

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF KENTUCKY )  
POWER COMPANY FOR (1) A GENERAL )  
ADJUSTMENT OF ITS RATES FOR ELECTRIC )  
SERVICE; (2) AN ORDER APPROVING ITS 2017 ) Case No. 2017-00179  
ENVIRONMENTAL COMPLIANCE PLAN; (3) AN )  
ORDER APPROVING ITS TARIFFS AND RIDERS; )  
(4) AN ORDER APPROVING ACCOUNTING )  
PRACTICES TO ESTABLISH REGULATORY )  
ASSETS AND LIABILITIES; AND (5) AN ORDER )  
GRANTING ALL OTHER REQUIRED APPROVALS )  
AND RELIEF )**

**SECTION II  
FILING REQUIREMENTS**

**VOLUME 6 OF 7**

**June 28, 2017**

# Kentucky Power Company

2015 Annual Report

Audited Financial Statements





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## GLOSSARY OF TERMS

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

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated variable interest entity of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KPCo and OPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
AGR	AEP Generation Resources Inc., a nonregulated AEP subsidiary that acquired the generation assets and liabilities of OPCo.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
CWIP	Construction Work in Progress.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated variable interest entity of AEP.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FGD	Flue Gas Desulfurization or scrubbers.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
Interconnection Agreement	An agreement by and among APCo, I&M, KPCo and OPCo which defined the sharing of costs and benefits associated with their respective generation plants. This agreement was terminated January 1, 2014.
IRS	Internal Revenue Service.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
MISO	Midwest Independent Transmission System Operator.
MLR	Member load ratio, the method used to allocate transactions among members of the Interconnection Agreement.
MMBtu	Million British Thermal Units.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatthour.
NO <sub>x</sub>	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefit Plans.

<b>Term</b>	<b>Meaning</b>
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third party sales. AEPSC acts as the agent.
OTC	Over the counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SO <sub>2</sub>	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of  
Kentucky Power Company:

We have audited the accompanying financial statements of Kentucky Power Company (the "Company"), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, comprehensive income (loss), changes in common shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2015, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

Columbus, Ohio  
February 23, 2016

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF INCOME**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
**(in thousands)**

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>REVENUES</b>			
Electric Generation, Transmission and Distribution	\$ 641,550	\$ 773,795	\$ 721,840
Sales to AEP Affiliates	11,814	7,514	103,731
Other Revenues	795	669	684
<b>TOTAL REVENUES</b>	<b>654,159</b>	<b>781,978</b>	<b>826,255</b>
<b>EXPENSES</b>			
Fuel and Other Consumables Used for Electric Generation	167,096	283,751	200,139
Purchased Electricity for Resale	39,228	14,389	11,003
Purchased Electricity from AEP Affiliates	99,475	116,243	269,088
Other Operation	80,825	84,491	75,038
Maintenance	76,957	71,812	66,977
Asset Impairments and Other Related Charges	—	—	32,847
Depreciation and Amortization	87,470	95,059	91,692
Taxes Other Than Income Taxes	22,352	21,308	20,272
<b>TOTAL EXPENSES</b>	<b>573,403</b>	<b>687,053</b>	<b>767,056</b>
<b>OPERATING INCOME</b>	<b>80,756</b>	<b>94,925</b>	<b>59,199</b>
<b>Other Income (Expense):</b>			
Interest Income	100	178	154
Carrying Costs Income	2,364	59	77
Allowance for Equity Funds Used During Construction	1,158	4,009	1,367
Interest Expense	(44,549)	(38,356)	(44,509)
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>39,829</b>	<b>60,815</b>	<b>16,288</b>
Income Tax Expense	11,938	22,437	7,382
<b>NET INCOME</b>	<b>\$ 27,891</b>	<b>\$ 38,378</b>	<b>\$ 8,906</b>

*The common stock of KPCo is wholly-owned by Parent.*

*See Notes to Financial Statements beginning on page 10.*



**KENTUCKY POWER COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
**(in thousands)**

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Net Income	\$ 27,891	\$ 38,378	\$ 8,906
<b><u>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES</u></b>			
Cash Flow Hedges, Net of Tax of \$32, \$20 and \$113 in 2015, 2014 and 2013, Respectively	60	38	210
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$36, \$252 and \$755 in 2015, 2014 and 2013, Respectively	67	468	1,402
Pension and OPEB Funded Status, Net of Tax of \$(281), \$(600) and \$4,168 in 2015, 2014 and 2013, Respectively	(522)	(1,114)	7,741
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(395)</b>	<b>(608)</b>	<b>9,353</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 27,496</b>	<b>\$ 37,770</b>	<b>\$ 18,259</b>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
**(in thousands)**

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2012</b>	\$ 50,450	\$ 531,536	\$ 190,819	\$ (19,994)	\$ 752,811
Capital Contribution from Parent		83,112			83,112
Common Stock Dividends			(20,034)		(20,034)
Net Income			8,906		8,906
Other Comprehensive Income				9,353	9,353
Pension and OPEB Adjustment Related to Mitchell Plant				5,221	5,221
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2013</b>	50,450	614,648	179,691	(5,420)	839,369
Capital Contribution Returned to Parent		(100,000)			(100,000)
Common Stock Dividends			(115,000)		(115,000)
Other Changes in Common Shareholder's Equity		2,812			2,812
Net Income			38,378		38,378
Other Comprehensive Loss				(608)	(608)
Pension and OPEB Adjustment Related to Kammer Plant				(1,308)	(1,308)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2014</b>	50,450	517,460	103,069	(7,336)	663,643
Capital Contribution from Parent		9,849			9,849
Common Stock Dividends			(44,000)		(44,000)
Net Income			27,891		27,891
Other Comprehensive Loss				(395)	(395)
Pension and OPEB Adjustment Related to Mitchell Plant				6,086	6,086
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2015</b>	<u>\$ 50,450</u>	<u>\$ 527,309</u>	<u>\$ 86,960</u>	<u>\$ (1,645)</u>	<u>\$ 663,074</u>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**ASSETS**  
**December 31, 2015 and 2014**  
**(in thousands)**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 867	\$ 795
Accounts Receivable:		
Customers	13,747	21,125
Affiliated Companies	20,373	30,436
Accrued Unbilled Revenues	53	2,047
Miscellaneous	110	131
Allowance for Uncollectible Accounts	(243)	(87)
Total Accounts Receivable	<u>34,040</u>	<u>53,652</u>
Fuel	22,085	45,256
Materials and Supplies	26,705	34,499
Risk Management Assets – Nonaffiliated	2,869	6,358
Risk Management Assets – Affiliated	173	—
Deferred Income Tax Benefits	—	8,899
Accrued Tax Benefits	47,812	10,944
Prepayments and Other Current Assets	4,623	4,301
<b>TOTAL CURRENT ASSETS</b>	<u>139,174</u>	<u>164,704</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,118,837	1,161,100
Transmission	568,963	558,099
Distribution	756,631	727,569
Other Property, Plant and Equipment (December 31, 2014 Amount Includes 2015 Plant Retirement)	58,294	521,327
Construction Work in Progress	59,351	39,194
<b>Total Property, Plant and Equipment</b>	<u>2,562,076</u>	<u>3,007,289</u>
Accumulated Depreciation and Amortization	847,675	1,026,208
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>1,714,401</u>	<u>1,981,081</u>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	557,956	229,827
Long-term Risk Management Assets – Nonaffiliated	12	1,005
Employee Benefits and Pension Assets	6,939	12,810
Deferred Charges and Other Noncurrent Assets	17,774	16,811
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>582,681</u>	<u>260,453</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,436,256</u>	<u>\$ 2,406,238</u>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**December 31, 2015 and 2014**

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 18,692	\$ 45,128
Accounts Payable:		
General	36,882	42,315
Affiliated Companies	25,139	29,259
Long-term Debt Due Within One Year – Nonaffiliated	65,000	65,000
Risk Management Liabilities – Nonaffiliated	1,002	3,256
Customer Deposits	26,916	26,343
Accrued Taxes	26,867	18,873
Accrued Interest	7,928	7,824
Regulatory Liability for Over-Recovered Fuel Costs	1,553	1,770
Provision for Refund	—	31,033
Other Current Liabilities	49,557	38,986
<b>TOTAL CURRENT LIABILITIES</b>	<b>259,536</b>	<b>309,787</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	801,451	751,285
Long-term Risk Management Liabilities – Nonaffiliated	11	423
Deferred Income Taxes	636,158	575,495
Regulatory Liabilities and Deferred Investment Tax Credits	1,608	22,522
Asset Retirement Obligations	55,151	63,479
Employee Benefits and Pension Obligations	13,536	12,531
Deferred Credits and Other Noncurrent Liabilities	5,731	7,073
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,513,646</b>	<b>1,432,808</b>
<b>TOTAL LIABILITIES</b>	<b>1,773,182</b>	<b>1,742,595</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 6)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	527,309	517,460
Retained Earnings	86,960	103,069
Accumulated Other Comprehensive Income (Loss)	(1,645)	(7,336)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>663,074</b>	<b>663,643</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 2,436,256</b>	<b>\$ 2,406,238</b>

See Notes to Financial Statements beginning on page 10.

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2015, 2014 and 2013**  
**(in thousands)**

	Years Ended December 31,		
	2015	2014	2013
<b>OPERATING ACTIVITIES</b>			
<b>Net Income</b>	\$ 27,891	\$ 38,378	\$ 8,906
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>			
Depreciation and Amortization	87,470	95,059	91,692
Deferred Income Taxes	75,638	9,157	12,440
Asset Impairments and Other Related Charges	—	—	32,847
Carrying Costs Income	(2,364)	(59)	(77)
Allowance for Equity Funds Used During Construction	(1,158)	(4,009)	(1,367)
Mark-to-Market of Risk Management Contracts	1,642	203	2,357
Pension Contributions to Qualified Plan Trust	(1,900)	(1,923)	—
Fuel Over/Under-Recovery, Net	(217)	(1,081)	(5,078)
Provision for Refund	(31,033)	31,033	—
Change in Other Noncurrent Assets	(27,945)	(4,372)	6,884
Change in Other Noncurrent Liabilities	(1,765)	8,506	(2,426)
<b>Changes in Certain Components of Working Capital:</b>			
Accounts Receivable, Net	19,612	(25,128)	55,144
Fuel, Materials and Supplies	26,480	56,498	3,130
Accounts Payable	(4,973)	1,265	(68,480)
Accrued Taxes, Net	(28,874)	(7,591)	4,013
Accrued Interest	105	1,146	(5,324)
Other Current Assets	516	(1,044)	3,817
Other Current Liabilities	(4,368)	17,230	(9,186)
<b>Net Cash Flows from Operating Activities</b>	<u>134,757</u>	<u>213,268</u>	<u>129,292</u>
<b>INVESTING ACTIVITIES</b>			
Construction Expenditures	(114,194)	(101,898)	(141,832)
Proceeds from Sales of Assets	1,337	307	5,566
Other Investing Activities	222	(884)	(563)
<b>Net Cash Flows Used for Investing Activities</b>	<u>(112,635)</u>	<u>(102,475)</u>	<u>(136,829)</u>
<b>FINANCING ACTIVITIES</b>			
Capital Contribution from (Returned to) Parent	—	(100,000)	83,112
Issuance of Long-term Debt – Nonaffiliated	49,456	288,344	199,700
Change in Advances from Affiliates, Net	(26,436)	36,564	(4,795)
Retirement of Long-term Debt – Nonaffiliated	—	(200,000)	(250,000)
Retirement of Long-term Debt – Affiliated	—	(20,000)	—
Principal Payments for Capital Lease Obligations	(1,148)	(2,079)	(1,440)
Dividends Paid on Common Stock	(44,000)	(115,000)	(20,034)
Other Financing Activities	78	1,430	255
<b>Net Cash Flows from (Used for) Financing Activities</b>	<u>(22,050)</u>	<u>(110,741)</u>	<u>6,798</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	72	52	(739)
<b>Cash and Cash Equivalents at Beginning of Period</b>	795	743	1,482
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 867</u>	<u>\$ 795</u>	<u>\$ 743</u>
<b>SUPPLEMENTARY INFORMATION</b>			
Cash Paid for Interest, Net of Capitalized Amounts	\$ 43,426	\$ 36,062	\$ 48,602
Net Cash Paid (Received) for Income Taxes	(27,317)	18,545	6,100
Noncash Acquisitions Under Capital Leases	244	1,471	3,448
Construction Expenditures Included in Current Liabilities as of December 31,	14,112	17,626	7,253
Noncash Capital Contribution from Parent	9,849	—	—

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **ORGANIZATION**

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 170,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

Effective January 1, 2014, the Interconnection Agreement and the AEP System Interim Allowance Agreement were terminated. Also effective January 1, 2014, the FERC approved a PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants' respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

Also effective January 1, 2014, the FERC approved the creation of a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR is committed to meet capacity obligations of member companies.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo and WPCo. Effective January 1, 2014, and revised in May 2015, power and natural gas risk management activities are allocated based on the member companies' respective equity positions. Risk management activities primarily include the power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts. KPCo shared in the revenues and expenses associated with these risk management activities with the member companies.

Under a unit power agreement with AEGCo, an affiliated company, KPCo purchases 390 MWs of Rockport Plant capacity which is 30% of AEGCo's 50% share of the 2,600 MW Rockport Plant. The unit power agreement expires in December 2022. KPCo pays a demand charge for the right to receive the power, which is payable even if the power is not taken.

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

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



## ***Corporate Separation***

### ***Background***

On December 31, 2013, as approved by the FERC and the PUCO, OPCo transferred its generation assets and related generation liabilities at net book value to AGR. Also on December 31, 2013, AGR subsequently transferred at net book value a one-half interest (780 MW) in the Mitchell Plant to KPCo. The transfer of these generation assets and associated liabilities was approved by the FERC and the KPSC.

AGR's transfer of a one-half ownership in the Mitchell Plant to KPCo at net book value qualifies as an acquisition of a business under common control. Pursuant to "Business Combinations" accounting guidance, KPCo retrospectively adjusted its financial statements as if the transfer had occurred at the beginning of the earliest period presented.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Rates and Service Regulation***

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

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

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

In addition, the FERC regulates the SIA and the Transmission Agreement, all of which are still active and allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. In accordance with management's 2012 filing with the FERC, the Interconnection Agreement was terminated effective January 1, 2014. The AEP System Interim Allowance Agreement which provided for, among other things, the transfer of SO<sub>2</sub> emission allowances associated with transactions under the Interconnection Agreement was also terminated. In December 2013, the FERC issued orders approving the creation of a Power Coordination Agreement (PCA), effective January 1, 2014. Also effective January 1, 2014, the FERC approved the creation of a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. Effective June 1, 2014, the FERC approved the cancellation of the System Transmission Integration Agreement.

### ***Accounting for the Effects of Cost-Based Regulation***

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

### ***Use of Estimates***

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

### ***Cash and Cash Equivalents***

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

### ***Inventory***

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

### ***Accounts Receivable***

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

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

AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, for KPCo. See "Sale of Receivables - AEP Credit" section of Note 14 for additional information.

### ***Allowance for Uncollectible Accounts***

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

### ***Concentrations of Credit Risk and Significant Customers***

KPCo does not have any significant customers that comprise 10% or more of its operating revenues as of December 31, 2015.

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

### ***Emission Allowances***

KPCo records emission allowances at cost, including the annual SO<sub>2</sub> and NO<sub>x</sub> emission allowance entitlements received at no cost from the Federal EPA. KPCo follows the inventory model for these allowances. Allowances expected to be consumed within one year are reported in Materials and Supplies. Allowances with expected consumption beyond one year are included in Deferred Charges and Other Noncurrent Assets. These allowances are consumed in the production of energy and are recorded in Fuel and Other Consumables Used for Electric Generation at an average cost.

The purchases and sales of allowances are reported in the Operating Activities section of the statements of cash flows. The net margin on sales of emission allowances is included in Electric Generation, Transmission and Distribution Revenues for nonaffiliated transactions and in Sales to AEP Affiliates Revenues for affiliated transactions because of its integral nature to the production process of energy and KPCo's revenue optimization strategy for operations. The net margin on sales of emission allowances affects the determination of deferred fuel or deferred emission allowance costs and the amortization of regulatory assets.

### ***Property, Plant and Equipment***

Electric utility property, plant and equipment are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs are charged to regulatory liabilities. The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

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

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

### ***Allowance for Funds Used During Construction***

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant. KPCo records the equity component of AFUDC in Allowance for Equity Funds Used During Construction and the debt component of AFUDC as a reduction to Interest Expense.

### ***Valuation of Nonderivative Financial Instruments***

The book values of Cash and Cash Equivalents, Accounts Receivable, Advances from Affiliates and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

### ***Fair Value Measurements of Assets and Liabilities***

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

data) and other observable inputs for the asset or liability. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with established risk management policies as approved by the Finance Committee of AEP's Board of Directors. The AEP System's market risk oversight staff independently monitors risk policies, procedures and risk levels and provides members of the Commercial Operations Risk Committee (Regulated Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Risk Committee consists of AEPSC's Chief Operating Officer, Chief Financial Officer, Executive Vice President of Generation, Senior Vice President of Commercial Operations and Chief Risk Officer.

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

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

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and domestic equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities and cash equivalent funds. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Benefit plan assets included in Level 3 are primarily real estate and private equity investments that are valued using methods requiring judgment including appraisals. The fair value of real estate investments is measured using market capitalization rates, recent sales of comparable investments and independent third-party appraisals. The fair value of private equity investments is measured using cost and purchase multiples, operating results, discounted future cash flows and market based comparable data. Depending on the specific situation, one or multiple approaches are used to determine the valuation of a real estate or private equity investment.

## ***Deferred Fuel Costs***

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Fuel and Other Consumables Used for Electric Generation expense when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as current regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as current regulatory assets. Fuel cost over-recovery and under-recovery balances are classified as noncurrent when there is a phase-in plan or the FAC has been suspended. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the KPSC. On a routine basis, the KPSC reviews and/or audits KPCo's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable. Changes in fuel costs, including purchased power, are reflected in rates in a timely manner through the FAC. A portion of margins from off-system sales are given to customers through the FAC.

## ***Revenue Recognition***

### *Regulatory Accounting*

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

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

### *Electricity Supply and Delivery Activities*

KPCo recognizes revenues from retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes the revenues on the statements of income upon delivery of the energy to the customer and includes unbilled as well as billed amounts. Wholesale transmission revenue is based on FERC approved formula rate filings made for each calendar year using estimated costs. The annual rate filing is compared to actual costs with an over- or under-recovery being trued-up with interest and refunded or recovered in a future year's rates.

Most of the power produced at KPCo's generation plants is sold to PJM. KPCo purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income. However, purchases of power in excess of sales to PJM, on an hourly net basis, used to serve retail load are recorded gross as Purchased Electricity for Resale on the statements of income.

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

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

### *Energy Marketing and Risk Management Activities*

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

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

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). KPCo initially records the effective portion of the cash flow hedge's gain or loss as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. KPCo defers the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains). See "Accounting for Cash Flow Hedging Strategies" section of Note 10.

### *Maintenance*

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

### *Income Taxes and Investment Tax Credits*

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence.

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

Investment tax credits are accounted for under the flow-through method except where regulatory commissions have reflected investment tax credits in the rate-making process on a deferral basis. Investment tax credits that have been deferred are amortized over the life of the plant investment.

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

### *Excise Taxes*

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

**Debt**

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

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

**Investments Held in Trust for Future Liabilities**

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

**Benefit Plans**

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

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

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

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

<b>Pension Plan Assets</b>	<b>Target</b>
Equity	25%
Fixed Income	59%
Other Investments	15%
Cash and Cash Equivalents	1%
<b>OPEB Plans Assets</b>	<b>Target</b>
Equity	65%
Fixed Income	33%
Cash and Cash Equivalents	2%

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

For equity investments, the concentration limits are as follows:

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

For fixed income investments, the concentration limits must not exceed:

- 3% in any single issuer.
- 5% for private placements.
- 5% for convertible securities.
- 60% for bonds rated AA+ or lower.
- 50% for bonds rated A+ or lower.
- 10% for bonds rated BBB- or lower.

For obligations of non-government issuers within the fixed income portfolio, the following limitations apply:

- AAA rated debt: a single issuer should account for no more than 5% of the portfolio.
- AA+, AA, AA- rated debt: a single issuer should account for no more than 3% of the portfolio.
- Debt rated A+ or lower: a single issuer should account for no more than 2% of the portfolio.
- No more than 10% of the portfolio may be invested in high yield and emerging market debt combined at any time.

Each investment manager's portfolio is compared to a diversified benchmark index.

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

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

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



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

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

***Comprehensive Income (Loss)***

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

***Earnings Per Share (EPS)***

KPCo is a wholly-owned subsidiary of AEP. Therefore, KPCo is not required to report EPS.

***Supplementary Income Statement Information***

The following table provides the components of Depreciation and Amortization for the years ended December 31, 2015, 2014 and 2013:

<b>Depreciation and Amortization</b>	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
Depreciation and Amortization of Property, Plant and Equipment	\$ 86,679	\$ 94,770	\$ 91,403
Amortization of Regulatory Assets and Liabilities	791	289	289
<b>Total Depreciation and Amortization</b>	<b>\$ 87,470</b>	<b>\$ 95,059</b>	<b>\$ 91,692</b>

***Subsequent Events***

Management reviewed subsequent events through February 23, 2016, the date that KPCo's 2015 annual report was issued.

## **2. NEW ACCOUNTING PRONOUNCEMENTS**

Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to KPSC's business. The following final pronouncements will impact the financial statements.

### ***ASU 2014-08 "Presentation of Financial Statements and Property, Plant and Equipment" (ASU 2014-08)***

In April 2014, the FASB issued ASU 2014-08 changing the presentation of discontinued operations on the statements of income and other requirements for reporting discontinued operations. Under the new standard, a disposal of a component or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the component meets the criteria to be classified as held-for-sale or is disposed. The amendments in this update also require additional disclosures about discontinued operations and disposal of an individually significant component of an entity that does not qualify for discontinued operations. This standard must be prospectively applied to all reporting periods presented in financial reports issued after the effective date.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2014. If applicable, this standard will change the presentation of financial statements but will not affect the calculation of net income, comprehensive income or earnings per share. Management adopted ASU 2014-08 effective January 1, 2015. There were no events requiring the application of this new accounting guidance.

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

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

The FASB deferred implementation of ASU 2014-09 under the terms in ASU 2015-14, "Revenue from Contracts with Customers (Topic: 606): Deferral of the Effective Date." The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted for annual periods beginning after December 15, 2016. As applicable, this standard may change the amount of revenue recognized in the income statements in each reporting period. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on revenue or net income. Management plans to adopt ASU 2014-09 effective January 1, 2018.

### ***ASU 2015-01 "Income Statement – Extraordinary and Unusual Items" (ASU 2015-01)***

In January 2015, the FASB issued ASU 2015-01 eliminating the concept of extraordinary items for presentation on the face of the income statement. Under the new standard, a material event or transaction that is unusual in nature, infrequent or both shall be reported as a separate component of income from continuing operations. Alternatively, it may be disclosed in the notes to financial statements.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2015. As applicable, this standard may change the presentation of amounts in the income statements. Management adopted ASU 2015-01 effective January 1, 2016.

### ***ASU 2015-03 "Simplifying the Presentation of Debt Issuance Costs" (ASU 2015-03)***

In April 2015, the FASB issued ASU 2015-03 simplifying the presentation of debt issuance costs on the balance sheets. Under the new standard, debt issuance costs related to a recognized debt liability will be presented on the balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with discounts.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2015 with early adoption permitted. Management adopted ASU 2015-03 in October 2015 and applied the new standard retrospectively for all periods presented. Prior to adoption, KPSCo included debt issuance costs in Deferred Charges and Other Noncurrent Assets on the balance sheets. The effect of the reclassification between assets and liabilities for KPSCo was \$3.3 million as of December 31, 2014.

***ASU 2015-05 “Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement” (ASU 2015-05)***

In April 2015, the FASB issued ASU 2015-05 providing guidance to customers about whether a cloud computing arrangement includes a software license. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2015 with early adoption permitted. Management adopted ASU 2015-05 prospectively, effective January 1, 2016, with no impact on results of operations, financial position or cash flows.

***ASU 2015-11 “Simplifying the Measurement of Inventory” (ASU 2015-11)***

In July 2015, the FASB issued ASU 2015-11 simplifying the guidance on the subsequent measurement of inventory, excluding inventory measured using last-in, first-out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. Management does not expect the new standard to impact its results of operations, financial position or cash flows. Management plans to adopt ASU 2015-11 prospectively, effective January 1, 2017.

***ASU 2015-17 “Balance Sheet Classification of Deferred Taxes” (ASU 2015-17)***

In November 2015, the FASB issued ASU 2015-17 simplifying the presentation of deferred income taxes on the balance sheets. Under the new standard, deferred tax assets and liabilities are classified as noncurrent on the balance sheets. The new accounting guidance is effective for annual periods beginning after December 15, 2016 with early adoption permitted. Management adopted ASU 2015-17 upon its issuance date and applied the new standard prospectively. As a result, the new standard impacted the December 31, 2015 presentation of deferred tax assets and liabilities on the balance sheet.

***ASU 2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities” (ASU 2016-01)***

In January 2016, the FASB issued ASU 2016-01 enhancing the reporting model for financial instruments. Under the new standard, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. The new standard also amends disclosure requirements and requires separate presentation of financial assets and liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements. The amendments also clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for sale securities in combination with the entity’s other deferred tax assets.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The amendments should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-01 effective January 1, 2018.

### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI for the years ended December 31, 2015, 2014 and 2013. All amounts in the following tables are presented net of related income taxes.

#### **Changes in Accumulated Other Comprehensive Income (Loss) by Component For the Year Ended December 31, 2015**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate and Foreign Currency	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
<b>Balance in AOCI as of December 31, 2014</b>	\$ —	\$ (161)	\$ 3,145	\$ (10,320)	\$ (7,336)
Change in Fair Value Recognized in AOCI	—	—	—	(522)	(522)
Amounts Reclassified from AOCI	—	60	67	—	127
Net Current Period Other					
Comprehensive Income (Loss)	—	60	67	(522)	(395)
Pension and OPEB Adjustment Related to Mitchell Plant	—	—	—	6,086	6,086
<b>Balance in AOCI as of December 31, 2015</b>	<u>\$ —</u>	<u>\$ (101)</u>	<u>\$ 3,212</u>	<u>\$ (4,756)</u>	<u>\$ (1,645)</u>

#### **Changes in Accumulated Other Comprehensive Income (Loss) by Component For the Year Ended December 31, 2014**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate and Foreign Currency	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
<b>Balance in AOCI as of December 31, 2013</b>	\$ 23	\$ (222)	\$ 2,677	\$ (7,898)	\$ (5,420)
Change in Fair Value Recognized in AOCI	347	—	—	(1,114)	(767)
Amounts Reclassified from AOCI	(370)	61	468	—	159
Net Current Period Other					
Comprehensive Income (Loss)	(23)	61	468	(1,114)	(608)
Pension and OPEB Adjustment Related to Kammer Plant	—	—	—	(1,308)	(1,308)
<b>Balance in AOCI as of December 31, 2014</b>	<u>\$ —</u>	<u>\$ (161)</u>	<u>\$ 3,145</u>	<u>\$ (10,320)</u>	<u>\$ (7,336)</u>

#### **Changes in Accumulated Other Comprehensive Income (Loss) by Component For the Year Ended December 31, 2013**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate and Foreign Currency	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
<b>Balance in AOCI as of December 31, 2012</b>	\$ (127)	\$ (282)	\$ 1,275	\$ (20,860)	\$ (19,994)
Change in Fair Value Recognized in AOCI	152	—	—	7,741	7,893
Amounts Reclassified from AOCI	(2)	60	1,402	—	1,460
Net Current Period Other					
Comprehensive Income	150	60	1,402	7,741	9,353
Pension and OPEB Adjustment Related to Mitchell Plant	—	—	—	5,221	5,221
<b>Balance in AOCI as of December 31, 2013</b>	<u>\$ 23</u>	<u>\$ (222)</u>	<u>\$ 2,677</u>	<u>\$ (7,898)</u>	<u>\$ (5,420)</u>

**Reclassifications from Accumulated Other Comprehensive Income**

The following tables provide details of reclassifications from AOCI for the years ended December 31, 2015, 2014 and 2013. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 8 for additional details.

