SUBJECT: AEP East Operating Companies' and East Transmission Companies' 2020 Formula Rate True-up Set 2 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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Data Request JI-2-1:
In reference to balances recorded by each AEP OpCo and TransCo to FERC Account Nos. 228.1-228.4, please provide AEP's rationale for excluding any of these subaccounts from Unfunded Reserves in rate base.

Response:
AEP relies on the FERC USofA definition of contingent liabilities which states: Contingent liabilities include items which may under certain conditions become obligations of the utility but which are neither direct nor assumed liabilities at the date of the balance sheet.

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Data Request JI-2-2:
In reference to construction projects under construction in 2019 and placed intoService in 2020, for each OpCo and TransCo, please:
a. Quantify the amount of pension expense capitalized to construction projects in 2019; and
b. Quantify the amount of pension contributions made to external trusts in 2019.

Response:
a. The capital portion of the pension expense is calculated based on payroll being recorded to capital projects. The amount of Pension expense offset to Capital cannot be quantified exactly because this is based on multiple benefit expense accounts and labor for each month. The annual average Capital / O&M rates are provided in JI-2-2 Attachment 1.xlsx along with the annual expense as provided by Willis Towers Watson.
b. The company did not make a pension contribution in 2019.

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Data Request JI-2-3:
In reference to "JI_1-4_Attachment_1.xlsx," "Pivot Summary" tab, please clarify whether all of the write-offs from FERC Account No. 107 identified on this tab represent cancelled construction projects or, if not, please quantify the amounts that do NOT represent cancelled construction projects and explain the nature and purpose of these write offs. In reference to AEP's response to JI 1-4, please provide a detailed description of the projects listed below and provide the following information: (i) the purpose for the project; (ii) an explanation of whether the project was RTO-mandated or otherwise required by a regulator; (iii) an explanation for the reason to cancel the project; and (iv) a discussion of whether the proposed project was intended to Solely Support transmission.

a. ETN000194
b. ETNANDA
c. 16124
d. ETN000160

Response:
The costs shown on Attachment JI 1-4 represent write-offs to O&M accounts from Construction work in progress due to changes in the scope of a project. Project write-offs arise because AEP transmission believed at the time of project initiation that there was a certain need or needs, and develops a specific scope to address that need. A conceptual scope is defined, then the project is kicked off and work orders are opened, which collect the charges associated with the project. As more hours and analysis are devoted to planning the project, there are situations when it is determined the original project scope is not the most cost effective or reliable solution. In these instances, the project will be canceled and the need will be addressed in the future with the adjusted scope with a new capital project. Ultimately, the reason for canceling a project is a result of the original needs or the solution that was proposed is altered in some form causing the scope to change.
The charges associated with planning a cancelled project may be absorbed by the new capital project. Depending on both the need of the solution envisioned in the project, and whether the work done to date on the project can be incorporated into a new project, and costs incurred to date will be rolled over to a new project or projects in the 107 account or, if not usable, will be charged to O&M.
Regarding the specific projects selected by the Customers, the Company responses thus:
a. This general project category (ETN000194) is for SWEPCO Transmission projects and outside the scope of this discovery. The query information provided in JI-1-4 Attachment 1 included project categories for all Companies, including those with operations in PJM, SPP or ERCOT. Therefore, while this data was provided in the query, it was not included in the pivot table provided in JI 1-4 because SWEPCO is outside the scope of the question.
b. This general project category (ETNANDA) is to identify projects at a high-level and not a

granular category. Charges to this project were recorded on various operating companies in PJM, SPP or ERCOT. They were written off because they could not be associated with a capital project.
c. This general project category (16124) is for projects in Texas and out side the scope of this discovery.
d. This general project category (ETN000160) is for charges to Ohio Power Company or AEP Ohio Transmission Company related to station design work. These charges were written off because they could not be associated with a capital project.

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Data Request JI-2-4:
In reference to AEP's response to JI 1-5, please clarify whether AEP write off FERC Account No. 183 charges related to generation or distribution to either A&G expense accounts or Transmission O&M expense accounts in 2020 and, if So, quantify Such amounts by FERC Account Number.

Response:
See attachment 2-4 Attachment 1 for the accounts to which credits to account 1830000 (Preliminary Survey and Investigation) balances on the Generation, Distribution or Nuclear business units of the AEP east operating companies are recorded.

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Data Request JI-2-5:
In reference to AEP's response to JI 1-9, please:
a. Quantify the beginning- and end-of-year balances of any ADIT associated with the identified amounts;
b. Provide the 13-month average balances of the identified Subaccounts; and
c. For any identified Subaccounts that AEP did not include as unfunded reserves in rate base, thoroughly explain AEP's basis for excluding those amounts.

Response:
a - Please see JI 2-5 Attachment 2 for ADIT associated with the identified amounts in JI 1-9 Attachment 1.
b - See JI 2-5 Attachment 1.
c - For the purpose of preparing AEP's formula rate, the Company is obligated to use the definition of unfunded reserves included in the FERC-approved template. The Commission-approved definition for the AEP East companies and Transcos is in footnote Y, which states "The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilites recorded to Accounts 228.1-228.4 from rate base."

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Data Request JI-2-6:
In reference to AEP's response to JI 1-12 and attachment "JI_1-12_Attachment_1.xlsx", please provide for each OpCo, all Supporting calculations which Support the Net Plant "inputted" percentages, by function, for the State jurisdictions reflected in "JI_1-12_Attachment_1.xlsx," for the 2020 Rates. (in active Excel Format)

Response:
Please refer to JI-2-6 Attachment 1.

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Data Request JI-2-7:
In reference to AEP's response to JI 1-16, pension contributions (by fund and amount contributed) for each OpCo and TansCo during 2020 and 2021 to-date. Please provide:
a. Confirm that neither TransCo made any contributions to the "pension plan(s)." If AEP cannot provide confirmation, please provide a detailed explanation with copies of all Supporting documentation and guidance (FERC, third-party, etc.) which AEP relied upon.
b. The Supporting calculations and documentation for the pension contributions, by OpCo which were made in 2020. (in active Excel Format)
c. Copies of the actuarial report(s) which Support the contributions made in 2020, by OpCo.

Response:
a. The TransCo's did not make contributions to the AEP pension plan because the TransCo's do not have employees.
b. Please see JI-2-7 Attachment 1.xlsx which is provided by Willis Towers Watson to specify how much of the AEP Pension contribution should be allocated to each company based on their current funded positions.
c. The AEP Pension plan actuarial report is prepared at a plan level, not an OpCo level. Each OpCo is a participant in the AEP Pension Plan. While the contribution was made in 2020, it was applied to 2019 for ERISA purposes and will show in the 2019 column in JI-2-7 Attachment 2 - 2020 Pension Report.PDF, which is an excerpt from the AEP Pension report issued by Willis Towers Watson.

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Data Request JI-2-8:
In reference to AEP's response to JI 1-18, Prepaid Pension included in the 12/31/2020 balance for each of the OpCos "WS-C-Working Capital". Please provide:
a. A detailed explanation for the prepayment item FAS 158 Qual Contr Asset in the amount of ($152,128,440) not being allocated using the Transmission Labor Related allocator.
b. Confirm that the prepayment item FAS 158 Qual Contr Asset in the amount of ($152,128,440) offsets 100% of the prepayment item Prepaid Pension in the amount of $152,128,440. If confirmation cannot be provided, please provide a detailed explanation with copies of all Supporting documentation and guidance (FERC, third-party, etc.) which AEP relied upon.
c. Confirm that FERC in Docket No. AI07-1-000, March 29, 2007 provided Accounting and Reporting Guidance related to FAS 158 and that in Section "7. Cost-of-Service Tariffs/Formula Rate," the guidance Specifically States when asked:
QUESTION: May jurisdictional entities include in their monthly billings any amounts recognized or reclassified in connection with the implementation of SFAS No. 158 for FERC reporting purposes?
Response: No. Adoption of the accounting guidance contained in this letter is for FERC accounting and reporting purposes only, and may not affect the measurement or periods in which amounts are included in jurisdictional entities' billing determinations without prior regulatory approval. If an entity's billing determinations are affected by the adoption of the guidance contained in this letter, the entity Shall make a filing with the proper rate regulatory authorities before implementing the accounting change for billing purposes.

