

**AEP East ER-17-405 & 406 Formula Rate 2025 ATRR DR 2024 Rate Year
FERC Docket No ER17-405-000 & ER17-406-000 2025 ATRR 2024 Rate Year**

**Responses to Joint Customers
Set JCG-2024 of Data Requests**

Data Request JCG-2024-01:

Income Tax Credit Included in the Formula Rate Signed Incorrectly

In reference to AEP East's response to JI-1-131, related to APCo's 2024 ATRR Template, tab TCOS, Line 118, Amortized Investment Tax Credit, the JCG requested that AEP East confirm it would correct the error in the "signage" of the Amortized ITC from \$9,420 to \$(9,420). AEP East stated, "AEP agrees and will correct this error with interest. This correction will be applied to the 2027 PTRR."

Response:

AEP East disagrees with this preliminary challenge. The Income Tax Credit (ITC) is following the filed rate. However, AEP will agree to make an adjustment to reflect the ITC as a reduction of tax expense in the 2027 PTRR in an effort to resolve the preliminary challenge.

Date: 2/13/2026

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**Responses to Joint Customers
Set JCG-2024 of Data Requests**

Data Request JCG-2024-02:

Roanoke Garage 2nd Street and Roanoke POP Included in Transmission

In reference to AEP East's response to JI-1-137, AEP East stated, "Roanoke Garage 2nd Street and Roanoke POP : APCo : 7257 in the amount of \$387 was not removed from Transmission. An adjustment will be made in the 2027 PTRR."

Response:

AEP East agrees that Roanoke Garage 2nd Street was not removed from Transmission and will make an adjustment in the 2027 PTRR.

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**Responses to Joint Customers
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Data Request JCG-2024-03:

Income Tax Credit Included in the Formula Rate Signed Incorrectly

In reference to AEP East's response to JI-1-152, related to I&M's 2024 ATRR Template, tab TCOS, Line 118, Amortized Investment Tax Credit, the JCG requested that AEP East confirm it would correct the error in the "signage" of the Amortized ITC from \$1,935,239 to \$(1,935,239). AEP East stated, "AEP agrees and will correct this error with interest. This correction will be applied to the 2027 PTRR."

Response:

AEP East disagrees with the preliminary challenge. The Income Tax Credit (ITC) is following the filed rate. However, AEP will agree to make an adjustment to reflect the ITC as a reduction of tax expense in the 2027 PTRR in an effort to resolve the preliminary challenge.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-04:

Assets Erroneously Included in Transmission

In reference to AEP East's response to JI-1-185, each of the following subparts were not removed in the 2025 Annual Update but AEP East agreed that an adjustment will be made in the 2027 PTRR for each of the following assets:

a.: Subpart b. Elliott - Meigs (Tap Salesbury, Bashan, Coolville) 69KV Line : CSP : 6006 in the amount of \$57,509.20 is an abandoned plant and will be removed from transmission plant.

b.: Subpart c. - Howard 138KV Substation : OPCo : 2023 - TRO10034951_HOWARD 12KV RECLOS in the amount of \$10,954 will be removed from transmission plant.

c.: Subpart f. - South Cambridge 138KV Substation : OPCo : 4232 in the amount of \$62,282 will be removed from transmission plant.

d.: Subpart g. - Torrey 138KV Substation and Pole Storage : OPCo : 1023 - TORREY 12KV CB-KC - REPLACE DP in the amount of \$28,044.23 will be removed from transmission plant and included in distribution.

e.: Subpart h. - Preliminary Challenge 04 - Torrey 138KV Substation and Pole Storage : OPCo : 1023 - TRO80049444_TORREY REPLACE 12K in the amount of \$33,010.52 will be removed from transmission plant and included in distribution.

f.: Subpart j. - there will be an adjustment to remove from the transmission rates: New Liberty 138KV Substation totaling \$214,493.

Response:

a. – f. AEP East agrees that the above assets were not removed from the 2025 Annual update and will make adjustments in the 2027 PTRR.

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Data Request JCG-2024-05:

Assets Improperly Recorded to Transmission Plant Accounts in IMCo

In reference to AEP East's response to JI-2-29, AEP East agreed the asset "Three Rivers FWCPL 34.5/13.8/4/2.4KV Substation : I&M : 9811" in the amount of \$81,907 is a distribution asset that will be removed in the next PTRR.