**Reclassifications from Accumulated Other Comprehensive Income (Loss)**

	<b>Amount of (Gain) Loss Reclassified from AOCI</b>		
	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
<b>Gains and Losses on Cash Flow Hedges</b>			
<b>Commodity:</b>			
Electric Generation, Transmission and Distribution Revenues	\$ —	\$ —	\$ (64)
Purchased Electricity for Resale	—	(513)	84
Other Operation Expense	—	(3)	(8)
Maintenance Expense	—	(5)	(5)
Property, Plant and Equipment	—	(6)	(11)
Regulatory Assets/(Liabilities), Net (a)	—	(43)	—
Subtotal – Commodity	<u>—</u>	<u>(570)</u>	<u>(4)</u>
<b>Interest Rate and Foreign Currency:</b>			
Interest Expense	93	93	93
Subtotal – Interest Rate and Foreign Currency	<u>93</u>	<u>93</u>	<u>93</u>
Reclassifications from AOCI, before Income Tax (Expense) Credit	93	(477)	89
Income Tax (Expense) Credit	<u>33</u>	<u>(168)</u>	<u>31</u>
<b>Reclassifications from AOCI, Net of Income Tax (Expense) Credit</b>	<u>60</u>	<u>(309)</u>	<u>58</u>
<b>Pension and OPEB</b>			
Amortization of Prior Service Cost (Credit)	(41)	(214)	(364)
Amortization of Actuarial (Gains)/Losses	<u>141</u>	<u>935</u>	<u>2,521</u>
Reclassifications from AOCI, before Income Tax (Expense) Credit	100	721	2,157
Income Tax (Expense) Credit	<u>33</u>	<u>253</u>	<u>755</u>
<b>Reclassifications from AOCI, Net of Income Tax (Expense) Credit</b>	<u>67</u>	<u>468</u>	<u>1,402</u>
<b>Total Reclassifications from AOCI, Net of Income Tax (Expense) Credit</b>	<u>\$ 127</u>	<u>\$ 159</u>	<u>\$ 1,460</u>

(a) Represents realized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

#### **4. RATE MATTERS**

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

##### ***Plant Transfer***

Consistent with KPCo's December 2012 plant transfer filing that was approved by the KPSC, Big Sandy Plant, Unit 2 was retired in May 2015. Upon retirement, \$194 million was reclassified as Regulatory Assets on the balance sheet related to the net book value of Big Sandy Plant, Unit 2 and the related asset retirement obligations, costs of removal and materials and supplies. These regulatory assets will be amortized over 25 years, effective July 2015.

In October 2013, the KPSC issued an order that approved a modified settlement agreement which included the approval to transfer to KPCo a one-half interest in the Mitchell Plant, comprising 780 MW of average annual generating capacity. In December 2013, the transfer of a one-half interest in the Mitchell Plant to KPCo was completed. In April 2015, the Franklin County Circuit Court issued an order that affirmed the KPSC's October 2013 order. In May 2015, the Attorney General filed an appeal with the Kentucky Court of Appeals of the April 2015 order. In December 2015, KPCo, the Attorney General and the KPSC filed a joint motion to dismiss the appeals filed with the Kentucky Court of Appeals and in February 2016, the joint motion to dismiss was granted.

##### ***Kentucky Fuel Adjustment Clause Review***

In January 2015, the KPSC issued an order disallowing certain FAC costs during the period of January 2014 through May 2015 while KPCo owned and operated both Big Sandy Plant, Unit 2 and its one-half interest in the Mitchell Plant. As a result of this order, KPCo recorded a regulatory disallowance of \$36 million in December 2014. In February 2015, KPCo filed an appeal of this order with the Franklin County Circuit Court. In September 2015, the Franklin County Circuit Court issued an order that dismissed all appeals filed related to this FAC review, as agreed to by the parties to the stipulation agreement in the "2014 Kentucky Base Rate Case" discussed below.

##### ***2014 Kentucky Base Rate Case***

In December 2014, KPCo filed a request with the KPSC for a net increase in rates of \$70 million. In April 2015, a stipulation agreement between KPCo and certain intervenors was filed with the KPSC that recommended a net revenue increase of \$45 million, which consisted of a \$68 million increase in rider rates, offset by a \$23 million decrease in annual base rates, to be effective July 2015. The proposed net increase reflected KPCo's ownership interest in the Mitchell Plant, riders to recover the Big Sandy Plant retirement and operational costs and the inclusion of an environmental compliance plan. The proposed net increase of \$45 million also included (a) recovery of \$12 million of deferred storm costs, (b) any difference between the actual off-system sales margins and the \$15 million included in the proposed annual base rates to be shared with 75% to the customer and 25% to KPCo and (c) dismissal of the KPCo and the Kentucky Industrial Utility Customers appeals of the KPSC order in the KPCo fuel adjustment clause review. See "Kentucky Fuel Adjustment Clause Review" discussed above.

In June 2015, the KPSC issued an order that approved a modified stipulation agreement. The order approved a net revenue increase of \$45 million, as proposed in the stipulation agreement, and contained modifications that included (a) approval to recover \$2 million of IGCC and certain carbon capture study costs, both over 25 years, (b) no deferral of certain PJM costs and (c) denial of the recovery of certain potential purchased power costs through a rider.

## 5. EFFECTS OF REGULATION

### *Regulatory Assets and Liabilities*

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2015	2014	
	(in thousands)		
<b>Noncurrent Regulatory Assets</b>			
<b>Regulatory assets pending final regulatory approval:</b>			
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs	\$ 4,377	\$ 12,146	
Asset Retirement Obligation	—	8,287	
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<b>4,377</b>	<b>20,433</b>	
<b>Regulatory assets approved for recovery:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	232,591	—	25 years
Plant Retirement Costs - Asset Retirement Obligation Costs	7,640	—	25 years
Plant Retirement Costs - Materials and Supplies	4,485	—	25 years
Other Regulatory Assets Approved for Recovery	1,207	556	various
<u>Regulatory Assets Currently Not Earning a Return</u>			
Income Taxes, Net	160,246	159,150	21 years
Plant Retirement Costs - Asset Retirement Obligation Costs	58,031	—	25 years
Pension and OPEB Funded Status	52,687	36,460	12 years
Storm Related Costs	10,931	2,349	5 years
Kentucky Deferred Environmental Costs	6,365	—	1 year
Big Sandy Plant, Unit 1 Operating Rider	4,903	—	1 year
Postemployment Benefits	4,557	4,527	5 years
Peak Demand Reduction/Energy Efficiency	4,332	357	2 years
Medicare Subsidy	1,950	2,166	9 years
IGCC Pre-Construction Costs	1,305	—	25 years
Unrealized Loss on Forward Commitments	164	1,835	2 years
Other Regulatory Assets Approved for Recovery	2,185	1,994	various
<b>Total Regulatory Assets Approved for Recovery</b>	<b>553,579</b>	<b>209,394</b>	
<b>Total Noncurrent Regulatory Assets</b>	<b>\$ 557,956</b>	<b>\$ 229,827</b>	

Regulatory Liabilities:	December 31,		Remaining Refund Period
	2015	2014	
	(in thousands)		
<b>Current Regulatory Liability</b>			
Over-recovered Fuel Costs - does not pay a return	\$ 1,553	\$ 1,770	1 year
<b>Total Current Regulatory Liabilities</b>	<u>\$ 1,553</u>	<u>\$ 1,770</u>	
<b>Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits</b>			
<b>Regulatory liabilities approved for payment:</b>			
<u>Regulatory Liabilities Currently Paying a Return</u>			
Asset Removal Costs	\$ —	\$ 16,768	
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Unrealized Gain on Forward Commitments	1,550	5,563	2 years
Other Regulatory Liabilities Approved for Payment	58	191	various
<b>Total Regulatory Liabilities Approved for Payment</b>	<u>1,608</u>	<u>22,522</u>	
<b>Total Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits</b>	<u>\$ 1,608</u>	<u>\$ 22,522</u>	



## **6. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

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

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

### **COMMITMENTS**

#### ***Construction and Commitments***

KPCo has substantial construction commitments to support its operations and environmental investments. In managing the overall construction program and in the normal course of business, KPCo contractually commits to third-party construction vendors for certain material purchases and other construction services. KPCo also purchases fuel, materials, supplies, services and property, plant and equipment under contract as part of its normal course of business. Certain supply contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for "Commitments", the following table summarizes KPCo's actual contractual commitments as of December 31, 2015:

<b>Contractual Commitments</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
	<b>(in thousands)</b>				
Fuel Purchase Contracts (a)	\$ 224,791	\$ 276,186	\$ 247,937	\$ 166,388	\$ 915,302
Energy and Capacity Purchase Contracts	35,016	75,370	76,993	77,050	264,429
Construction Contracts for Capital Assets (b)	440	—	—	—	440
<b>Total</b>	<b><u>\$ 260,247</u></b>	<b><u>\$ 351,556</u></b>	<b><u>\$ 324,930</u></b>	<b><u>\$ 243,438</u></b>	<b><u>\$ 1,180,171</u></b>

- (a) Represents contractual commitments to purchase coal and other consumables as fuel for electric generation along with related transportation of the fuel.
- (b) Represents only capital assets for which there are signed contracts. Actual payments are dependent upon and may vary significantly based upon the decision to build, regulatory approval schedules, timing and escalation of project costs.

### **GUARANTEES**

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

#### ***Letter of Credit***

KPCo has \$65 million of variable rate Pollution Control Bonds supported by a bilateral letter of credit for \$66 million. The letter of credit matures in June 2017.

## ***Indemnifications and Other Guarantees***

### ***Contracts***

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2015, there were no material liabilities recorded for any indemnifications.

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

### ***Lease Obligations***

KPCo leases certain equipment under master lease agreements. See “Master Lease Agreements” section of Note 13 for disclosure of lease residual value guarantees.

## **CONTINGENCIES**

### ***Insurance and Potential Losses***

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

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

### ***The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation***

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and nonhazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2015, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often nonhazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. At present, management’s estimates do not anticipate material cleanup costs for identified sites.

## **7. IMPAIRMENT**

### **2013**

#### ***Big Sandy Plant, Unit 2 FGD Project***

In the third quarter of 2013, KPCo recorded a pretax write-off of \$33 million in Asset Impairments and Other Related Charges on the statement of income primarily related to the Big Sandy Plant, Unit 2 FGD project as disallowed by the KPSC.

## 8. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans in its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for ratemaking purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

### *Actuarial Assumptions for Benefit Obligations*

The weighted-average assumptions as of December 31 of each year used in the measurement of KPCo’s benefit obligations are shown in the following table:

<u>Assumptions</u>	<u>Pension Plans</u>		<u>Other Postretirement Benefit Plans</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Discount Rate	4.30%	4.00%	4.30%	4.00%
Rate of Compensation Increase	4.35% (a)	4.35% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2015, the rate of compensation increase assumed varies with the age of the employee, ranging from 3.5% per year to 12% per year, with an average increase of 4.35%.

**Actuarial Assumptions for Net Periodic Benefit Costs**

The weighted-average assumptions as of January 1 of each year used in the measurement of KPSC's benefit costs are shown in the following table:

Assumptions	Pension Plans			Other Postretirement Benefit Plans		
	2015	2014	2013	2015	2014	2013
Discount Rate	4.00%	4.70%	3.95%	4.00%	4.70%	3.95%
Expected Return on Plan Assets	6.00%	6.00%	6.50%	6.75%	6.75%	7.00%
Rate of Compensation Increase	4.35% (a)	4.50% (a)	4.50% (a)	NA	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation and current prospects for economic growth.

The health care trend rate assumptions as of January 1 of each year used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	2015	2014
Initial	6.25%	6.50%
Ultimate	5.00%	5.00%
Year Ultimate Reached	2020	2020

Assumed health care cost trend rates have a significant effect on the amounts reported for the OPEB health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase		1% Decrease	
	(in thousands)			
Effect on Total Service and Interest Cost Components of Net Periodic Postretirement Health Care Benefit Cost	\$	89	\$	(74)
Effect on the Health Care Component of the Accumulated Postretirement Benefit Obligation		2,090		(1,714)

**Significant Concentrations of Risk within Plan Assets**

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2015, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

**Benefit Plan Obligations, Plan Assets and Funded Status as of December 31, 2015 and 2014**

The following tables provide a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status as of December 31. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		Other Postretirement Benefit Plans	
	2015	2014	2015	2014
<b>Change in Benefit Obligation</b>				
Benefit Obligation as of January 1,	\$ 189,224	\$ 169,432	\$ 50,818	\$ 50,806
Service Cost	2,680	2,299	343	472
Interest Cost	7,326	8,041	1,952	2,405
Actuarial (Gain) Loss	(10,971)	18,130	972	100
Benefit Payments	(10,183)	(8,678)	(4,352)	(4,582)
Participant Contributions	—	—	1,150	1,413
Medicare Subsidy	—	—	7	204
<b>Benefit Obligation as of December 31,</b>	<b>\$ 178,076</b>	<b>\$ 189,224</b>	<b>\$ 50,890</b>	<b>\$ 50,818</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as of January 1,	\$ 184,842	\$ 169,578	\$ 63,628	\$ 62,925
Actual Gain (Loss) on Plan Assets	(3,191)	22,019	(2,597)	3,872
Company Contributions	1,900	1,923	—	—
Participant Contributions	—	—	1,150	1,413
Benefit Payments	(10,183)	(8,678)	(4,352)	(4,582)
<b>Fair Value of Plan Assets as of December 31,</b>	<b>\$ 173,368</b>	<b>\$ 184,842</b>	<b>\$ 57,829</b>	<b>\$ 63,628</b>
<b>Funded (Underfunded) Status as of December 31,</b>	<b>\$ (4,708)</b>	<b>\$ (4,382)</b>	<b>\$ 6,939</b>	<b>\$ 12,810</b>

**Amounts Recognized on the Balance Sheets as of December 31, 2015 and 2014**

	Pension Plans		Other Postretirement Benefit Plans	
	2015	2014	2015	2014
<b>December 31,</b>				
<b>(in thousands)</b>				
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ —	\$ —	\$ 6,939	\$ 12,810
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(4,708)	(4,382)	—	—
<b>Funded (Underfunded) Status</b>	<b>\$ (4,708)</b>	<b>\$ (4,382)</b>	<b>\$ 6,939</b>	<b>\$ 12,810</b>

**Amounts Included in AOCI and Regulatory Assets as of December 31, 2015 and 2014**

Components	Pension Plans		Other Postretirement Benefit Plans	
	2015	2014	2015	2014
<b>December 31,</b>				
<b>(in thousands)</b>				
Net Actuarial Loss	\$ 54,923	\$ 56,506	\$ 19,699	\$ 12,921
Prior Service Cost (Credit)	100	153	(19,658)	(22,082)
<b>Recorded as</b>				
Regulatory Assets	\$ 52,058	\$ 43,989	\$ 629	\$ (7,529)
Deferred Income Taxes	1,038	4,434	(205)	(571)
Net of Tax AOCI	1,927	8,236	(383)	(1,061)

Components of the change in amounts included in AOCI and Regulatory Assets during the years ended December 31, 2015 and 2014 are as follows:

<b>Components</b>	<b>Pension Plans</b>		<b>Other Postretirement Benefit Plans</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>			
Actuarial Loss During the Year	\$ 2,201	\$ 9,392	\$ 7,400	\$ 461
Amortization of Actuarial Loss	(3,784)	(4,466)	(622)	(746)
Amortization of Prior Service Credit (Cost)	(53)	(57)	2,424	2,424
<b>Change for the Year Ended December 31,</b>	<b>\$ (1,636)</b>	<b>\$ 4,869</b>	<b>\$ 9,202</b>	<b>\$ 2,139</b>

***Pension and Other Postretirement Benefits Plans' Assets***

The fair value tables within Pension and Other Postretirement Benefits Plans' Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPCCo as of December 31, 2015 and 2014 using the percentages below:

<b>Pension Plan</b>		<b>Other Postretirement Benefit Plans</b>	
<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
3.6%	3.7%	3.7%	3.8%

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities:						
Domestic	\$ 315.7	\$ —	\$ —	\$ —	\$ 315.7	6.6 %
International	402.3	—	—	—	402.3	8.4 %
Options	—	15.6	—	—	15.6	0.3 %
Real Estate Investment Trusts	4.0	—	—	—	4.0	0.1 %
Common Collective Trust – Global	—	369.7	—	—	369.7	7.8 %
Common Collective Trust – International	—	16.1	—	—	16.1	0.3 %
<b>Subtotal – Equities</b>	<b>722.0</b>	<b>401.4</b>	<b>—</b>	<b>—</b>	<b>1,123.4</b>	<b>23.5 %</b>
Fixed Income:						
Common Collective Trust – Debt	—	34.2	—	—	34.2	0.7 %
United States Government and Agency Securities	—	421.9	—	—	421.9	8.9 %
Corporate Debt	—	1,983.2	—	—	1,983.2	41.6 %
Foreign Debt	—	421.4	0.1	—	421.5	8.8 %
State and Local Government	—	12.8	—	—	12.8	0.3 %
Other – Asset Backed	—	23.4	—	—	23.4	0.5 %
<b>Subtotal – Fixed Income</b>	<b>—</b>	<b>2,896.9</b>	<b>0.1</b>	<b>—</b>	<b>2,897.0</b>	<b>60.8 %</b>
Infrastructure	—	—	42.0	—	42.0	0.9 %
Real Estate	—	—	253.7	—	253.7	5.3 %
Alternative Investments	—	—	378.7	—	378.7	8.0 %
Securities Lending	—	263.0	—	—	263.0	5.5 %
Securities Lending Collateral (a)	—	—	—	(264.7)	(264.7)	(5.5)%
Cash and Cash Equivalents	—	48.6	—	—	48.6	1.0 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	25.9	25.9	0.5 %
<b>Total</b>	<b>\$ 722.0</b>	<b>\$ 3,609.9</b>	<b>\$ 674.5</b>	<b>\$ (238.8)</b>	<b>\$ 4,767.6</b>	<b>100.0 %</b>

(a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.

(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table sets forth a reconciliation of changes in the fair value of AEP’s assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)				
<b>Balance as of January 1, 2015</b>	\$ 0.1	\$ 12.5	\$ 235.8	\$ 378.9	\$ 627.3
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	(3.6)	12.5	(25.9)	(17.0)
Relating to Assets Sold During the Period	—	0.3	23.8	37.6	61.7
Purchases and Sales	—	32.8	(18.4)	(11.9)	2.5
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
<b>Balance as of December 31, 2015</b>	<b>\$ 0.1</b>	<b>\$ 42.0</b>	<b>\$ 253.7</b>	<b>\$ 378.7</b>	<b>\$ 674.5</b>



The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 465.1	\$ —	\$ —	\$ —	\$ 465.1	29.5%
International	484.3	—	—	—	484.3	30.7%
Options	—	15.6	—	—	15.6	1.0%
Common Collective Trust – Global	—	19.0	—	—	19.0	1.2%
Common Collective Trust – International	—	12.6	—	—	12.6	0.8%
Subtotal – Equities	949.4	47.2	—	—	996.6	63.2%
Fixed Income:						
Common Collective Trust Debt	—	100.9	—	—	100.9	6.4%
United States Government and Agency Securities	—	58.4	—	—	58.4	3.7%
Corporate Debt	—	117.7	—	—	117.7	7.4%
Foreign Debt	—	20.7	—	—	20.7	1.3%
State and Local Government	—	4.2	—	—	4.2	0.3%
Other – Asset Backed	—	8.4	—	—	8.4	0.5%
Subtotal – Fixed Income	—	310.3	—	—	310.3	19.6%
Trust Owned Life Insurance:						
International Equities	—	28.3	—	—	28.3	1.8%
United States Bonds	—	184.3	—	—	184.3	11.7%
Subtotal – Trust Owned Life Insurance	—	212.6	—	—	212.6	13.5%
Cash and Cash Equivalents	44.9	7.2	—	—	52.1	3.3%
Other – Pending Transactions and Accrued Income (a)	—	—	—	5.8	5.8	0.4%
<b>Total</b>	<b>\$ 994.3</b>	<b>\$ 577.3</b>	<b>\$ —</b>	<b>\$ 5.8</b>	<b>\$ 1,577.4</b>	<b>100.0%</b>

(a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2014:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities:						
Domestic	\$ 588.6	\$ —	\$ —	\$ —	\$ 588.6	11.9 %
International	502.2	—	—	—	502.2	10.1 %
Options	—	14.1	—	—	14.1	0.3 %
Real Estate Investment Trusts	54.3	—	—	—	54.3	1.1 %
Common Collective Trust – Global	—	377.0	—	—	377.0	7.6 %
Common Collective Trust – International	—	18.5	—	—	18.5	0.4 %
<b>Subtotal – Equities</b>	<b>1,145.1</b>	<b>409.6</b>	<b>—</b>	<b>—</b>	<b>1,554.7</b>	<b>31.4 %</b>
Fixed Income:						
Common Collective Trust – Debt	—	30.2	—	—	30.2	0.6 %
United States Government and Agency Securities	—	449.8	—	—	449.8	9.0 %
Corporate Debt	—	1,799.5	—	—	1,799.5	36.2 %
Foreign Debt	—	400.5	0.1	—	400.6	8.1 %
State and Local Government	—	14.9	—	—	14.9	0.3 %
Other – Asset Backed	—	29.1	—	—	29.1	0.6 %
<b>Subtotal – Fixed Income</b>	<b>—</b>	<b>2,724.0</b>	<b>0.1</b>	<b>—</b>	<b>2,724.1</b>	<b>54.8 %</b>
Infrastructure	—	—	12.5	—	12.5	0.3 %
Real Estate	—	—	235.8	—	235.8	4.7 %
Alternative Investments	—	—	378.9	—	378.9	7.6 %
Securities Lending	—	219.8	—	—	219.8	4.4 %
Securities Lending Collateral (a)	—	—	—	(221.5)	(221.5)	(4.5)%
Cash and Cash Equivalents	—	53.3	—	—	53.3	1.1 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	9.9	9.9	0.2 %
<b>Total</b>	<b>\$ 1,145.1</b>	<b>\$ 3,406.7</b>	<b>\$ 627.3</b>	<b>\$ (211.6)</b>	<b>\$ 4,967.5</b>	<b>100.0 %</b>

(a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.

(b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

The following table sets forth a reconciliation of changes in the fair value of AEP’s assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)				
<b>Balance as of January 1, 2014</b>	\$ 0.1	\$ —	\$ 238.2	\$ 329.6	\$ 567.9
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	(0.3)	5.5	32.0	37.2
Relating to Assets Sold During the Period	—	0.1	19.0	15.8	34.9
Purchases and Sales	—	12.7	(26.9)	1.5	(12.7)
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
<b>Balance as of December 31, 2014</b>	<b>\$ 0.1</b>	<b>\$ 12.5</b>	<b>\$ 235.8</b>	<b>\$ 378.9</b>	<b>\$ 627.3</b>

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2014:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities:						
Domestic	\$ 466.1	\$ —	\$ —	\$ —	\$ 466.1	27.5%
International	566.6	—	—	—	566.6	33.5%
Options	—	16.4	—	—	16.4	1.0%
Common Collective Trust – Global	—	29.6	—	—	29.6	1.8%
Subtotal – Equities	1,032.7	46.0	—	—	1,078.7	63.8%
Fixed Income:						
Common Collective Trust – Debt	—	103.7	—	—	103.7	6.1%
United States Government and Agency Securities	—	71.1	—	—	71.1	4.2%
Corporate Debt	—	125.5	—	—	125.5	7.4%
Foreign Debt	—	21.3	—	—	21.3	1.3%
State and Local Government	—	5.9	—	—	5.9	0.3%
Other – Asset Backed	—	4.9	—	—	4.9	0.3%
Subtotal – Fixed Income	—	332.4	—	—	332.4	19.6%
Trust Owned Life Insurance:						
International Equities	—	10.3	—	—	10.3	0.6%
United States Bonds	—	212.1	—	—	212.1	12.5%
Subtotal – Trust Owned Life Insurance	—	222.4	—	—	222.4	13.1%
Cash and Cash Equivalents	46.8	9.6	—	—	56.4	3.3%
Other – Pending Transactions and Accrued Income (a)	—	—	—	4.0	4.0	0.2%
<b>Total</b>	<b>\$ 1,079.5</b>	<b>\$ 610.4</b>	<b>\$ —</b>	<b>\$ 4.0</b>	<b>\$ 1,693.9</b>	<b>100.0%</b>

(a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.

### ***Determination of Pension Expense***

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

The accumulated benefit obligation for the pension plans is as follows:

Accumulated Benefit Obligation	2015	2014
	(in thousands)	
Qualified Pension Plan	\$ 174,946	\$ 185,344
Nonqualified Pension Plan	5	4
<b>Total as of December 31,</b>	<b>\$ 174,951</b>	<b>\$ 185,348</b>

For the underfunded pension plans that had an accumulated benefit obligation in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets of these plans as of December 31, 2015 and 2014 were as follows:

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
<b>Projected Benefit Obligation</b>	<u>\$ 178,076</u>	<u>\$ 189,224</u>
Accumulated Benefit Obligation	\$ 174,951	\$ 185,348
Fair Value of Plan Assets	173,368	184,842
<b>Underfunded Accumulated Benefit Obligation</b>	<u>\$ (1,583)</u>	<u>\$ (506)</u>

***Estimated Future Benefit Payments and Contributions***

KPCo expects contributions and payments for the pension plans of \$2 million during 2016. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	<b>Estimated Payments</b>	
	<b>Pension Plans</b>	<b>Other Postretirement Benefit Plans</b>
	<b>(in thousands)</b>	
2016	\$ 10,081	\$ 4,682
2017	10,350	4,763
2018	10,776	4,851
2019	11,553	4,914
2020	11,500	5,100
Years 2021 to 2025, in Total	64,046	27,000

***Components of Net Periodic Benefit Cost***

The following table provides the components of net periodic benefit cost (credit) for the years ended December 31, 2015, 2014 and 2013:

	<b>Pension Plans</b>			<b>Other Postretirement Benefit Plans</b>		
	<b>Years Ended December 31,</b>					
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>					
Service Cost	\$ 2,680	\$ 2,299	\$ 1,763	\$ 343	\$ 472	\$ 750
Interest Cost	7,326	8,041	7,074	1,952	2,405	2,491
Expected Return on Plan Assets	(9,981)	(9,672)	(9,832)	(4,059)	(4,239)	(3,999)
Amortization of Prior Service Cost (Credit)	53	57	56	(2,424)	(2,424)	(2,399)
Amortization of Net Actuarial Loss	3,784	4,466	6,393	622	746	2,283
<b>Net Periodic Benefit Cost (Credit)</b>	<u>3,862</u>	<u>5,191</u>	<u>5,454</u>	<u>(3,566)</u>	<u>(3,040)</u>	<u>(874)</u>
Capitalized Portion	(1,364)	(1,809)	(2,372)	1,259	1,059	380
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<u>\$ 2,498</u>	<u>\$ 3,382</u>	<u>\$ 3,082</u>	<u>\$ (2,307)</u>	<u>\$ (1,981)</u>	<u>\$ (494)</u>

Estimated amounts expected to be amortized to net periodic benefit costs (credits) and the impact on the balance sheet during 2016 are shown in the following table:

<b>Components</b>	<b>Pension Plans</b>	<b>Other Postretirement Benefit Plans</b>
	<b>(in thousands)</b>	
Net Actuarial Loss	\$ 2,925	\$ 1,080
Prior Service Cost (Credit)	51	(2,425)
<b>Total Estimated 2016 Amortization</b>	<b>\$ 2,976</b>	<b>\$ (1,345)</b>
<b>Expected to be Recorded as</b>		
Regulatory Asset	\$ 2,874	\$ (1,307)
Deferred Income Taxes	36	(13)
Net of Tax AOCI	66	(25)
<b>Total</b>	<b>\$ 2,976</b>	<b>\$ (1,345)</b>

***American Electric Power System Retirement Savings Plan***

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.3 million in 2015, \$2.5 million in 2014 and \$2.3 million in 2013.

**9. BUSINESS SEGMENTS**

KPCo has one reportable segment, an integrated electricity generation, transmission and distribution business. KPCo's other activities are insignificant.

## 10. DERIVATIVES AND HEDGING

### OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPS is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

### STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

#### *Risk Management Strategies*

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo also utilizes derivative contracts to manage interest rate risk associated with debt financing. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts as of December 31, 2015 and 2014:

#### Notional Volume of Derivative Instruments

Primary Risk Exposure	Volume		Unit of Measure
	December 31, 2015	December 31, 2014	
	(in thousands)		
Commodity:			
Power	7,864	6,689	MWhs
Coal	—	233	Tons
Natural Gas	64	87	MMBtus
Heating Oil and Gasoline	341	261	Gallons
Interest Rate	\$ 500	\$ 1,047	USD

### *Cash Flow Hedging Strategies*

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo’s vehicle fleet is exposed to gasoline and diesel fuel price volatility. KPCo utilizes financial heating oil and gasoline derivative contracts in order to mitigate price risk of future fuel purchases. Cash flow hedge accounting for these derivative contracts was discontinued effective March 31, 2014. KPCo does not hedge all fuel price risk.

KPCo utilizes a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo also utilizes interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes, supply and demand market data and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third party contractual agreements and risk profiles. For the December 31, 2015 and 2014 balance sheets, KPCo netted \$0 and \$67 thousand, respectively, of cash collateral received from third parties against short-term and long-term risk management assets and \$656 thousand and \$24 thousand, respectively, of cash collateral paid to third parties against short-term and long-term risk management liabilities.