If confirmation cannot be provided, please provide a detailed explanation with copies of all Supporting documentation and guidance (FERC, third-party, etc.) which AEP relied upon.

Response:
a. The formulas for the 2020 true-up were prepared in a manner consistent with AEP's formula rate templates set forth in Attachments H-14 and H-20 of the PJM Open Access Transmission Tariff approved by FERC. In the preparation of the WS-C, the exclusion from rate base of the SFAS 158 contra-asset balance from the formula ensures that each Operating Company receives a return on the functional share of the cash pre-payments made for pension assets. AEP has stated before, and reiterates here, that including the offsetting contra-asset for SFAS 158 will simply cause the Companies to miss out on earning an appropriate return on these assets, and will not consider including the SFAS 158, contra asset in rate base.
b. The Pension prepaid contra-asset is recorded to offset the prepaid pension asset so a net $0 is reported for reporting. The obligation portion of the prepaid pension asset is recorded in a regulated asset and the under/over funded is recorded in either a 129.0 or 228.3 account.

c. Confirmed. AEP does follow FAS 158 reporting requirements. Recording of prepaid pensions and the FAS 158 offset in account 165 is done for ratemaking purposes. The AEP East Operating Companies have been excluding the SFAS158 offset in the determination of the ratebase working capital since the implementation of the formula rates in the approved settlement of FERC Docket ER08-1329, and this has continued despite other revisions made to the formula in the approved settlement of Docket ER17-405.

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Data Request JI-2-9:
In reference to AEP's response to JI 1-22, "JI_Set_1-22_Attachment 1," "Pivot," AEP does not appear to have provided the detailed journal entries, including any work order descriptions, for the amounts provided in this response to enable the customers to determine whether these expenses were properly recorded. For each of the following, please provide the detailed journal entries by transaction and associated amount.

a. I&M billed IMTCO in the amount of $954,948.69 to account 560.
b. I&M billed IMTCO in the amount of $450,668.78 to account 566.
c. I&M billed IMTCO in the amount of $1,480,814.29 to account 570.
d. APCO billed IMTCO in the amount of $157,777.02 to account 923.
e. OPCO billed KYTCo in the amount of $218,009.34 to account 560.
f. OPCO billed OHTCo in the amount of $53,668.24 to account 562.
g. OPCO billed OHTCo in the amount of $39,492.99 to account 563.
h. OPCO billed OHTCo in the amount of $162,547.31 to account 566.
i. OPCO billed OHTCo in the amount of $91,338.78 to account 570.
j. OPCO billed OHTCo in the amount of $42,889.20 to account 573.
k. APCO billed OHTCo in the amount of $239,561.76 to account 923.
l. OPCO billed OHTCo in the amount of $399,350.15 to account 935.
m. APCO billed WVTCo in the amount of $154,185.38 to account 562.
n. APCO billed WVTCo in the amount of $21,308.97 to account 566.
o. APCO billed WVTCo in the amount of $ 92,809.00 to account 923.

Response:
See JI Set 2 - 9 Attachment 1 for additional detail for items a. through o.

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Data Request JI-2-10:
In reference to AEP's response to JI 1-22, "JI_Set_1-22_Attachment 1," "InterCoQuery" tab, Column "PC Bus Unit," for each of the Business Unit codes included in this column, please provide a long description of each business unit and a detailed description of what functions and tasks they perform.

Response:
The PC Bus Unit refers to the Project Costing Business Unit. This chartfield or code in the General Ledger indicates which functional organization within AEP that manages the project associated with the transaction. It is used primarily to identify high-level groupings. It does not indicate which General Ledger Business unit (T, D or G) provided the service. Column M, "From Unit" of the referenced attachment indicates which General Ledger Business Unit provided the service. See JI Set 2-10 attachment 1 for a listing of the various Project Costing Business Units and JI Set 2 -10 Attachment 2 for a listing of the General Ledger Business Units.
Refer to JI 2-11 response for further clarification.

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Data Request JI-2-11:
In reference to AEP's response to JI 1-22, "JI_Set_1-22_Attachment 1," it appears that I&M provided $381,191.67 of Services from its distribution function to IMTCo and included them in Account 560, please provide the following:
a. A detailed description of the Services that are being provided to IMTCo from I&M's distribution business unit.
b. State whether these amounts were direct or indirect (i.e. through an allocation methodology) charges.
c. If amounts are being indirectly allocated, please provide the methodology by which the expenses are determined to be transmission related and the Supporting calculations for these amounts.

Response:
a. In reference to JI Set 1-22 Attachment 1, the amount in question of $381,191.67 is derived incorrectly. This amount was determined by using the Project Costing Business Unit. See the JI Set 2-10 response for more detail. The amount billed to IMTCo from I&M Distribution and recorded in account 560 is $7,438.53. This was for training expenses. Two items/invoices make up $6,862 (92%) of the total. These items were training expenses paid by I&M Distribution but allocated to I&M Transmission and I&M Transco. See JI Set 2-11 Attachment 1.
b. The $6,862 was allocated indirectly to IMTCo.
c. See JI Set 2-11 Attachment 1, tab "Detail of $7,438" for the allocation methodology.

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Data Request JI-2-12:
In reference to AEP's response to JI 1-26, Accounting for Leases (FASB Accounting Standards Update No. 2016-02 Leases Topic 842) included in each of the OpCos formula rates. Please provide:

a. A detailed description of any impacts to each of the OpCos Transmission Formula Rates due to the implementation of Topic 842, by FERC Account, including ADIT accounts.

b. A detailed explanation for AEP to include the impacts of the implementation of Topic 842 in the OpCos Transmission Formula Rates, including copies of all Supporting documentation and guidance (FERC, third-party, etc.) which AEP relied upon.

c. Copies of the transaction(s)/journal entry(ies) which AEP made to reflect the implementation of Topic 842 for the "Operating Leases" (FERC recognition) which were reclassified as Capital Leases under Topic 842 on the balance Sheet and the treatment of the lease expenses on the income Statement, by FERC Account, in the 2019 and 2020 FERC Form 1s.

Response:
a. The Company has not performed the requested analysis.

b. These lease expenses would be included to the extent that they are recorded in an account that is allocated in the formula. Because they are now recorded in account 931, a labor share of the expense amount will be allocated to the transmission function.

c. See the response to 2-13.

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Data Request JI-2-13:
In reference to AEP's response to JI 1-26, please confirm that the capital lease interest expense recorded to FERC Account 931 represents the interest portion of lease payments. In addition, please discuss whether this is the interest portion relation to each function. If So, please provide a breakout by function.

Response:
That is correct. Only the interest portion of the capital lease expenses is being reclassed to 9310005.
Please see attached capital lease interest expenses that were reclassed to 9310005. Attachment 1 is the 2020 summary of the capital lease interest expense reclass. Attachment 2 is the 2020 detail from Powerplant with the functional breakdown.

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Data Request JI-2-14:
In reference to AEP's response to JI 1-31(e), please quantify any revenue earned from retiring/scraping theSpares (e.g., fromSale) and describe howSuch revenues were treated for the purposes of the formula rate template (e.g., offset to expense, revenue credit, etc.).

Response:
Payments received for scrapped equipment are recorded in account 108 (Accumulated Depreciation) as a credit. It is not recorded as revenue.

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Data Request JI-2-15:
In reference to AEP's response to JI 1-28, please explain why AEP does not record AEPSC depreciation expense Solely to FERC Account Nos. 403 or 403.1.