Response:

AEP East agrees that Three Rivers FWCPL is a distribution asset and will make an adjustment in the 2027 PTRR.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-06:

Assets Improperly Recorded to Transmission Plant Accounts in OPCo

In reference to AEP East's response to JI-2-33, each of the following subparts were distribution assets and AEP East agreed that an adjustment will be made in the next PTRR for each of the following assets:

- a.: Subpart d. Centerburg Substation : CSP : 0272 in the amount of \$191,323.
- b.: Subpart i. East Willard 69KV Substation : OPCo : 2404 in the amount of \$32,991.
- c.: Subpart j. Elliott - Meigs (Tap Salesbury, Bashan, Coolville) 69KV Line : CSP : 6006 in the amount of \$49,566.
- d.: Subpart n. Hall 138KV Substation : CSP : 0027 in the amount of \$12,522.
- e.: Subpart p. Lincoln Street 69KV Substation : CSP : 0218 in the amount of \$11,007.
- f.: Subpart w. Pandora 69KV Substation : OPCo : 2184 in the amount of \$23,225.
- g.: Subpart y. Rozelle Substation : CSP : 0278 in the amount of \$19,404.
- h.: Subpart hh. Wolf Creek 138KV Substation : CSP : 0295 in the amount of \$54,426.

Response:

a. – h. AEP East agrees the above assets are distribution and will make adjustments in the 2027 PTRR.

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Data Request JCG-2024-07:

Template Error

In reference to the JCG's data request JI-1-199 related to IM TransCo's WS B-3, Line 3, Column J, in the amount of \$(100,226,301), the JCG requested an explanation as to why this amount in IM TransCo's 2025 Annual Update template does not tie to the end of year value of \$(99,076,648) in IM TransCo's WS B-3, Line 3, Column Q, the 2024 Annual Update template. AEP responded as follows, "AEP agrees the 2025 Annual Update beginning balance should tie to the 2024 Annual update ending balance. The beginning balances in column J does tie to (99,076,648) but the sum in cell J27 was incorrect. This sum was hardcoded in error and not updated. AEP will fix the formula going forward. This had no impact on rate."

Response:

AEP agrees and has fixed the formula – This fix had no impact on rate.

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**Responses to Joint Customers
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Data Request JCG-2024-08:

CIAC ADIT Improperly recorded to Transmission Rates

In reference to AEP East's response to JI-2-2, AEP East indicated that the following items would be removed from transmission rates and refunded in the 2027 PTRR.

- a.: WS B-2 - APCo - Excel Row 22 - CIAC - BOOK RECEIPTS-DISTR -SV in the amount of \$1,187,353.
- b.: WS B-2 - APCo - Excel Row 23 - CIAC - BOOK RECEIPTS-TRANS in the amount of \$101,712.
- c.: WS B-2 - APCo - Excel Row 24 - CIAC - BOOK RECEIPTS-DISTR -SW in the amount of \$668,786.
- d.: WS B-2 - I&M, Column I - Excel Row 22 - CIAC - BOOK RECEIPTS in the amount of \$759,696.
- e.: WS B-2 - OPCo - Excel Row 20 - CIAC-BOOK RECEIPTS in the amount of \$4,466,986.
- f.: WS B-2 - KgPCo - Excel Row 18 - CIAC-BOOK RECEIPTS in the amount of \$211,422.
- g.: WS B-2 - KPCCo - Excel Row 20 - CIAC-BOOK RECEIPTS in the amount of \$46,305.
- h.: WS B-2 - WPCo - Excel Row 21 - CIAC-BOOK RECEIPTS in the amount of \$369,757.
- i.: WS B-2 - IM TransCo - Excel Row 28 - CIAC - BOOK RECEIPTS - \$1,121,985.

Response:

AEP confirms this error will be corrected with interest applied in the 2027 PTRR.

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Data Request JCG-2024-09:

Prov Rate Refund ADIT Improperly Recorded in Transmission Rates

In reference to AEP East's response to JI-2-3, AEP East indicated that the following items would be removed from transmission rates and refunded in the 2027 PTRR.

