC Order 864, and applied for in Docket ER20-2577-000) the Company is amortizing the unprotected excess ADIT in accounts 282.1 and 283.1, which are both debit balances, over a ten year period; while using a longer ARAM method to amortize the credit balance of Protected Excess ADIT. Therefore, the amortization of unprotected debit balances over a shorter period than the protected excess results in an overall net expense for this line in the TCOS.
- c. The amounts shown here is the net amortization of protected and unprotected excess ADIT for 2019.

Date: 10/19/2020

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

Data Request JI Set 1-149:

IMTCO - Please refer to the "TCOS" tab, Line 103, 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 of \$382,670 and \$374,709 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

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Set 1 of Data Requests**

Data Request JI Set 1-150:

IMTCO - Please refer to the “WS B ADIT & ITC” tab, please state whether AEP agrees the inputted values in Excel Cells E17, E18, E19, E27, E35, E43, E52, G17, G18, G19, G27, G35, G43, and G52 should reflect formulas to the respective references as the “Source” states Column B.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

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

Data Request JI Set 1-151:

IMTCO - 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 (\$8,666,176) and (\$10,410,609) for 2018 and 2019 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

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Data Request JI Set 1-152:

IMTCO - 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, 2019.

Response:

See response to question 71.

Date: 10/19/2020

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

Data Request JI Set 1-153:

IMTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D39 of \$41,065,640 to IM TransCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$41,404,248.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-153_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

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

Data Request JI Set 1-154:

IMTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell F39 of (\$33,938,244) to IM TransCo’s 2019 FERC Form 1, Page 234, Line 17, Column (c) which states (\$34,276,852).

Response:

The account was reconciled and ties to FF1. Correcting this issue would not affect the formula rate. JI Set 1-153_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

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

Data Request JI Set 1-155:

OPTCO - Please explain and provide supporting documentation for the drivers underlying the increase in Account 570 – Maintenance of Station Equipment from \$1,874,787 to \$3,626,254 as shown in OH TransCo's 2019 FERC Form 1, Page 321, Line 107, Columns (c) and (b), respectively.

Response:

The increase in Maintenance of Station Equipment (Account 570) from 2018 to 2019 is primarily related to outside services, materials and supplies, and services provided by AEP affiliates (primarily AEPSC). The outside services and materials and supplies are primarily related to work at the Brice and Boutwell stations. Please refer to JI Set 1-155_Attachment_1 for a summary of the 2018 and 2019 charges to Account 571. Please refer to JI Set 1-155_Attachment_2 for summary of the AEPSC 2018 and 2019 charges to Account 571 by department and cost type.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-156:

OPTCO - Please refer to the "TCOS" tab, Line 102, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of \$29,989 and \$29,989 respectively;
- b. Confirm that these input amounts should have been input as "negatives" and not "positives." If not, please provide a detailed explanation for the amounts being "positive"; and
- c. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Based on the information provided on W/S B-3 to the formula, the amortization of Excess ADIT is properly reported as a debit to tax expense. Note that, per Note C on W/S B-3, (which is the Excess ADIT tracking sheet required by FERC Order 864, and applied for in Docket ER20-2577-000) the Company is amortizing the unprotected excess ADIT in accounts 282.1 and 283.1, which are both debit balances, over a ten year period; while using a longer ARAM method to amortize the credit balance of Protected Excess ADIT. Therefore, the amortization of unprotected debit balances over a shorter period than the protected excess results in an overall net expense for this line in the TCOS. It should be noted that the amortization of excess ADIT reported on WS B-3 for AEP OHTCO was mistakenly reported in the column for other entries. While preparing this response, the Company realized that the WS B-3 in the AEP OHTCO true-up formula filed on May 22 had reported the amortization of Excess ADIT in the wrong column of the proposed WS B-3. See JI Set 1-156 Attachment 1 for a copy of WS B-3 from the true-up with the amortization of excess reported in the proper column. The revised cells are highlighted in yellow.
- c. The amount shown here is the net amortization of protected and unprotected excess ADIT for 2019.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-157:

OPTCO - Please refer to the "TCOS" tab, Line 103, 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 of \$642,585 and \$642,585 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-158:

OPTCO - Please refer to the “WS B ADIT & ITC” tab, Line 25, Transmission Related Deferrals, please state whether AEP agrees the inputted values in Excel Cells E52 and G52 should be updated to links to the “Source” as stated in Column B

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-159:

OPTCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 5.07 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - (\$18,637,011) and Column N - (\$24,107,876).