Response:
FERC Account Nos. 403 and 403.1 are to be used for the depreciation of Electric Plant in Service. These assets are not in service on the books of the OpCos and the TransCos, these depreciable assets are on the books of AEPSC. Therefore, it would not be appropriate for the OpCos and TransCos to reflect this as depreciation expense, as they are not their assets being depreciated. These costs are recorded to FERC Accounts 403 or 403.1 on AEPSC's books and are part of the fully loaded costs from AEPSC that is loaded over AEPSC labor as a cost incurred by the OpCos and the TransCos for receiving services from AEPSC.

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Data Request JI-2-16:
In reference to AEP's response to JI 1-36, "JI-36_Attachment_1_SEND," for each of the following items, please provide (i) a detailed description of this Software, (ii) to the extent each includes multiple Software assets, provide a detailed listing and associated amounts and (iii)State whether any portion is associated with capitalized labor.

a. ApCo - Excel Row 4 - APCo Distr Capitalized Software - $23,475,051.73
b. ApCo - Excel Row 8 - APCo Gen Capitalized Software - $10,474,585.88
c. ApCo - Excel Row 12 - APCo Trans Capitalized Software - $6,869,595.67
d. ApCo - Excel Row 14 - Groveport DC2 - Cap Software - $1,880,098.57
e. I&M - Excel Row 6 - IMPCo Distr Capitalized Software - $15,895,388.30
f. I&M - Excel Row 17 - I&M Nucl Capitalized Software - $9,467,686.92
g. I&M - Excel Row 26 - Groveport DC2 - Cap Softwar - $7,394,910.93
h. I&M - Excel Row 36 - IMPCo Trans Capitalized Software - $3,177,580.68
i. KPCo - Excel Row 4 - KYPCo Distr Capitalized Software - $4,467,541.18
j. KPCo - Excel Row 13 - KYPCo Gen Capitalized Software - $3,219,101.12
k. KPCo - Excel Row 17 - KYPCo Trans Capitalized Software - $1,168,885.58
l. KGPCo - Excel Row 4 - KGPCo Distr Capitalized Software - $1,117,674.45
m. KGPCo - Excel Row 11 - KGPCo Trans Capitalized Software - $122,517.94
n. AP Trans - Excel Row 7 - AEP Appal Transco Cap Software - $222,363.69
o. IM Trans - Excel Row 4 - AEP I&M Transco Cap Software - $5,477,432.30
p. OH Trans – Excel Row 4 - AEP OH Transco Cap Software - $8,373,316.30
q. WV Trans – Excel Row 5- AEP WV Transco Cap Software - $3,276,699.06

Response:
Please refer to JI 2-16 Attachment 1 for requested listing of initial AEPSC work orders that were charged to capitalized software blanket work orders on each company by AEPSC in 2020. The Company maintains records of additions made to software, as demonstrated in the provided attachment, but does not keep the requested listing of information on specific systems in its plant accounting records as requested. The attachment shows total amount for each work order and amount of internal labor charged to each work order. Differences between what is listed in JI 2-16 Attachment -1 and amounts requested above are due to timing differences in when items were recognized in the general accounting ledger vs the plant accounting ledger.

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Data Request JI-2-17:
In reference to AEP's response to JI-1-40, please State when these transfers were implemented and whether these transfers were reflected on the 13-month average balance on the respective worksheet "WS A RB Support."

Response:
Please refer to JI 2-17_SEND for a listing of the transfers and the months the transfer activity occurred.

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Data Request JI-2-18:
In reference to AEP's response to JI 1-43, Each OpCo and TransCo retired unit/plant, please provide:
a. Indicate whether any of the Retired Unit/Plant provided was due to early retirement(s).
b. Indicate the "Net Book" value of each Retired Unit/Plant which was retired early.

Response:
None of the original cost retirements were due to early retirements.

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Data Request JI-2-19:
In reference to AEP's response to JI Set 1-49, "JI-49_Attachment_1," "QUERY" tab, Column "WO_Descr," for all entries entitled (i)SF00002201 - RTO Activities-PJb. Provide the detailed journal entry descriptions for each transaction as it appears that AEP has provided a Summary of each monthly expense. M and (ii)SF00002501 - RTO Activities-All RTO's, please provide the following:
a. A detailed description of what these expenses represent, including a listing of the activities being performed.
b. Provide the detailed journal entry descriptions for each transaction as it appears that AEP has provided a Summary of each monthly expense.

Response:
a. (i) Activities being performed for SF00002201 relate to PJM participation, including stakeholder committees and working group participation and internal position development and compliance. (II) Activities being performed for SF00002501 relate to all RTO participation, including stakeholder committees and working group participation and internal position development and compliance. See JI 2-19 Attachment 1 for activities being performed and detailed journal entry descriptions for all transactions for SF00002201 and SF00002501.
b. This information is provided in the attachment for part a.

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Data Request JI-2-20:
In reference to AEP's response to JI Set 1-49, "JI-49_Attachment_1," "QUERY" tab, Column "WO_Descr," please provide (i) an explanation as to why the following generation expenses are being recorded to Account 566 and (ii) a detailed description of each work order:

a. SENRAPMG01 - ENRA PMO Proj Gen Cost
b. SNERCA3G01 - Generation: RF/MRO/TRE
c. SNERCRMG01 - Generation: RF/MRO

Response:
The following generation work orders should be recorded to Account 506 - Miscellaneous Steam Power Expenses instead of Account 566 - Miscellaneous Transmission Expenses.

Work Order	$ Amount
SENRAPMG01	15,196.58
SNERCA3G01	157,292.25
SNERCRMG01	210.29
Grand Total	172,699.12

a. SENRAPMG01 - Effectively capture various costs related to the Enterprise NERC Reliability Assurance (ENRA) group Program Management Office projects for Generation.
b. SNERCA3G01 - Effectively capture various costs related to the Enterprise NERC Reliability Assurance (ENRA) group activities specific to regional entities - Reliability First (RF), Midwest Reliability Organization (MRO) and Texas Reliability Entity (TRE).
c. SNERCRMG01 - Effectively capture various costs related to the Enterprise NERC Reliability Assurance (ENRA) group activities specific to regional entities - Reliability First (RF) and Midwest Reliability Organization (MRO) .

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Data Request JI-2-21:
In reference to AEP's response to JI Set 1-49, "JI-49_Attachment_1," "QUERY" tab, Column "Proj_Descr," please provide a detailed description of the following items:
a. Excel Row 25 - B140WVRMB - Reimbursable-DOP-140 WV in the amount of $3,356 – In addition, please State whether AEP was reimbursed for this project and the FERC account and associated amounts where the reimbursements were recorded.
b. Excel Row 97 - RETIR2020 - 2020 Retirement Incentives in the amount of $1,397,689
c. Excel Row 108 - WETLAND06 - O&M:Wetland Mit:TStation in the amount of $18,167

Response:
a. Internal labor and overhead charges for high voltage testing on underground cables at the South Huntington station after a contractor dug into the existing cables. AEP has not been reimbursed for this project.
b. Costs are related to the 2020 AEP retirement incentive.
c. Third party charges for transmission station wetland maintenance and monitoring at the Sorenson and Sullivan substations.

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Data Request JI-2-22:
In reference to AEP's response to JI 1-50, "JI-50_Attachment_1," QUERY tab, please re-run the query to include additional columns that provide the full text description from the accounting System, which provide the meaningful explanation of the costs. Please provide the Same information that was included in JI Set 2-23 in the 2020 Annual Update including but not limited to the following columns Project, Project Description, W/O, WO Description, Line Descr and Long Descr.

Response:
Please see Attachment 2-22.

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Data Request JI-2-23:
In reference to AEP's response to JI 1-50, "JI-50_Attachment_1," "Response" tab, Excel Row 29 –Sales & Use Tax Accrual, please provide an explanation as to why AEP is including Sales and use tax expense accruals in Account 923 when Sales and use taxes are excluded from the formula rate template on WS H Other Taxes.