- a.: APCO - WS B-2 - Actual Stmt. AG, Column H, Line 2.12, PROVS POSS REV REFDS in the amount of \$2,038,269.
- b.: APCO - WS B-2 - Actual Stmt. AG, Column H, Line 3.04, PROVS POSS REV REFDS-A/L in the amount of \$976,104.
- c.: I&M - WS B-2 - Actual Stmt. AG, Column I, Line 2.09, PROVS POSS REV REFDS in the amount of \$1,634,871.
- d.: I&M - WS B-2 - Actual Stmt. AG, Column I, Line 2.12, PROV FOR RATE REFUND-TAX REFORM in the amount of \$311,376.
- e.: I&M - WS B-2 - Actual Stmt. AG, Column I, Line 3.23, PROVS POSS REV REFDS-A/L in the amount of \$541,765.
- f.: I&M - WS B-2 - Actual Stmt. AG, Column I, Line 3.24, PROV FOR RATE REFUND-TAX REFORM in the amount of \$311,376.
- g.: KPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.09, PROVS POSS REV REFDS in the amount of \$342,129.
- h.: KPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.83, PROVS POSS REV REFDS-A/L in the amount of \$191,044.
- i.: KgPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.04, PROVS POSS REV REFDS-A/L in the amount of \$56,703.
- j.: KgPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.40, PROVS POSS REV REFDS-A/L in the amount of \$66,642.
- k.: OPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.07, PROVS POSS REV REFDS in the amount of \$196,086.
- l.: OPCo - WS B-2 - Actual Stmt. AG, Column H, Line 3.56, PROVS POSS REV REFDS-A/L in the amount of \$397,630.
- m.: WPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.08, PROVS POSS REV REFDS in the amount of \$(56).
- n.: WPCo - WS B-2 - Actual Stmt. AG, Column H, Line 2.62, PROVS POSS REV REFDS-A/L in the amount of \$27,719.
- o.: IM TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.13, PROV POSS REV REFDS-A/L in the amount of \$3,929,692.
- p.: IM TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.42, PROV POSS REV REFDS-A/L in the amount of \$1,158,052.
- q.: AP TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.31, PROV POSS REV REFDS-A/L in the amount of \$97,481.

r.: OH TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.36, PROV POSS REV REFDS-A/L in the amount of \$8,012,217.

s.: KY TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.27, PROV POSS REV REFDS-A/L in the amount of \$300,723.

t.: WV TransCo- WS B-2 - Actual Stmt. AG, Column H, Line 2.36, PROV POSS REV REFDS-A/L in the amount of \$3,527,080.

Response:

AEP confirms this error will be corrected with interest applied in the 2027 PTRR.

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Data Request JCG-2024-010:

Template Issue for Excluded Plant

Please refer to AEP East's templates for the following companies:

- a.: Appalachian Power Company
- b.: Kingsport Power Company
- c.: AEP Ohio Transmission Company
- d.: Ohio Power Company
- e.: AEP West Virginia Transmission Company
- f.: Wheeling Power Company

On tab "WS A- RB Support," line 42, column (d) reflects the 13-month average balance of excluded plant in service. However, there are no amounts recorded in January through November of the 13-month time period. The JCG acknowledges that it is possible that there are no amounts reflected for any of those months. However, it is highly unlikely that there would be amounts recorded in December of each year, but nothing throughout the year. With the absence of data for January through November, the JCG would request to use a beginning and ending average to properly reflect the amount of plant that is excluded.

Response:

AEP agrees to JCG's request to use a beginning and ending average.

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**Responses to Joint Customers
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Data Request JCG-2024-011:

Template Issue for APCo Excluded Plant

Please refer to AEP East's template for APCo, tab "TCOS." Line 132 is supposed to reflect the transmission plant excluded from the PJM tariff as reflected on tab "WS A – RB Support." However, the amount is hard coded to 0, rather than linked to the WS A tab. The JCG acknowledges that this amount is de minimis, however, requests that AEP East correct the template moving forward.

Response:

AEP confirms it has corrected the template.