The following tables represent the gross fair value of KPCo's derivative activity on the balance sheets as of December 31, 2015 and 2014:

**Fair Value of Derivative Instruments  
December 31, 2015**

Balance Sheet Location	Fair Value of Derivative Instruments			Gross Amounts of Risk Management Assets/Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	Risk Management Contracts	Hedging Contracts				
	Commodity (a)	Commodity (a)	Interest Rate (a)			
	(in thousands)					
Current Risk Management Assets - Nonaffiliated and Affiliated	\$ 5,017	\$ —	\$ —	\$ 5,017	\$ (1,975)	\$ 3,042
Long-term Risk Management Assets - Nonaffiliated	59	—	—	59	(47)	12
<b>Total Assets</b>	<b>5,076</b>	<b>—</b>	<b>—</b>	<b>5,076</b>	<b>(2,022)</b>	<b>3,054</b>
Current Risk Management Liabilities - Nonaffiliated	3,621	—	—	3,621	(2,619)	1,002
Long-term Risk Management Liabilities - Nonaffiliated	69	—	—	69	(58)	11
<b>Total Liabilities</b>	<b>3,690</b>	<b>—</b>	<b>—</b>	<b>3,690</b>	<b>(2,677)</b>	<b>1,013</b>
<b>Total MTM Derivative Contract Net Assets (Liabilities)</b>	<b>\$ 1,386</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,386</b>	<b>\$ 655</b>	<b>\$ 2,041</b>

**Fair Value of Derivative Instruments  
December 31, 2014**

Balance Sheet Location	Fair Value of Derivative Instruments			Gross Amounts of Risk Management Assets/Liabilities Recognized	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
	Risk Management Contracts	Hedging Contracts				
	Commodity (a)	Commodity (a)	Interest Rate (a)			
	(in thousands)					
Current Risk Management Assets - Nonaffiliated	\$ 8,631	\$ —	\$ —	\$ 8,631	\$ (2,273)	\$ 6,358
Long-term Risk Management Assets - Nonaffiliated	1,060	—	—	1,060	(55)	1,005
<b>Total Assets</b>	<b>9,691</b>	<b>—</b>	<b>—</b>	<b>9,691</b>	<b>(2,328)</b>	<b>7,363</b>
Current Risk Management Liabilities - Nonaffiliated	5,487	—	—	5,487	(2,231)	3,256
Long-term Risk Management Liabilities - Nonaffiliated	477	—	—	477	(54)	423
<b>Total Liabilities</b>	<b>5,964</b>	<b>—</b>	<b>—</b>	<b>5,964</b>	<b>(2,285)</b>	<b>3,679</b>
<b>Total MTM Derivative Contract Net Assets (Liabilities)</b>	<b>\$ 3,727</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 3,727</b>	<b>\$ (43)</b>	<b>\$ 3,684</b>

- (a) Derivative instruments within these categories are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) There are no derivative contracts subject to a master netting arrangement or similar agreement which are not offset in the statement of financial position.

The table below presents KPCo's activity of derivative risk management contracts for the years ended December 31, 2015, 2014 and 2013:

Location of Gain (Loss)	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Electric Generation, Transmission and Distribution Revenues	\$ 2,289	\$ 13,303	\$ 1,483
Sales to AEP Affiliates	1,178	—	—
Other Operation Expense	(115)	—	—
Maintenance Expense	(151)	—	—
Purchased Electricity for Resale	3,983	—	—
Fuel and Other Consumables Used for Electric Generation	(20)	(9)	—
Regulatory Assets (a)	1,671	(2,778)	—
Regulatory Liabilities (a)	(2,922)	2,304	(1,029)
<b>Total Gain on Risk Management Contracts</b>	<u>\$ 5,913</u>	<u>\$ 12,820</u>	<u>\$ 454</u>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo's statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo's statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same expense line item on the statements of income as that of the associated risk. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015, see Note 4 - Rate Matters. These auctions resulted in a range of products, including 12-month, 24-month, and 36-month periods. The delivery period for each contract is scheduled to start on the first day of June of each year, immediately following the auction. Certain affiliated entities, including KPCo, participated in the auction process and were awarded tranches of OPCo's SSO load. The underlying contracts are derivatives subject to the accounting guidance for "Derivatives and Hedging" and are accounted for using MTM accounting, unless the contract has been designated as a normal purchase or normal sale.

#### ***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income. KPCo recognizes any hedge ineffectiveness as a regulatory asset (for losses) or a regulatory liability (for gains).

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo's statements of income or in Regulatory Assets or Regulatory Liabilities on KPCo's balance sheets, depending on the specific nature of the risk being hedged. During 2015, KPCo did not apply cash flow hedging to outstanding power derivatives. During 2014 and 2013, KPCo applied cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on heating oil and gasoline derivative contracts designated as cash flow hedges from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Other Operation expense, Maintenance expense or Depreciation and Amortization expense, as it relates to capital projects, on the statements of income. During 2013, KPCo applied cash flow hedging to outstanding heating oil and gasoline derivatives. The impact of cash flow hedge accounting for these derivative contracts was immaterial and was discontinued effective March 31, 2014.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During 2015, 2014 and 2013, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

During 2015, 2014 and 2013, hedge ineffectiveness was immaterial or nonexistent for all cash flow hedge strategies disclosed above.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo's balance sheets and the reasons for changes in cash flow hedges, see Note 3.

Cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo's balance sheets as of December 31, 2015 and 2014 were:

**Impact of Cash Flow Hedges on the Balance Sheets  
 December 31, 2015**

	<u>Commodity</u>	<u>Interest Rate</u> (in thousands)	<u>Total</u>
Hedging Assets (a)	\$ —	\$ —	\$ —
Hedging Liabilities (a)	—	—	—
AOCI Loss Net of Tax	—	(101)	(101)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	—	(60)	(60)

**Impact of Cash Flow Hedges on the Balance Sheets  
 December 31, 2014**

	<u>Commodity</u>	<u>Interest Rate</u> (in thousands)	<u>Total</u>
Hedging Assets (a)	\$ —	\$ —	\$ —
Hedging Liabilities (a)	—	—	—
AOCI Loss Net of Tax	—	(161)	(161)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	—	(60)	(60)

(a) Hedging Assets and Hedging Liabilities are included in Risk Management Assets and Liabilities on KPCo's balance sheets.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ from the estimate above due to market price changes. As of December 31, 2015, KPCo is not hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") its exposure to variability in future cash flows related to forecasted transactions.

**Credit Risk**

Management limits credit risk in KPCo’s marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses Moody’s, Standard and Poor’s and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

When management uses standardized master agreements, these agreements may include collateral requirements. These master agreements facilitate the netting of cash flows associated with a single counterparty. Cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. The collateral agreements require a counterparty to post cash or letters of credit in the event an exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP’s credit policy. In addition, collateral agreements allow for termination and liquidation of all positions in the event of a failure or inability to post collateral.

**Collateral Triggering Events**

Under the tariffs of the RTOs and Independent System Operators (ISOs) and a limited number of derivative and non-derivative contracts primarily related to competitive retail auction loads, KPCo is obligated to post an additional amount of collateral if certain credit ratings decline below a specified rating threshold. The amount of collateral required fluctuates based on market prices and total exposure. On an ongoing basis, AEP’s risk management organization assesses the appropriateness of these collateral triggering items in contracts. KPCo has not experienced a downgrade below a specified rating threshold that would require the posting of additional collateral. The following table represents KPCo’s exposure if credit ratings were to decline below a specified rating threshold as of December 31, 2015 and 2014:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
Fair Value of Contracts with Credit Downgrade Triggers	\$ —	\$ —
Amount of Collateral KPCo Would Have been Required to Post for Derivative Contracts as well as Derivative and Non-Derivative Contracts Subject to the Same Master Netting Arrangement	—	—
Amount of Collateral KPCo Would Have Been Required to Post Attributable to RTOs and ISOs	1,003	1,303
Amount of Collateral Attributable to Other Contracts	23	14

In addition, a majority of KPCo’s non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third party obligation in excess of \$50 million. On an ongoing basis, AEP’s risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount this exposure has been reduced by cash collateral posted by KPCo and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering KPCo’s contractual netting arrangements as of December 31, 2015 and 2014:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	\$ 750	\$ 1,859
Amount of Cash Collateral Posted	—	—
Additional Settlement Liability if Cross Default Provision is Triggered	750	1,852

## 11. FAIR VALUE MEASUREMENTS

### *Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo's Long-term Debt as of December 31, 2015 and 2014 are summarized in the following table:

	December 31,			
	2015		2014	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 866,451	\$ 963,639	\$ 816,285	\$ 948,967

### *Fair Value Measurements of Financial Assets and Liabilities*

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the "Fair Value Measurements of Assets and Liabilities" section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2015 and 2014. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Assets:</b>					
<b>Risk Management Assets – Nonaffiliated and Affiliated</b>					
Risk Management Commodity Contracts (a) (b)	<u>\$ 36</u>	<u>\$ 2,692</u>	<u>\$ 2,338</u>	<u>\$ (2,012)</u>	<u>\$ 3,054</u>
<b>Liabilities:</b>					
<b>Risk Management Liabilities – Nonaffiliated</b>					
Risk Management Commodity Contracts (a) (b)	<u>\$ 43</u>	<u>\$ 3,545</u>	<u>\$ 92</u>	<u>\$ (2,667)</u>	<u>\$ 1,013</u>

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2014**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				

**Risk Management Assets – Nonaffiliated**

Risk Management Commodity Contracts (a) (b)	\$ 42	\$ 5,328	\$ 4,320	\$ (2,327)	\$ 7,363
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**Liabilities:**

**Risk Management Liabilities – Nonaffiliated**

Risk Management Commodity Contracts (a) (b)	\$ 47	\$ 5,523	\$ 393	\$ (2,284)	\$ 3,679
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- (a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”  
(b) Substantially comprised of power contracts.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2015, 2014 and 2013.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives and other investments classified as Level 3 in the fair value hierarchy:

<u>Year Ended December 31, 2015</u>	<u>Net Risk Management Assets (Liabilities) (a) (in thousands)</u>
<b>Balance as of December 31, 2014</b>	\$ 3,927
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	766
Purchases, Issuances and Settlements (d)	(4,313)
Transfers out of Level 3 (f) (g)	240
Changes in Fair Value Allocated to Regulated Jurisdictions (h)	1,626
<b>Balance as of December 31, 2015</b>	<u>\$ 2,246</u>
<u>Year Ended December 31, 2014</u>	<u>Net Risk Management Assets (Liabilities) (in thousands)</u>
<b>Balance as of December 31, 2013</b>	\$ 2,171
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	5,490
Purchases, Issuances and Settlements (d)	(6,084)
Transfers into Level 3 (e) (f)	(750)
Transfers out of Level 3 (f) (g)	(7)
Changes in Fair Value Allocated to Regulated Jurisdictions (h)	3,107
<b>Balance as of December 31, 2014</b>	<u>\$ 3,927</u>

**Net Risk Management  
Assets (Liabilities)  
(in thousands)**

<b>Year Ended December 31, 2013</b>	
<b>Balance as of December 31, 2012</b>	\$ 2,199
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	(732)
Purchases, Issuances and Settlements (d)	101
Transfers into Level 3 (e) (f)	273
Transfers out of Level 3 (f) (g)	(187)
Changes in Fair Value Allocated to Regulated Jurisdictions (h)	517
<b>Balance as of December 31, 2013</b>	<b>\$ 2,171</b>

- (a) Includes both affiliated and nonaffiliated transactions.
- (b) Included in revenues on KPCo's statements of income.
- (c) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (d) Represents the settlement of risk management commodity contracts for the reporting period.
- (e) Represents existing assets or liabilities that were previously categorized as Level 2.
- (f) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (g) Represents existing assets or liabilities that were previously categorized as Level 3.
- (h) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These net gains (losses) are recorded as regulatory assets/liabilities.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2015 and 2014:

**Significant Unobservable Inputs  
December 31, 2015**

	<b>Fair Value</b>		<b>Valuation Technique</b>	<b>Significant Unobservable Input (a)</b>	<b>Forward Price Range</b>		
	<b>Assets</b>	<b>Liabilities</b>			<b>Low</b>	<b>High</b>	<b>Weighted Average</b>
	<b>(in thousands)</b>						
Energy Contracts	\$ 1,580	\$ 37	Discounted Cash Flow	Forward Market Price	\$ 12.61	\$ 47.24	\$ 32.38
FTRs	758	55	Discounted Cash Flow	Forward Market Price	(6.96)	8.43	1.34
<b>Total</b>	<b>\$ 2,338</b>	<b>\$ 92</b>					

**Significant Unobservable Inputs  
December 31, 2014**

	<b>Fair Value</b>		<b>Valuation Technique</b>	<b>Significant Unobservable Input (a)</b>	<b>Forward Price Range</b>		
	<b>Assets</b>	<b>Liabilities</b>			<b>Low</b>	<b>High</b>	<b>Weighted Average</b>
	<b>(in thousands)</b>						
Energy Contracts	\$ 2,088	\$ 370	Discounted Cash Flow	Forward Market Price	\$ 13.43	\$ 123.02	\$ 52.47
FTRs	2,232	23	Discounted Cash Flow	Forward Market Price	(14.63)	20.02	1.01
<b>Total</b>	<b>\$ 4,320</b>	<b>\$ 393</b>					

- (a) Represents market prices in dollars per MWh.

The following table provides sensitivity of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2015 and 2014:

**Sensitivity of Fair Value Measurements**

<b>Significant Unobservable Input</b>	<b>Position</b>	<b>Change in Input</b>	<b>Impact on Fair Value Measurement</b>
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

## 12. INCOME TAXES

The details of KPCo's income taxes as reported are as follows:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Income Tax Expense (Credit):			
Current	\$ (63,674)	\$ 13,376	\$ (4,828)
Deferred	75,638	9,157	12,440
Deferred Investment Tax Credits	(26)	(96)	(230)
<b>Income Tax Expense</b>	<b><u>\$ 11,938</u></b>	<b><u>\$ 22,437</u></b>	<b><u>\$ 7,382</u></b>

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	Years Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net Income	\$ 27,891	\$ 38,378	\$ 8,906
Income Tax Expense	11,938	22,437	7,382
<b>Pretax Income</b>	<b><u>\$ 39,829</u></b>	<b><u>\$ 60,815</u></b>	<b><u>\$ 16,288</u></b>
Income Taxes on Pretax Income at Statutory Rate (35%)	\$ 13,940	\$ 21,285	\$ 5,701
Increase (Decrease) in Income Taxes Resulting from the Following Items:			
Depreciation	1,361	2,474	2,648
AFUDC	(638)	(1,623)	(749)
Removal Costs	(1,832)	(2,816)	(2,475)
Investment Tax Credits, Net	(26)	(96)	(230)
State and Local Income Taxes, Net	(4,601)	2,973	1,581
Tax Adjustments	3,407	372	1,097
Other	327	(132)	(191)
<b>Income Tax Expense</b>	<b><u>\$ 11,938</u></b>	<b><u>\$ 22,437</u></b>	<b><u>\$ 7,382</u></b>
<b>Effective Income Tax Rate</b>	30.0 %	36.9 %	45.3 %

The following table shows elements of KPCo's net deferred tax liability and significant temporary differences:

	December 31,	
	2015	2014
	(in thousands)	
Deferred Tax Assets	\$ 62,995	\$ 80,297
Deferred Tax Liabilities	(699,153)	(646,893)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (636,158)</u></b>	<b><u>\$ (566,596)</u></b>
Property Related Temporary Differences	\$ (409,787)	\$ (465,514)
Amounts Due from Customers for Future Federal Income Taxes	(27,631)	(29,974)
Deferred State Income Taxes	(90,541)	(84,002)
Deferred Income Taxes on Other Comprehensive Loss	886	3,950
Regulatory Assets	(115,803)	(15,446)
All Other, Net	6,718	24,390
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (636,158)</u></b>	<b><u>\$ (566,596)</u></b>

### *AEP System Tax Allocation Agreement*

KPCo joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.



***Federal and State Income Tax Audit Status***

KPCo and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2011. The IRS examination of years 2011, 2012 and 2013 started in April 2014. Although the outcome of tax audits is uncertain, in management’s opinion, adequate provisions for federal income taxes have been made for potential liabilities resulting from such matters. In addition, KPCo accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to materially impact net income.

KPCo and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns. KPCo and other AEP subsidiaries are currently under examination in several state and local jurisdictions. However, it is possible that previously filed tax returns have positions that may be challenged by these tax authorities. Management believes that adequate provisions for income taxes have been made for potential liabilities resulting from such challenges and that the ultimate resolution of these audits will not materially impact net income. KPCo is no longer subject to state or local income tax examinations by tax authorities for years before 2009.

***Net Income Tax Operating Loss Carryforward***

KPCo has Kentucky state net income tax operating loss carryforwards of \$81 million. As a result, KPCo recognized deferred state income tax benefits in 2015 of \$5 million. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward expires for Kentucky in 2035.

***Tax Credit Carryforward***

As of December 31, 2015 and 2014, KPCo had unused federal income tax credits of \$203 thousand and \$275 thousand, respectively, not all of which have an expiration date. Included in the credit carryforward are federal general business tax credits of \$189 thousand and \$261 thousand as of December 31, 2015 and 2014, respectively. If these credits are not utilized, the federal general business tax credits will expire in the years 2031 through 2034.

KPCo anticipates future federal taxable income will be sufficient to realize the tax benefits of the federal tax credits before they expire unused.

***Uncertain Tax Positions***

KPCo recognizes interest accruals related to uncertain tax positions in interest income or expense as applicable, and penalties in Other Operation expense in accordance with the accounting guidance for “Income Taxes.”

The following table shows amounts reported for interest expense, interest income and reversal of prior period interest expense:

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
Interest Expense	\$ —	\$ 20	\$ —
Interest Income	—	—	99
Reversal of Prior Period Interest Expense	—	71	—

The following table shows balances for amounts accrued for the receipt of interest and the payment of interest and penalties:

	<b>December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
Accrual for Receipt of Interest	\$ —	\$ —
Accrual for Payment of Interest and Penalties	—	—

The reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
		(in thousands)	
<b>Balance as of January 1,</b>	\$ —	\$ 608	\$ 1,333
Increase – Tax Positions Taken During a Prior Period	—	—	—
Decrease – Tax Positions Taken During a Prior Period	—	—	(725)
Increase – Tax Positions Taken During the Current Year	—	—	—
Decrease – Tax Positions Taken During the Current Year	—	—	—
Increase – Settlements with Taxing Authorities	—	2	—
Decrease – Settlements with Taxing Authorities	—	—	—
Decrease – Lapse of the Applicable Statute of Limitations	—	(610)	—
<b>Balance as of December 31,</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 608</u>

The total amount of unrecognized tax benefits (costs) that, if recognized, would affect the effective tax rate is \$0 for 2015, 2014 and 2013. Management believes there will be no significant net increase or decrease in unrecognized tax benefits within 12 months of the reporting date.

### ***Federal Tax Legislation***

The American Taxpayer Relief Act of 2012 (the 2012 Act) was enacted in January 2013. Included in the 2012 Act was a one-year extension of the 50% bonus depreciation. The 2012 Act also retroactively extended the life of research and development, employment and several energy tax credits, which expired at the end of 2011. The enacted provisions did not materially impact KPCo’s net income or financial condition but did have a favorable impact on cash flows in 2013.

The Tax Increase Prevention Act of 2014 (the 2014 Act) was enacted in December 2014. Included in the 2014 Act was a one-year extension of the 50% bonus depreciation. The 2014 Act also retroactively extended the life of research and development, employment and several energy tax credits, which expired at the end of 2013. The enacted provisions did not materially impact KPCo’s net income or financial condition but did have a favorable impact on cash flows in 2015.

The Protecting Americans from Tax Hikes Act of 2015 (PATH) included an extension of the 50% bonus depreciation for three years through 2017, phasing down to 40% in 2018 and 30% in 2019. PATH also provided for the extension of research and development, employment and several energy tax credits for 2015. PATH also includes provisions to extend the wind energy production tax credit through 2016 with a three-year phase-out (2017-2019), and to extend the 30% temporary solar investment tax credit for three years through 2019 and with a two-year phase-out (2020-2021). PATH also provided for a permanent extension of the Research and Development tax credit. The enacted provisions did not materially impact KPCo’s net income or financial condition but will have a favorable impact on future cash flows.

### ***Federal Tax Regulations***

In 2013, the U.S. Treasury Department issued final and re-proposed regulations regarding the deduction and capitalization of expenditures related to tangible property, effective for the tax years beginning in 2014. In addition, the IRS issued Revenue Procedures under the Industry Issue Resolutions program that provides specific guidance for the implementation of the regulations for the electric utility industry. These final regulations did not materially impact KPCo’s net income, cash flows or financial condition.

### ***State Tax Legislation***

During the third quarter of 2013, it was determined that the state of West Virginia had achieved certain minimum levels of shortfall reserve funds. As a result, the West Virginia corporate income tax rate was reduced from 7% to 6.5% in 2014. The enacted provision did not materially impact KPCo’s net income, cash flows or financial condition.

### 13. LEASES

Leases of property, plant and equipment are for remaining periods up to 10 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. For capital leases, a capital lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. The components of rental costs are as follows:

Lease Rental Costs	Years Ended December 31,		
	2015	2014	2013
		(in thousands)	
Net Lease Expense on Operating Leases	\$ 1,603	\$ 1,466	\$ 1,387
Amortization of Capital Leases	1,148	1,112	1,743
Interest on Capital Leases	171	189	311
<b>Total Lease Rental Costs</b>	<b>\$ 2,922</b>	<b>\$ 2,767</b>	<b>\$ 3,441</b>

The following table shows the property, plant and equipment under capital leases and related obligations recorded on KPCo's balance sheets. Capital lease obligations are included in Other Current Liabilities and Deferred Credits and Other Noncurrent Liabilities on KPCo's balance sheets.

Property, Plant and Equipment Under Capital Leases	December 31,	
	2015	2014
	(in thousands)	
Generation	\$ 2,338	\$ 2,517
Other Property, Plant and Equipment	2,920	4,120
Total Property, Plant and Equipment Under Capital Leases	5,258	6,637
Accumulated Amortization	2,354	2,348
<b>Net Property, Plant and Equipment Under Capital Leases</b>	<b>\$ 2,904</b>	<b>\$ 4,289</b>
<b>Obligations Under Capital Leases</b>		
Noncurrent Liability	\$ 2,008	\$ 3,099
Liability Due Within One Year	896	1,190
<b>Total Obligations Under Capital Leases</b>	<b>\$ 2,904</b>	<b>\$ 4,289</b>

Future minimum lease payments consisted of the following as of December 31, 2015:

Future Minimum Lease Payments	Capital Leases	Noncancelable Operating Leases
	(in thousands)	
2016	\$ 997	\$ 1,928
2017	880	1,819
2018	560	1,596
2019	267	1,423
2020	190	1,238
Later Years	275	3,297
<b>Total Future Minimum Lease Payments</b>	<b>3,169</b>	<b>\$ 11,301</b>
Less Estimated Interest Element	265	
<b>Estimated Present Value of Future Minimum Lease Payments</b>	<b>\$ 2,904</b>	

#### Master Lease Agreements

KPCo leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of either the unamortized balance or the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, KPCo is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the unamortized balance. As of December 31, 2015, the maximum potential loss for these lease agreements was \$1.5 million assuming the fair value of the equipment is zero at the end of the lease term.

## 14. FINANCING ACTIVITIES

### *Long-term Debt*

The following details long-term debt outstanding as of December 31, 2015 and 2014:

Type of Debt	Maturity	Weighted Average	Interest Rate Ranges as of		Outstanding as of	
		Interest rate as of December 31, 2015	2015	2014	December 31, 2015	2014
Senior Unsecured Notes	2017-2039	5.81%	4.18%-8.13%	4.18%-8.13%	\$ 727,472	\$ 727,425
Pollution Control Bonds (a)	2015-2016 (b)	0.02%	0.02%	0.05%	64,355	64,369
Other Long-term Debt	2018	1.93%	1.83%-2.11%	1.74%	74,624	24,491
<b>Total Long-term Debt Outstanding</b>					<u>\$ 866,451</u>	<u>\$ 816,285</u>

- (a) For KPCo's pollution control bond, the interest rate is subject to periodic adjustment and may be purchased on demand at periodic interest adjustment dates. Insurance policies support certain series.
- (b) KPCo's pollution control bond is subject to redemption earlier than the maturity date. Consequently, this bond has been classified for maturity purposes as Long-term Debt Due Within One Year - Nonaffiliated on KPCo's balance sheets.

Long-term debt outstanding as of December 31, 2015 is payable as follows:

	2016	2017	2018	2019	2020	After 2020	Total
				(in thousands)			
Principal Amount	\$ 65,000	\$ 325,000	\$ 75,000	\$ —	\$ —	\$ 405,000	\$ 870,000
Unamortized Discount, Net and Debt Issuance Costs							(3,549)
<b>Total Long-term Debt Outstanding</b>							<u>\$ 866,451</u>

### *Dividend Restrictions*

KPCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPCo to transfer funds to Parent in the form of dividends.

### *Federal Power Act*

The Federal Power Act prohibits KPCo from participating "in the making or paying of any dividends of such public utility from any funds properly included in capital account." This restriction does not limit the ability of KPCo to pay dividends out of retained earnings.

### *Leverage Restrictions*

Pursuant to the credit agreement leverage restrictions, KPCo must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. As of December 31, 2015, none of KPCo's retained earnings have restrictions related to the payment of dividends to Parent.

**Corporate Borrowing Program – AEP System**

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP’s subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP’s utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2015 and 2014 are included in Advances from Affiliates on KPCo’s balance sheets. KPCo’s Utility Money Pool activity and corresponding authorized borrowing limits for the years ended December 31, 2015 and 2014 are described in the following table:

<b>Year</b>	<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Maximum Loans to the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Average Loans to the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of December 31,</b>	<b>Authorized Short-Term Borrowing Limit</b>
(in thousands)						
2015	\$ 52,477	\$ 25,768	\$ 19,242	\$ 10,409	\$ 18,692	\$ 225,000
2014	52,414	86,715	24,309	40,255	45,128	250,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool for the years ended December 31, 2015, 2014 and 2013 are summarized in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2015	0.87%	0.37%	0.54%	0.40%	0.48%	0.44%
2014	0.59%	0.24%	0.33%	0.26%	0.31%	0.28%
2013	0.43%	0.29%	0.41%	0.24%	0.37%	0.32%

Interest expense and interest income related to the Utility Money Pool are included in Interest Expense and Interest Income, respectively, on KPCo’s statements of income. For amounts borrowed from and advanced to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income, respectively, for the years ended December 31, 2015, 2014 and 2013:

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	(in thousands)		
Interest Expense	\$ 80	\$ 46	\$ 12
Interest Income	10	47	36

**Sale of Receivables – AEP Credit**

Under a sale of receivables arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit’s financing costs, administrative costs and uncollectible accounts experience for KPCo’s receivables. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCo’s statements of income. KPCo manages and services its accounts receivable sold.

AEP Credit’s receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables. The agreement was increased in June 2014 from \$700 million and expires in June 2017.

KPCo’s amounts of accounts receivable and accrued unbilled revenues sold under the sale of receivables agreement were \$38 million and \$46 million as of December 31, 2015 and 2014, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$3 million, \$3 million and \$2 million, respectively, for each of the years ended December 31, 2015, 2014 and 2013.

KPCo’s proceeds on the sale of receivables to AEP Credit were \$528 million, \$604 million and \$522 million for the years ended December 31, 2015, 2014 and 2013, respectively.

## **15. RELATED PARTY TRANSACTIONS**

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 12 in addition to “Utility Money Pool – AEP System” and “Sale of Receivables – AEP Credit” sections of Note 14.

### ***Interconnection Agreement***

In accordance with management’s December 2010 announcement and October 2012 filing with the FERC, the Interconnection Agreement was terminated effective January 1, 2014. The AEP System Interim Allowance Agreement which provided for, among other things, the transfer of SO<sub>2</sub> emission allowances associated with transactions under the Interconnection Agreement was also terminated.

APCo, I&M, KPSCo, OPCo and AEPSC were parties to the Interconnection Agreement which defined the sharing of costs and benefits associated with the respective generation plants. This sharing was based upon each AEP utility subsidiary’s MLR and was calculated monthly on the basis of each AEP utility subsidiary’s maximum peak demand in relation to the sum of the maximum peak demands of all four AEP utility subsidiaries during the preceding 12 months.

Effective January 1, 2014, the FERC approved the following agreements. See “Organization” section of Note 1.