Response:
The sales and use taxes excluded in the formula are those that operating companies collect on the sale of energy to customers in jurisdictions that require the collection and remittance thereof. The amounts recorded in account 923 reflect sales taxes on services provided by outside vendors of which AEP is final consumer.

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Data Request JI-2-24:
In reference to AEP's response to JI Set 1-52, "JI-52_Attachment_1," QUERY tab, please re-run the query to include additional columns that provide the full text description from the accounting System, which provide the meaningful explanation of the costs. Please include the following columns that were provided in the 2020 Annual Update including Project, Project Description, W/O, WO Description, Line Descr and Long Descr.

Response:
Please see Attachment 2-24.

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Data Request JI-2-25:
In reference to AEP's response to JI 1-53, and attachment "JI-53_Attachment_1.xlsx,"Support for WS B-3 balances, please provide:
a. Attachment "JI-53_Attachment_1.xlsx" with all Excel formulas intact for each total within each tab from "APCO Cons" to "AEP WV Trans".
b. Attachment "JI-53_Attachment_2.xlsx" with all Excel formulas intact for each total within each tab from "APCO Cons" to "AEP WV Trans".
c. A copy of the Provision report that reflects the Supporting balances that roll-up to the Provision report 51040H Beginning and Ending balances, by item description(s) in Column B, which was provided in "JI-53_Attachment_1.xlsx." (all Excel formulas intact)

Response:
a. JI-1-53 Attachment 1 is a report out of the companies' Tax Provision Software. The report does not include formulas.
b. JI-1-53 Attachment 2 is a report out of the companies' Tax Provision Software. The report does not include formulas.
c. There is no Provision report that provides more detail.

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Data Request JI-2-26:
In reference to AEP's response to JI 1-54, AEP indicates that there were no expenses recorded to Accounts 575 or 576 in 2020. Please provide the following:
a. An explanation as to whether AEP incurs expenses that meet the definition of expenses associated with the PJM energy market. If not, please provide an explanation as to why AEP does not incur these types of expenses.
b. An explanation and detailed listing by OpCo and TransCo of where AEP records the expenses associated with participation in the PJM capacity market.
c. An explanation and detailed listing by OpCo and TransCo of where AEP records the expenses associated with participation in the PJM RTO.

Response:
a-b. AEP does not incur expenses associated w/ the PJM markets that meet the definition of Accounts 575 and 576 (with the exception of 575.7) as those accounts are associated with administering regional markets, which is done by PJM. AEP does incur expense associated with its participation in PJM and generally records those costs to accounts 556 and 557 depending on the functions being performed.
c. In addition to the accounts listed above related to AEP's participation in the PJM power markets, AEP also records costs to transmission accounts associated with its participation as a transmission owner in PJM. For example, account 561 is used for transmission dispatching activities and 560 is used for participation in stakeholder processes.

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Data Request JI-2-27:
In reference to AEP's response to JI 1-58, AEP indicates that it recorded its investments for electric charging Stations to general plant Account 398 – Miscellaneous Equipment and the maintenance of the equipment to accounts 1840029 (Transp - Assigned Vehicles) and 935 (Maintenance of general plant) for (i) Appalachian Power, (ii) Indiana Michigan Power, (iii) Kentucky Power, (iv) Ohio Power, (v) AEP Indiana Michigan Transmission Company, and (vi) AEP Ohio Transmission Company. For each of these companies please provide the following:
a. Explain whether these charging Stations are physically located on AEP's property. If not, please indicate where these charging Stations are located.
b. Explain who these charging Stations are being utilized by (e.g. AEP employees, end-customer in AEP's Service territory etc.).
c. State whether the investment in the charging Stations were a result of a State commission order. If yes, please provide the State and docket number(s).
d. State whether the intent of these assets is to build electric vehicle charging Station infrastructure within the Service territory. If not, please provide a detailed explanation of the purpose of these assets.
e. Identify the amounts recorded to Account 398.
f. Identify the amounts recorded to Account 935.
g. Account 184 is utilized as a clearing account, please provide a detailed tabulation by FERC account and associated amount where these expenses are ultimately recorded.

Response:
a. The charging stations are located at AEP facilities and usually behind company property fencing.
b. The use of the charging stations is restricted to AEP employees which are assigned or may operate an AEP electric vehicle.
c. The Company has fleet electrification investment targets that it is setting out to meet by 2030. For additional details, please see the provided link (https://aepsustainability.com/energy/electrification/). The Company's investments were not the result of specific state commission orders.
d. A primary goal is to install electric vehicle charging stations to meet the needs of the Company's internal fleet electrification targets.
e. Please see JI-2-027 Attachment 1 for the requested information.
f-g. Please see JI-2-027 Attachment 2 for the requested information.

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Data Request JI-2-28:
In reference to AEP's response to JI 1-59, and attachment "JI-59_Attachment_1.xlsx," Net Operating Loss and Tax Credit Carryforwards, please provide:
a. A detailed description of the "2020 activity" related to the "Tax Credit C/F – Def Tax Asset" for each OPCo or TransCo which has an amount reflected on Excel row 7, including copies of the calculations related to Such activity and whether the activity is State related or federal related.
b. A detailed description of the "2020 activity" related to the "AMT Credit – Deferred" for each OPCo or TransCo which has an amount reflected on Excel row 13 including copies of the calculations related to Such activity.

Response:
a. Please see JI 2-28 Attachment 1 for the details for APCo's Tax Credit C/F - Deferred Tax Asset.
b. The AMT Credit was refunded in the year 2020.

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Data Request JI-2-29:
In reference to AEP's response to JI 1-60, identification of any accounting changes related to ADIT, NOLs or classification or valuation methodologies, Software development, please provide:
a. Copy(ies) of the Companies' "statement" that would have been attached to the Companies' Form 3115, Application for Change in Accounting Method, for 2020,Stating whether the Companies are choosing the 60-month period from the date of completion of the development of the Software, or the 36-month period from the placed-in-service date of the Software.
b. A detailed description, with copies of all the Supporting calculations, demonstrating that the change in accounting method as described in Section 5.01 of Rev. Proc. 2000-50, in 2020 related to Software development costs resulted in a 21% decrease in the associated Software development costs ADIT.
c. Copies of the Supporting documents and calculations which resulted in the Software Development Costs Tax Adjustment totaling $69,284,319 for the OpCo's and TransCo's, by OpCo and TransCo reflected in AEP's attachment "JI-60_Attachment_1.xlsx".

Response:
a. Please see JI-2-29 Attachment 1 for copies of the Form 3115 with "statement". The companies are choosing the 36-month period for the place-in-service date of the software. Please note, the change in accounting method is a Federal Income Tax Return method change and not a GAAP accounting method.
b. The change in accounting method is included in the ADIT 712L Capitalized Software. Please note, the change in accounting method is a Federal Income Tax Return method change and not a GAAP accounting method.
c. Please see JI-2-29 Attachment 2 for the supporting document of the calculation.

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Data Request JI-2-30:
In reference to AEP's response to JI 1-61, AEP accounting policy to recognize the OpCo's and TransCo's NOLs onStand-alone basis, please provide:
a. A detailed description of how AEP's treatment of the members of the consolidated tax return group as of the instant case (2020 FRP true-up) was in compliance with the FERC Accounting Guidance for Income Taxes, in Docket AI93-5-000, issued April 23, 1993,Section 17. Consolidated Income Taxes, for theSpecific "standalone method" defined for FERC ratemaking purposes.
b. A detailed description of the need identified by AEP to make a ratemaking adjustment to its GAAP books to appropriately recognize the NOL carryforward on aStand-a-lone basis for FERC ratemaking purposes.
c. A detailed description of the "inconsistency" AEP identified in the Company's NOL carryforward balances on aStand-a-lone basis for FERC ratemaking purposes, with copies of allSupporting documentation and calculations AEP is proposing to address the inconsistency.
d. State whether AEP plans to request approval from either the FERC Chief Accountant for the accounting treatment or the Commission for the Company's proposed ratemaking adjustment.