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Set JCG-2024 of Data Requests**

Data Request JCG-2024-012:

APCo Assets Improperly Included in Transmission Plant

In reference to AEP's response to Data Request JI-1-126, the following assets included in AEP East's transmission formula rate appear to be associated with distribution or production. For the foregoing reasons, the JCG challenges the inclusion of these assets in transmission rates as they should have been charged to distribution or production accounts:

- a.: Account 397 - Amos Plant Microwave Station : APCo : 0742 – in the amount of \$723,376.
- b.: Account 397 - Ceredo Generating Plant : APCo : CERGP – in the amount of \$108,345.
- c.: Account 397 - Clinch River Generating Plant : APCo : 0770 – in the amount of \$585,899.
- d.: Accounts 390 and 397 - Cloverdale Distribution Crew Building : APCo : 7329 – in the amount of \$7,713. e
- .: Accounts 391 and 397 - Distribution Mass Property - VA : APCo : 9835 – in the amount of \$371,095.
- f.: Accounts 394 and 397 - Distribution Mass Property - WV : APCo : 9834 – in the amount of \$212,013.
- g.: Account 353 – ldg_long_description of “Station Service (AC Distribution System) – Complete” – in the amount of \$397,143.

Response:

a.– f. AEP East disagrees that these assets should be excluded from transmission rates. Because the assets are communication equipment, structures & improvements, office furniture & equipment, and tools recorded in general plant accounts, they qualify for inclusion in the annual formula rate using the Wages and Salary allocator.

g. AEP East disagrees that the assets are associated with distribution or production. Project engineers confirmed the stations lack distribution components and therefore should be classified as transmission and included in transmission rates. The long description is part of the retirement unit, and the property system applies the same long description to both distribution and transmission assets.

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**Responses to Joint Customers
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Data Request JCG-2024-013:

IMCo Assets Improperly Included in Transmission Plant

In reference to AEP's response to Data Request JI-1-147, the following assets included in AEP East's transmission formula rate appear to be associated with distribution. For the foregoing reasons, the JCG challenges the inclusion of these assets in transmission rates as they should have been charged to distribution accounts:

- a.: Account 397 - Distribution Mass Property - IN : I&M : 0000 – in the amount of \$1,392,858.
- b.: Account 397 - Distribution Mass Property - MI : I&M : 1002 – in the amount of \$439,915.

Response:

- a. – b. AEP East disagrees that the above assets should be removed from transmission rates. Because the assets are communication equipment recorded in general plant accounts, they qualify for inclusion in the annual formula rate using the Wages and Salary allocator.

Date: 2/13/2026

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Data Request JCG-2024-014:

KPCo Assets Improperly Included in Transmission Plant

In reference to AEP's response to Data Request JI-1-160, the following assets included in AEP East's transmission formula rate appear to be associated with distribution or production. For the foregoing reasons, the JCG challenges the inclusion of these assets in transmission rates as they should have been charged to distribution or production accounts:

- a.: Account 397 - Big Sandy Generating Plant Unit 1 : KEP : BSU1– in the amount of \$223,451.
- b.: Account 397 - Distribution Mass Property - KY : KEP : 9099 – in the amount of \$31,611.
- c.: Accounts 350, 352, and 353 - Jackhorn 138kV Station : KEP : 4135 – in the amount of \$13,941,225. This asset is recorded under the “major_location” of “Distribution Substations-KY, KEP.”
- d.: Account 355 - Engle Tap 69KV : KEP : 0123 – in the amount of \$1,728,507. According to FF1, page 426 line 54, KEPCo classifies the Engle location as Distribution function.
- e.: Account 353 - South Portsmouth 34.5KV Switching Structure : KEP : 1019 – in the amount of \$187,895. The stated voltage of 34.5KV indicates this asset is serving a Distribution function.

Response:

- a– b. AEP East disagrees that these assets should be excluded from transmission rates. Because the assets are communication equipment recorded in general plant accounts, they qualify for inclusion in the annual formula rate using the Wages and Salary allocator.
- c. AEP East disagrees with this JCG challenge. Jackhorn 138kV Station is a transmission asset. Jackhorn replaced Fleming station which was a transmission asset.
- d. – e. AEP East disagrees with the JCG challenge. Please refer to the JI-2-31 responses, which support including both assets in the transmission rates. The responses were provided by AEP engineers who worked on or managed the projects.

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**Responses to Joint Customers
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Data Request JCG-2024-015:

OPCo Assets Improperly Included in Transmission Plant

In reference to AEP's response to Data Request JI-1-179, the following assets included in AEP East's transmission formula rate appear to be associated with distribution or GSUs. For the foregoing reasons, the JCG challenges the inclusion of these assets in transmission rates as they should have been charged to distribution accounts or removed as a GSU:

- a.: Accounts 390 and 398 - Delaware Distribution Service Center : OPCo : 3350 – in the amount of \$201,921.
- b.: Account 397 - Distribution Mass Property - OH : OPCo : 0000 – in the amount of \$445,062.
- c.: Account 397 - gridSMART Distribution Mass Property-OH : CSP : GRDSMT – in the amount of \$8,184.
- d.: Accounts 352 and 353 - Gavin GSU 765KV Substation : OPCo : 8201 – in the amount of \$24,656.