- A Power Coordination Agreement (PCA) among APCo, I&M and KPSCo with AEPSC as the agent to coordinate the participants’ respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo.
- A Bridge Agreement among AGR, APCo, I&M, KPSCo and OPCo with AEPSC as the agent to address open commitments related to the termination of the Interconnection Agreement and responsibilities to PJM.
- A Power Supply Agreement between AGR and OPCo for AGR to supply capacity and energy needs of OPCo’s retail load.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPSCo, PSO, SWEPCo and WPCo. Effective January 1, 2014 and revised in May 2015, power and natural gas risk management activities for APCo, I&M, KPSCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement. Prior to January 1, 2014, power and natural gas risk management activities were allocated under the SIA to former members of the Interconnection Agreement, PSO and SWEPCo. Risk management activities primarily include power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts.

### ***Operating Agreement***

PSO, SWEPCo and AEPSC are parties to the Operating Agreement which was approved by the FERC. The Operating Agreement requires PSO and SWEPCo to maintain adequate annual planning reserve margins and requires that capacity in excess of the required margins be made available for sale to other operating companies as capacity commitments. In January 2014, the FERC approved a modification of the Operating Agreement to address changes resulting from an anticipated March 2014 SPP power market change. Subsequently and in March 2014, SPP changed from an energy imbalance service market to a fully integrated power market. In alignment with the new SPP integrated power market and according to the modified Operating Agreement, PSO and SWEPCo operate as standalone entities and offer their respective generation into the SPP power market. SPP then economically dispatches resources. By offering their resources separately, PSO and SWEPCo no longer purchase or sell energy to each other to serve their respective internal load or off-system sales.

***System Integration Agreement (SIA)***

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

The SIA was designed to function as an umbrella agreement in addition to the Interconnection Agreement (prior to January 1, 2014) and the Operating Agreement, each of which controlled the distribution of revenues and expenses.

***Affiliated Revenues and Purchases***

The following table shows the revenues derived from sales under the Interconnection Agreement, direct sales to affiliates, net transmission agreement sales and other revenues for the years ended December 31, 2015, 2014 and 2013:

<b>Related Party Revenues</b>	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
Sales under Interconnection Agreement	\$ —	\$ 5,480 (a)	\$ 79,909
Direct Sales to West Affiliates	—	—	119
Auction Sales to OPCo (b)	4,183	—	—
Transmission Agreement Sales	7,277	1,726	862
Other Revenues	354	308	22,841
<b>Total Affiliated Revenues</b>	<b>\$ 11,814</b>	<b>\$ 7,514</b>	<b>\$ 103,731</b>

- (a) Includes December 2013 true-up activity subsequent to agreement termination.
- (b) Refer to the Ohio Auctions section below for further information regarding this amount.

The following table shows the purchased power expenses incurred for purchases under the Interconnection Agreement and from affiliates for the years ended December 31, 2015, 2014 and 2013:

<b>Related Party Purchases</b>	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
Purchases under Interconnection Agreement	\$ —	\$ 1,242 (a)	\$ 161,293
Direct Purchases from West Affiliates	—	—	1
Direct Purchases from AEGCo	99,475	115,001	107,794
<b>Total Affiliated Purchases</b>	<b>\$ 99,475</b>	<b>\$ 116,243</b>	<b>\$ 269,088</b>

- (a) Includes December 2013 true-up activity subsequent to agreement termination.

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates on KPCo's statements of income.

***System Transmission Integration Agreement (STIA)***

AEP's STIA provided for the integration and coordination of the planning, operation and maintenance of transmission facilities. Since the FERC approved the cancellation of the STIA effective June 1, 2014, the coordinated planning, operation and maintenance of transmission facilities are the responsibility of the RTOs and the STIA is no longer necessary. Similar to the SIA, the STIA functioned as an umbrella agreement in addition to the Transmission Agreement (TA) and the Transmission Coordination Agreement (TCA). The TA and TCA are both still active. The STIA contained two service schedules that governed:

- The allocation of transmission costs and revenues.
- The allocation of third-party transmission costs and revenues and AEP System dispatch costs.

APCo, I&M, KGPCo, KPCo, OPCo and WPCo are parties to the TA, effective November 2010, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies, KGPCo and WPCo on a 12-month average coincident peak basis.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2015, 2014 and 2013 were \$13.3 million, \$7.5 million and \$3 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

PSO, SWEPCo and AEPSC are parties to the TCA, dated January 1, 1997, by and among PSO, SWEPCo and AEPSC, in connection with the operation of the transmission assets of the two AEP utility subsidiaries. The TCA has been approved by the FERC and establishes a coordinating committee, which is charged with overseeing the coordinated planning of the transmission facilities of the parties to the agreement.

### ***Ohio Auctions***

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. Certain affiliated entities, including KPCo, participated in the auction process and were awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. See Note 10 - Derivatives and Hedging for further information.

### ***Unit Power Agreements (UPA)***

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

Pursuant to an assignment between I&M and KPCo and a UPA between KPCo and AEGCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. The KPCo UPA ends in December 2022.

### ***I&M Barging, Urea Transloading and Other Services***

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$5 million, \$5 million and \$4 million in 2015, 2014 and 2013, respectively, for urea transloading provided by I&M. These expenses were recorded as fuel expenses or other operation expenses.

### ***Central Machine Shop***

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet, then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1.3 million, \$1.2 million and \$1.1 million for the years ended December 31, 2015, 2014 and 2013, respectively.



***Sales and Purchases of Property***

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The following table shows the sales and purchases, recorded at net book value, for the years ended December 31, 2015, 2014 and 2013:

	<b>Years Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>(in thousands)</b>		
Sales	\$ 1,337	\$ 307	\$ 951
Purchases	1,871	349	1,702

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

***Intercompany Billings***

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

## **16. VARIABLE INTEREST ENTITIES**

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a controlling financial interest in a VIE. A controlling financial interest will have both (a) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether KPSCo is the primary beneficiary of a VIE, management considers factors such as equity at risk, the amount of the VIE’s variability KPSCo absorbs, guarantees of indebtedness, voting rights including kick-out rights, the power to direct the VIE, variable interests held by related parties and other factors. Management believes that significant assumptions and judgments were applied consistently. KPSCo is not the primary beneficiary of any VIE and has not provided financial or other support to any VIE that was not previously contractually required.

AEPSC provides certain managerial and professional services to AEP’s subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC’s cost. AEP subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC’s cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. KPSCo’s total billings from AEPSC for the years ended December 31, 2015, 2014 and 2013 were \$60 million, \$52.7 million and \$38.2 million, respectively. The carrying amount of liabilities associated with AEPSC as of December 31, 2015 and 2014 was \$7.7 million and \$8.2 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant, Unit 1 and leases a 50% interest in Rockport Plant, Unit 2. AEGCo sells all the output from the Rockport Plant to I&M and KPSCo. AEP has agreed to provide AEGCo with the funds necessary to satisfy all of the debt obligations of AEGCo. KPSCo is considered to have a significant interest in AEGCo due to these transactions. KPSCo is exposed to losses to the extent it cannot recover the costs of AEGCo through its normal business operations. Due to AEP management’s control over AEGCo, KPSCo is not considered the primary beneficiary of AEGCo. In the event AEGCo would require financing or other support outside the billings to KPSCo, this financing would be provided by AEP. Total billings from AEGCo for the years ended December 31, 2015, 2014 and 2013 were \$99.5 million, \$115 million and \$107.8 million, respectively. The carrying amount of liabilities associated with AEGCo as of December 31, 2015 and 2014 was \$7.7 million and \$9 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

## 17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is shown functionally on the face of KPCo's balance sheets. The following table includes KPCo's total plant balances for the years ended December 31, 2015 and 2014:

	<b>Years Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>	
Regulated Property, Plant and Equipment		
Generation	\$ 1,118,837	\$ 1,161,100
Transmission	568,963	558,099
Distribution	756,631	727,569
Other	55,472	515,797
CWIP	59,351	39,194
Less: Accumulated Depreciation	847,447	1,025,990
Total Regulated Property, Plant and Equipment - Net	<u>1,711,807</u>	<u>1,975,769</u>
Nonregulated Property, Plant and Equipment - Net	2,594	5,312
<b>Total Property, Plant and Equipment - Net</b>	<b><u>\$ 1,714,401</u></b>	<b><u>\$ 1,981,081</u></b>

### *Depreciation*

KPCo provides for depreciation of Property, Plant and Equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total regulated annual composite depreciation rates and depreciable lives for KPCo. Nonregulated depreciation rate ranges and depreciable life ranges are Not Applicable or Not Meaningful (NM) for 2015, 2014 and 2013.

Functional Class of Property	<u>2015</u>		<u>2014</u>		<u>2013</u>	
	Annual Composite Depreciation Rate	Depreciable Life Ranges	Annual Composite Depreciation Rate	Depreciable Life Ranges	Annual Composite Depreciation Rate	Depreciable Life Ranges
		(in years)		(in years)		(in years)
Generation	0.4%	68 - 69	3.5%	40 - 60	3.7%	40 - 60
Transmission	2.2%	37 - 75	1.6%	25 - 75	1.8%	25 - 75
Distribution	3.5%	11 - 75	3.4%	11 - 75	3.4%	11 - 75
Other	10.0%	5 - 75	4.2%	20 - 75	4.3%	20 - 75

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to Accumulated Depreciation and Amortization. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability.

### *Asset Retirement Obligations (ARO)*

KPCo records ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for the retirement of ash disposal facilities and asbestos removal. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets, as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since KPCo plans to use its facilities indefinitely. The retirement obligation would only be recognized if and when KPCo abandons or ceases the use of specific easements, which is not expected.

KPCo recorded an increase in asset retirement obligations in the second quarter of 2015, partially related to the final Coal Combustion Residual Rule, which was published in the Federal Register in April 2015. The Federal EPA now regulates the disposal and beneficial re-use of coal combustion residuals (CCR), including fly ash and bottom ash generated at coal-fired electric generating units and also FGD gypsum generated at some coal-fired plants. The Federal EPA regulates CCR as a non-hazardous solid waste and established minimum federal solid waste management standards. Noncash increases related to the CCR Rule are recorded as Property, Plant and Equipment.

The following is a reconciliation of the 2015 and 2014 aggregate carrying amounts of ARO for KPCo:

<u>Year</u>	<u>ARO as of January 1,</u>	<u>Accretion Expense</u>	<u>Liabilities Incurred</u>	<u>Liabilities Settled</u>	<u>Revisions in Cash Flow Estimates</u>	<u>ARO as of December 31,</u>
<b>(in thousands)</b>						
2015	\$ 65,699	\$ 3,554	\$ 4,236	\$ (5,564)	\$ 4,087 (a)	\$ 72,012
2014	20,526	2,309	42,578	(643)	929	65,699

(a) Amount includes an \$8.8 million reduction in the ARO liability due to the execution of a joint use agreement with a third party.

***Allowance for Funds Used During Construction (AFUDC)***

KPCo's amounts of allowance for borrowed and equity funds used during construction are summarized in the following table:

	<b>Years Ended December 31,</b>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<b>(in thousands)</b>		
Allowance for Equity Funds Used During Construction	\$ 1,158	\$ 4,009	\$ 1,367
Allowance for Borrowed Funds Used During Construction	799	2,048	3,047

***Jointly-owned Electric Facilities***

KPCo has a 50.0% ownership share of Units 1 and 2 at the Mitchell Generating Station. In addition to KPCo, the Mitchell Generating Station is jointly-owned by WPCo. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo's proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

	<u>Fuel Type</u>	<u>Percent of Ownership</u>	<u>Utility Plant in Service</u>	<u>Construction Work in Progress</u>	<u>Accumulated Depreciation</u>
<b>(in thousands)</b>					
<b><u>KPCo's Share as of December 31, 2015</u></b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,013,825	\$ 9,346	\$ 353,583
<b><u>KPCo's Share as of December 31, 2014</u></b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,007,186	\$ 16,132	\$ 339,803

(a) Operated by KPCo.

## 18. COST REDUCTION PROGRAMS

### *2014 Disposition Plant Severance*

Management retired several generation plants or units of plants during 2015. The plant closures resulted in involuntary severances. The severance program provides two weeks of base pay for every year of service along with other severance benefits.

KPCo's disposition plant severance activity for the twelve months ended December 31, 2015 is described in the following table:

<u>Balance as of December 31, 2014</u>	<u>Expense Allocation from AEPSC</u>	<u>Incurred</u>	<u>Settled</u>	<u>Adjustments</u>	<u>Remaining Balance as of December 31, 2015</u>
<b>(in thousands)</b>					
\$ 4,539	\$ (1)	\$ 11	\$ 2,397	(a) \$ —	\$ 2,152

(a) Settled includes amounts received from affiliates for expenses related to intercompany billing for operation and maintenance of affiliate plant.

These expenses, net of adjustments, relate primarily to severance benefits and are included primarily in Other Operation expense on the statements of income. Management does not expect additional costs to be incurred related to this initiative.

### *2012 Sustainable Cost Reductions*

In April 2012, management initiated a process to identify strategic repositioning opportunities and efficiencies that will result in sustainable cost savings. Management selected a consulting firm to facilitate an organizational and process evaluation and a second firm to evaluate current employee benefit programs. The process resulted in involuntary severances and was completed by the end of the first quarter of 2013. The severance program provides two weeks of base pay for every year of service along with other severance benefits.

KPCo recorded a credit to Other Operation expense of \$221 thousand for the year ended December 31, 2013, primarily related to the sustainable cost reductions initiative.

**19. UNAUDITED QUARTERLY FINANCIAL INFORMATION**

In management’s opinion, the unaudited quarterly information reflects all normal and recurring accruals and adjustments necessary for a fair presentation of the results of operations for interim periods. Quarterly results are not necessarily indicative of a full year’s operations because of various factors. KPCo’s unaudited quarterly financial information is as follows:

	<b>2015 Quarterly Periods Ended</b>			
	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
	(in thousands)			
Total Revenues	\$ 201,449	\$ 151,276	\$ 159,193	\$ 142,241
Operating Income	27,932	14,266	20,913	17,645
Net Income	10,998	2,308	6,996	7,589
	<b>2014 Quarterly Periods Ended</b>			
	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
	(in thousands)			
Total Revenues	\$ 233,130	\$ 206,563	\$ 199,082	\$ 143,203 (a)
Operating Income (Loss)	58,901	31,978	27,265	(23,219) (a)
Net Income (Loss)	32,548	15,258	11,801	(21,229) (a)

(a) Includes a regulatory disallowance for FAC (see Note 4).

# Kentucky Power Company

2016 Annual Report

Audited Financial Statements







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## GLOSSARY OF TERMS

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

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned consolidated subsidiaries and consolidated affiliates.
AEP Credit	AEP Credit, Inc., a consolidated variable interest entity of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KPCCo and OPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
AGR	AEP Generation Resources Inc., a competitive AEP subsidiary that acquired the generation assets and liabilities of OPCo.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ASU	Accounting Standards Update.
CWIP	Construction Work in Progress.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company and consolidated variable interest entity of AEP.
ESP	Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FGD	Flue Gas Desulfurization or scrubbers.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
Interconnection Agreement	An agreement by and among APCo, I&M, KPCCo and OPCo which defined the sharing of costs and benefits associated with their respective generation plants. This agreement was terminated January 1, 2014.
IRS	Internal Revenue Service.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCCo	Kentucky Power Company, an AEP electric utility subsidiary.
KPSC	Kentucky Public Service Commission.
MISO	Midwest Independent Transmission System Operator.
MLR	Member load ratio, the method used to allocate transactions among members of the Interconnection Agreement.
MMBtu	Million British Thermal Units.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatthour.
NO <sub>x</sub>	Nitrogen oxide.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.

Term	Meaning
OPEB Operating Agreement	Other Postretirement Benefit Plans. Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third party sales. AEPSC acts as the agent.
OTC	Over the counter.
Parent	American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SO <sub>2</sub>	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
VIE	Variable Interest Entity.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of  
Kentucky Power Company:

We have audited the accompanying financial statements of Kentucky Power Company (the "Company"), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income, comprehensive income (loss), changes in common shareholder's equity, and cash flows for each of the three years in the period ended December 31, 2016, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Power Company as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

Columbus, Ohio  
February 27, 2017

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF INCOME**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(in thousands)**

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>			
Electric Generation, Transmission and Distribution	\$ 645,678	\$ 641,550	\$ 773,795
Sales to AEP Affiliates	8,286	11,814	7,514
Other Revenues	1,066	795	669
<b>TOTAL REVENUES</b>	<b>655,030</b>	<b>654,159</b>	<b>781,978</b>
<b>EXPENSES</b>			
Fuel and Other Consumables Used for Electric Generation	119,694	167,096	283,751
Purchased Electricity for Resale	43,671	39,228	14,389
Purchased Electricity from AEP Affiliates	97,941	99,475	116,243
Other Operation	96,777	80,825	84,491
Maintenance	72,068	76,957	71,812
Depreciation and Amortization	84,859	87,470	95,059
Taxes Other Than Income Taxes	21,315	22,352	21,308
<b>TOTAL EXPENSES</b>	<b>536,325</b>	<b>573,403</b>	<b>687,053</b>
<b>OPERATING INCOME</b>	<b>118,705</b>	<b>80,756</b>	<b>94,925</b>
<b>Other Income (Expense):</b>			
Interest Income	39	100	178
Carrying Costs Income	23	2,364	59
Allowance for Equity Funds Used During Construction	852	1,158	4,009
Interest Expense	(45,816)	(44,549)	(38,356)
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>73,803</b>	<b>39,829</b>	<b>60,815</b>
Income Tax Expense	23,593	11,938	22,437
<b>NET INCOME</b>	<b>\$ 50,210</b>	<b>\$ 27,891</b>	<b>\$ 38,378</b>

*The common stock of KPCo is wholly-owned by Parent.*

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(in thousands)**

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net Income	\$ 50,210	\$ 27,891	\$ 38,378
<b><u>OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAXES</u></b>			
Cash Flow Hedges, Net of Tax of \$32, \$32 and \$20 in 2016, 2015 and 2014, Respectively	60	60	38
Amortization of Pension and OPEB Deferred Costs, Net of Tax of \$9, \$36 and \$252 in 2016, 2015 and 2014, Respectively	17	67	468
Pension and OPEB Funded Status, Net of Tax of \$115, \$(281) and \$(600) in 2016, 2015 and 2014, Respectively	214	(522)	(1,114)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>291</b>	<b>(395)</b>	<b>(608)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 50,501</b>	<b>\$ 27,496</b>	<b>\$ 37,770</b>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CHANGES IN COMMON SHAREHOLDER'S EQUITY**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(in thousands)**

	<b>Common Stock</b>	<b>Paid-in Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total</b>
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2013</b>	\$ 50,450	\$ 614,648	\$ 179,691	\$ (5,420)	\$ 839,369
Capital Contribution Returned to Parent		(100,000)			(100,000)
Common Stock Dividends			(115,000)		(115,000)
Other Changes in Common Shareholder's Equity		2,812			2,812
Net Income			38,378		38,378
Other Comprehensive Loss				(608)	(608)
Pension and OPEB Adjustment Related to Kammer Plant				(1,308)	(1,308)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2014</b>	50,450	517,460	103,069	(7,336)	663,643
Capital Contribution from Parent		9,849			9,849
Common Stock Dividends			(44,000)		(44,000)
Net Income			27,891		27,891
Other Comprehensive Loss				(395)	(395)
Pension and OPEB Adjustment Related to Mitchell Plant				6,086	6,086
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2015</b>	50,450	527,309	86,960	(1,645)	663,074
Capital Contribution Returned to Parent		(1,174)			(1,174)
Common Stock Dividends			(44,000)		(44,000)
Net Income			50,210		50,210
Other Comprehensive Income				291	291
<b>TOTAL COMMON SHAREHOLDER'S EQUITY – DECEMBER 31, 2016</b>	<u>\$ 50,450</u>	<u>\$ 526,135</u>	<u>\$ 93,170</u>	<u>\$ (1,354)</u>	<u>\$ 668,401</u>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**ASSETS**  
**December 31, 2016 and 2015**  
**(in thousands)**

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 859	\$ 867
Accounts Receivable:		
Customers	14,608	13,747
Affiliated Companies	29,519	20,373
Accrued Unbilled Revenues	4,542	53
Miscellaneous	380	110
Allowance for Uncollectible Accounts	(66)	(243)
Total Accounts Receivable	<u>48,983</u>	<u>34,040</u>
Fuel	19,823	22,085
Materials and Supplies	16,540	26,705
Risk Management Assets – Nonaffiliated	457	2,869
Risk Management Assets – Affiliated	—	173
Accrued Tax Benefits	574	47,812
Prepayments and Other Current Assets	8,347	4,623
<b>TOTAL CURRENT ASSETS</b>	<u>95,583</u>	<u>139,174</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Electric:		
Generation	1,182,212	1,118,837
Transmission	574,703	568,963
Distribution	783,283	756,631
Other Property, Plant and Equipment	67,248	58,294
Construction Work in Progress	27,380	59,351
<b>Total Property, Plant and Equipment</b>	<u>2,634,826</u>	<u>2,562,076</u>
Accumulated Depreciation and Amortization	879,253	847,675
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT – NET</b>	<u>1,755,573</u>	<u>1,714,401</u>
<b>OTHER NONCURRENT ASSETS</b>		
Regulatory Assets	576,131	557,956
Long-term Risk Management Assets – Nonaffiliated	—	12
Employee Benefits and Pension Assets	5,891	6,939
Deferred Charges and Other Noncurrent Assets	26,787	17,774
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>608,809</u>	<u>582,681</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,459,965</u>	<u>\$ 2,436,256</u>

See Notes to Financial Statements beginning on page 10.



**KENTUCKY POWER COMPANY**  
**BALANCE SHEETS**  
**LIABILITIES AND COMMON SHAREHOLDER'S EQUITY**  
**December 31, 2016 and 2015**

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>	
<b>CURRENT LIABILITIES</b>		
Advances from Affiliates	\$ 1,807	\$ 18,692
Accounts Payable:		
General	52,601	36,882
Affiliated Companies	28,579	25,139
Long-term Debt Due Within One Year – Nonaffiliated	390,000	65,000
Risk Management Liabilities – Nonaffiliated	53	1,002
Customer Deposits	26,625	26,916
Accrued Taxes	28,379	26,867
Accrued Interest	8,127	7,928
Other Current Liabilities	44,302	51,110
<b>TOTAL CURRENT LIABILITIES</b>	<b>580,473</b>	<b>259,536</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term Debt – Nonaffiliated	477,164	801,451
Long-term Risk Management Liabilities – Nonaffiliated	313	11
Deferred Income Taxes	666,902	636,158
Asset Retirement Obligations	46,657	55,151
Employee Benefits and Pension Obligations	14,516	13,536
Deferred Credits and Other Noncurrent Liabilities	5,539	7,339
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,211,091</b>	<b>1,513,646</b>
<b>TOTAL LIABILITIES</b>	<b>1,791,564</b>	<b>1,773,182</b>
Rate Matters (Note 4)		
Commitments and Contingencies (Note 6)		
<b>COMMON SHAREHOLDER'S EQUITY</b>		
Common Stock – Par Value – \$50 Per Share:		
Authorized – 2,000,000 Shares		
Outstanding – 1,009,000 Shares	50,450	50,450
Paid-in Capital	526,135	527,309
Retained Earnings	93,170	86,960
Accumulated Other Comprehensive Income (Loss)	(1,354)	(1,645)
<b>TOTAL COMMON SHAREHOLDER'S EQUITY</b>	<b>668,401</b>	<b>663,074</b>
<b>TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY</b>	<b>\$ 2,459,965</b>	<b>\$ 2,436,256</b>

*See Notes to Financial Statements beginning on page 10.*

**KENTUCKY POWER COMPANY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(in thousands)**

	Years Ended December 31,		
	2016	2015	2014
<b>OPERATING ACTIVITIES</b>			
<b>Net Income</b>	\$ 50,210	\$ 27,891	\$ 38,378
<b>Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities:</b>			
Depreciation and Amortization	84,859	87,470	95,059
Deferred Income Taxes	18,572	75,638	9,157
Carrying Costs Income	(23)	(2,364)	(59)
Allowance for Equity Funds Used During Construction	(852)	(1,158)	(4,009)
Mark-to-Market of Risk Management Contracts	1,951	1,642	203
Pension Contributions to Qualified Plan Trust	(1,509)	(1,900)	(1,923)
Deferred Fuel Over/Under-Recovery, Net	(3,508)	(217)	(1,081)
Provision for Refund	—	(31,033)	31,033
Big Sandy Decommissioning Costs	(17,666)	(1,830)	—
Change in Other Noncurrent Assets	(14,305)	(26,115)	(4,372)
Change in Other Noncurrent Liabilities	(9,378)	(1,765)	8,506
<b>Changes in Certain Components of Working Capital:</b>			
Accounts Receivable, Net	(14,943)	19,612	(25,128)
Fuel, Materials and Supplies	3,970	26,480	56,498
Accounts Payable	18,784	(4,973)	1,265
Accrued Taxes, Net	48,750	(28,874)	(7,591)
Accrued Interest	199	105	1,146
Other Current Assets	(2,560)	516	(1,044)
Other Current Liabilities	(4,713)	(4,368)	17,230
<b>Net Cash Flows from Operating Activities</b>	<u>157,838</u>	<u>134,757</u>	<u>213,268</u>
<b>INVESTING ACTIVITIES</b>			
Construction Expenditures	(99,428)	(114,194)	(101,898)
Proceeds from Sales of Assets	2,611	1,337	307
Other Investing Activities	666	222	(884)
<b>Net Cash Flows Used for Investing Activities</b>	<u>(96,151)</u>	<u>(112,635)</u>	<u>(102,475)</u>
<b>FINANCING ACTIVITIES</b>			
Capital Contribution Returned to Parent	—	—	(100,000)
Issuance of Long-term Debt – Nonaffiliated	—	49,456	288,344
Change in Advances from Affiliates, Net	(16,885)	(26,436)	36,564
Retirement of Long-term Debt – Nonaffiliated	—	—	(200,000)
Retirement of Long-term Debt – Affiliated	—	—	(20,000)
Principal Payments for Capital Lease Obligations	(985)	(1,148)	(2,079)
Dividends Paid on Common Stock	(44,000)	(44,000)	(115,000)
Other Financing Activities	175	78	1,430
<b>Net Cash Flows Used for Financing Activities</b>	<u>(61,695)</u>	<u>(22,050)</u>	<u>(110,741)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(8)	72	52
<b>Cash and Cash Equivalents at Beginning of Period</b>	867	795	743
<b>Cash and Cash Equivalents at End of Period</b>	<u>\$ 859</u>	<u>\$ 867</u>	<u>\$ 795</u>
<b>SUPPLEMENTARY INFORMATION</b>			
Cash Paid for Interest, Net of Capitalized Amounts	\$ 44,601	\$ 43,426	\$ 36,062
Net Cash Paid (Received) for Income Taxes	(43,032)	(27,317)	18,545
Noncash Acquisitions Under Capital Leases	761	244	1,471
Construction Expenditures Included in Current Liabilities as of December 31,	11,929	14,112	17,626
Noncash Capital Contribution from (returned to) Parent	(1,174)	9,849	—

See Notes to Financial Statements beginning on page 10.

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **ORGANIZATION**

As a public utility, KPCo engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 169,000 retail customers in its service territory in eastern Kentucky. KPCo also sells power at wholesale to municipalities.

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

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

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

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

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

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Rates and Service Regulation*

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

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

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

In addition, the FERC regulates the SIA and the Transmission Agreement, which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement. In 2013, the FERC issued orders approving the creation of a PCA, effective January 2014. Also effective January 2014, the FERC approved the creation of a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. Effective June 2014, the FERC approved the cancellation of the System Transmission Integration Agreement.

### *Accounting for the Effects of Cost-Based Regulation*

As a rate-regulated electric public utility company, KPCo's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," KPCo records regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

### *Use of Estimates*

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

### *Cash and Cash Equivalents*

Cash and Cash Equivalents include temporary cash investments with original maturities of three months or less.

***Inventory***

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

***Accounts Receivable***

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

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

AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, for KPCo. See “Sale of Receivables - AEP Credit” section of Note 13 for additional information.

***Allowance for Uncollectible Accounts***

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

***Concentrations of Credit Risk and Significant Customers***

KPCo has a significant customer which accounts for the following percentage of total operating revenues for the year ended December 31, 2016 and Accounts Receivable – Customers as of December 31, 2016:

<b>Significant Customer of KPCo:</b>	
<b>Marathon Petroleum Company</b>	
	<b>2016</b>
Percentage of Operating Revenues	11%
Percentage of Accounts Receivable – Customers	39%

KPCo did not have any significant customers that comprised 10% or more of its operating revenues for the years ended December 31, 2015 and 2014.

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

***Emission Allowances***

KPCo records emission allowances at cost, including the annual SO<sub>2</sub> and NO<sub>x</sub> emission allowance entitlements received at no cost from the Federal EPA. KPCo follows the inventory model for these allowances. Allowances expected to be consumed within one year are reported in Materials and Supplies. Allowances with expected consumption beyond one year are included in Deferred Charges and Other Noncurrent Assets. These allowances are consumed in the production of energy and are recorded in Fuel and Other Consumables Used for Electric Generation at an average cost. The purchases and sales of allowances are reported in the Operating Activities section of the statements of cash flows. The net margin on sales of emission allowances is included in Electric Generation, Transmission and Distribution Revenues for nonaffiliated transactions and in Sales to AEP Affiliates Revenues for affiliated transactions because of its integral nature to the production process of energy and KPCo’s revenue optimization strategy for operations. The net margin on sales of emission allowances affects the determination of deferred fuel or deferred emission allowance costs and the amortization of regulatory assets.