Response:
a. Under the FERC accounting guidance in Docket AI93-5-000, the standalone method is described as a method in which "the consolidated tax expense is allocated to individual members through recognition of the benefits/burdens contributed by each member of the consolidated group to the consolidated return." With respect to the net operating loss (NOL) in question, AEP's treatment is in compliance with the financial reporting requirements of AI93-5-000 as the financial statements of each member of the consolidated return group reflect that member's allocated portion of the consolidated NOL based on the taxable loss that it contributed to the group.
b. The GAAP books of the members of the AEP consolidated return group follow the "standalone method" required for financial reporting purposes by FERC under AI93-5-000. As a result, the GAAP books of each member reflect an allocated share of the consolidated group's NOL. In FERC Opinion 173; Opinion and Order Establishing Proper Cost of Service Treatment of Tax Liability Arising from the Filing of a Consolidated Tax Return (Docket No. RP75-106-006), FERC rules that for ratemaking purposes the impacts of the consolidated group should not enter into the rates of a utility. It states that "a utility should be considered as nearly as possible on its own merits and not on those of its affiliates." It goes on to say that a "stand-alone income tax allowance is one that takes into account the revenues and costs entering into the regulated cost of service without increase or decrease for tax gains or losses related to other activities." In order to comply with the ratemaking requirements set forth by FERC, a ratemaking adjustment

to the GAAP books is necessary to reflect the NOL carryforward of each utility on a stand-alone basis without influence by the consolidated group.

c. The normalization rules in the internal revenue code include a consistency rule that is applicable when computing the revenue requirement for a utility. This consistency rule requires consistency amongst the depreciation expense, tax expense, rate base, and accumulated deferred federal income taxes (ADFIT) in the calculation of the utility's revenue requirement. The rate base and book depreciation expense of each utility are based on the assets that are used and useful for each utility to provide service to their customers. The tax expense is based on the revenues and expenses in each utility's cost of service. Therefore, it would be inconsistent for the ADFIT to include a NOL carryforward that takes into account the income and expenses (i.e. NOL) of the consolidated group.

The Company had not fully identified and/or quantified the issue at the time of the filing of the instant case (2020 true-up) and as a result did not include a proposed adjustment in the filing. The Company has included the adjustments in the 2022 projected rate filing as this was identified as the first available opportunity to do so after the inconsistency was fully identified.

d. Not Applicable. The 2020 annual update does not reflect the accounting change referenced.

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Data Request JI-2-31:
In reference to AEP's response to JI 1-63, AEP provided the calculations and Support used to determine the company's AFUDC debt and equity rates for the month December 2020. AEP also Stated the AFUDC debt and equity rates are calculated monthly for each company and the information is an illustration of those calculations for the month of December 2020. To demonstrate the AFUDC rates computed on a monthly basis, which would include months that apply (and do not apply) the AFUDC waiver provided in Docket No. AC20-17-000, please provide the following with respect to OPCo:
a. The monthly calculation and formula Supporting the AFUDC rates (debt and equity) applied to construction costs for January – November 2020. Include this information in Spreadsheets Showing all inputs (common Stock, preferred Stock, long term debt, Short term debt, and average CWIP), and provide Supporting documentation and calculations that provide for verification of the equity and debt rates derived.
b. Verify and explain whether the methodologies used for OpCo for computing the AFUDC rates in any month during 2020 differed for other OpCos or Transcos.
c. Verify the effective date OPCo implemented the AFUDC waiver provided in Docket No. AC20-17-000.

Response:
a. Please refer to 'JI 2-31 Attachment 1_SEND' for requested information.
b. The CWIP original balance for Ohio Power Company initially includes BU 181 (AGR) and BU 420 (Ohio PPA Plants). These nonregulated generation amounts are removed and shown as an adjustment to CWIP so it only includes the CWIP balances for the wires companies. Additionally, not all companies elected to take the FERC COVID-19 AFUDC waiver.
c. FERC authorized the COVID-19 AFUDC waiver on June 30, 2020 retroactive to March 2020. Ohio Power Company was already recording AFUDC to work orders per our procedures. Ohio Power Company decided to adopt the waiver and recorded AFUDC adjustments back to March 2020 as a result of the waiver.

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Data Request JI-2-32:
In reference to AEP's response to JI 1-68, and attachment "JI-68_Attachment_1.xlsx," Tax Effect of Permanent and Flow-Through Differences, please provide:
a. A detailed description of each Permanent and Flow-Through Differences, including amounts, by OPCo and TransCo, which are rolled-up into the categories reflected in the Excel Column M, "detail_description(s)".
b. A detailed description of each of the "Excess" codes reflected in the "DATA" tab of "JI-68_Attachment_1.xlsx" in Excel Column C, including Supporting documentation for AEP's classification of each ADIT item as Such.
c. A detailed description of each of the "EFB" codes reflected in the "DATA" tab of "JI-68_Attachment_1.xlsx." in Excel Column D, including Supporting documentation for AEP's classification of each ADIT item as Such.
d. A detailed description of each of the "detail_id" codes reflected in the "DATA" tab of "JI-68_Attachment_1.xlsx." in Excel Column L, including Supporting documentation for AEP's classification of each ADIT item as Such.

Response:
a. Please see JI-2-32 Attachment 1.
b. The codes in the "DATA" tab were used for SUMIFS calculations. The only codes that were used were "P" and "U". "P" stands for Protected Excess and "U" Stands for Unprotected Excess.
c. The "EFB" code stands for embedded feed backs. The use of embedded feedbacks is predicated on the setup of the company's fixed assets.
d. The "detail_id" is a specific code that the fixed asset system automatically assigns each transaction.

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Data Request JI-2-33:
In reference to AEP’s response to JI 1-76, DEFD BK CONTRACT REVENUE (APCo, I&M and OPCo), please provide:
a. A detailed description of the DEFD BK CONTRACT REVENUE and in which FERC Account Such revenue was recorded and reflected in each of the Companies referenced above cost of Service in the calculation of the Transmission Formula Rates.
b. State whether FERC Account 124 – Other Investments is included in the Transmission Formula Rates of each of the Companies referenced above and where in the 2020 ATRR Template it is reflected.
c. State where in either the Settlement in ER17-405, or in the formula templates, that it was “agreed to” that all ADIT which had been included in the Company’s transmission functional books, for accounting purposes, was also properly includable in the formula rates for ratemaking, even though the underlying expense, revenue, asset or liability was not included in the cost of Service for the formula rates.

Response:
a. The deferred revenues referenced in JI 1-76 is related to the fiber optic lease transactions with AEP Communication entered into in the late 1990's and early 2000's. These leases are discussed in various data requests in Set 1 and Set 2. The deferred revenue is being amortized to account 451. Account 451 is not included in the formula
b. The response in JI 1-76 was in error. The underlying account is 253 - Other deferred credits. Account 253 is not included in the formula.
c. The use of the functional transmission ADIT balances was agreed to in the design of the original formula rate approved in ER08-1329 and modified in ER18-405. With the exception of required exclusions for ADIT related to AROs (per FERC rule making) and exclusions for ADIT related to cash hedgers (as noted in W/P B-1 as approved in ER08-1329 and continued in ER18-405), the AEP operating companies have consistently reflected the functional transmission portion of ADIT in its rate base.