Response:

a. – c. AEP East disagrees that the assets should be removed from the transmission rates. Because the assets are communication equipment, Miscellaneous equipment, and structures & improvements recorded in general plant accounts, they qualify for inclusion in the annual formula rate using the Wages and Salary allocator.

d. AEP East disagrees with the claim that Gavin 765 kV substation (misidentified as a GSU) should be treated as GSU and not included in transmission rates. See response JI-2-33, part 1, for the transmission description. The "GSU" label in the title is incorrect: OPCO does not have GSUs because it does not own generating plants, and GSUs are recorded only on generation-company plants that include those specific transmission assets.

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Data Request JCG-2024-016:

OPCo Substation Assets Improperly Included in Transmission Plant

In reference to AEP's response to Data Request JI-1-179, JCG identified numerous assets recorded to Accounts 352 or 353 that when cross-referenced to the Form 1 Substations, pages 426-427, Character of Substation column (b) indicates certain assets to be Distribution. See the JCG's attachment JI-1-179 Attachment 1_Summary. JCG challenges the inclusion of these assets in transmission rates as they should have been charged to the distribution function

Response:

AEP East disagrees with the JCG challenge. See the responses in JI-2-33, which were provided by AEP engineers who worked on or managed the projects and confirmed these were transmission assets.

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Data Request JCG-2024-017:

AEP East’s Computation of NOLC Adjustments on a Separate Return Basis

In reference to JI-1-80, attachment “JI-1-80 Attachment 1”, JI-2-20, and JI-2-22, AEP fails to provide sufficient demonstration or support for the initial Vintage Year for each OpCo and TransCo as requested. JCG seeks a demonstration of the separate return taxable income for the years prior to the initial Vintage Year presented with appropriate explanations justifying AEP’s calculations in JI-1-80 Attachment 1. For the foregoing reasons, the JCG challenges the computation of NOLC ADIT included in AEP East’s transmission formula rate on a separate return basis.

Response:

AEP East disagrees with the preliminary challenge. The Internal Revenue Code § 172 (“Code”) generally allowed a 2-year carryback and 20-year carryforward of net operating losses until the passage of the Tax Cuts and Jobs Act (“TCJA”). The TCJA eliminated net operating loss carrybacks and allowed indefinite carryforwards beginning with tax year 2018.

Attachment “JI-1-10 Attachment 1” provides the taxable income for the two years prior to the earliest year with a taxable loss. For each company other than APCO, the attachment provides the carryback of that earliest loss to the extent that there was taxable income in the two prior years to offset that loss as allowed by the Code. As such, the JI-1-10 Attachment 1 provides the information necessary to demonstrate the carry back and carry forward of net operating losses.

For APCO, the earliest net operating loss is shown as occurring in 2005. While APCO did have taxable income in 2003 and 2004, the two years prior to the loss, including a carryback of the 2005 loss to those years does not impact the result of the NOLC ADIT included in the formula rate because there was sufficient taxable income to offset that loss in 2006. See JCG-2024-017 Attachment 1 for NOLC ADIT calculation with the addition of the taxable income for tax years 2003 and 2004 which demonstrates that the NOLC ADIT is unchanged from the amount included in the formula rate.

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Data Request JCG-2024-018:

Service Company Depreciation Expenses Included in Transmission O&M Accounts

In reference to AEP's response to Data Request Set JI-1-32, Attachments "JI-1-32 Attachment 1," and JI-2-6, the JCG requested AEP provide the FERC account(s) and associated amounts where depreciation expense from AEPSC is recorded. The assets subject to the depreciation expense are plant assets used in multiple utility functions. As such, recording the depreciation expense to functional expense accounts on the OpCo's books has not been shown to be appropriate or just and reasonable. AEP has not provided support justifying the assignment of AEPSC depreciation expense by function or demonstrated any FERC rule or provision supporting such treatment. The AEPSC depreciation expense should be treated as an A&G expense on the OpCo's books and allocated to the formula rate using the labor allocator. For the foregoing reasons, the JCG challenges the following AEPSC depreciation expense amounts:

Sums of Accounts 560-573

- a.: Sum of Appalachian Power Company in the amount of \$783,100.
- b.: Sum of Indiana Michigan Power Company in the amount of \$35,167.
- c.: Sum of Kentucky Power Company in the amount of \$24,192.
- d.: Sum of Kingsport Power Company in the amount of \$3,499.
- e.: Sum of Ohio Power Company in the amount of \$136,590.
- f.: Sum of Wheeling Power Company in the amount of \$4,133.