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-160:

OPTCO - 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 (\$3,301,445) and (\$3,389,127) for 2018 and 2019 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. The amounts 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-161:

OPTCO - 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, 2018, and December 31, 2019.

Response:

See response to question 71.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-162:

OPTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D34 of \$47,198,635 to OH TransCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$47,749,386.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-162_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-163:

OPTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell F34 of (\$45,311,614) to OH TransCo’s 2019 FERC Form 1, Page 234, Line 17, Column (c) which states (\$45,862,366).

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-162_Attachment_1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-164:

OPTCO - 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 \$506,429 was approved by the Commission. In addition, please confirm that OH TransCo has not added any new customers in 2019 since FERC Docket No. ER18-2110. If yes, please provide the associated docket nos.

Response:

This amount is a schedule 30.9 credit provided to AEP by Buckeye Power and flows through OPTCo's formula rate. No other customers have been added.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-165:

WVTCO - Please explain and provide supporting documentation for the drivers underlying the increase in Account 571 – Maintenance of Overhead Lines from \$106,960 to \$899,165 as shown in WV TransCo’s 2019 FERC Form 1, Page 321, Line 108, Columns (c) and (b), respectively.

Response:

The increase in Maintenance of Overhead Lines (Account 571) from 2018 to 2019 is primarily related to outside services. The charges are primarily related to forestry expenses and work on the Gosney-Nauvoo Ridge line. Please refer to JI Set 1-165_Attachment_1 for a summary of the 2019 charges to Account 571.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-166:

WVTCO - -Please refer to the “TCOS” tab, Line 102, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of \$547,933 and \$547,933 respectively;
- b. Confirm that these input amounts should have been input as “negatives” and not “positives.” If not, please provide a detailed explanation for the amounts being “positive”; and
- c. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Based on the information provided on W/S B-3 to the WVTCO formula, the amortization of Excess ADIT is properly reported as a debit to tax expense. Per Note C on W/S B-3, (which is the Excess ADIT tracking worksheet required by FERC Order 864, and applied for in Docket ER20-2577-000) the Company is amortizing the unprotected excess ADIT credit balance in 282.1 and debit balance 283.1 over a ten year period; while using a longer ARAM method to amortize the credit balance of Protected Excess ADIT in 282.1. The amortization of the unprotected debit balance in 283.1 exceeds the amortization credits in 282.1, resulting in an overall net expense for this line in the TCOS.
- c. The amounts shown here is the net amortization of protected and unprotected excess ADIT for 2019.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-167:

WVTCO - Please refer to the "TCOS" tab, Line 103, 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 of \$150,533 and \$150,533 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-168:

WVTCO - Please refer to the “WS B ADIT & ITC” tab, please provide the workpaper “AEP Transco 2019 ADIT wo bonus Wp 10_3.xlsx” in a workable Excel file with all formulas intact as it is referenced in the formula bar in Excel Cells E17, E18, E19, G17, G18, and G19.

Response:

These cells were referencing a source file used for the PTRR and have been corrected to reference WS B-1. These values were all zero and had no impact on revenue requirement.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-169:

WVTCO - Please refer to the “WS B ADIT & ITC” tab, please state whether AEP agrees Excel Cells E27, E35, E43, E52, G27, G35, G43, and G52 should reflect links as referenced in the “Source” Column B.

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-170:

WVTCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 5.07 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - (\$5,811,906) and Column N - (\$8,880,649).

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-171:

WVTCO - 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 (\$5,515,690) and (\$5,773,365) for 2018 and 2019 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-172:

WVTCO - 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 2.04 – 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, 2018, and December 31, 2019.