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Data Request JI-2-34:
In reference to AEP's response to JI 1-77, PROVS FOR POSS REV REFDS and variations of this item which are reflected in "WS B-2 – Actual Stmt. AG" (I&M, AP TransCo, IM TransCo, KY TransCo, OH TransCo, WPCo, and OPCo), please provide:
a. A detailed description of the PROVS FOR POSS REV REFDS and the variations of this item and in which FERC Account Such revenue was recorded and reflected in each of the Companies referenced above cost of Service in the calculation of the Transmission Formula Rates.
b. State whether FERC Account 4491003 – Provision Rate Refund is included in the Transmission Formula Rates of each of the Companies referenced above and where in the 2020 ATRR Template it is reflected.
c. State where in either the Settlement in ER17-405, or in the formula templates, that it was "agreed to" that all ADIT which had been included in the Company's transmission functional books, for accounting purposes, was also properly includable in the formula rates for ratemaking, even though the underlying expense, revenue, asset or liability was not included in the cost of Service for the formula rates.

Response:
a. See JI Set 2-34 Attachment 1 for a summary of items referenced from JI Set 1-77.
b. Account 4491003 is not included in the formula.
c. The use of the functional transmission ADIT balances was agreed to in the design of the original formula rate approved in ER08-1329 and modified in ER18-405. With the exception of required exclusions for ADIT related to AROs (per FERC rule making) and exclusions for ADIT related to cash hedgers (as noted in W/P B-1, as approved in ER08-1329 and continued in ER18-405), the AEP operating companies have consistently reflected the functional transmission portion of ADIT in its rate base.

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Data Request JI-2-35:
In reference to AEP's response to JI 1-79, COVID-19 Incremental Costs – non-TX reflected in "WS B-1 – Actual Stmt. AF" (WPCo, and OPCo), please provide:
a. A detailed description of the 2020 WPCo COVID-19 deferred costs, by type of cost, amounts, and FERC Accounts impacted, including copies of all Supporting ADIT calculations, totaling $2,331 (Column N, Line 9.10).
b. A detailed description of the 2020 OPCo COVID-19 deferred costs, by type of cost, amounts, and FERC Accounts impacted, including copies of al Supporting ADIT calculations, totaling $8,289 (Column N, Line 9.31).
c. A detailed description of WPCo's underlying account 4265 referenced in (ii) and State whether Such account is included in the Transmission Formula Rates of WPCo and where in the 2020 ATRR Template it is reflected.
d. A detailed description of OPCo's underlying account 4265 referenced in (ii) and State whether Such account is included in the Transmission Formula Rates of WPCo and where in the 2020 ATRR Template it is reflected.
e. State where in either the Settlement in ER17-405, or in the formula templates, that it was "agreed to" that all ADIT which had been included in the Company's transmission functional books, for accounting purposes, was also properly includable in the formula rates for ratemaking, even though the underlying expense, revenue, asset or liability was not included in the cost of Service for the formula rates.

Response:
a. See JI Set 2-35 attachment 1 for the type of deferred costs, amounts, FERC accounts affected and the ADIT calculation.
b. See JI Set 2-35 Attachment 2 for the type of deferred costs, amounts, FERC accounts affected and the ADIT calculation.
c. The account provided in JI 1-79 was incorrect for WPCo. The underlying accounts were 921 - Office Supplies and Expenses and 923 - Outside Services Employed. See JI Set 2-35 Attachment 1 for details.
d. The account provided in JI 1-79 was incorrect for OPCo. The request asked for the underlying account for the functionalized transmission portion, which was account 1840040 and not 4265 as indicated in the original response. The account provided in 1-79 was for Distribution. See JI Set 2-35 Attachment 2 for details of the underlying accounting information for the Transmission ADIT deferral.
e. The use of the functional transmission ADIT balances was agreed to in the design of the original formula rate approved in ER08-1329 and modified in ER18-405. With the exception of required exclusions for ADIT related to AROs (per FERC rule making) and exclusions for ADIT related to cash hedgers (as noted in W/P B-1 as approved in ER08-1329 and continued in

ER18-405), the AEP operating companies have consistently reflected the functional transmission portion of ADIT in its rate base.

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Data Request JI-2-36:
In reference to AEP's response to JI 1-87, APCo's 2020 FERC Form 1, Page 230a, Account 182.1 - Extraordinary Property Losses, Column (c), please provide:
a. The FERC Account(s) to which the "Losses Recognized During Year" was/were charged, including amount(s), for the Bluefield Office Building in the total amount of $24,345,Since Account 182.1 was credited (line 1).
b. The FERC Account(s) to which the "Losses Recognized During Year" was/were charged, including amount(s), for the Glen Lyn Unit 6 in the total amount of $173,574,Since Account 182.1 was credited (line 3).
c. The FERC Account(s) to which the "Losses Recognized During Year" was/were charged, including amount(s), for the Kanawha Plant in the total amount of $1,086,280,Since Account 182.1 was credited (line 5).
d. The FERC Account(s) to which the "Losses Recognized During Year" was/were charged, including amount(s), for the Sporn Plant in the total amount of $458,519,Since Account 182.1 was credited (line 7).
e. The FERC Account(s) to which the "Losses Recognized During Year" was/were charged, including amount(s) for the Clinch River Units 1-3 in the total amount of $2,181,948,Since Account 182.1 was credited (line 9).
f. State whether any portion of the Amortizations of the assets in Subparts (a – e) are included in any FERC Account(s) that is/are included in the formula templates for recovery from transmission customers.
g. If the response to Subpart (f) is yes, please provide the cite to FERC's approval of each Such amortization amount in the formula templates for recovery from transmission customers.

Response:
Responses for items a. through g:
a. 4117000 in the amount of $24,345
b. 4070006 in the amount of $219,935.64 and 1080005 in the amount of ($46,361.89)
c. 4070004 in the amount of $1,120,008.24 and 1080005 in the amount of ($33,728.64)
d. 4070003 in the amount of $458,519.04
e. 4070002 in the amount of $2,296,431.12 and 1080005 in the amount of ($114,482.64)
f. Accounts 4117000 and 407 are not included in the formula rate.
g. N/A

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Data Request JI-2-37:
In reference to AEP's response to JI 1-88, please provide where in APCo's template, "05 APCo - 2020 ATRR Template," "Worksheet WS F Misc Exp, " Greenhat is being removed from Account 566 in the amount of $194,247.

Response:
The Company believes this is a recoverable expense and is not a deferral or amortization. Therefore, it is not being recorded on WS F.

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Data Request JI-2-38:
In reference to AEP's response to JI 1-89, AEP States that "These assets are no longer on the companies' books." Please provide the following:
a. Identify the FERC accounts where these assets were previously recorded.
b. State whether these revenues are included in the formula rate template. If yes, please identify where in the template and associated amounts where the revenues are included.

Response:
a. The fiber optic cables that were part of the capital lease transactions with AEP Communications were included in accounts 107 or 101. Those that were in 107 were not classified to a FERC account yet. Only the older lines that were already completed at the time of the transactions were in 101. Given the time that has passed and transitions to new accounting systems, it cannot be definitively determined in what FERC account these were recorded. The most likely account is 397 – Communication Equipment.
b. The transactions referenced in JI 1-89 are amortized to 411, 419, 451 and 921. Account 921 is included in the formula using a labor allocator. The amount for APCo is $1,349,705.

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Data Request JI-2-39:
In reference to AEP's response to JI 1-93, APCo's "WS B-1 – Actual Stmt. AF," Line 10.04 – Excess ADFIT for Generation, Transmission, and Distribution, please provide:
a. The Supporting detailed documentation which rolls-up to the Summary functional balances for the EXCESS ADFIT 283 – UNPROTECTED-FK. at 12/31/20 (Excel row 5). (active Excel format)
b. The Supporting detailed documentation which rolls-up to the Summary functional balances for the EXCESS ADFIT 283 – UNPROTECTED-FR. at 12/31/20 (Excel row 6). (active Excel format).
c. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA CM. at 12/31/20 (Excel row 7). (active Excel format).
d. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA PA. at 12/31/20 (Excel row 8). (active Excel format).
e. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA RET. at 12/31/20 (Excel row 9). (active Excel format).
f. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VASL. at 12/31/20 (Excel row 10). (active Excel format).
g. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-WV. at 12/31/20 (Excel row 11). (active Excel format).
h. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED. at 12/31/20 (Excel row 12). (active Excel format)

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 non-plant related timing differences based on FERC Kingsport's Jurisdiction order.
b. 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 non-plant related timing differences based on FERC Jurisdiction order.
c. 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 non-plant related timing differences based on VA common Wealth's Jurisdiction order.

d. 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 non-plant related timing differences based on VA public authority's Jurisdiction order.
e. 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 non-plant related timing differences based on VA Retail's authority's Jurisdiction order.
f. 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 non-plant related timing differences based on VA Street Lights' Jurisdiction order.
g. 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 non-plant related timing differences based on West Virginia's Jurisdiction order.
h. 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 non-plant related timing differences.