Response:

The Company disagrees with this Preliminary Challenge. The assets in question are not in service on the books of the OpCos and the TransCos; rather, these depreciable assets are on the books of AEPSC. 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 part of departmental overhead loading process) as a cost incurred by the OpCos and the TransCos for receiving services from AEPSC. FERC, in the latest audit of AEPSC, did not object to the treatment of these costs through the overhead loading process.

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Data Request JCG-2024-019:

**Regulatory Commission Expenses - Unsupported Retail Rate Case Expenses Included As
“100% Transmission Specific”**

AEP has failed to provide the associated docket with the following expense or provide the justification as to how it is directly related to transmission. For the foregoing reasons, the JCG challenges this expense until AEP East can provide this information and justification.

a.: Attachment JI-1-184_Attachment 1 - OPCO- PUCO charge for funding the cost of hearing and review process for long-term forecasts - \$143,707.39

Response:

The Company disagrees with this challenge. Section 4901:5-3-02 of the Ohio Administrative Code provides for funding the direct cost of the hearings and the review process of electric long-term forecasts by fee charges to the utilities. This charge applies to both the transmission and distribution functions of Ohio Power and the \$143,707.39 noted is the amount of the fee that got allocated to transmission function of Ohio Power and is properly included in the formula rate.

Date: 2/13/2026

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**Responses to Joint Customers
Set JCG-2024 of Data Requests**

Data Request JCG-2024-020:

Expenditures for Certain Civic, Political and Related Activities Improperly Included in Transmission Rates

In reference to AEP East's response to JI-1-57 and "JI-1-57 Attachment 1 AEPSC," the following expenses appear to be associated with: (1) political activities that should be recorded to Account 426.4 - Expenditures for Certain Civic, Political and Related Activities; or (2) other non-operating expenses that should be recorded in Account 426.5. Expenses recorded to Account 426.4 and 426.5 should be removed from AEP East's transmission formula rate.

a.: Excel Row 4100 - NATIONAL GOVERNORS ASSOCIATION - Account 930.2 in the amount of \$62,379.

b.: Excel Row 4053 - CONGRESSIONAL INSTITUTE INC - Account 930.2 in the amount of \$12,548.

c.: Excel Row 4055 - DDC ADVOCACY - Account 930.2 in the amount of \$74,223.

d.: Excel Row 4056 - DEMOCRATIC GOVERNORS ASSOCIATION - Account 930.2 in the amount of \$62,739.

For the foregoing reasons, the JCG challenges these expenses being included in the transmission formula rate.

Response:

The Company disagrees with part of the challenge.

a. As illustrated on JCG-2024-020 Attachment 1, there was a manual entry recorded to reclass the National Governors Association costs to FERC Account 426.5. As seen on this attachment, the journal entry RECLASSPRE zeroes out the activity in FERC Account 930.2. The response to JI-1-57 that details out the vendor names only picks up Accounts Payable transactions (journal ID like APACCxxxx) and not reclass entries. Therefore, after taking into account the reclass entry, there would be no amount in FERC Account 930.2 for this \$62,379.

b-d. The Company agrees that these expenses more properly belong in FERC account 426.4 or 426.5.

Date: 2/13/2026

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**Responses to Joint Customers
Set JCG-2024 of Data Requests**

Data Request JCG-2024-021:

Expenditures for Advertising, News, Media Expenses Recorded to Account 566 Instead of Account 930.1

In reference to AEP East's response to JI-1-57 and "JI-1-57 Attachment 1 AEPSC," the following expenses appear to be associated with advertising, news, media etc. and should be recorded to Account 930.1:

a.: Excel Row 3032, OHIO NEWSPAPER SERVICES INC, Account 566 in the amount of \$7,767
It is unclear how this expense is directly related to a transmission operating expense. For the foregoing reasons, the JCG challenges this expense until additional information can be provided by AEP East.