### ***Property, Plant and Equipment***

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

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

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

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

### ***Allowance for Funds Used During Construction***

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant. KPSCo records the equity component of AFUDC in Allowance for Equity Funds Used During Construction and the debt component of AFUDC as a reduction to Interest Expense.

### ***Valuation of Nonderivative Financial Instruments***

The book values of Cash and Cash Equivalents, Accounts Receivable, Advances from Affiliates and Accounts Payable approximate fair value because of the short-term maturity of these instruments.

### ***Fair Value Measurements of Assets and Liabilities***

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with established risk management policies as approved by the Finance Committee of AEP's Board of Directors. The AEP System's market risk oversight staff independently monitors risk

policies, procedures and risk levels and provides members of the Commercial Operations Risk Committee (Regulated Asset Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Asset Risk Committee consists of AEPSC's Vice Chairman, Chief Financial Officer, Executive Vice President of Generation, Senior Vice President of Commercial Operations and Chief Risk Officer.

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

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

Assets in the benefits trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and domestic equity securities. They are valued based on observable inputs primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities and cash equivalent funds. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Benefit plan assets included in Level 3 are primarily real estate, infrastructure and private equity investments that are valued using methods requiring judgment including appraisals. The fair value of real estate and infrastructure investments is measured using market capitalization rates, recent sales of comparable investments and independent third-party appraisals. The fair value of private equity investments is measured using cost and purchase multiples, operating results, discounted future cash flows and market based comparable data. Depending on the specific situation, one or multiple approaches are used to determine the valuation of a real estate, infrastructure or private equity investment.

### ***Deferred Fuel Costs***

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to Fuel and Other Consumables Used for Electric Generation expense when the fuel is burned or the allowance or consumable is utilized. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as current regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as current regulatory assets. Fuel cost over-recovery and under-recovery balances are classified as noncurrent when there is a phase-in plan or the FAC has been suspended. These deferrals are amortized when refunded or when billed to customers in later months with the KPSC's review and approval. The



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

### ***Revenue Recognition***

#### *Regulatory Accounting*

KPCo's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

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

#### *Electricity Supply and Delivery Activities*

KPCo recognizes revenues from retail and wholesale electricity sales and electricity transmission and distribution delivery services. KPCo recognizes the revenues on the statements of income upon delivery of the energy to the customer and includes unbilled as well as billed amounts. Wholesale transmission revenue is based on FERC approved formula rate filings made for each calendar year using estimated costs. The annual rate filing is compared to actual costs with an over- or under-recovery being trued-up with interest and refunded or recovered in a future year's rates.

Most of the power produced at KPCo's generation plants is sold to PJM. KPCo purchases power from PJM to supply power to its customers. Generally, these power sales and purchases are reported on a net basis in revenues on the statements of income. However, purchases of power in excess of sales to PJM, on an hourly net basis, used to serve retail load are recorded gross as Purchased Electricity for Resale on the statements of income.

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

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

#### *Energy Marketing and Risk Management Activities*

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

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

Certain qualifying marketing and risk management derivative transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). In the event KPCo designates a cash flow hedge, the effective portion of the cash flow hedge's gain or loss is initially recorded as a component of AOCI. When the forecasted transaction is realized and affects net income, KPCo subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on the statements of income. KPCo defers the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains). See "Accounting for Cash Flow Hedging Strategies" section of Note 9.

### ***Maintenance***

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

### ***Income Taxes and Investment Tax Credits***

KPCo uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence.

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

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

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

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

### ***Excise Taxes***

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

## ***Debt***

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

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

## ***Pension and OPEB Plans***

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

## ***Investments Held in Trust for Future Liabilities***

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

## ***Benefit Plans***

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

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

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

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

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

  

<b>OPEB Plans Assets</b>	<b>Target</b>
Equity	65%
Fixed Income	33%
Cash and Cash Equivalents	2%

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

For equity investments, the concentration limits are as follows:

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

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

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

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

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

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

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

***Comprehensive Income (Loss)***

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

***Earnings Per Share (EPS)***

KPCo is a wholly-owned subsidiary of AEP. Therefore, KPCo is not required to report EPS.

***Supplementary Income Statement Information***

The following table provides the components of Depreciation and Amortization for the years ended December 31, 2016, 2015 and 2014:

<b>Depreciation and Amortization</b>	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>		
Depreciation and Amortization of Property, Plant and Equipment	\$ 82,291	\$ 86,679	\$ 94,770
Amortization of Regulatory Assets and Liabilities	2,568	791	289
<b>Total Depreciation and Amortization</b>	<b>\$ 84,859</b>	<b>\$ 87,470</b>	<b>\$ 95,059</b>

***Subsequent Events***

Management reviewed subsequent events through February 27, 2017, the date that KPCo's 2016 annual report was issued.

## **2. NEW ACCOUNTING PRONOUNCEMENTS**

Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to KPSC's business. The following final pronouncements will impact the financial statements.

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

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

The FASB deferred implementation of ASU 2014-09 under the terms in ASU 2015-14, "Revenue from Contracts with Customers (Topic: 606): Deferral of the Effective Date." The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted.

Management continues to analyze the impact of the new revenue standard and related ASUs. During 2016, initial revenue contract assessments were completed. Material revenue streams were identified within the AEP System and representative contract/transaction types were sampled. Performance obligations identified within each material revenue stream were evaluated to determine whether the obligations were satisfied at a point in time or over time. Contracts determined to be satisfied over time generally qualified for the invoicing practical expedient since the invoiced amounts reasonably represented the value to customers of performance obligations fulfilled to date. Based upon the completed assessments, management does not expect a material impact to the timing of revenue recognized or net income and plans to elect the modified retrospective transition approach upon adoption. Management also continues to monitor unresolved industry implementation issues, including items related to collectability and alternative revenue programs, and will analyze the related impacts to revenue recognition. Management plans to adopt ASU 2014-09 effective January 1, 2018.

### ***ASU 2015-11 "Simplifying the Measurement of Inventory" (ASU 2015-11)***

In July 2015, the FASB issued ASU 2015-11 simplifying the guidance on the subsequent measurement of inventory, excluding inventory measured using last-in, first-out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. Management adopted ASU 2015-11 prospectively, effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

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

In January 2016, the FASB issued ASU 2016-01 enhancing the reporting model for financial instruments. Under the new standard, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. The new standard also amends disclosure requirements and requires separate presentation of financial assets and liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements. The amendments also clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The amendments will be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-01 effective January 1, 2018.

***ASU 2016-02 “Accounting for Leases” (ASU 2016-02)***

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

The new accounting guidance is effective for annual periods beginning after December 15, 2018 with early adoption permitted. The guidance will be applied by means of a modified retrospective approach. The modified retrospective approach will require lessees and lessors to recognize and measure leases at the beginning of the earliest period presented.

Management continues to analyze the impact of the new lease standard. During 2016, initial lease contract assessments were completed. The AEP System lease population was identified and representative lease contracts were sampled. Based upon the completed assessments, management prepared a system gap analysis to outline new disclosure compliance requirements compared to current system capabilities. Lease system options are currently being evaluated. Management plans to elect certain of the following practical expedients upon adoption:

<b>Practical Expedient</b>	<b>Description</b>
Overall Expedients (for leases commenced prior to adoption date and must be adopted as a package)	Do not need to reassess whether any expired or existing contracts are/or contain leases, do not need to reassess the lease classification for any expired or existing leases and do not need to reassess initial direct costs for any existing leases.
Lease and Non-lease Components (elect by class of underlying asset)	Elect as an accounting policy to not separate non-lease components from lease components and instead account for each lease and associated non-lease component as a single lease component.
Short-term Lease (elect by class of underlying asset)	Elect as an accounting policy to not apply the recognition requirements to short-term leases.
Lease term	Elect to use hindsight to determine the lease term.

Management expects the new standard to impact financial position, but not results of operations or cash flows. Management also continues to monitor unresolved industry implementation issues, including items related to renewables and Purchase Power and Sale Agreements, pole attachments, easements and right-of-ways, and will analyze the related impacts to lease accounting. Management plans to adopt ASU 2016-02 effective January 1, 2019.

***ASU 2016-09 “Compensation – Stock Compensation” (ASU 2016-09)***

In March 2016, the FASB issued ASU 2016-09 simplifying the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statements of cash flows. Under the new standard, all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) should be recognized as income tax expense or benefit on the statements of income. Under current GAAP, excess tax benefits are recognized in additional paid-in capital while tax deficiencies are recognized either as an offset to accumulated excess tax benefits, if any, or on the statements of income.

The new accounting guidance is effective for annual periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period. Certain provisions require retrospective/modified retrospective transition while others are to be applied prospectively. Management adopted ASU 2016-09 effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

***ASU 2016-13 “Measurement of Credit Losses on Financial Instruments” (ASU 2016-13)***

In June 2016, the FASB issued ASU 2016-13 requiring an allowance to be recorded for all expected credit losses for financial assets. The allowance for credit losses is based on historical information, current conditions and reasonable and supportable forecasts. The new standard also makes revisions to the other than temporary impairment model for available-for-sale debt securities. Disclosures of credit quality indicators in relation to the amortized cost of financing receivables are further disaggregated by year of origination.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2019 with early adoption permitted for interim and annual periods beginning after December 15, 2018. The amendments will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-13 effective January 1, 2020.

***ASU 2016-18 “Restricted Cash” (ASU 2016-18)***

In November 2016, the FASB issued ASU 2016-18 clarifying the treatment of restricted cash on the statements of cash flows. Under the new standard, amounts considered restricted cash will be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statements of cash flows.

The new accounting guidance is effective for annual periods beginning after December 15, 2017. Early adoption is permitted in any interim or annual period. The guidance will be applied by means of a retrospective approach. Management is analyzing the impact of the new standard. Management plans to adopt ASU 2016-18 effective for the 2017 Annual Report.



### 3. COMPREHENSIVE INCOME

#### *Presentation of Comprehensive Income*

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2016, 2015 and 2014. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 7 for additional details.

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

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

#### **Changes in Accumulated Other Comprehensive Income (Loss) by Component For the Year Ended December 31, 2015**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate	Amortization of Deferred Costs	Changes in Funded Status	
	(in thousands)				
<b>Balance in AOCI as of December 31, 2014</b>	\$ —	\$ (161)	\$ 3,145	\$ (10,320)	\$ (7,336)
Change in Fair Value Recognized in AOCI	—	—	—	(522)	(522)
Amount of (Gain) Loss Reclassified from AOCI					
Interest Expense	—	93	—	—	93
Amortization of Prior Service Cost (Credit)	—	—	(41)	—	(41)
Amortization of Actuarial (Gains)/Losses	—	—	141	—	141
Reclassifications from AOCI, before Income Tax (Expense) Credit	—	93	100	—	193
Income Tax (Expense) Credit	—	33	33	—	66
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	—	60	67	—	127
Net Current Period Other Comprehensive Income (Loss)	—	60	67	(522)	(395)
Pension and OPEB Adjustment Related to Mitchell Plant	—	—	—	6,086	6,086
<b>Balance in AOCI as of December 31, 2015</b>	<u>\$ —</u>	<u>\$ (101)</u>	<u>\$ 3,212</u>	<u>\$ (4,756)</u>	<u>\$ (1,645)</u>

**Changes in Accumulated Other Comprehensive Income (Loss) by Component  
For the Year Ended December 31, 2014**

	<u>Cash Flow Hedges</u>		<u>Pension and OPEB</u>		<u>Total</u>
	<u>Commodity</u>	<u>Interest Rate</u>	<u>Amortization of Deferred Costs</u>	<u>Changes in Funded Status</u>	
	(in thousands)				
<b>Balance in AOCI as of December 31, 2013</b>	\$ 23	\$ (222)	\$ 2,677	\$ (7,898)	\$ (5,420)
Change in Fair Value Recognized in AOCI	347	—	—	(1,114)	(767)
Amount of (Gain) Loss Reclassified from AOCI					
Purchased Electricity for Resale	(513)	—	—	—	(513)
Other Operation Expense	(3)	—	—	—	(3)
Maintenance Expense	(5)	—	—	—	(5)
Property, Plant and Equipment	(6)	—	—	—	(6)
Regulatory Assets/(Liabilities), Net (a)	(43)	—	—	—	(43)
Interest Expense	—	93	—	—	93
Amortization of Prior Service Cost (Credit)	—	—	(214)	—	(214)
Amortization of Actuarial (Gains)/Losses	—	—	935	—	935
Reclassifications from AOCI, before Income Tax (Expense) Credit	(570)	93	721	—	244
Income Tax (Expense) Credit	(200)	32	253	—	85
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	(370)	61	468	—	159
Net Current Period Other Comprehensive Income (Loss)	(23)	61	468	(1,114)	(608)
Pension and OPEB Adjustment Related to Kammer Plant	—	—	—	(1,308)	(1,308)
<b>Balance in AOCI as of December 31, 2014</b>	<u>\$ —</u>	<u>\$ (161)</u>	<u>\$ 3,145</u>	<u>\$ (10,320)</u>	<u>\$ (7,336)</u>

- (a) Represents realized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

#### **4. RATE MATTERS**

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

##### ***FERC Transmission Complaint and Proposed Modifications to Transmission Rates***

In October 2016, several parties filed a joint complaint with the FERC claiming that the base return on common equity used by various AEP affiliates in calculating formula transmission rates under the PJM OATT is excessive and should be reduced from 10.99% to 8.32%, effective upon the date of the complaint. In November 2016, AEP affiliates filed an application with the FERC to modify the FERC formula transmission rate calculation, including adjustments for certain tax issues and a shift from historical to estimated expenses with a proposed effective date of January 1, 2017. The rates will be implemented based upon the date provided in the pending FERC order, subject to refund. Management believes its financial statements adequately address the impact of the complaint and the proposed modifications to AEP's transmission rates in PJM. If the FERC orders revenue reductions as a result of the complaint, including refunds from the date of the complaint filing, it could reduce future net income and cash flows and impact financial condition.

## 5. EFFECTS OF REGULATION

### *Regulatory Assets and Liabilities*

Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2016	2015	
	(in thousands)		
<b>Current Regulatory Assets</b>			
Under-recovered Fuel Costs - does not earn a return	\$ 1,955	\$ —	1 year
<b>Total Current Regulatory Assets</b>	<u>1,955</u>	<u>—</u>	
<b>Noncurrent Regulatory Assets</b>			
<b>Regulatory assets pending final regulatory approval:</b>			
<u>Regulatory Assets Currently Not Earning a Return</u>			
Storm Related Costs	\$ 4,377	\$ 4,377	
Other Regulatory Assets Pending Final Regulatory Approval	52	—	
<b>Total Regulatory Assets Pending Final Regulatory Approval</b>	<u>4,429</u>	<u>4,377</u>	
<b>Regulatory assets approved for recovery:</b>			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs	212,380	192,536	24 years
Asset Removal Costs	20,946	40,055	(a)
Plant Retirement Costs - Asset Retirement Obligation Costs	18,344	7,640	24 years
Plant Retirement Costs - Materials and Supplies	3,903	4,485	24 years
Other Regulatory Assets Approved for Recovery	1,203	1,207	various
<u>Regulatory Assets Currently Not Earning a Return</u>			
Income Taxes, Net	172,528	160,246	22 years
Pension and OPEB Funded Status	57,544	52,687	12 years
Plant Retirement Costs - Asset Retirement Obligation Costs	48,942	58,031	24 years
Peak Demand Reduction/Energy Efficiency	9,075	4,332	2 years
Storm Related Costs	8,502	10,931	4 years
Environmental Costs	5,677	6,365	1 year
Big Sandy Plant, Unit 1 Operating Rider	3,898	4,903	2 years
Postemployment Benefits	3,288	4,557	5 years
Medicare Subsidy	1,733	1,950	8 years
IGCC Pre-Construction Costs	1,251	1,305	24 years
Other Regulatory Assets Approved for Recovery	2,488	2,349	various
<b>Total Regulatory Assets Approved for Recovery</b>	<u>571,702</u>	<u>553,579</u>	
<b>Total Noncurrent Regulatory Assets</b>	<u>\$ 576,131</u>	<u>\$ 557,956</u>	

- (a) As a regulated entity, removal costs accrued are typically recorded as regulatory liabilities when removal costs accrued exceed actual removal costs incurred. The asset removal costs liability is relieved as removal costs are incurred. As of December 31, 2016, KPCo's accumulated actual removal cost incurred exceeded accumulated removal cost accrued, creating an asset balance. As a result, the balance was reclassified to a regulatory asset. Within the next two years, KPCo's removal costs accrued are expected to exceed removal costs incurred resulting in a regulatory liability.

<b>Regulatory Liabilities:</b>	<b>December 31,</b>		<b>Remaining</b>
	<b>2016</b>	<b>2015</b>	<b>Refund Period</b>
	<b>(in thousands)</b>		
<b>Current Regulatory Liability</b>			
<hr/>			
Over-recovered Fuel Costs - does not pay a return	\$ —	\$ 1,553	
<b>Total Current Regulatory Liabilities</b>	<u>\$ —</u>	<u>\$ 1,553</u>	
<b>Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits</b>			
<hr/>			
<b>Regulatory liabilities approved for payment:</b>			
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Unrealized Gain on Forward Commitments	\$ 89	\$ 1,550	2 years
Other Regulatory Liabilities Approved for Payment	157	58	various
<b>Total Regulatory Liabilities Approved for Payment</b>	<u>246</u>	<u>1,608</u>	
<b>Total Noncurrent Regulatory Liabilities and Deferred Investment Tax Credits</b>	<u>\$ 246</u>	<u>\$ 1,608</u>	

## 6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

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

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

### COMMITMENTS

#### *Construction and Commitments*

KPCo has substantial construction commitments to support its operations and environmental investments. In managing the overall construction program and in the normal course of business, KPCo contractually commits to third-party construction vendors for certain material purchases and other construction services. KPCo also purchases fuel, materials, supplies, services and property, plant and equipment under contract as part of its normal course of business. Certain supply contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for "Commitments", the following table summarizes KPCo's actual contractual commitments as of December 31, 2016:

<b>Contractual Commitments</b>	<b>Less Than 1 Year</b>	<b>2-3 Years</b>	<b>4-5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
	<b>(in thousands)</b>				
Fuel Purchase Contracts (a)	\$ 184,784	\$ 190,884	\$ 187,736	\$ 67,069	\$ 630,473
Energy and Capacity Purchase Contracts	39,283	82,418	81,994	41,088	244,783
<b>Total</b>	<u>\$ 224,067</u>	<u>\$ 273,302</u>	<u>\$ 269,730</u>	<u>\$ 108,157</u>	<u>\$ 875,256</u>

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

### GUARANTEES

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

#### *Letter of Credit*

KPCo has \$65 million of variable rate Pollution Control Bonds supported by a bilateral letter of credit for \$66 million. The letter of credit matures in June 2017.

## ***Indemnifications and Other Guarantees***

### ***Contracts***

KPCo enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2016, there were no material liabilities recorded for any indemnifications.

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

### ***Lease Obligations***

KPCo leases certain equipment under master lease agreements. See “Master Lease Agreements” section of Note 12 for disclosure of lease residual value guarantees.

## **CONTINGENCIES**

### ***Insurance and Potential Losses***

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

Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

### ***The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation***

By-products from the generation of electricity include materials such as ash, slag and sludge. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and nonhazardous materials. KPCo currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. As of December 31, 2016, there is one site for which KPCo has received an information request which could lead to a Potentially Responsible Party designation. In the instance where KPCo has been named a defendant, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

Management evaluates the potential liability for each site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often nonhazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named for each site and several of the parties are financially sound enterprises. At present, management’s estimates do not anticipate material cleanup costs for identified sites.

## 7. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy, see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

KPCo participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all of KPCo’s employees are covered by the qualified plan or both the qualified and nonqualified pension plans. KPCo also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

KPCo recognizes its funded status associated with defined benefit pension and OPEB plans in its balance sheets. Disclosures about the plans are required by the “Compensation - Retirement Benefits” accounting guidance. KPCo recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. KPCo records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for ratemaking purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

### *Actuarial Assumptions for Benefit Obligations*

The weighted-average assumptions used in the measurement of benefit obligations are shown in the following table:

Assumptions	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
Discount Rate	4.05%	4.30%	4.10%	4.30%
Rate of Compensation Increase	4.40% (a)	4.35% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2016, the rate of compensation increase assumed varies with the age of the employee, ranging from 3.5% per year to 12% per year, with an average increase of 4.4%.



**Actuarial Assumptions for Net Periodic Benefit Costs**

The weighted-average assumptions used in the measurement of benefit costs are shown in the following table:

Assumptions	Pension Plans			Other Postretirement Benefit Plans		
	2016	2015	January 1, 2014	2016	2015	2014
Discount Rate	4.30%	4.00%	4.70%	4.30%	4.00%	4.70%
Expected Return on Plan Assets	6.00%	6.00%	6.00%	7.00%	6.75%	6.75%
Rate of Compensation Increase	4.40% (a)	4.35% (a)	4.50% (a)	NA	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation and current prospects for economic growth.

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

Health Care Trend Rates	January 1,	
	2016	2015
Initial	7.00%	6.25%
Ultimate	5.00%	5.00%
Year Ultimate Reached	2024	2020

Assumed health care cost trend rates have a significant effect on the amounts reported for the OPEB health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	1% Increase		1% Decrease	
	(in thousands)			
Effect on Total Service and Interest Cost Components of Net Periodic Postretirement Health Care Benefit Cost	\$	76	\$	(56)
Effect on the Health Care Component of the Accumulated Postretirement Benefit Obligation		1,733		(1,528)

**Significant Concentrations of Risk within Plan Assets**

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. The plans are monitored to control security diversification and ensure compliance with the investment policy. As of December 31, 2016, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

**Benefit Plan Obligations, Plan Assets and Funded Status**

The following table provides a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
<b>Change in Benefit Obligation</b>				
Benefit Obligation as of January 1,	\$ 178,076	\$ 189,224	\$ 50,890	\$ 50,818
Service Cost	2,461	2,680	283	343
Interest Cost	7,489	7,326	2,150	1,952
Actuarial (Gain) Loss	3,943	(10,971)	1,939	972
Benefit Payments	(11,233)	(10,183)	(4,850)	(4,352)
Participant Contributions	—	—	1,418	1,150
Medicare Subsidy	—	—	19	7
<b>Benefit Obligation as of December 31,</b>	<b>\$ 180,736</b>	<b>\$ 178,076</b>	<b>\$ 51,849</b>	<b>\$ 50,890</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets as of January 1,	\$ 173,368	\$ 184,842	\$ 57,829	\$ 63,628
Actual Gain (Loss) on Plan Assets	10,403	(3,191)	3,343	(2,597)
Company Contributions	1,509	1,900	—	—
Participant Contributions	—	—	1,418	1,150
Benefit Payments	(11,233)	(10,183)	(4,850)	(4,352)
<b>Fair Value of Plan Assets as of December 31,</b>	<b>\$ 174,047</b>	<b>\$ 173,368</b>	<b>\$ 57,740</b>	<b>\$ 57,829</b>
<b>Funded (Underfunded) Status as of December 31,</b>	<b>\$ (6,689)</b>	<b>\$ (4,708)</b>	<b>\$ 5,891</b>	<b>\$ 6,939</b>

**Amounts Recognized on the Balance Sheets**

	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
<b>December 31,</b>				
<b>(in thousands)</b>				
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ —	\$ —	\$ 5,891	\$ 6,939
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(6,689)	(4,708)	—	—
<b>Funded (Underfunded) Status</b>	<b>\$ (6,689)</b>	<b>\$ (4,708)</b>	<b>\$ 5,891</b>	<b>\$ 6,939</b>

**Amounts Included in AOCI and Regulatory Assets**

Components	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
<b>December 31,</b>				
<b>(in thousands)</b>				
Net Actuarial Loss	\$ 55,653	\$ 54,923	\$ 21,098	\$ 19,699
Prior Service Cost (Credit)	48	100	(17,233)	(19,658)
<b>Recorded as</b>				
Regulatory Assets	\$ 53,550	\$ 52,058	\$ 3,994	\$ 629
Deferred Income Taxes	753	1,038	(44)	(205)
Net of Tax AOCI	1,398	1,927	(85)	(383)

Components of the change in amounts included in AOCI and Regulatory Assets are as follows:

<b>Components</b>	<b>Pension Plans</b>		<b>Other Postretirement Benefit Plans</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>			
Actuarial Loss During the Year	\$ 3,673	\$ 2,201	\$ 2,550	\$ 7,400
Amortization of Actuarial Loss	(2,943)	(3,784)	(1,151)	(622)
Amortization of Prior Service Credit (Cost)	(52)	(53)	2,425	2,424
<b>Change for the Year Ended December 31,</b>	<b>\$ 678</b>	<b>\$ (1,636)</b>	<b>\$ 3,824</b>	<b>\$ 9,202</b>

***Pension and Other Postretirement Benefits Plans' Assets***

The fair value tables within Pension and Other Postretirement Benefits Plans' Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to KPSCo using the percentages below:

<b>Pension Plan</b>		<b>Other Postretirement Benefit Plans</b>	
<b>December 31,</b>			
<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
3.6%	3.6%	3.7%	3.7%

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities:						
Domestic	\$ 354.7	\$ —	\$ —	\$ —	\$ 354.7	7.3 %
International	439.2	—	—	—	439.2	9.1 %
Options	—	20.0	—	—	20.0	0.4 %
Real Estate Investment Trusts	3.1	—	—	—	3.1	0.1 %
Common Collective Trusts (c)	—	14.0	—	400.5	414.5	8.6 %
<b>Subtotal – Equities</b>	<b>797.0</b>	<b>34.0</b>	<b>—</b>	<b>400.5</b>	<b>1,231.5</b>	<b>25.5 %</b>
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	32.3	32.3	0.7 %
United States Government and Agency Securities (c)	—	423.3	—	17.7	441.0	9.1 %
Corporate Debt (c)	—	1,932.2	—	10.0	1,942.2	40.2 %
Foreign Debt (c)	—	373.7	—	12.1	385.8	8.0 %
State and Local Government	—	11.5	—	—	11.5	0.2 %
Other – Asset Backed (c)	—	5.4	—	7.4	12.8	0.3 %
<b>Subtotal – Fixed Income</b>	<b>—</b>	<b>2,746.1</b>	<b>—</b>	<b>79.5</b>	<b>2,825.6</b>	<b>58.5 %</b>
Infrastructure	—	—	57.6	—	57.6	1.2 %
Real Estate	—	—	254.9	—	254.9	5.3 %
Alternative Investments	—	—	411.1	—	411.1	8.5 %
Securities Lending	—	161.6	—	—	161.6	3.4 %
Securities Lending Collateral (a)	—	—	—	(163.3)	(163.3)	(3.4)%
Cash and Cash Equivalents (c)	—	—	—	29.7	29.7	0.6 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	18.6	18.6	0.4 %
<b>Total</b>	<b>\$ 797.0</b>	<b>\$ 2,941.7</b>	<b>\$ 723.6</b>	<b>\$ 365.0</b>	<b>\$ 4,827.3</b>	<b>100.0 %</b>

- (a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

The following table sets forth a reconciliation of changes in the fair value of AEP’s assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
			(in millions)		
<b>Balance as of January 1, 2016</b>	\$ 0.1	\$ 42.0	\$ 253.7	\$ 378.7	\$ 674.5
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	5.9	5.3	13.7	24.9
Relating to Assets Sold During the Period	—	0.9	23.2	21.1	45.2
Purchases and Sales	(0.1)	8.8	(27.3)	(2.4)	(21.0)
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
<b>Balance as of December 31, 2016</b>	<b>\$ —</b>	<b>\$ 57.6</b>	<b>\$ 254.9</b>	<b>\$ 411.1</b>	<b>\$ 723.6</b>