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Data Request JI-2-40:
In reference to AEP's response to JI-93, APCo's "WS B-1 – Actual Stmt. AF," Line 10.04 – Excess ADFIT for Generation, Transmission, and Distribution, please provide:
a. The Supporting detailed documentation which rolls-up to the Summary functional balances for the EXCESS ADFIT 283 – UNPROTECTED-FK. at 12/31/20 (Excel row 5). (active Excel format)
b. The Supporting detailed documentation which rolls-up to the Summary functional balances for the EXCESS ADFIT 283 – UNPROTECTED-FR. at 12/31/20 (Excel row 6). (active Excel format).
c. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA CM. at 12/31/20 (Excel row 7). (active Excel format).
d. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA PA. at 12/31/20 (Excel row 8). (active Excel format).
e. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VA RET. at 12/31/20 (Excel row 9). (active Excel format).
f. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-VASL. at 12/31/20 (Excel row 10). (active Excel format).
g. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED-WV. at 12/31/20 (Excel row 11). (active Excel format).
h. The Supporting detailed documentation which rolls-up to the Summary functional balances for EXCESS ADFIT 283 – UNPROTECTED. at 12/31/20 (Excel row 12). (active Excel format)

Response:
a. Please see JI-2-39 a.
b. Please see JI-2-39 b.
c. Please see JI-2-39 c.
d. Please see JI-2-39 d.
e. Please see JI-2-39 e.
f. Please see JI-2-39 f.
g. Please see JI-2-39 g.
h. Please see JI-2-39 h.

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Set JI Set 2 of Data Requests

Data Request JI-2-41:
In reference to AEP's response to JI 1-99, please provide where in I&M's template, "06 I&M - 2020 ATRR Template," "Worksheet WS F Misc Exp, " Greenhat is being removed from Account 566 in the amount of $221,859.

Response:
The Company believes this is a recoverable expense and is not a deferral or amortization. Therefore, it is not being recorded on WS F.

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Data Request JI-2-42:
In reference to AEP's response to JI Set 1-100, Attachment "JI-100_Attachment_SEND," B) ACC 353 tab, please provide a detailed description and an explanation as to why generating assets are being included in those accounts for the following assets:
a. Excel Row 341 – Mayflower Substation (Orig Construction is CIAC) : I&M : 5301 in the amount of $1,384.12
b. Excel Row 877 - Meadow Lake Switch Station (Orig Constructed CIAC) : I&M : 5304 in the amount of $ 8,117.99

Response:
Both of these items are transmission plant investment on the company's books. The asset locations selected and associated work orders do not represent generating assets.

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Data Request JI-2-43:
In reference to AEP's response to JI Set 1-100, Attachment "JI-100_Attachment_SEND," "G) Acc397" tab, please provide a detailed description of this asset and whether it relates to an interconnection - Excel Row 606 – Watervliet Solar Facility : I&M : WTRVLT in the amount of $22,041.92.

Response:
This communication equipment investment relates to the replacement of data collection equipment at the Watervliet Solar Facility and is not an interconnection.

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Data Request JI-2-44:
In reference to AEP's response to JI 1-101 c. and d., AEP States that "The fiber assets are no longer on the companies' books." Please provide the following:
a. Identify the FERC accounts where these assets were previously recorded.
b. State whether these revenues are included in the formula rate template. If yes, please identify where in the template and associated amounts where the revenues are included.

Response:
a. See the Company's response to 2-38 part a.
b. The transactions referenced in JI 1-101 are amortized to 411, 419, and 921. Account 921 is included in the formula using a labor allocator. The amount for APCo is $830,759.

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Data Request JI-2-45:
In reference to AEP's response to JI 1-112, please provide where in KPCo's template, "07 KPCo - 2020 ATRR Template," "Worksheet WS F Misc Exp," the KY Under-recovered PPA Rider is being removed. In addition, State whether the amount of $894,330 is being removed from Account 566 in the $(18,660,181) in Line 1? If yes, please provide a detailed breakout of item the items and amounts included in the $(18,660,181).

Response:
The amount of $894,330 is being removed from account 566. Please see attachment JI-2-45 for a breakdown of account 566.

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Set JI Set 2 of Data Requests

Data Request JI-2-46:
In reference to AEP's response to JI 1-113c., AEP States that "The fiber assets are no longer on the companies' books." Please provide the following:
a. Identify the FERC accounts where these assets were previously recorded.
b. State whether these revenues are included in the formula rate template. If yes, please identify where in the template and associated amounts where the revenues are included.

Response:
a. Please see the response to 2-38 part a.
b. The transactions referenced in JI 1-113 are amortized to 411, 419, and 921. Account 921 is included in the formula using a labor allocator. The amount for KPCo is $27,960.

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Set JI Set 2 of Data Requests

Data Request JI-2-47:
In reference to AEP's response to JI 1-129, AEP Stated that OPCo's "WS B-1 - Actual Stmt. AF" tab, Column H – Functionalization Average Transmission, Excel row 90 - DEFERRED INTERCOMPANY TAX G/L in the amount of $(178,227) represents the gain on Sale of intercompany assets recognized over depreciable lives of Assets. Under FERC's accounting regulations in Electric Plant Instruction No. 5, gains and losses on the Sale of utility plant is recorded as a non-operating expense in Account 421.1 or 421.2. Additionally, the Commission's general ratemaking policy is for gains and losses on the Sale of utility plant to go to Shareholders. With this background, please provide the following:

a. A detailed explanation why the deferred taxes associated with the gain on Sale of intercompany assets are appropriate to be included in rate base.

b. Explain whether the Commission has directed any rate treatments related to the gain on the Sale of the intercompany assets.

c. Provide a listing of any other items of ADIT for any OpCo or Transco included in the formula rate related to gains or losses on the Sale of utility plant.

Response:

a. See the Company's response to 2-33, part c.

b. The Company is unaware of any such directives by the Commission.

c. Deferred Intercompany Tax G/L had to do with the asset transfer from Ohio Power Company to AEP West Virginia Transmission Company. There has not been any other items regarding an asset transfer in ADIT for any other OpCo or Transco.

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Set JI Set 2 of Data Requests

Data Request JI-2-48:
In reference AEP’s response to JI 1-138, Attachment “JI-138_Attachment_1_SEND,” “JI-138_Acc 353” tab, Excel Row 39, please provide a detailed explanation as to why there is a net $9,202.19 amount related to Mitchell Generating Plant as it appears to be related to production. In reference to AEP’s response to JI 1-140, please provide where in WPCo’s template, “10 WPCo - 2020 ATRR Template,” “Worksheet WS F Misc Exp, ” Greenhat is being removed from Account 566 in the amount of $28,920.

Response:
a. This amount is related to GSU transformer work at the Mitchell Plant site - which is a transmission plant asset on the generating company's books. The GSU is excluded from the formula rate calculation.
b. The Company believes this is a recoverable expense and is not a deferral or amortization. Therefore, it is not being recorded on WS F.

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Data Request JI-2-49:
Referring to AEP's response to JI 1-141, please clarify whether expenses incurred to maintain the fiber optic lines are recorded to FERC Accounts included in the template.