Response:

The Company agrees that these charges should be recorded in Account 930.1.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-022:

Lobbying Expenses Included in Account 930.2

In reference to AEP East's response to JI-1-57 and "JI-1-57 Attachment 1 AEPSC," Excel Row 4131, UNITED STATES CHAMBER OF COMMERCE, Account 930.2 in the amount of \$121,068, the United States Chamber of Commerce is historically a leading lobbying spender in the United States in 2024 and its publicly available 990 states, "Foreign and domestic policy experts, lobbyists, and communicators advance the issues that matter to our members by working with partners in business and government, influencing public policymaking, and participating in the public debate." Political lobbying should be recorded to Account 426.4 and removed from AEP East's transmission formula rate.

Additionally, AEP East has not sufficiently tied the significant expenses for its contributions to the United States Chambers of Commerce to direct ratepayer benefits. AEP East has provided no correlation to any direct benefits the customers are receiving from a national chamber of commerce organization or how that organization is driving positive benefits to the AEP East transmission customers or its service territory. For the foregoing reasons, the JCG challenges the inclusion of this expense in AEP East's transmission formula rate.

<https://rollcall.com/2023/01/23/u-s-chamber-dips-to-second-place-in-k-street-spending/>,
<https://www.statista.com/statistics/257344/top-lobbying-spenders-in-the-us/>.

Response:

The Company agrees with the challenge. These costs would be better reflected in Account 426.4 or 426.5.

Date: 2/13/2026

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Data Request JCG-2024-023:

Distribution Expenses Included in the Transmission Formula Rate

In reference to AEP East's response to JI-1-57 and "JI-1-57 Attachment 1 AEPSC," Excel Row 4079, HOMESERVE USA CORP, Account 930.2 in the amount of \$19,146,727. Homeserve USA is a home warranty company which provides emergency home repair service plans, often partnering with utility companies to offer coverage for issues typically not covered by homeowners' insurance. It is not clear that these costs have been removed from the transmission formula rate in Worksheet F, Miscellaneous Expense.

For the foregoing reasons, the JCG challenges the inclusion of this expense in AEP East's transmission formula rate.

Response:

The Company disagrees with this challenge. The Homeserve USA Corp charges included in AEP East's response to JI-1-57 are allocated to the distribution function of the AEP East companies and are, therefore, not included in the formula rate calculation.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-024:

Production Plant Included in the Transmission Formula Rate

In reference to AEP East's response to JI-1-147 and "JI-1-147 Attachment 1," several items related to Hydro production are included in the 350 series accounts as follows:

a.: Project ID P17059003 Berrien Springs Hydro Acct 352 Structures \$230.94, Acct 353 Station Equipment \$20,113.15, and Acct 353.16 Station Equip – SmartGrid in the amount of \$53.14.

b.: Project ID A15041145 Berrien Springs Hydro Acct 353 Station Equipment in the amount of \$(127,288.18).

c.: Project ID B120MISRE Buchanon Hydro Acct 353 Station Equip in the amount of \$20,036.12.

d.: Project ID IMSBELK23 Elkhart Hydro, Acct 353 Station Equip in the amount of \$(74.94).

e.: Project ID DP21F02D1 Mottville Hydro, Acct 352 Structures in the amount of \$37,639.87, Acct 353 Station Equip in the amount of \$530,887.64, and Acct 353.16 Station Equip – SmartGrid in the amount of \$16,919.68.

f.: Project ID P19071003 Twin Branch Hydro, Acct 352 Structures in the amount of \$23,959.55, Acct 353 Station Equipment in the amount of \$283,038.16, and Acct 353.16 Station Equip – SmartGrid in the amount of \$7,340.39.

g.: Project ID P19071006 Twin Branch Hydro, Acct 352 Structures in the amount of \$(8,262.69), Acct 353 Station Equipment in the amount of \$(95,306.67), and Acct 353.16 Station Equip – SmartGrid in the amount of \$(4,890.39).

For the foregoing reasons, the JCG challenges the inclusion of these assets in AEP East's transmission formula rate.