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3 (in millions)	Other	Total	Year End Allocation
Equities:						
Domestic	\$ 517.1	\$ —	\$ —	\$ —	\$ 517.1	33.5 %
International	435.5	—	—	—	435.5	28.2 %
Options	—	15.2	—	—	15.2	1.0 %
Common Collective Trusts (b)	—	10.9	—	20.5	31.4	2.0 %
<b>Subtotal – Equities</b>	<b>952.6</b>	<b>26.1</b>	<b>—</b>	<b>20.5</b>	<b>999.2</b>	<b>64.7 %</b>
Fixed Income:						
Common Collective Trust Debt (b)	—	—	—	93.7	93.7	6.0 %
United States Government and Agency Securities	—	64.7	—	—	64.7	4.2 %
Corporate Debt	—	121.6	—	—	121.6	7.9 %
Foreign Debt	—	18.6	—	—	18.6	1.2 %
State and Local Government	—	3.0	—	—	3.0	0.2 %
Other – Asset Backed	—	5.9	—	—	5.9	0.4 %
<b>Subtotal – Fixed Income</b>	<b>—</b>	<b>213.8</b>	<b>—</b>	<b>93.7</b>	<b>307.5</b>	<b>19.9 %</b>
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	110.1	110.1	7.1 %
United States Bonds (b)	—	—	—	97.4	97.4	6.3 %
<b>Subtotal – Trust Owned Life Insurance</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>207.5</b>	<b>207.5</b>	<b>13.4 %</b>
Cash and Cash Equivalents	24.0	10.5	—	—	34.5	2.2 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(2.8)	(2.8)	(0.2)%
<b>Total</b>	<b>\$ 976.6</b>	<b>\$ 250.4</b>	<b>\$ —</b>	<b>\$ 318.9</b>	<b>\$ 1,545.9</b>	<b>100.0 %</b>

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
			(in millions)			
Equities:						
Domestic	\$ 315.7	\$ —	\$ —	\$ —	\$ 315.7	6.6 %
International	402.3	—	—	—	402.3	8.4 %
Options	—	15.6	—	—	15.6	0.3 %
Real Estate Investment Trusts	4.0	—	—	—	4.0	0.1 %
Common Collective Trusts (c)	—	16.1	—	369.7	385.8	8.1 %
<b>Subtotal – Equities</b>	<b>722.0</b>	<b>31.7</b>	<b>—</b>	<b>369.7</b>	<b>1,123.4</b>	<b>23.5 %</b>
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	34.2	34.2	0.7 %
United States Government and Agency Securities (c)	—	397.8	—	24.1	421.9	8.9 %
Corporate Debt (c)	—	1,964.2	—	19.0	1,983.2	41.6 %
Foreign Debt (c)	—	405.4	0.1	16.0	421.5	8.8 %
State and Local Government	—	12.8	—	—	12.8	0.3 %
Other – Asset Backed (c)	—	15.8	—	7.6	23.4	0.5 %
<b>Subtotal – Fixed Income</b>	<b>—</b>	<b>2,796.0</b>	<b>0.1</b>	<b>100.9</b>	<b>2,897.0</b>	<b>60.8 %</b>
Infrastructure	—	—	42.0	—	42.0	0.9 %
Real Estate	—	—	253.7	—	253.7	5.3 %
Alternative Investments	—	—	378.7	—	378.7	8.0 %
Securities Lending	—	263.0	—	—	263.0	5.5 %
Securities Lending Collateral (a)	—	—	—	(264.7)	(264.7)	(5.5)%
Cash and Cash Equivalents (c)	—	1.2	—	47.4	48.6	1.0 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	25.9	25.9	0.5 %
<b>Total</b>	<b>\$ 722.0</b>	<b>\$ 3,091.9</b>	<b>\$ 674.5</b>	<b>\$ 279.2</b>	<b>\$ 4,767.6</b>	<b>100.0 %</b>

- (a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

The following table sets forth a reconciliation of changes in the fair value of AEP’s assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
			(in millions)		
<b>Balance as of January 1, 2015</b>	\$ 0.1	\$ 12.5	\$ 235.8	\$ 378.9	\$ 627.3
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	(3.6)	12.5	(25.9)	(17.0)
Relating to Assets Sold During the Period	—	0.3	23.8	37.6	61.7
Purchases and Sales	—	32.8	(18.4)	(11.9)	2.5
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
<b>Balance as of December 31, 2015</b>	<b>\$ 0.1</b>	<b>\$ 42.0</b>	<b>\$ 253.7</b>	<b>\$ 378.7</b>	<b>\$ 674.5</b>

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 465.1	\$ —	\$ —	\$ —	\$ 465.1	29.5%
International	484.3	—	—	—	484.3	30.7%
Options	—	15.6	—	—	15.6	1.0%
Common Collective Trusts (b)	—	12.6	—	19.0	31.6	2.0%
Subtotal – Equities	949.4	28.2	—	19.0	996.6	63.2%
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	100.9	100.9	6.4%
United States Government and Agency Securities	—	58.4	—	—	58.4	3.7%
Corporate Debt	—	117.7	—	—	117.7	7.4%
Foreign Debt	—	20.7	—	—	20.7	1.3%
State and Local Government	—	4.2	—	—	4.2	0.3%
Other – Asset Backed	—	8.4	—	—	8.4	0.5%
Subtotal – Fixed Income	—	209.4	—	100.9	310.3	19.6%
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	28.3	28.3	1.8%
United States Bonds (b)	—	—	—	184.3	184.3	11.7%
Subtotal – Trust Owned Life Insurance	—	—	—	212.6	212.6	13.5%
Cash and Cash Equivalents	44.9	7.2	—	—	52.1	3.3%
Other – Pending Transactions and Accrued Income (a)	—	—	—	5.8	5.8	0.4%
<b>Total</b>	<b>\$ 994.3</b>	<b>\$ 244.8</b>	<b>\$ —</b>	<b>\$ 338.3</b>	<b>\$ 1,577.4</b>	<b>100.0%</b>

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.  
(b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

### ***Determination of Pension Expense***

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

The accumulated benefit obligation for the pension plans is as follows:

	December 31,	
	2016	2015
	(in thousands)	
Qualified Pension Plan	\$ 177,235	\$ 174,946
Nonqualified Pension Plan	13	5
<b>Total Accumulated Benefit Obligation</b>	<b>\$ 177,248</b>	<b>\$ 174,951</b>

For the underfunded pension plans that had an accumulated benefit obligation in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets of these plans were as follows:

	<b>Underfunded Pension Plans</b>	
	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>	
<b>Projected Benefit Obligation</b>	<u>\$ 180,736</u>	<u>\$ 178,076</u>
Accumulated Benefit Obligation	\$ 177,248	\$ 174,951
Fair Value of Plan Assets	174,047	173,368
<b>Underfunded Accumulated Benefit Obligation</b>	<u>\$ (3,201)</u>	<u>\$ (1,583)</u>

***Estimated Future Benefit Payments and Contributions***

KPCo expects contributions and payments for the pension plans of \$1.8 million during 2017. The estimated contributions to the pension trust are at least the minimum amount required by the Employee Retirement Income Security Act and additional discretionary contributions may also be made to maintain the funded status of the plan.

The table below reflects the total benefits expected to be paid from the plan or from KPCo's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for pension benefits and OPEB are as follows:

	<b>Estimated Payments</b>	
	<b>Pension Plans</b>	<b>Other Postretirement Benefit Plans</b>
	<b>(in thousands)</b>	
2017	\$ 10,127	\$ 5,126
2018	10,530	5,106
2019	11,241	5,101
2020	11,137	5,164
2021	11,964	5,268
Years 2022 to 2026, in Total	61,649	26,493

***Components of Net Periodic Benefit Cost***

The following table provides the components of net periodic benefit cost (credit):

	<b>Pension Plans</b>			<b>Other Postretirement Benefit Plans</b>		
	<b>Years Ended December 31,</b>					
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>					
Service Cost	\$ 2,461	\$ 2,680	\$ 2,299	\$ 283	\$ 343	\$ 472
Interest Cost	7,489	7,326	8,041	2,150	1,952	2,405
Expected Return on Plan Assets	(10,133)	(9,981)	(9,672)	(3,954)	(4,059)	(4,239)
Amortization of Prior Service Cost (Credit)	52	53	57	(2,425)	(2,424)	(2,424)
Amortization of Net Actuarial Loss	2,943	3,784	4,466	1,151	622	746
<b>Net Periodic Benefit Cost (Credit)</b>	<u>2,812</u>	<u>3,862</u>	<u>5,191</u>	<u>(2,795)</u>	<u>(3,566)</u>	<u>(3,040)</u>
Capitalized Portion	(962)	(1,364)	(1,809)	956	1,259	1,059
<b>Net Periodic Benefit Cost (Credit) Recognized in Expense</b>	<u>\$ 1,850</u>	<u>\$ 2,498</u>	<u>\$ 3,382</u>	<u>\$ (1,839)</u>	<u>\$ (2,307)</u>	<u>\$ (1,981)</u>



Estimated amounts expected to be amortized to net periodic benefit costs (credits) and the impact on the balance sheet during 2017 are shown in the following table:

<b>Components</b>	<b>Pension Plans</b>	<b>Other Postretirement Benefit Plans</b>
	<b>(in thousands)</b>	
Net Actuarial Loss	\$ 2,966	\$ 1,280
Prior Service Cost (Credit)	48	(2,425)
<b>Total Estimated 2017 Amortization</b>	<b>\$ 3,014</b>	<b>\$ (1,145)</b>
<b>Expected to be Recorded as</b>		
Regulatory Asset	\$ 2,952	\$ (1,136)
Deferred Income Taxes	22	(3)
Net of Tax AOCI	40	(6)
<b>Total</b>	<b>\$ 3,014</b>	<b>\$ (1,145)</b>

***American Electric Power System Retirement Savings Plan***

KPCo participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions totaled \$2.3 million in 2016, \$2.3 million in 2015 and \$2.5 million in 2014.

**8. BUSINESS SEGMENTS**

KPCo has one reportable segment, an integrated electricity generation, transmission and distribution business. KPCo's other activities are insignificant.

## 9. DERIVATIVES AND HEDGING

### OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of KPCo.

KPCo is exposed to certain market risks as a major power producer and participant in the electricity, natural gas, coal and emission allowance markets. These risks include commodity price risk, interest rate risk and credit risk. These risks represent the risk of loss that may impact KPCo due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

### STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

#### *Risk Management Strategies*

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, KPCo primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for “Derivatives and Hedging.” Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

KPCo utilizes power, capacity, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. KPCo utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with its commodity portfolio. For disclosure purposes, such risks are grouped as “Commodity,” as these risks are related to energy risk management activities. KPCo also utilizes derivative contracts to manage interest rate risk associated with debt financing. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with the established risk management policies as approved by the Finance Committee of the Board of Directors.

The following table represents the gross notional volume of KPCo’s outstanding derivative contracts:

#### Notional Volume of Derivative Instruments

Primary Risk Exposure	Volume		Unit of Measure
	December 31, 2016	December 31, 2015	
	(in thousands)		
Commodity:			
Power	10,562	7,864	MWhs
Natural Gas	—	64	MMBtus
Heating Oil and Gasoline	339	341	Gallons
Interest Rate	\$ 22	\$ 500	USD

### *Cash Flow Hedging Strategies*

KPCo utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. KPCo does not hedge all commodity price risk.

KPCo utilizes a variety of interest rate derivative transactions in order to manage interest rate risk exposure. KPCo also utilizes interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-debt. KPCo does not hedge all interest rate exposure.

### **ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON KPCo’s FINANCIAL STATEMENTS**

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes, supply and demand market data and assumptions. In order to determine the relevant fair values of the derivative instruments, KPCo applies valuation adjustments for discounting, liquidity and credit quality.

Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract’s term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management’s estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for “Derivatives and Hedging,” KPCo reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, KPCo is required to post or receive cash collateral based on third party contractual agreements and risk profiles. For the December 31, 2016 and 2015 balance sheets, KPCo netted \$119 thousand and \$0, respectively, of cash collateral received from third parties against short-term and long-term risk management assets and \$134 thousand and \$656 thousand, respectively, of cash collateral paid to third parties against short-term and long-term risk management liabilities.

The following tables represent the gross fair value of KPCo's derivative activity on the balance sheets:

**Fair Value of Derivative Instruments  
December 31, 2016**

<u>Balance Sheet Location</u>	<u>Risk Management Contracts-Commodity (a)</u>	<u>Gross Amounts Offset in the Statement of Financial Position (b)</u>	<u>Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)</u>
		(in thousands)	
Current Risk Management Assets - Nonaffiliated	\$ 4,698	\$ (4,241)	\$ 457
Long-term Risk Management Assets - Nonaffiliated	359	(359)	—
<b>Total Assets</b>	<u>5,057</u>	<u>(4,600)</u>	<u>457</u>
Current Risk Management Liabilities - Nonaffiliated	4,306	(4,253)	53
Long-term Risk Management Liabilities - Nonaffiliated	675	(362)	313
<b>Total Liabilities</b>	<u>4,981</u>	<u>(4,615)</u>	<u>366</u>
<b>Total MTM Derivative Contract Net Assets</b>	<u>\$ 76</u>	<u>\$ 15</u>	<u>\$ 91</u>

**Fair Value of Derivative Instruments  
December 31, 2015**

<u>Balance Sheet Location</u>	<u>Risk Management Contracts-Commodity (a)</u>	<u>Gross Amounts Offset in the Statement of Financial Position (b)</u>	<u>Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)</u>
		(in thousands)	
Current Risk Management Assets - Nonaffiliated and Affiliated	\$ 5,017	\$ (1,975)	\$ 3,042
Long-term Risk Management Assets - Nonaffiliated	59	(47)	12
<b>Total Assets</b>	<u>5,076</u>	<u>(2,022)</u>	<u>3,054</u>
Current Risk Management Liabilities - Nonaffiliated	3,621	(2,619)	1,002
Long-term Risk Management Liabilities - Nonaffiliated	69	(58)	11
<b>Total Liabilities</b>	<u>3,690</u>	<u>(2,677)</u>	<u>1,013</u>
<b>Total MTM Derivative Contract Net Assets</b>	<u>\$ 1,386</u>	<u>\$ 655</u>	<u>\$ 2,041</u>

- (a) Derivative instruments within these categories are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) There are no derivative contracts subject to a master netting arrangement or similar agreement which are not offset in the statement of financial position.

The table below presents KPCo's activity of derivative risk management contracts:

**Amount of Gain (Loss) Recognized on  
Risk Management Contracts**

<u>Location of Gain (Loss)</u>	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>		
Electric Generation, Transmission and Distribution Revenues	\$ 421	\$ 2,289	\$ 13,303
Sales to AEP Affiliates	434	1,178	—
Other Operation Expense	(51)	(115)	—
Maintenance Expense	(90)	(151)	—
Purchased Electricity for Resale	2,815	3,983	—
Fuel and Other Consumables Used for Electric Generation	—	(20)	(9)
Regulatory Assets (a)	150	1,671	(2,778)
Regulatory Liabilities (a)	967	(2,922)	2,304
<b>Total Gain on Risk Management Contracts</b>	<u>\$ 4,646</u>	<u>\$ 5,913</u>	<u>\$ 12,820</u>

- (a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment recorded as either current or noncurrent on the balance sheets.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on KPCo's statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on KPCo's statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same expense line item on the statements of income as that of the associated risk. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. These auctions resulted in a range of products, including 12-month, 24-month, and 36-month periods. The delivery period for each contract is scheduled to start on the first day of June of each year, immediately following the auction. Certain affiliated entities, including KPCo, participated in the auction process and were awarded tranches of OPCo's SSO load. Certain underlying contracts are derivatives subject to the accounting guidance for "Derivatives and Hedging" and are accounted for using MTM accounting, unless the contract has been designated as a normal purchase or normal sale.

***Accounting for Cash Flow Hedging Strategies***

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), KPCo initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) on the balance sheets until the period the hedged item affects Net Income. KPCo would recognize any hedge ineffectiveness as a regulatory asset (for losses) or a regulatory liability (for gains) if applicable.

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Total Revenues or Purchased Electricity for Resale on KPCo's statements of income or in Regulatory Assets or Regulatory Liabilities on KPCo's balance sheets, depending on the specific nature of the risk being hedged. During 2016 and 2015, KPCo did not apply cash flow hedging to outstanding power derivatives. During 2014, KPCo applied cash flow hedging to outstanding power derivatives.

KPCo reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income (Loss) on its balance sheets into Interest Expense on its statements of income in those periods in which hedged interest payments occur. During 2016, 2015 and 2014, KPCo did not apply cash flow hedging to outstanding interest rate derivatives.

During 2016, 2015 and 2014, hedge ineffectiveness was immaterial or nonexistent for all cash flow hedge strategies disclosed above.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo's balance sheets and the reasons for changes in cash flow hedges, see Note 3.

Cash flow hedges included in Accumulated Other Comprehensive Income (Loss) on KPCo's balance sheets were:

**Impact of Cash Flow Hedges on the Balance Sheets**

	<b>Interest Rate</b>	
	<b>December 31, 2016</b>	<b>December 31, 2015</b>
	<b>(in thousands)</b>	
AOCI Loss Net of Tax	\$ (41)	\$ (101)
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	(40)	(60)

- (a) Hedging Assets and Hedging Liabilities are included in Risk Management Assets and Liabilities on KPCo's balance sheets.

The actual amounts that KPCo reclassifies from Accumulated Other Comprehensive Income (Loss) to Net Income can differ from the estimate above due to market price changes. As of December 31, 2016, KPCo is not hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") its exposure to variability in future cash flows related to forecasted transactions.

***Credit Risk***

Management limits credit risk in KPCo's wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses Moody's, Standard and Poor's and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. A counterparty is required to post cash or letters of credit in the event an exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a failure or inability to post collateral.

***Collateral Triggering Events***

Under the tariffs of the RTOs and Independent System Operators (ISOs) and a limited number of derivative and non-derivative contracts primarily related to competitive retail auction loads, KPCo is obligated to post an additional amount of collateral if certain credit ratings decline below a specified rating threshold. The amount of collateral required fluctuates based on market prices and total exposure. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering items in contracts. KPCo has not experienced a downgrade below a specified rating threshold that would require the posting of additional collateral. There is no exposure relating to derivative contracts, however, there is exposure relating to RTOs, ISOs and non-derivative contracts. The following table represents KPCo's exposure if credit ratings were to decline below a specified rating threshold:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>	
Amount of Collateral KPCo Would Have Been Required to Post Attributable to RTOs and ISOs	\$ 195	\$ 1,003
Amount of Collateral Attributable to Other Contracts	1,657	23

In addition, a majority of KPCo's non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount this exposure has been reduced by cash collateral posted and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering contractual netting arrangements:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>	
Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	\$ 25	\$ 750
Amount of Cash Collateral Posted	—	—
Additional Settlement Liability if Cross Default Provision is Triggered	—	750



**10. FAIR VALUE MEASUREMENTS**

*Fair Value Measurements of Long-term Debt*

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of KPCo's Long-term Debt are summarized in the following table:

	December 31,			
	2016		2015	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 867,164	\$ 965,423	\$ 866,451	\$ 963,639

**Fair Value Measurements of Financial Assets and Liabilities**

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the “Fair Value Measurements of Assets and Liabilities” section of Note 1.

The following tables set forth, by level within the fair value hierarchy, KPCo’s financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for “Fair Value Measurements and Disclosures,” financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management’s valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2016**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets – Nonaffiliated</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,395	\$ 616	\$ (4,554)	\$ 457
<b>Liabilities:</b>					
<b>Risk Management Liabilities – Nonaffiliated</b>					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 4,517	\$ 418	\$ (4,569)	\$ 366

**Assets and Liabilities Measured at Fair Value on a Recurring Basis  
December 31, 2015**

<b>Assets:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>	<u>Total</u>
	(in thousands)				
<b>Risk Management Assets – Nonaffiliated and Affiliated</b>					
Risk Management Commodity Contracts (a) (b)	\$ 36	\$ 2,692	\$ 2,338	\$ (2,012)	\$ 3,054
<b>Liabilities:</b>					
<b>Risk Management Liabilities – Nonaffiliated</b>					
Risk Management Commodity Contracts (a) (b)	\$ 43	\$ 3,545	\$ 92	\$ (2,667)	\$ 1,013

- (a) Amounts in “Other” column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for “Derivatives and Hedging.”
- (b) Substantially comprised of power contracts.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2016, 2015 and 2014.

The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<b>Year Ended December 31, 2016</b>	<b>Net Risk Management Assets (Liabilities) (a) (in thousands)</b>
<b>Balance as of December 31, 2015</b>	\$ 2,246
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	1,387
Settlements	(3,658)
Transfers out of Level 3 (e)	22
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	201
<b>Balance as of December 31, 2016</b>	<u>\$ 198</u>
<b>Year Ended December 31, 2015</b>	<b>Net Risk Management Assets (Liabilities) (a) (in thousands)</b>
<b>Balance as of December 31, 2014</b>	\$ 3,927
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	766
Settlements	(4,313)
Transfers out of Level 3 (e)	240
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	1,626
<b>Balance as of December 31, 2015</b>	<u>\$ 2,246</u>
<b>Year Ended December 31, 2014</b>	<b>Net Risk Management Assets (Liabilities) (in thousands)</b>
<b>Balance as of December 31, 2013</b>	\$ 2,171
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (b) (c)	5,490
Settlements	(6,084)
Transfers into Level 3 (d) (e)	(750)
Transfers out of Level 3 (e)	(7)
Changes in Fair Value Allocated to Regulated Jurisdictions (f)	3,107
<b>Balance as of December 31, 2014</b>	<u>\$ 3,927</u>

- (a) Includes both affiliated and nonaffiliated transactions.
- (b) Included in revenues on KPCo's statements of income.
- (c) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (d) Represents existing assets or liabilities that were previously categorized as Level 2.
- (e) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (f) Relates to the net gains (losses) of those contracts that are not reflected on KPCo's statements of income. These net gains (losses) are recorded as regulatory liabilities/assets.

The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions as of December 31, 2016 and 2015:

**Significant Unobservable Inputs  
December 31, 2016**

	<u>Fair Value</u>		<u>Valuation Technique</u>	<u>Significant Unobservable Input (a)</u>	<u>Input/Range</u>		<u>Weighted Average</u>
	<u>Assets</u>	<u>Liabilities</u>			<u>Low</u>	<u>High</u>	
	<u>(in thousands)</u>						
Energy Contracts	\$ 94	\$ 81	Discounted Cash Flow	Forward Market Price	\$ 19.68	\$ 48.55	\$ 36.34
FTRs	522	337	Discounted Cash Flow	Forward Market Price	0.01	8.91	0.96
<b>Total</b>	<u>\$ 616</u>	<u>\$ 418</u>					

**Significant Unobservable Inputs  
December 31, 2015**

	<u>Fair Value</u>		<u>Valuation Technique</u>	<u>Significant Unobservable Input (a)</u>	<u>Input/Range</u>		<u>Weighted Average</u>
	<u>Assets</u>	<u>Liabilities</u>			<u>Low</u>	<u>High</u>	
	<u>(in thousands)</u>						
Energy Contracts	\$ 1,580	\$ 37	Discounted Cash Flow	Forward Market Price	\$ 12.61	\$ 47.24	\$ 32.38
FTRs	758	55	Discounted Cash Flow	Forward Market Price	(6.96)	8.43	1.34
<b>Total</b>	<u>\$ 2,338</u>	<u>\$ 92</u>					

(a) Represents market prices in dollars per MWh.

The following table provides sensitivity of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2016 and 2015:

**Sensitivity of Fair Value Measurements**

<u>Significant Unobservable Input</u>	<u>Position</u>	<u>Change in Input</u>	<u>Impact on Fair Value Measurement</u>
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

## 11. INCOME TAXES

The details of KPSC's income taxes as reported are as follows:

	<b>Year Ended December 31, 2016</b>	
	<u>(in thousands)</u>	
<b>Federal:</b>		
Current	\$	4,893
Deferred		21,067
Deferred Investment Tax Credits		<u>(3)</u>
<b>Total Federal</b>		<u>25,957</u>
<b>State and Local:</b>		
Current		131
Deferred		(2,495)
Deferred Investment Tax Credits		<u>—</u>
<b>Total State and Local</b>		<u>(2,364)</u>
<b>Income Tax Expense</b>	<b>\$</b>	<b><u>23,593</u></b>
	<b>Years Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<u>(in thousands)</u>	
Income Tax Expense (Credit):		
Current	\$ (63,674)	\$ 13,376
Deferred	75,638	9,157
Deferred Investment Tax Credits	<u>(26)</u>	<u>(96)</u>
<b>Income Tax Expense</b>	<b><u>\$ 11,938</u></b>	<b><u>\$ 22,437</u></b>

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<u>(in thousands)</u>		
Net Income	\$ 50,210	\$ 27,891	\$ 38,378
Income Tax Expense	23,593	11,938	22,437
<b>Pretax Income</b>	<b><u>\$ 73,803</u></b>	<b><u>\$ 39,829</u></b>	<b><u>\$ 60,815</u></b>
Income Taxes on Pretax Income at Statutory Rate (35%)	\$ 25,831	\$ 13,940	\$ 21,285
Increase (Decrease) in Income Taxes Resulting from the Following Items:			
Depreciation	1,300	1,361	2,474
AFUDC	(537)	(638)	(1,623)
Removal Costs	(1,681)	(1,832)	(2,816)
Investment Tax Credits, Net	(3)	(26)	(96)
State and Local Income Taxes, Net	(1,536)	(4,601)	2,973
Tax Adjustments	97	3,407	372
Other	122	327	(132)
<b>Income Tax Expense</b>	<b><u>\$ 23,593</u></b>	<b><u>\$ 11,938</u></b>	<b><u>\$ 22,437</u></b>
<b>Effective Income Tax Rate</b>	<b>32.0 %</b>	<b>30.0 %</b>	<b>36.9 %</b>

The following table shows elements of KPSC's net deferred tax liability and significant temporary differences: Exhibit R

	December 31,	
	2016	2015
	(in thousands)	
Deferred Tax Assets	\$ 58,627	\$ 62,995
Deferred Tax Liabilities	(725,529)	(699,153)
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (666,902)</u></b>	<b><u>\$ (636,158)</u></b>
Property Related Temporary Differences	\$ (425,415)	\$ (409,787)
Amounts Due from Customers for Future Federal Income Taxes	(29,389)	(27,631)
Deferred State Income Taxes	(95,704)	(90,541)
Deferred Income Taxes on Other Comprehensive Loss	729	886
Regulatory Assets	(124,041)	(115,803)
All Other, Net	6,918	6,718
<b>Net Deferred Tax Liabilities</b>	<b><u>\$ (666,902)</u></b>	<b><u>\$ (636,158)</u></b>

### ***AEP System Tax Allocation Agreement***

KPSC joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss and the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.

### ***Federal and State Income Tax Audit Status***

KPSC and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2011. The IRS examination of years 2011, 2012 and 2013 started in April 2014. AEP and subsidiaries received a Revenue Agents Report in April 2016, completing the 2011 through 2013 audit cycle indicating an agreed upon audit. The 2011 through 2013 audit was submitted to the Congressional Joint Committee on Taxation for approval. The Joint Committee referred the audit back to the IRS exam team for further consideration. Although the outcome of tax audits is uncertain, in management's opinion, adequate provisions for federal income taxes have been made for potential liabilities resulting from such matters. In addition, KPSC accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to materially impact net income.

KPSC and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns. KPSC and other AEP subsidiaries are currently under examination in several state and local jurisdictions. However, it is possible that previously filed tax returns have positions that may be challenged by these tax authorities. Management believes that adequate provisions for income taxes have been made for potential liabilities resulting from such challenges and that the ultimate resolution of these audits will not materially impact net income. KPSC is no longer subject to state or local income tax examinations by tax authorities for years before 2009.

### ***Net Income Tax Operating Loss Carryforward***

KPSC has Kentucky state net income tax operating loss carryforwards of \$89 million. As a result, KPSC recognized deferred state income tax benefits in 2016 and 2015 of \$5 million. Management anticipates future taxable income will be sufficient to realize the state net income tax operating loss tax benefits before the state carryforward expires for Kentucky in 2036.

### ***Tax Credit Carryforward***

As of December 31, 2016 and 2015, KPCo had unused federal income tax credits of \$14 thousand and \$203 thousand, respectively, not all of which have an expiration date. Included in the credit carryforward are federal general business tax credits of \$0 and \$189 thousand as of December 31, 2016 and 2015, respectively. The federal general business tax credits were fully utilized in 2016.

### ***Uncertain Tax Positions***

KPCo recognizes interest accruals related to uncertain tax positions in interest income or expense as applicable, and penalties in Other Operation expense in accordance with the accounting guidance for “Income Taxes.”

The following table shows amounts reported for interest expense, interest income and reversal of prior period interest expense:

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>		
Interest Expense	\$ 7	\$ —	\$ 20
Interest Income	6	—	—
Reversal of Prior Period Interest Expense	—	—	71

The following table shows balances for amounts accrued for the receipt of interest and the payment of interest and penalties:

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(in thousands)</b>	
Accrual for Receipt of Interest	\$ —	\$ —
Accrual for Payment of Interest and Penalties	17	—

The reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>		
<b>Balance as of January 1,</b>	\$ —	\$ —	\$ 608
Increase – Tax Positions Taken During a Prior Period	—	—	—
Decrease – Tax Positions Taken During a Prior Period	—	—	—
Increase – Tax Positions Taken During the Current Year	—	—	—
Decrease – Tax Positions Taken During the Current Year	—	—	—
Increase – Settlements with Taxing Authorities	—	—	2
Decrease – Settlements with Taxing Authorities	—	—	—
Decrease – Lapse of the Applicable Statute of Limitations	—	—	(610)
<b>Balance as of December 31,</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

The total amount of unrecognized tax benefits (costs) that, if recognized, would affect the effective tax rate is \$0 for 2016, 2015 and 2014. Management believes there will be no significant net increase or decrease in unrecognized tax benefits within 12 months of the reporting date.