Response:

See response to question 71.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-173:

WVTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D33 of \$26,055,144 to WV TransCo’s 2019 FERC Form 1 Page 234, Line 18, Column (c) which states \$26,257,222.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-173 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-174:

WVTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell F33 of (\$18,212,170) to WV TransCo’s 2019 FERC Form 1 Page 234, Line 17, Column (c) which states (\$18,414,247).

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-173 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-175:

WVTCO - Please refer to the “WS E Rev Credits” tab, Line 5 – Account 456 – Other Electric Revenues, please provide a listing and description of each revenue amount (\$) booked in 2019. 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.

Response:

See JI Set 1-175 Attachment 1 for the workpaper supporting the transmission-related revenue credits reported on 'WS E Revenue Credits' for Accounts 451, 454 and 456, for each East TransCo. This includes a listing of each revenue amount and description of each total company revenue amount (\$) booked in 2019. Rent revenues for general assets are recorded in 454.

Date: 10/19/2020

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

Data Request JI Set 1-176:

KYTCO - Please refer to the "TCOS" tab, Line 102, Excess Deferred Income Tax; please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of \$15,310 and \$15,310 respectively;
- b. Confirm that these input amounts should have been input as "negatives" and not "positives." If not, please provide a detailed explanation for the amounts being "positive"; and
- c. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Based on the information provided on W/S B-3 to the KYTCO formula, the amortization of Excess ADIT is properly reported as a debit to tax expense. Per Note C on W/S B-3, (which is the Excess ADIT tracking worksheet required by FERC Order 864, and applied for in Docket ER20-2577-000) the Company is amortizing the unprotected excess ADIT credit balance in 282.1 and debit balance 283.1 over a ten year period; while using a longer ARAM method to amortize the credit balance of Protected Excess ADIT in 282.1. The amortization of the unprotected debit balance in 283.1 exceeds the amortization credits in 282.1, resulting in an overall net expense for this line in the TCOS.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-177:

KYTCO - Please refer to the "TCOS" tab, Line 103, 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 of \$23,622 and \$23,622 respectively;
- 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 2019 amortization of the Tax Effect of Permanent and Flow-Through Differences. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. See JI Set 1-66 Attachment 1.
- c. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-178:

KYTCO - Please refer to the “WS B ADIT & ITC” tab, Line 25, Transmission Related Deferrals, please state whether AEP agrees Excel Cells E52 and G52 should reflect links as stated in the “Source” Column B

Response:

The cell should be a formula and will be corrected but has no impact on the rate.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-179:

KYTCO - Please refer to the “WS B-1 Actual Statement AF” tab, Line 5.06 – INT EXP CAPITALIZED FOR TAX, please provide the following:

- a. State whether this is the associated ADIT for the underlying items of the debt and equity components of AFUDC.
- b. Provide a detailed tabulation (i.e. separate amounts for each item) of the associated amounts related to (i) debt, (ii) equity and (iii) short-term included in Column K - (\$501,468) and Column N - (\$594,244).

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-180:

KYTCO - 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 (\$236,120) and (\$617,774) for 2018 and 2019 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-181:

KYTCO - 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, 2018, and December 31, 2019.

Response:

See response to question 71.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-182:

KYTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D32 of \$2,165,740 to KY TransCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$2,185,105.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-182 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-183:

KYTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell F32 of (\$1,841,671) to KY TransCo’s 2019 FERC Form 1, Page 234, Line 17, Column (c) which states (\$1,861,036).

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-182 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-184:

KYTCO - Please refer to the “WS E Rev Credits” tab, Line 5 – Account 456 – Other Electric Revenues, please provide a listing and description of each revenue amount (\$) booked in 2019. 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.

Response:

Please see the response to question 175 for the KYTCO WS E Rev Credits and the description of each revenue amount booked in 2019.

Date: 10/19/2020

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

Data Request JI Set 1-185:

KYTCO - Please refer to the “WS P Dep. Rates” tab, AEP filed revised depreciation rates under FERC Docket No. ER18-2277 for AEP Kentucky Transmission Company, however it appears that AEP did not update the rate for Row 17 – Account 350.1 Land Rights to reflect 1.44% in accordance with its FERC filing. Please state whether AEP intends to correct the rate in the template.