Response:
WPCo records telecommunication transport maintenance costs to a specific work order. This work order is charged for all transport technologies, including Fiber, Microwave and others and is recorded to account 9350013 - Maintenance of Communication Equipment. Account 935 is included in the template and is allocated by labor.

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Data Request JI-2-50:
In reference to AEP's response to JI 1-146, AEP indicates "The 36% decrease was driven mainly by $160k royalty payment recorded in 454 in 2019." Please confirm whether this is a one-time payment or whether these payments will be made annual. If these payments annual or over multiple years, please indicate where the associated royalty payments were included in 2020.

Response:
The $160k royalty payment in 2019 was for multiple years (December 2014 - November 2018) due to the royalties being held in suspense. Since that time, the royalties have been paid monthly and are recorded in account 4540002.

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Data Request JI-2-51:
In reference to AEP's response to JI 1-153, please provide a detailed explanation as to why these taps were built and whether they were network upgrades. In addition, please provide a one-line diagram demonstrating where these assets were placed into Service.

Response:
The Company needed to rebuild the College Corner station due to the performance, condition, and risk of the existing station equipment. The existing breakers, manufactured in 1950, were experiencing leaking bushings and were oil filled. In addition, numerous other station assets were in a deteriorated condition, were legacy models that were difficult to operate and/or were no longer supported by vendors. In order to rebuild the station, the Company had to rebuild the station entrance (the last span that enters the station and the first structure outside the station fence). This is what constituted the new IMTCO assets. The taps were not network upgrades. Please see JI-2-051 Attachment 1 which details where these assets were placed in-service.

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Set JI Set 2 of Data Requests

Data Request JI-2-52:
In reference to AEP's response to JI 1-158, IM TransCo's Line 9.03 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. After the remeasurement of the TCJA balances, the details are no longer tracked on an individual timing difference level.
b. See response JI-2-52 a.

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Set JI Set 2 of Data Requests

Data Request JI-2-53:
In reference to AEP's response to JI 1-160, AEP OH Transco acquired certain transmission assets from Hog Creek Wind Project, LLC, please provide:
a. Copies of all the transaction(s)/journal entry(ies) which were recorded for AEP OH Transco's acquisition of the electrical interconnection Switchyard, known as the 69 kV Dolahard Interconnect Switching Station from Hog Creek Wind Project, LLC on February 13, 2020.
b. State whether AEP also requested approval of the accounting treatment entries from the FERC Chief Accountant. If yes, please provide the FERC cite providing Such approval.

Response:
Please refer to JI 2-53 Attachment 1_SEND, JI 2-53 Attachment 2_SEND, and JI 2-53 Attachment 3_SEND for the requested information.

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Data Request JI-2-54:
In reference to AEP's response to JI 1-162, and attachment "JI-162_Attachment_Send.xlsx," AEP OH Transco acquired certain transmission assets from OPCo during the years ended December 31, 2020 and 2019, please provide:
a. A Statement whether the transmission property purchased during 2020 for $3.6 million was property Still under construction and recorded in FERC Account 107.0000 and that none of the assets purchased had yet been placed in Service by OPCo.
b. A Statement whether the transmission property purchased during 2019 for $5.7 million was property Still under construction and recorded in FERC Account 107.0001 and that none of the assets purchased had yet been placed in Service by OPCo.

Response:
a. All 2020 property was still in FERC Account 107 at the time of transfer except for $758,186 of the February 2020 transfer amount. This amount transferred to in-service during June 2018.
b. All 2019 property was still in FERC Account 107 at the time of transfer.

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Data Request JI-2-55:
In reference to AEP's response to JI-166, AEP OH TransCo's Line 9.06 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. Please see response for JI-2-52 a.
b. Please see response for JI-2-52 a.

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Data Request JI-2-56:
In reference to AEP's response to JI 1-171, JI-171_Attachment_SEND, tab "WVTco_Purchase From WPCO 2019," please provide an explanation as to why AEP is transferring distribution assets to the WV Transco. In addition, please provide a detailed description of the asset, why it is being reclassified and a one-line diagram that Supports its function.

Response:
The presentation of the response provided in JI 1-171 is incorrect. The business unit listed (200) is the transmission business unit for Wheeling Power. This transfer occurred between a Transmission business unit and AEP West Virginia Transmission Company. As a result, the function of the transfer should have been labeled as Transmission and not Distribution. This activity is related to right-of-way charges for the Moundsville-Natrium line which was being rebuilt by AEP West Virginia Transmission Company.

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Set JI Set 2 of Data Requests

Data Request JI-2-57:
In reference to AEP's response to JI 1-173, JI-173_Attachment_SEND, please provide the following:

a. An explanation as to why AEP is transferring distribution assets to the WV Transco.
b. A detailed description of the asset.
c. An explanation as to why the Same asset on APCos books are considered distribution.
d. An explanation as to why these assets are being reclassified.
e. A one-line diagram that Supports its function.

Response:
a. AEP is not transferring distribution assets to the WV Transco. These assets are not being reclassified. The accounting system lists major locations of Company assets and some assets may share the same location. This is the case for the information provided in JI-1-173 Attachment 1.
b. The assets at South Princeton 138 kV substation include station equipment and structures, such as capacitor banks, MOAB, and circuit breakers. The Washington Street 69 kV substation (operated at 46 kV) include station equipment and structures, including the expansion of the station, circuit breakers, and GOAB switches.
c. As stated in the response to JI-1-173, assets are recorded on APCo and functionalized as either distribution or transmission.
d. See part a.
e. Due to their confidential nature, one-line diagrams could be provided at Company offices upon request.

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Data Request JI-2-58:
In reference to AEP's response to JI 1-174, AEP WV TransCo's Line 9.04 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. Please see response for JI-2-52 a.
b. Please see response for JI-2-52 a.

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Data Request JI-2-59:
In reference to AEP's response to JI 1-180, AEP KY TransCo's Line 9.03 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. Please see response for JI-2-52 a.
b. Please see response for JI-2-52 a.

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Data Request JI-2-60:
In reference to AEP's response to JI 1-184, AEP AP TransCo's Line 5.05 ABFUDC amounts for Columns K and N, please provide:
a. A Statement whether the ABFUDC ADIT amounts reflected are related to only the Debt component of AFUDC.
b. A Statement whether the ABFUDC ADIT amounts reflected are related to only the Equity component of AFUDC.
c. A Statement whether the AFFUDC ADIT amounts reflected are related to the combined Debt and Equity components of AFUDC.
d. An explanation whether and how Line 5.06, INT EXP CAPITALIZED FOR TAX, relates to Line 5.05.

Response:
a. The ABFUDC ADIT amounts are related to the the Debt component only.
b. Please see response JI-2-60 part a.
c. Please see response JI-2-60 part a.
d. INT EXP CAPITALIZED FOR TAX is separately identified from the AFUDC debt and equity components.

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Data Request JI-2-61:
In reference to AEP's response to JI-185, AEP AP TransCo's Line 5.12 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. See response JI-2-52 a.
b. See response JI-2-52 a.

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Data Request JI-2-62:
In reference to AEP's response to JI 1-188, AEP AP TransCo's Line 9.03 EXCESS ADFIT – UNPROTECTED amount for Columns K and N, please provide:
a. A detailed breakdown of the timing differences categorized as "non-plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.
b. A detailed breakdown of the timing differences categorized as "non-method/life plant related," including detailed descriptions of each ADIT item included in the category, if not previously provided in AEP's response to JI 2-32, above.

Response:
a. See response JI-2-52 a.
b. See response JI-2-52 a.

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Data Request JI-2-63:
In reference to AEP's response to JI 1-37, AEP States "The Companies capitalized Software costs are included in Account 303, Miscellaneous Intangible Plant. No capitalized Software costs are included in other accounts." Please explain whether this Statement applies to Software that is used to operate, maintain, or otherwise Support asset classified to a functional plant account.

Response:
Capitalized software costs are recorded in Account 303, Miscellaneous Intangible Plant and applies to amounts a

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