Response:

a. – b. & d. AEP East disagrees that the assets should be included in production instead of transmission rates. The engineers and/or managers of the projects identified the assets as transmission stations that were built to support the plants.

c. AEP East disagrees that Buchanon Hydro should be excluded from transmission rates and maintains it should remain included. Please see JI-2-29 part b. for the transmission project description.

e. AEP East disagrees that Mottville Hydro should be excluded from transmission rates and maintains it should remain included. Please see JI-2-29 part c. for the transmission project description.

f. – g. AEP East disagrees that Twin Branch Hydro should be excluded from transmission rates and maintains it should remain included. Please see JI-2-29 part e. for the transmission project description.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-025:

Distribution Plant Included in the Transmission Formula Rate

In reference to AEP East's response to JI-1-147 and "JI-1-147 Attachment 1," several items which appear to be related to distribution by voltage according to FERC Form 1, P. 426 – 427 are included in the 350 series accounts as follows:

a.: Project ID P19071007 AM General 34.5 KV Substation #2 : I&M : 9392 Acct 352 Structures in the amount of \$3,412.92, Acct 353 Station Equipment in the amount of \$27,037.14, and Acct 353.16 Station Equip – SmartGrid in the amount of \$5,431.58.

b.: Project ID P19258006 Cleveland Substation - REMC - 69KV Switching Structure : I&M : 5503 Acct 352 Structures in the amount of \$358.57, Acct 353 Station Equipment in the amount of \$6,859.65, and Acct 353.16 Station Equip – SmartGrid in the amount of \$648.23.

For the foregoing reasons, the JCG challenges the inclusion of these assets in AEP East's transmission formula rate.

Response:

a. AEP East disagrees with AM General asset as distribution. Please see JI-2-29 for Transmission description support. The 34.5kV system is operated as a sub-Transmission network and is not distribution. In AEP, the 34.5kV voltage class is used by both Transmission and Distribution.

b. AEP East disagrees with Cleveland Substation asset as a distribution. The 69kV system is operated as a sub-Transmission network and not distribution. I&M owns the 69kV switch and structure that feeds the REMC.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-026:

Distribution Plant Included in the Transmission Formula Rate

In reference to AEP East's response to JI-1-168 and "JI-1-168 Attachment 1," several items which appear to be related to distribution by voltage according to FERC Form 1, P. 426 – 427 are included in the 350 series accounts as follows:

a.: Sub-Transmission Lines 34.5KV - TN: KGP: 9806 Acct 355 in the amount of \$460,925.30: This total appears to be distribution by voltage, Project IDs A17023001 in the amount of \$23,780.33, A17023002 in the amount of \$5,209.71, B260TNLRE in the amount of \$44,921.68, DR19R10C0 in the amount of \$2,831.90, DR19R10C1 in the amount of \$7,159.15, DR19R10C2 in the amount of \$1,458.16, P18182008 in the amount of \$42,336.93, P18182009 in the amount of \$10,237.54, P18220004 in the amount of \$207,849.65, and P18220005 in the amount of \$115,140.25; and

b.: Sub-Transmission Lines 69KV - TN: KGP: 9814, Acct 355 Project ID KGCPS2401 in the amount of \$69,464.44.

For the foregoing reasons, the JCG challenges the inclusion of these assets in AEP East's transmission formula rate.

Response:

a. & b. AEP East disagrees that Sub-Transmission assets are distribution. Both assets are networked and treated as transmission and therefore should be included in transmission rates. In AEP, the 34.5kV voltage class is used by both transmission and distribution.

Date: 2/13/2026

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**Responses to Joint Customers
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Data Request JCG-2024-027:

Distribution Plant Included in the Transmission Formula Rate

In reference to AEP East's response to JI-1-179 and "JI-1-179 Attachment 1," the following item, which appears to be related to distribution, is included in the 390 series accounts as follows:

Cherry Avenue 69KV Substation : OPCo : 1217, Project A22057023 Acct 397 in the amount of \$24,118.31 Distribution by Voltage.

While not directly listed, communication equipment within a substation is part of the substation, much the same as tools, appliances, switchboards and the like. Note that the lists included in the chart of accounts is not exhaustive, but representative, and unlisted items related to the function are includable.

For the foregoing reasons, the JCG challenges the inclusion of these assets in AEP East's transmission formula rate.

Response:

AEP East disagrees that the asset should be removed from transmission rates. Because the asset is communication equipment recorded in general plant accounts, they qualify for inclusion in the annual formula rate using the Wages and Salary allocator.

Date: 2/13/2026