Response:

Please see JI Set 1-185 Attachment 1 for updated WS P.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
FERC Docket Nos. ER17-405-000 and ER17406-000**

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

Data Request JI Set 1-186:

APTCO - Please refer to the "TCOS" tab, Line 102, Excess Deferred Income Tax ;please provide:

- a. Copies of all the supporting calculations for the amounts in Column (3) TO Total and Column (5) Total Transmission of \$1,020 and \$1,020 respectively; and
- b. Confirm that these amounts are the actual 2019 amortization of the Excess Deferred Income Taxes. If not, please provide a detailed explanation of what year it represents.

Response:

- a. See JI Set 1-66 Attachment 1.
- b. Confirmed.

Date: 10/19/2020

**PJM Formula Rate Responses to Questions on 2019 True-up ATRR
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**Responses to Joint Customers
Set 1 of Data Requests**

Data Request JI Set 1-187:

APTCO - Please refer to the “WS A - Rate Base Support” tab, Excel Cell C21, November, Transmission Gross Plant in Service, please provide the following:

- a. Supporting documentation for the amount shown of \$85,221,949.
- b. An explanation for the significant increase from October’s plant balance of \$1,819,500.

Response:

- a. Please see JI Set 1-187 Attachment 1.xlsx for supporting documentation.
- b. Please see JI Set 1-187 Attachment 2.xlsx for support and an explanation of the increase in October.

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**Responses to Joint Customers
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Data Request JI Set 1-188:

APTCO - 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 \$109,517 and \$314,300 for 2018 and 2019 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 2019 activity in FERC account 432 multiplied by the federal income tax rate: \$975,157 x 21%.

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**Responses to Joint Customers
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Data Request JI Set 1-189:

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

- a. A detailed description of AP TransCo’s Line 5.06 INT EXP CAPITALIZED FOR TAX amounts for Columns K and N in the amounts of (\$202,154) and (\$700,645) for 2018 and 2019 respectively; and
- b. Copies of all supporting calculations for the amounts in Columns K and N.

Response:

- a. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.
- b. Information not available in the format requested.

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**Responses to Joint Customers
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Data Request JI Set 1-190:

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

- a. A detailed description of AP TransCo’s Line 5.11 EXCESS ADFIT - UNPROTECTED amounts for Columns K and N in the amounts of \$8,689 and (\$44,492) for 2018 and 2019 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-191:

APTCO - JI-191. 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 \$11,179 and \$13,989 for 2018 and 2019 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 federal income tax offset to the NOL for the state carryforward.
- b. N/A.

Date: 10/19/2020

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

Data Request JI Set 1-192:

APTCO - 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 2018 and 2019 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.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-193:

APTCO - 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 (\$7,190) and \$33,758 for 2018 and 2019 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. See JI Set 1-66 Attachment 1.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-194:

APTCO - 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, 2018, and December 31, 2019.

Response:

See response to question 71.

Date: 10/19/2020

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**Responses to Joint Customers
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Data Request JI Set 1-195:

APTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell D33 of \$106,194 to AP TransCo’s 2019 FERC Form 1, Page 234, Line 18, Column (c) which states \$116,481.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-195 Attachment 1 illustrates the impact of the correction on WS B-2.

Date: 10/19/2020

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Data Request JI Set 1-196:

APTCO - Please refer to the “WS B-2 Actual Statement AG” tab, Line 3, Total Account 190, please reconcile the amount shown in Excel Cell F33 of \$3,914 to AP TransCo’s 2019 FERC Form 1, Page 234, Line 17, Column (c) which states \$6,374.

Response:

The difference is due to account 190.2001. Correcting this issue would not affect the formula rate. JI Set 1-195 Attachment 1 illustrates the impact of the correction on WS B-2.

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**Responses to Joint Customers
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Data Request JI Set 1-197:

APTCO - Please refer to the “WS E Rev Credits” tab, Line 5 – Account 456 – Other Electric Revenues, please provide a listing and description of each revenue amount (\$) booked in 2019. 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.

Response:

Please see the response to question 175 for the APTCO WS E Rev Credits and the description of each revenue amount booked in 2019.

Date: 10/19/2020