### ***Federal Tax Legislation***

The Tax Increase Prevention Act of 2014 (the 2014 Act) was enacted in December 2014. Included in the 2014 Act was a one-year extension of the 50% bonus depreciation. The 2014 Act also retroactively extended the life of research and development, employment and several energy tax credits, which expired at the end of 2013. The enacted provisions did not materially impact KPCo’s net income or financial condition but did have a favorable impact on cash flows in 2015.

The Protecting Americans from Tax Hikes Act of 2015 (PATH) included an extension of the 50% bonus depreciation for three years through 2017, phasing down to 40% in 2018 and 30% in 2019. PATH also provided for the extension of research and development, employment and several energy tax credits for 2015. PATH also includes provisions to extend the wind energy production tax credit through 2016 with a three-year phase-out (2017-2019), and to extend the 30% temporary solar investment tax credit for three years through 2019 and with a two-year phase-out (2020-2021). PATH also provided for a permanent extension of the Research and Development tax credit. The enacted provisions did not materially impact KPCo's net income or financial condition but will have a favorable impact on future cash flows.

### ***Federal Tax Regulations***

In 2013, the U.S. Treasury Department issued final and re-proposed regulations regarding the deduction and capitalization of expenditures related to tangible property, effective for the tax years beginning in 2014. In addition, the IRS issued Revenue Procedures under the Industry Issue Resolutions program that provides specific guidance for the implementation of the regulations for the electric utility industry. These final regulations did not materially impact KPCo's net income, cash flows or financial condition.

### ***State Tax Legislation***

During the third quarter of 2013, it was determined that the state of West Virginia had achieved certain minimum levels of shortfall reserve funds. As a result, the West Virginia corporate income tax rate was reduced from 7% to 6.5% in 2014. The enacted provision did not materially impact KPCo's net income, cash flows or financial condition.



## 12. LEASES

Leases of property, plant and equipment are for remaining periods up to 10 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to Other Operation and Maintenance expense in accordance with rate-making treatment for regulated operations. For capital leases, a capital lease asset and offsetting liability are recorded at the present value of the remaining lease payments for each reporting period. The components of rental costs are as follows:

Lease Rental Costs	Years Ended December 31,		
	2016	2015	2014
		(in thousands)	
Net Lease Expense on Operating Leases	\$ 1,886	\$ 1,603	\$ 1,466
Amortization of Capital Leases	995	1,148	1,112
Interest on Capital Leases	114	171	189
<b>Total Lease Rental Costs</b>	<b>\$ 2,995</b>	<b>\$ 2,922</b>	<b>\$ 2,767</b>

The following table shows the property, plant and equipment under capital leases and related obligations recorded on KPCo's balance sheets. Capital lease obligations are included in Other Current Liabilities and Deferred Credits and Other Noncurrent Liabilities on KPCo's balance sheets.

Property, Plant and Equipment Under Capital Leases	December 31,	
	2016	2015
	(in thousands)	
Generation	\$ 2,146	\$ 2,338
Other Property, Plant and Equipment	3,400	2,920
Total Property, Plant and Equipment Under Capital Leases	5,546	5,258
Accumulated Amortization	2,858	2,354
<b>Net Property, Plant and Equipment Under Capital Leases</b>	<b>\$ 2,688</b>	<b>\$ 2,904</b>
<b>Obligations Under Capital Leases</b>		
Noncurrent Liability	\$ 1,749	\$ 2,008
Liability Due Within One Year	939	896
<b>Total Obligations Under Capital Leases</b>	<b>\$ 2,688</b>	<b>\$ 2,904</b>

Future minimum lease payments consisted of the following as of December 31, 2016:

Future Minimum Lease Payments	Capital Leases	Noncancelable Operating Leases
	(in thousands)	
2017	\$ 1,029	\$ 1,965
2018	701	1,715
2019	365	1,533
2020	288	1,350
2021	248	1,066
Later Years	307	2,139
<b>Total Future Minimum Lease Payments</b>	<b>2,938</b>	<b>\$ 9,768</b>
Less Estimated Interest Element	250	
<b>Estimated Present Value of Future Minimum Lease Payments</b>	<b>\$ 2,688</b>	

### Master Lease Agreements

KPCo leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of either the unamortized balance or the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, KPCo is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the unamortized balance. As of December 31, 2016, the maximum potential loss for these lease agreements was \$1.6 million assuming the fair value of the equipment is zero at the end of the lease term.

### 13. FINANCING ACTIVITIES

#### *Long-term Debt*

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted Average	Interest Rate Ranges as of		Outstanding as of	
		Interest rate as of December 31, 2016	2016	2015	2016	2015
Senior Unsecured Notes	2017-2039	5.81%	4.18%-8.13%	4.18%-8.13%	\$ 728,033	\$ 727,472
Pollution Control Bonds (a)	2016-2036 (b)	0.73%	0.73%	0.02%	64,375	64,355
Other Long-term Debt	2018	2.39%	2.39%	1.83%-2.11%	74,756	74,624
<b>Total Long-term Debt Outstanding</b>					<u>\$ 867,164</u>	<u>\$ 866,451</u>

- (a) For KPSCo's pollution control bond, the interest rate is subject to periodic adjustment and may be purchased on demand at periodic interest adjustment dates. Insurance policies support certain series.
- (b) KPSCo's pollution control bond is subject to redemption earlier than the maturity date. Consequently, this bond has been classified for maturity purposes as Long-term Debt Due Within One Year - Nonaffiliated on KPSCo's balance sheets.

Long-term debt outstanding as of December 31, 2016 is payable as follows:

	2017	2018	2019	2020	2021	After 2021	Total
	(in thousands)						
Principal Amount	\$ 390,000	\$ 75,000	\$ —	\$ —	\$ 40,000	\$ 365,000	\$ 870,000
Unamortized Discount, Net and Debt Issuance Costs							(2,836)
<b>Total Long-term Debt Outstanding</b>							<u>\$ 867,164</u>

#### *Dividend Restrictions*

KPSCo pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of KPSCo to transfer funds to Parent in the form of dividends.

#### *Federal Power Act*

The Federal Power Act prohibits KPSCo from participating "in the making or paying of any dividends of such public utility from any funds properly included in capital account." This restriction does not limit the ability of KPSCo to pay dividends out of retained earnings.

#### *Leverage Restrictions*

Pursuant to the credit agreement leverage restrictions, KPSCo must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. As of December 31, 2016, none of KPSCo's retained earnings have restrictions related to the payment of dividends to Parent.

**Corporate Borrowing Program – AEP System**

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP’s subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP’s utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2016 and 2015 are included in Advances from Affiliates on KPCo’s balance sheets. KPCo’s Utility Money Pool activity and corresponding authorized borrowing limits are described in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Borrowings from the Utility Money Pool</b>	<b>Maximum Loans to the Utility Money Pool</b>	<b>Average Borrowings from the Utility Money Pool</b>	<b>Average Loans to the Utility Money Pool</b>	<b>Borrowings from the Utility Money Pool as of December 31,</b>	<b>Authorized Short-Term Borrowing Limit</b>
2016	39,102	15,557	12,628	6,593	1,807	225,000
2015	52,477	25,768	19,242	10,409	18,692	225,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

<b>Years Ended December 31,</b>	<b>Maximum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Maximum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Minimum Interest Rate for Funds Loaned to the Utility Money Pool</b>	<b>Average Interest Rate for Funds Borrowed from the Utility Money Pool</b>	<b>Average Interest Rate for Funds Loaned to the Utility Money Pool</b>
2016	1.02%	0.69%	0.90%	0.75%	0.79%	0.87%
2015	0.87%	0.37%	0.54%	0.40%	0.48%	0.44%
2014	0.59%	0.24%	0.33%	0.26%	0.31%	0.28%

Interest expense and interest income related to the Utility Money Pool are included in Interest Expense and Interest Income, respectively, on KPCo’s statements of income. For amounts borrowed from and advanced to the Utility Money Pool, KPCo incurred the following amounts of interest expense and earned the following amounts of interest income:

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
		<b>(in thousands)</b>	
Interest Expense	\$ 89	\$ 80	\$ 46
Interest Income	8	10	47

**Securitized Accounts Receivables – AEP Credit**

Under a sale of receivables arrangement, KPCo sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit’s financing costs, administrative costs and uncollectible accounts experience for KPCo’s receivables. The costs of customer accounts receivable sold are reported in Other Operation expense on KPCo’s statements of income. KPCo manages and services its accounts receivable sold.

AEP Credit’s receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables. The agreement was increase in June 2014 from \$700 million and expires in June 2018.

KPCo’s amounts of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were \$49 million and \$38 million as of December 31, 2016 and 2015, respectively.

The fees paid by KPCo to AEP Credit for customer accounts receivable sold were \$3 million, \$3 million and \$3 million, respectively, for each of the years ended December 31, 2016, 2015 and 2014.

KPCo’s proceeds on the sale of receivables to AEP Credit were \$583 million, \$528 million and \$604 million for the years ended December 31, 2016, 2015 and 2014, respectively.

#### **14. RELATED PARTY TRANSACTIONS**

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 11 in addition to “Utility Money Pool – AEP System” and “Sale of Receivables – AEP Credit” sections of Note 13.

##### ***Interconnection Agreement***

In accordance with management’s December 2010 announcement and October 2012 filing with the FERC, the Interconnection Agreement was terminated effective January 1, 2014. The AEP System Interim Allowance Agreement which provided for, among other things, the transfer of SO<sub>2</sub> emission allowances associated with transactions under the Interconnection Agreement was also terminated.

APCo, I&M, KPCo, OPCo and AEPSC were parties to the Interconnection Agreement which defined the sharing of costs and benefits associated with the respective generation plants. This sharing was based upon each AEP utility subsidiary’s MLR and was calculated monthly on the basis of each AEP utility subsidiary’s maximum peak demand in relation to the sum of the maximum peak demands of all four AEP utility subsidiaries during the preceding 12 months.

Effective January 1, 2014, the FERC approved the following agreements. See “Organization” section of Note 1.

- A Power Coordination Agreement (PCA) among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants’ respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.
- A Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR committed to use its capacity to help meet the PJM capacity obligations of member companies through the PJM planning year that ended May 31, 2015.
- A Power Supply Agreement (PSA) between AGR and OPCo that provided for AGR to supply capacity for OPCo’s switched (at \$188.88/MW day) and non-switched retail load for the period January 1, 2014 through May 31, 2015 and to supply the energy needs of OPCo’s non-switched retail load that was not acquired through auctions in 2014.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Effective January 1, 2014 and revised in May 2015, power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement. Prior to January 1, 2014, power and natural gas risk management activities were allocated under the SIA to former members of the Interconnection Agreement, PSO and SWEPCo. Risk management activities primarily include power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts.

**Operating Agreement**

PSO, SWEPCo and AEPSC are parties to the Operating Agreement which was approved by the FERC. The Operating Agreement requires PSO and SWEPCo to maintain adequate annual planning reserve margins and requires that capacity in excess of the required margins be made available for sale to other operating companies as capacity commitments. In January 2014, the FERC approved a modification of the Operating Agreement to address changes resulting from an anticipated March 2014 SPP power market change. Subsequently and in March 2014, SPP changed from an energy imbalance service market to a fully integrated power market. In alignment with the new SPP integrated power market and according to the modified Operating Agreement, PSO and SWEPCo operate as standalone entities and offer their respective generation into the SPP power market. SPP then economically dispatches resources. By offering their resources separately, PSO and SWEPCo no longer purchase or sell energy to each other to serve their respective internal load or off-system sales.

**System Integration Agreement (SIA)**

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

**Affiliated Revenues and Purchases**

The following table shows the revenues derived from sales under the Interconnection Agreement, direct sales to affiliates, net transmission agreement sales and other revenues for the years ended December 31, 2016, 2015 and 2014:

Related Party Revenues	Years Ended December 31,		
	2016	2015	2014
	(in thousands)		
Sales under Interconnection Agreement	\$ —	\$ —	\$ 5,480 (a)
Auction Sales to OPCo (b)	1,670	4,183	—
Transmission Agreement Sales	5,871	7,277	1,726
Other Revenues	745	354	308
<b>Total Affiliated Revenues</b>	<b>\$ 8,286</b>	<b>\$ 11,814</b>	<b>\$ 7,514</b>

- (a) Includes December 2013 true-up activity subsequent to agreement termination.
- (b) Refer to the Ohio Auctions section below for further information regarding this amount.

The following table shows the purchased power expenses incurred for purchases under the Interconnection Agreement and from affiliates for the years ended December 31, 2016, 2015 and 2014:

Related Party Purchases	Years Ended December 31,		
	2016	2015	2014
	(in thousands)		
Purchases under Interconnection Agreement	\$ —	\$ —	\$ 1,242 (a)
Direct Purchases from West Affiliates	—	—	—
Direct Purchases from AEGCo (b)	97,941	99,475	115,001
<b>Total Affiliated Purchases</b>	<b>\$ 97,941</b>	<b>\$ 99,475</b>	<b>\$ 116,243</b>

- (a) Includes December 2013 true-up activity subsequent to agreement termination.
- (b) Refer to the Unit Power Agreements section below for further information regarding this amount.

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates on KPCo's statements of income.

### ***System Transmission Integration Agreement (STIA)***

AEP's STIA provided for the integration and coordination of the planning, operation and maintenance of transmission facilities. Since the FERC approved the cancellation of the STIA effective June 1, 2014, the coordinated planning, operation and maintenance of transmission facilities are the responsibility of the RTOs and the STIA is no longer necessary. Similar to the SIA, the STIA functioned as an umbrella agreement in addition to the Transmission Agreement (TA) and the Transmission Coordination Agreement (TCA). The TA and TCA are both still active. The STIA contained two service schedules that governed:

- The allocation of transmission costs and revenues.
- The allocation of third-party transmission costs and revenues and AEP System dispatch costs.

APCo, I&M, KGPCo, KPCo, OPCo and WPCo are parties to the TA, effective November 2010, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies, KGPCo and WPCo on a 12-month average coincident peak basis.

KPCo's net charges recorded as a result of the TA for the years ended December 31, 2016, 2015 and 2014 were \$20.4 million, \$13.3 million and \$7.5 million, respectively, and were recorded in Other Operation expenses on KPCo's statements of income.

PSO, SWEPCo and AEPSC are parties to the TCA, dated January 1, 1997, by and among PSO, SWEPCo and AEPSC, in connection with the operation of the transmission assets of the two AEP utility subsidiaries. The TCA has been approved by the FERC and establishes a coordinating committee, which is charged with overseeing the coordinated planning of the transmission facilities of the parties to the agreement.

### ***Ohio Auctions***

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. Certain affiliated entities, including KPCo, participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. See Note 9 - Derivatives and Hedging for further information.

### ***Unit Power Agreements (UPA)***

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

Pursuant to an assignment between I&M and KPCo and a UPA between KPCo and AEGCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. The KPCo UPA ends in December 2022.

### ***I&M Barging, Urea Transloading and Other Services***

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. KPCo recorded expenses of \$5 million, \$5 million and \$5 million in 2016, 2015 and 2014, respectively, for urea transloading provided by I&M. These expenses were recorded as fuel expenses or other operation expenses.

***Central Machine Shop***

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet, then transfers the cost to the affiliate for reimbursement. KPCo recorded its assigned portion of these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. KPCo's billed amounts were \$1.5 million, \$1.3 million and \$1.2 million for the years ended December 31, 2016, 2015 and 2014, respectively.

***Sales and Purchases of Property***

KPCo had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The following table shows the sales and purchases, recorded at net book value, for the years ended December 31, 2016, 2015 and 2014:

	<b>Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>(in thousands)</b>		
Sales	\$ 395	\$ 1,337	\$ 307
Purchases	174	1,871	349

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

***Intercompany Billings***

KPCo performs certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

## **15. VARIABLE INTEREST ENTITIES**

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities”. In determining whether KPCo is the primary beneficiary of a VIE, management considers whether KPCo has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently. KPCo is not the primary beneficiary of any VIE and has not provided financial or other support to any VIE that was not previously contractually required.

AEPSC provides certain managerial and professional services to AEP’s subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC’s cost. AEP subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC’s cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. KPCo’s total billings from AEPSC for the years ended December 31, 2016, 2015 and 2014 were \$59.8 million, \$60 million and \$52.7 million, respectively. The carrying amount of liabilities associated with AEPSC as of December 31, 2016 and 2015 was \$8.2 million and \$7.7 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant, Unit 1 and leases a 50% interest in Rockport Plant, Unit 2. AEGCo sells all the output from the Rockport Plant to I&M and KPCo. AEP has agreed to provide AEGCo with the funds necessary to satisfy all of the debt obligations of AEGCo. KPCo is considered to have a significant interest in AEGCo due to these transactions. KPCo is exposed to losses to the extent it cannot recover the costs of AEGCo through its normal business operations. Due to AEP management’s control over AEGCo, KPCo is not considered the primary beneficiary of AEGCo. In the event AEGCo would require financing or other support outside the billings to KPCo, this financing would be provided by AEP. Total billings from AEGCo for the years ended December 31, 2016, 2015 and 2014 were \$97.9 million, \$99.5 million and \$115 million, respectively. The carrying amount of liabilities associated with AEGCo as of December 31, 2016 and 2015 was \$10 million and \$7.7 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability.



## 16. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is shown functionally on the face of KPCo's balance sheets. The following table includes KPCo's total plant balances as of December 31, 2016 and 2015:

	December 31,	
	2016	2015
(in thousands)		
Regulated Property, Plant and Equipment		
Generation	\$ 1,182,212	\$ 1,118,837
Transmission	574,703	568,963
Distribution	783,283	756,631
Other	64,426	55,472
CWIP	27,380	59,351
Less: Accumulated Depreciation	879,018	847,447
Total Regulated Property, Plant and Equipment - Net	<u>1,752,986</u>	<u>1,711,807</u>
Nonregulated Property, Plant and Equipment - Net	<u>2,587</u>	<u>2,594</u>
<b>Total Property, Plant and Equipment - Net</b>	<u><u>\$ 1,755,573</u></u>	<u><u>\$ 1,714,401</u></u>

### *Depreciation*

KPCo provides for depreciation of Property, Plant and Equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides total regulated annual composite depreciation rates and depreciable lives for KPCo. Nonregulated depreciation rate ranges and depreciable life ranges are not applicable or not meaningful for 2016, 2015 and 2014.

Functional Class of Property	2016		2015		2014	
	Annual Composite Depreciation Rate	Depreciable Life Ranges	Annual Composite Depreciation Rate	Depreciable Life Ranges	Annual Composite Depreciation Rate	Depreciable Life Ranges
		(in years)		(in years)		(in years)
Generation	3.0%	68 - 69	0.4%	68 - 69	3.5%	40 - 60
Transmission	2.7%	37 - 75	2.2%	37 - 75	1.6%	25 - 75
Distribution	3.5%	11 - 75	3.5%	11 - 75	3.4%	11 - 75
Other	8.1%	5 - 75	10.0%	5 - 75	4.2%	20 - 75

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to Accumulated Depreciation and Amortization on the balance sheets. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability.

### *Asset Retirement Obligations (ARO)*

KPCo records ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for the retirement of ash disposal facilities and asbestos removal. KPCo has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets, as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since KPCo plans to use its facilities indefinitely. The retirement obligation would only be recognized if and when KPCo abandons or ceases the use of specific easements, which is not expected.

KPCo recorded an increase in Asset Retirement Obligations in the second quarter of 2015, partially related to the final Coal Combustion Residual Rule, which was published in the Federal Register in April 2015. The Federal EPA now regulates the disposal and beneficial re-use of coal combustion residuals (CCR), including fly ash and bottom ash generated at coal-fired electric generating units and also FGD gypsum generated at some coal-fired plants. The Federal EPA regulates CCR as a non-hazardous solid waste and established minimum federal solid waste management standards. Noncash increases related to the CCR Rule are recorded as Property, Plant and Equipment.

The following is a reconciliation of the 2016 and 2015 aggregate carrying amounts of ARO for KPCo:

<u>Year</u>	<u>ARO as of January 1,</u>	<u>Accretion Expense</u>	<u>Liabilities Incurred</u>	<u>Liabilities Settled</u>	<u>Revisions in Cash Flow Estimates</u>	<u>ARO as of December 31,</u>
(in thousands)						
2016	\$ 72,012	\$ 3,478	\$ 1,254	\$ (15,018)	\$ 1,268	\$ 62,994
2015	65,699	3,554	4,236	(5,564)	4,087 (a)	72,012

(a) Amount includes an \$8.8 million reduction in the ARO liability due to the execution of a joint use agreement with a third party.

***Allowance for Funds Used During Construction (AFUDC)***

KPCo's amounts of allowance for equity and borrowed funds used during construction are summarized in the following table:

	<u>Years Ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Allowance for Equity Funds Used During Construction	\$ 852	\$ 1,158	\$ 4,009
Allowance for Borrowed Funds Used During Construction	614	799	2,048

***Jointly-owned Electric Facilities***

KPCo has a 50% ownership share of Units 1 and 2 at the Mitchell Generating Station. In addition to KPCo, the Mitchell Generating Station is jointly-owned by WPCo. Using its own financing, each participating company is obligated to pay its share of the costs in the same proportion as its ownership interest. KPCo's proportionate share of the operating costs associated with this facility is included in its statements of income and the investment and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

	<u>Fuel Type</u>	<u>Percent of Ownership</u>	<u>Utility Plant in Service</u>	<u>Construction Work in Progress</u>	<u>Accumulated Depreciation</u>
(in thousands)					
<b><u>KPCo's Share as of December 31, 2016</u></b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,012,658	\$ 4,962	\$ 369,797
<b><u>KPCo's Share as of December 31, 2015</u></b>					
Mitchell Generating Station, Units 1 and 2 (a)	Coal	50.0 %	\$ 1,013,825	\$ 9,346	\$ 353,583

(a) Operated by KPCo.

**17. UNAUDITED QUARTERLY FINANCIAL INFORMATION**

In management’s opinion, the unaudited quarterly information reflects all normal and recurring accruals and adjustments necessary for a fair presentation of the results of operations for interim periods. Quarterly results are not necessarily indicative of a full year’s operations because of various factors. KPCo’s unaudited quarterly financial information is as follows:

	<b>2016 Quarterly Periods Ended</b>			
	<b>March 31</b>	<b>June 30</b>	<b>September 30</b>	<b>December 31</b>
	<b>(in thousands)</b>			
Total Revenues	\$ 167,671	\$ 146,200	\$ 168,539	\$ 172,620
Operating Income	41,031	22,118	31,413	24,143
Net Income	19,803	8,887	11,485	10,035

  

	<b>2015 Quarterly Periods Ended</b>			
	<b>March 31</b>	<b>June 30</b>	<b>September 30</b>	<b>December 31</b>
	<b>(in thousands)</b>			
Total Revenues	\$ 201,449	\$ 151,276	\$ 159,193	\$ 142,241
Operating Income	27,932	14,266	20,913	17,645
Net Income	10,998	2,308	6,996	7,589



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AEP.com

April 21, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed March 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in black ink that reads "Jerri L Ruggiero". The signature is written in a cursive, flowing style.

Jerri L Ruggiero  
Manager –Regulated Accounting

American Electric Power

INCOME STATEMENT

GLS8016  
YTD Mar 2016  
04/07/2016 18:07

Kentucky Power Int Control  
Kentucky Power Company - Distribution  
Kentucky Power Company - Generation  
Kentucky Power Company - Transmission  
GLS8016 Actual  
110 Actual  
117 Actual  
180 Actual

Layout: GLS8016  
08B Y2016-03-31 Account: GL\_ACCT\_SEC Business Units: SEGMENT\_CONS  
YTD Mar 2016 YTD Mar 2016 YTD Mar 2016 YTD Mar 2016

REVENUES		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
4400001	Residential Sales-WSpace Htg	43,128,456	43,128,456	0	0
4400002	Residential Sales-W/O Space Ht	16,581,912	16,581,912	0	0
4400005	Residential Fuel Rev	17,958,484	17,958,484	0	0
A	<b>Revenue - Residential Sales</b>	<b>77,668,852</b>	<b>77,668,852</b>	-	-
4420001	Commercial Sales	21,673,834	21,673,834	0	0
4420006	Sales to Pub Auth - Schools	3,879,814	3,879,814	0	0
4420007	Sales to Pub Auth - Ex Schools	4,105,674	4,105,674	0	0
4420013	Commercial Fuel Rev	8,678,076	8,678,076	0	0
A	<b>Revenue - Commercial Sales</b>	<b>38,337,398</b>	<b>38,337,398</b>	-	-
B	<b>Revenue - Industrial Sales - Affiliated</b>	-	-	-	-
4420002	Industrial Sales (Excl Mines)	16,399,630	16,399,630	0	0
4420004	Ind Sales-NonAff(Ind Mines)	6,504,707	6,504,707	0	0
4420016	Industrial Fuel Rev	15,605,752	15,605,752	0	0
A	<b>Revenue - Industrial Sales - NonAffiliated</b>	<b>38,510,089</b>	<b>38,510,089</b>	-	-
A	<b>Revenue - Industrial Sales</b>	<b>38,510,089</b>	<b>38,510,089</b>	-	-
A	<b>Revenue - Gas Products Sales</b>	-	-	-	-
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>	-	-	-	-
B	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>	-	-	-	-
4440000	Public Street/Highway Lighting	403,391	403,391	0	0
4440002	Public St & Hwy Light Fuel Rev	73,655	73,655	0	0
A	<b>Revenue - Other Retail Sales</b>	<b>477,045</b>	<b>477,045</b>	-	-
B	<b>Revenue - Other Retail Sales - Affiliated</b>	-	-	-	-
	<b>Revenue - Retail Sales</b>	<b>154,993,384</b>	<b>154,993,384</b>	-	-
4500017	OTH Elec Rev-Trans-AMI	18,581	0	0	18,581
4500043	OTH Elec Rev-Tim-Aff-Tim Price	0	0	0	9,007,769
4581033	PJM NITS Revenue - Affiliated	12,940,775	0	0	12,940,775
4581034	PJM TO Adm. Serv Rev - Aff	209,664	0	0	209,664
4581035	PJM Affiliated Trans NITS Cost	(11,078,827)	0	(11,078,827)	0
4581038	PJM Affiliated Trans TO Cost	(168,296)	0	(168,296)	0
4581059	AMI PJM Trans Enhancement Rev	167,602	0	0	167,602
4581060	AMI PJM Trans Enhancement Cost	(143,461)	0	(143,461)	0
4581062	PROVISION RTO Cost - Aff	0	0	304,109	0
4581063	PROVISION RTO Rev Affiliated	0	0	0	(304,109)
B	<b>Revenue - Transmission-Affiliated</b>	<b>9,848,038</b>	-	<b>(11,084,475)</b>	<b>22,048,281</b>
4470150	Transm Rev-Dedic Whse/Mun	35,576	0	(274,385)	309,961
4470208	PJM Trans loss credits-OSS	10,483	0	10,483	0
4470209	PJM transm loss charges-OSS	(50,045)	0	(50,045)	0
4581002	RTO Formation Cost Recovery	14,004	0	(22,406)	36,410
4581005	PJM Paid to Part Trans Svc	153,619	0	153,619	0
4581006	PJM Trans Owner Admin Rev	33,056	0	0	33,056
4581007	PJM Network Integ Trans Svc	1,513,831	0	0	1,513,831
4581019	OTH Elec Rev Trans Non Affli	15,816	0	0	15,816
4581028	PJM Pow Fac Cre Rev What Cu-NA	836	0	0	836
4581029	PJM NITS Revenue What Cus-NAF	624,437	0	0	624,437
4581030	PJM TO Serv Rev What Cus-NAF	12,777	0	0	12,777
4581058	NonAMI PJM Trans Enhncmt Rev	189,307	0	0	189,307
4581081	NAF PJM RTEP Rev for What-FR	8,087	0	0	8,087
4581064	PROVISION RTO Rev WhatCus-NAF	(14,979)	0	0	(14,979)
4581065	PROVISION RTO Rev - NonAff	(41,381)	0	0	(41,381)
A	<b>Revenue - Transmission-NonAffiliated</b>	<b>2,605,424</b>	-	<b>(182,734)</b>	<b>2,888,158</b>
	<b>Revenue - Transmission</b>	<b>4,483,482</b>	-	<b>(11,267,209)</b>	<b>24,728,439</b>
4470001	Sales for Resale - Assoc Cos	248,881	0	248,881	0
4470151	Trading Auction Sales Affli	865,483	0	865,483	0
B	<b>Revenue - Resale-Affiliated</b>	<b>1,114,364</b>	-	<b>1,114,364</b>	-
4470005	Sales for Resale-Bookout Sales	3,270,390	0	3,270,390	0
4470010	Sales for Resale-Bookout Purch	(2,725,014)	0	(2,725,014)	0
4470027	What/Mun/Pb Ath Fuel Rev	635,963	0	635,963	0
4470033	What/Mun/Pub Auth Base Rev	1,104,140	0	1,104,140	0
4470081	Financial Spark Gas - Realized	(576)	0	(576)	0
4470082	Financial Electric Realized	(1,353,017)	0	(1,353,017)	0
4470089	PJM Energy Sales Margin	(120,220)	0	(120,220)	0
4470096	PJM Oper Reserve Rev-OSS	(12,150)	0	(12,150)	0
4470099	Capacity Co. Net Sales	274,781	0	274,781	0
4470100	PJM FTR Revenue-OSS	21,025	0	21,025	0
4470103	PJM Energy Sales Cost	(2,370,777)	0	2,370,777	0
4470107	PJM NITS Purch-NonAff	(5,061)	0	(5,061)	0
4470110	PJM TO Admin Exp -NonAff	(0)	0	(0)	0

KPSC Case No. 2017-00179  
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**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
04/07/2016 18:07

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	118 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
09B V2016-03-31	Account GL_ACCT_SEC Business Units: SEGMENT_CONS				
4470112	Non-Trading Bookout Sales-OSS	45	0	45	0
4470115	PJM Meter Corrections-OSS	37	0	37	0
4470118	PJM Meter Corrections-LSE	35,012	0	35,012	0
4470128	PJM Incremental Imp Comp-OSS	6,295	0	6,295	0
4470131	Non-Trading Bookout Purch-OSS	(180,751)	0	(180,751)	0
4470143	Financial Hedge Realized	343,189	0	343,189	0
4470158	Interest Rate Swaps-Power	(182)	0	(182)	0
4470170	Non-ECR Auction Sales-OSS	(5,483)	0	(5,483)	0
4470175	OSS Sharing Redbase - Retail	(2,903,207)	0	(2,903,207)	0
4470175	OSS Sharing Redbase-Reduction	2,903,207	0	2,903,207	0
4470214	PJM 30m Suppl Reserve CR OSS	4,501	0	4,501	0
4470215	PJM 30m Suppl Reserve CH OSS	(3,714)	0	(3,714)	0
4470220	PJM Reserve - OSS	1,743	0	1,743	0
4470221	PJM Spinning Reserve - OSS	1,548	0	1,548	0
4470222	PJM Reserve - OSS	82,344	0	82,344	0
5550080	PJM Hourly Net Purch-FERC	(841,867)	0	(841,867)	0
A	<b>Revenue - Resale-NonAffiliated</b>	<b>2,903,775</b>	-	<b>2,903,775</b>	-
A	<b>Revenue - Resale-Realized</b>	-	-	-	-
A	<b>Revenue - Resale-Risk Mgmt MTM</b>	-	-	-	-
A	<b>Revenue - Resale-Risk Mgmt Activities</b>	-	-	-	-
	<b>Revenue - Sales for Resale</b>	<b>4,018,139</b>	-	<b>4,018,139</b>	-
4470074	Sale for Resale-Aff-Trnd Price	0	0	111,999,455	0
4540001	Rent From Elect Property - Af	90,299	207,519	0	0
4580001	Oth Elect Rev - Affiliated	10,302	0	10,302	0
B	<b>Revenue - Other Ele-Affiliated</b>	<b>100,601</b>	<b>207,519</b>	<b>112,009,768</b>	-
4500000	Forfeited Discounts	1,131,230	1,131,230	0	0
4510001	Misc Service Rev - Nonaffil	142,761	139,372	0	3,389
4540002	Rent From Elect Property-NAC	38,094	450	38,189	1,455
4540005	Rent from Elec Prop-Pole Altzh	1,191,946	1,191,946	0	0
4560007	Oth Elect Rev - DSM Program	1,024,308	1,024,308	0	0
	<b>Revenue - Other Ele-NonAffiliated</b>	<b>3,628,340</b>	<b>3,487,307</b>	<b>36,189</b>	<b>4,844</b>
	<b>Revenue - Gas</b>	-	-	-	-
4118002	Comp Allow Gain Title IV SO2	78	0	78	0
4118008	Comp Allow Gain CSAPR Sess NOx	134,000	0	134,000	0
4118009	Comp Allow Gain CSAPR An NOx	124,125	0	124,125	0
4118010	Emission Allow KY Env Surch	107,104	0	107,104	0
	<b>Gain/(Loss) on Allowances</b>	<b>366,305</b>	-	<b>366,305</b>	-
A	<b>Revenue - Other Ele-NonAffiliated</b>	<b>3,893,845</b>	<b>3,487,307</b>	<b>401,494</b>	<b>4,844</b>
	<b>Revenue - Other Opr Electric</b>	<b>3,894,245</b>	<b>3,594,826</b>	<b>112,411,250</b>	<b>4,844</b>
D	<b>Revenue Merchandising &amp; Contract Work</b>	-	-	-	-
C	<b>Revenues Non-Utility Operations - Affiliated</b>	-	-	-	-
D	<b>Revenues Non-Utility Operations - NonAffiliated</b>	-	-	-	-
	<b>Revenues from Non-Utility Operations</b>	-	-	-	-
C	<b>Non-Operating Rental Income - Affiliated</b>	-	-	-	-
4180001	Non-Operating Rental Income	8,875	8,500	375	0
4180005	Non-Operating Rental Inv-Depr	(1,667)	0	0	(1,667)
D	<b>Non-Operating Rental Income - NonAffiliated</b>	<b>7,208</b>	<b>8,500</b>	<b>375</b>	<b>(1,667)</b>
	<b>Non-Operating Rental Income</b>	<b>7,208</b>	<b>8,500</b>	<b>375</b>	<b>(1,667)</b>
C	<b>Non-Operating Misc Income -Affiliated</b>	-	-	-	-
4210002	Misc Non-Op Inc-NonAsso-Rents	616	167	248	202
4210005	Misc Non-Op Inc-NonAsso-Timber	2,914	0	2,914	0
4210007	Misc Non-Op Inc - NonAsc - Oth	108,121	168	107,953	0
D	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>111,660</b>	<b>336</b>	<b>111,114</b>	<b>292</b>
	<b>Non-Operating Misc Income</b>	<b>111,660</b>	<b>336</b>	<b>111,114</b>	<b>292</b>
4540004	Rent From Elect Prop-ABD-Nonaf	22,608	22,608	0	0
4500015	Other Electric Revenues - ABD	71,323	64,323	0	7,000
D	<b>Associated Business Development Income</b>	<b>93,931</b>	<b>88,931</b>	-	<b>7,000</b>
	<b>Revenue - Other Opr - Other</b>	<b>212,789</b>	<b>95,788</b>	<b>111,489</b>	<b>5,534</b>
=(C)	<b>Memo: Revenue-Oth Opr-Oth Aff</b>	-	-	-	-
=(D)	<b>Memo: Revenue-Oth Opr-Oth Non</b>	<b>212,789</b>	<b>95,788</b>	<b>111,489</b>	<b>5,534</b>
	<b>Revenue - Other Operating</b>	<b>4,207,034</b>	<b>3,790,691</b>	<b>112,622,739</b>	<b>10,378</b>
A	<b>Provision for Rate Refund - NonAffiliated</b>	-	-	-	-
B	<b>Provision for Rate Refund - Affiliated</b>	-	-	-	-
	<b>Provision for Rate Refund</b>	-	-	-	-
4210032	Per Purch Outside Svc Tenity	(745)	0	(745)	0
A	<b>Revenue - Power Sales</b>	<b>(745)</b>	-	<b>(745)</b>	-
	<b>TOTAL OPERATING REVENUES</b>	<b>187,871,274</b>	<b>169,783,976</b>	<b>106,272,924</b>	<b>24,738,818</b>
=(A)	<b>Memo: G/T/D Revenue</b>	<b>164,295,483</b>	<b>158,480,691</b>	<b>3,121,790</b>	<b>2,693,002</b>

**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
04/07/2016 18:07

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
069 V2016-03-31	Account: GL ACCT_SEC Business Units: SEGMENT_CONS				
-(B)	Memo: Other Affiliated Revenue	3,163,002	207,519	102,039,646	22,040,281
-(C)	Memo: Revenue-Oth Opr-Oth Aff	-	-	-	-
=(D)	Memo: Revenue-Oth Opr-Oth Non	212,789	95,766	111,489	5,534
	<b>Memo: Total Operating Revenues</b>	<b>167,671,274</b>	<b>158,783,975</b>	<b>105,272,924</b>	<b>24,738,818</b>
=(E)=-(B)+(C)	Memo: Affiliated Revenue	3,163,002	207,519	102,039,646	22,040,281
=(F)=-(D)+(A)	Memo: Non-Affiliated Revenue	164,508,271	158,576,457	3,233,278	2,598,536
	<b>Memo: Total Operating Revenues</b>	<b>167,671,274</b>	<b>158,783,975</b>	<b>105,272,924</b>	<b>24,738,818</b>
<b>FUEL EXPENSES</b>					
5010000	Fuel	791,166	1	791,164	1
5010001	Fuel Consumed	26,899,260	0	26,899,260	0
5010003	Fuel - Procure Unload & Handle	1,132,505	0	1,132,505	0
5010019	Fuel Oil Consumed	182,399	0	182,399	0
5010027	Gypsum handling/disposal costs	87,784	0	87,784	0
5010028	Gypsum Sales Proceeds	(151,141)	0	(151,141)	0
	<b>Fuel Expense Total</b>	<b>28,941,992</b>	<b>1</b>	<b>28,941,990</b>	<b>1</b>
5010005	Fuel - Deferred	(1,405,102)	0	(1,405,102)	0
	<b>Deferred Fuel Expense</b>	<b>(1,405,102)</b>	<b>-</b>	<b>(1,405,102)</b>	<b>-</b>
	<b>Over Under Fuel Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Fuel for Electric Generation</b>	<b>27,536,891</b>	<b>1</b>	<b>27,536,888</b>	<b>1</b>
	<b>Fuel from Affiliates for Electric Generation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5090000	Allow Consum Title IV SO2	224,513	0	224,513	0
5090009	Allow Consumpt CSAPR SO2	25,033	0	25,033	0
5080014	Environmental Over/Under O&M E	(15,357)	0	(15,357)	0
	<b>Allowances - Consumption</b>	<b>234,188</b>	<b>-</b>	<b>234,188</b>	<b>-</b>
5020002	Urea Expense	450,836	0	450,836	0
5020003	Trona Expense	102,514	0	102,514	0
5020004	Limestone Expense	1,059,571	0	1,059,571	0
5020005	Polymer expense	6,446	0	6,446	0
5020007	Lime Hydrate Expense	3,696	0	3,696	0
5020015	Environmental Over/Under Consum	(554,232)	0	(554,232)	0
	<b>Emissions Control - Chemicals</b>	<b>1,968,832</b>	<b>-</b>	<b>1,968,832</b>	<b>-</b>
	<b>Total Fuel for Electric Generation</b>	<b>28,839,911</b>	<b>1</b>	<b>28,839,908</b>	<b>1</b>
	<i>Memo: NonAff Fuel/Allow/Emissions</i>	<i>28,839,911</i>	<i>1</i>	<i>28,839,908</i>	<i>1</i>
5550027	Purch Pow-Non-Fuel Portion-Aff	13,147,846	0	13,147,846	0
5550029	Purch Power-Assoc-Traff Price	0	111,999,455	0	0
5550046	Purch Power-Fuel Portion-Aff	6,313,362	0	6,313,362	0
	<b>Purchased Electricity from AEP - Affiliates</b>	<b>19,461,208</b>	<b>111,999,455</b>	<b>19,461,208</b>	<b>-</b>
5550001	Purch Pow-NonTrading-Nonassoc	10,833,864	0	10,833,864	0
5550032	Gas-Conversion-Mono Plant	(12)	0	(12)	0
5550029	PJM Inadvertent Mtr Res-OSS	233	0	233	0
5550040	PJM Inadvertent Mtr Res-LSE	9,217	0	9,217	0
5550074	PJM Reactive-Charge	634,884	0	634,884	0
5550075	PJM Reactive-Credit	(276,375)	0	(276,375)	0
5550076	PJM Black Start-Charge	218,342	0	218,342	0
5550078	PJM Regulation-Charge	181,945	0	181,945	0
5550079	PJM Regulation-Credit	(20,953)	0	(20,953)	0
5550083	PJM Spinning Reserve-Charge	83,289	0	83,289	0
5550084	PJM Spinning Reserve Credit	(30,455)	0	(30,455)	0
5550090	PJM 50m Suppl Reserv Charge LSE	3,306	0	3,306	0
5550096	PJM Purchases-non-ECR-Auction	1,375	0	1,375	0
5550100	Capacity Purchases-Auction	1,755	0	1,755	0
5550123	PJM OpRes-LSE-Charge	246,910	0	247,478	1,434
5550124	PJM Implicit Congestion-LSE	170,371	0	170,371	0
5550132	PJM FTR Revenue-LSE	(728,645)	0	(728,645)	0
5550137	PJM OpRes-LSE-Credit	(3,746)	0	(3,746)	0
5550141	Purchase Power-PPA Deferred	213,159	0	213,159	0
5550142	KY Env Surr - Purchase Power	361,136	0	361,136	0
5550143	BSIOR PJM Over/Under Recovery	(534)	0	(534)	0
5550226	PJM Transm Loss Charges -LSE	2,401,699	0	2,401,699	0
5550327	PJM Transm Loss Credits-LSE	(487,315)	0	(487,315)	0
	<b>Purchased Electricity for Resale - NonAffiliated</b>	<b>13,816,448</b>	<b>-</b>	<b>13,814,814</b>	<b>1,434</b>
	<b>Purchased Gas for Resale - Affiliated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Purchased Gas for Resale - NonAffiliated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Purchased Power</b>	<b>33,276,656</b>	<b>111,999,455</b>	<b>33,275,222</b>	<b>1,434</b>
	<b>GROSS MARGIN</b>	<b>105,564,707</b>	<b>48,784,519</b>	<b>43,167,793</b>	<b>24,737,383</b>
<b>OPERATING EXPENSES</b>					

KPSC Case No. 2017-00179  
Section II - Application  
Filing Requirements  
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**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
04/07/2016 18:07

Kentucky Power Int Counsel	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
09B Y2016-03-31	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS				
5000000	Oper Supervision & Engineering	751,145	2,902	747,902	342
5000001	Oper Super & Eng-RATA-AM	14,844	0	14,844	0
5020000	Steam Expenses	306,040	0	306,040	0
5050000	Electric Expenses	94,480	0	94,480	0
5060000	Misc Steam Power Expense	1,946,094	196	1,945,759	139
5060002	Misc Steam Power Exp-Asso	10,144	0	10,144	0
5060003	Removal Cost Expense - Steam	909	(3)	915	(2)
5060012	BS10R O&U Recovery-Oper Costs	(396,737)	0	(396,737)	0
5060013	Environmental Over/Under O&M E	139,981	0	139,981	0
	<b>Steam Generation Op Exp</b>	<b>2,866,881</b>	<b>3,095</b>	<b>2,863,308</b>	<b>479</b>
	<b>Nuclear Generation Op Exp</b>	-	-	-	-
	<b>Hydro Generation Op Exp</b>	-	-	-	-
5560000	Sys Control & Load Dispatching	91,835	0	91,835	0
5570000	Other Expense	395,283	0	395,283	0
5570007	Other Per Exp - Wholesale RECs	297	297	0	0
5757000	PJM Admin-MAM&SC-OSS	11,456	0	11,456	0
5757001	PJM Admin-MAM&SC-Internal	253,070	0	253,070	0
	<b>Other Generation Op Exp</b>	<b>781,921</b>	<b>297</b>	<b>781,624</b>	-
5600000	Oper Supervision & Engineering	292,116	1,407	2,533	288,178
5610000	Load Dispatch - Reliability	2,029	0	0	2,029
5612000	Load Dispatch-Misc&Op Trans&E	215,170	49	86	215,028
5614000	PJM Admin-SSCADS-OSS	13,838	0	13,836	0
5614001	PJM Admin-SSCADS-Internal	302,976	0	302,976	0
5615000	Reliability, Ping&State Develop	21,570	1,062	2,365	18,144
5618000	PJM Admin-RP&SOS-OSS	3,942	0	3,942	0
5618001	PJM Admin-RP&SOS-Internal	92,242	0	92,242	0
5620001	Station Expenses - Nonassoc	31,731	0	0	31,731
5630000	Overhead Line Expenses	4,368	0	0	4,368
5650002	Transmission Elec by Others-NAC	37,627	0	37,627	0
5650007	Tran Elec by Oth-As-Trn Price	0	9,007,769	0	0
5650012	PJM Trans Enhancement Charge	1,460,566	0	1,460,566	0
5650018	PJM NITS Expense - Whittled	3,216,031	0	3,216,031	0
5650019	All PJM Trans Enhancement Exp	697,638	0	697,638	0
5650020	PROVISION RTO All Expense	(579,562)	0	(579,562)	0
5660000	Misc Transmission Expenses	252,898	2,687	4,974	245,237
5660004	SPP FERC Assessment Fees	10	2	6	1
5670002	Rents - Associated	0	0	0	117,220
	<b>Transmission Op Exp</b>	<b>6,066,187</b>	<b>9,012,978</b>	<b>8,255,279</b>	<b>921,830</b>
5800000	Oper Supervision & Engineering	77	(16,934)	11,630	5,380
5810000	Load Dispatching	1,001	651	0	350
5820000	Station Expenses	26,789	25,170	0	1,619
5830000	Overhead Line Expenses	320,755	320,764	(0)	(8)
5840000	Underground Line Expenses	23,141	23,141	0	0
5850000	Street Lighting & Signal Sys E	53,041	53,041	0	0
5860000	Meter Expenses	70,586	70,219	19	328
5870000	Customer Installations Exp	48,507	48,507	0	0
5880000	Miscellaneous Distribution Exp	957,389	941,380	10,062	5,947
5890001	Rents - Nonassociated	347,449	347,449	0	0
5890002	Rents - Associated	15,974	15,974	0	0
	<b>Distribution Op Exp</b>	<b>1,864,689</b>	<b>1,829,362</b>	<b>21,711</b>	<b>13,816</b>
9010000	Supervision - Customer Accts	81,507	81,507	0	0
9020000	Meter Reading Expenses	(2,762)	(3,336)	431	143
9020002	Meter Reading - Regular	103,703	103,703	0	0
9020003	Meter Reading - Large Power	15,327	15,327	0	0
9030000	Cust Records & Collection Exp	84,202	82,722	535	945
9030001	Customer Orders & Inquiries	546,441	545,519	761	161
9030002	Manual Billing	5,742	5,549	0	193
9030003	Postage - Customer Bills	192,998	192,998	0	0
9030004	Cashiering	32,229	30,517	1,304	408
9030005	Collection Agents Fees & Exp	15,142	15,142	0	0
9030006	Credit & Oth Collection Actv	216,109	218,109	0	0
9030007	Collectors	75,168	75,168	0	0
9030009	Data Processing	42,648	42,648	0	0
9040007	Uncoll Accts - Misc Receivable	31,417	30,617	800	0
9050000	Misc Customer Accounts Exp	5,274	5,274	0	0
9070000	Supervision - Customer Service	14,898	14,898	0	0
9070001	Supervision - DSM	26	27	(1)	(0)
9080000	Customer Assistance Expenses	213,579	213,440	107	33



**INCOME STATEMENT**

GLS8018  
YTD Mar 2016  
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Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8018 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8018		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
088 V2016-03-31	Account: GL_ACCT_SEC Business Units: REGMENT_CONS				
9080004	Cust Asstnce Exp - DSM - Ind	(2)	(4)	0	1
9080009	Cust Assistance Expense - DSM	682,765	692,763	2	0
9090000	Information & Instruct Advts	9,770	2,931	5,248	1,592
9100000	Misc Cust Svc&Informational Ex	3,693	1,584	1,767	342
9100001	Misc Cust Svc & Info Exp - RCS	79	19	49	11
	<b>Customer Service and Information Op Exp</b>	<b>2,369,963</b>	<b>2,345,122</b>	<b>11,001</b>	<b>3,829</b>
9110002	Supervision - Comm & Ind	23	23	0	0
9120000	Demonstrating & Selling Exp	6,067	6,067	0	0
9130001	Advertising Exp - Residential	95	95	0	0
	<b>Sales Expenses</b>	<b>6,186</b>	<b>6,186</b>	-	-
	<b>Memo: Insurance (9240 9250)</b>	<b>771,943</b>	<b>324,860</b>	<b>396,311</b>	<b>50,771</b>
9200000	Administrative & Gen Salaries	2,503,020	1,050,146	1,057,146	395,728
9210001	Off Supt & Exp - Nonassociated	182,130	97,027	66,759	18,343
9210005	Cellular Phones and Papers	(0)	(0)	0	(0)
9220000	Administrative Exp Travel - Cr	(247,921)	(247,921)	0	0
9220001	Admin Exp Travel to Creation	(237,755)	(237,755)	0	0
9230001	Outside Svcs Empl - Nonassoc	483,503	148,880	242,724	91,919
9230003	AEPSC Bill to Client Co	392,219	109,496	182,977	99,746
9240000	Property Insurance	168,729	48,723	78,977	41,030
9250000	Injuries and Damages	353,207	208,645	136,112	7,450
9250001	Safety Drivers and Awards	2,432	2,432	0	0
9250002	Emp Accident Phytran-Adm Exp	1,928	1,503	385	37
9250006	Workers Comp&Health Ins Piv	211,303	100,358	108,639	2,306
9250007	Personal Inj&Prop Damage-Pub	76,142	302	75,825	15
9250010	Fig Ben Loading - Workers Comp	(41,796)	(38,102)	(3,628)	(66)
9260000	Employee Pensions & Benefits	4,918	903	4,015	0
9260001	Edt & Prot Empl Pub-Salaries	5,308	1,831	2,388	1,089
9280002	Pension & Group Ins Admn	7,886	3,491	4,081	114
9280003	Pension Plan	610,831	400,127	184,497	26,007
9280004	Group Life Insurance Premiums	38,385	20,324	17,535	525
9280005	Group Medical Ins Premiums	1,275,083	771,217	496,678	7,190
9280007	Group L-T Disability Ins Prem	2,872	1,544	1,116	12
9280009	Group Dental Insurance Prem	57,508	34,040	23,072	397
9280010	Training Administration Exp	28	12	11	5
9280012	Employee Activities	76	30	33	13
9280014	Educational Assistance Pmts	865	0	582	283
9280021	Postretirement Benefits - OPEB	(634,155)	(333,632)	(247,107)	(53,417)
9280027	Savings Plan Contributions	372,330	202,990	188,734	606
9280037	Supplemental Pension	1,147	1,147	0	0
9280040	SFAS 112 Postemployment Benef	(322,718)	518	(323,333)	96
9280050	Fig Ben Loading - Pension	(217,388)	(175,681)	(41,488)	(220)
9280051	Fig Ben Loading - Grp Ins	(418,751)	(317,213)	(101,180)	(358)
9280052	Fig Ben Loading - Savings	(125,173)	(89,614)	(35,458)	(102)
9280053	Fig Ben Loading - OPEB	145,432	117,634	27,836	162
9280055	IntercoFringeOther- Don't Use	(98,348)	(65,584)	(32,740)	(24)
9280058	Fig Ben Loading - Accrual	(97,189)	(81,727)	(15,219)	(243)
9280060	Amort-Post Retirement Benefit	54,155	32,395	17,802	3,958
9270000	Franchise Requirements	34,402	34,402	0	0
9280000	Regulatory Commission Exp	(21)	(7)	(9)	(5)
9280001	Regulatory Commission Exp-Adm	21	7	10	5
9280002	Regulatory Commission Exp-Cost	16,699	2,675	11,980	2,065
9301000	General Advertising Expenses	16	16	0	0
9301001	Newspaper Advertising Space	6,149	1,449	3,816	884
9301010	Publicity	145	34	90	21
9301012	Public Opinion Surveys	9,828	9,828	0	0
9301015	Other Corporate Comm Exp	7,109	4,091	2,305	714
9302000	Misc General Expenses	82,838	31,407	28,716	22,715
9302003	Corporate & Fiscal Expenses	4,835	3,316	926	593
9302004	Research, Develop&Demonst Exp	38	38	0	0
9302498	AEPSC Non Affiliated expenses	0	0	0	0
9310001	Rents - Real Property	29,392	29,392	0	0
9310002	Rents - Personal Property	67,283	47,283	17,136	2,863
	<b>Administration &amp; General</b>	<b>8,768,374</b>	<b>1,933,397</b>	<b>2,182,620</b>	<b>672,467</b>
4111005	Accrual Expense	171,733	0	171,733	0
	<b>Accretion</b>	<b>171,733</b>	-	<b>171,733</b>	-
4115000	Gain From Disposition of Plant	(1,301)	(1,301)	0	0
	<b>Loss/(Gain) on Utility Plant</b>	<b>(1,301)</b>	<b>(1,301)</b>	-	-
9302006	Assoc Bus Dev - Metanels Sold	1,773	1,773	0	0

KPSC Case No. 2017-00179  
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**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
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Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
09B Y2016-03-31	Account: GL ACCT_SEC Business Units: SEGMENT_CONS				
9302007	Assoc Business Development Exp	29,303	21,295	1,500	6,508
	<b>Associated Business Development Expenses</b>	<b>31,076</b>	<b>23,068</b>	<b>1,600</b>	<b>6,608</b>
	Gain on Disposition of Property	-	-	-	-
	Loss on Disposition of Property	-	-	-	-
	Loss(Gain) of Sale of Property	-	-	-	-
4265008	Factored Cust A/R Exp - A/R	258,670	258,670	0	0
4265010	Fact Cust A/R-Bad Debts-A/R	477,618	477,618	0	0
	<b>Opr Exp and Factored A/R</b>	<b>736,488</b>	<b>736,488</b>	-	-
	<b>Water Heaters</b>	-	-	-	-
4265004	Social & Service Club Dues	24,108	8,709	10,738	4,659
4265007	Regulatory Expenses	3,553	912	2,088	556
	<b>Expense of Non-Utility Operation</b>	<b>27,661</b>	<b>9,621</b>	<b>12,824</b>	<b>5,215</b>
4210009	Misc Non-Op Exp - NonAssoc	1,777	885	322	570
	<b>Misc NonOp Expenses - NonAssoc</b>	<b>1,777</b>	<b>885</b>	<b>322</b>	<b>570</b>
4261000	Donations	165,567	144,078	18,160	3,328
	<b>Donation Contributions</b>	<b>165,567</b>	<b>144,078</b>	<b>18,160</b>	<b>3,328</b>
4263001	Penalties	822	0	822	0
	<b>Provision for Penalties</b>	<b>822</b>	-	<b>822</b>	-
4264000	Civic & Political Activities	152,661	44,187	84,830	23,545
	<b>Civic &amp; Political Activities</b>	<b>152,661</b>	<b>44,187</b>	<b>84,830</b>	<b>23,545</b>
4265002	Other Deductions - Nonassoc	38	21	15	0
	<b>Other Deductions</b>	<b>38</b>	<b>21</b>	<b>15</b>	<b>0</b>
	<b>Shutdown Coal Company Expenses</b>	-	-	-	-
	<b>All Other Operational Expenses</b>	<b>1,085,012</b>	<b>935,281</b>	<b>117,073</b>	<b>32,658</b>
	<b>Operational Expenses</b>	<b>19,969,709</b>	<b>16,087,482</b>	<b>11,365,740</b>	<b>1,661,476</b>
5100000	Maint Supv & Engineering	518,165	122	517,969	74
5110000	Maintenance of Structures	973,048	0	973,048	0
5120000	Maintenance of Boiler Plant	4,738,763	0	4,738,763	0
5120034	BSRR O&U Recovery-Maint Costs	(81,565)	0	(81,565)	0
5120035	BS1OR O&U Recovery-Maint Costs	(808,220)	0	(808,220)	0
5130000	Maintenance of Electric Plant	1,468,145	0	1,468,145	0
5140000	Maintenance of Mac Steam Plt	413,302	(394)	413,696	0
	<b>Steam Generation Maintenance</b>	<b>7,221,839</b>	<b>(272)</b>	<b>7,221,837</b>	<b>74</b>
	<b>Nuclear Generation Maintenance</b>	-	-	-	-
	<b>Hydro Generation Maintenance</b>	-	-	-	-
	<b>Other Generation Maintenance</b>	-	-	-	-
5690000	Maint Supv & Engineering	7,570	164	0	7,406
5690000	Maintenance of Structures	1,808	0	0	1,808
5691000	Maint of Computer Hardware	329	33	79	217
5692000	Maint of Computer Software	45,908	2,719	2,922	40,267
5693000	Maint of Communication Equip	2,760	0	0	2,760
5700000	Maint of Station Equipment	63,893	10	18	63,884
5710000	Maintenance of Overhead Lines	318,999	389	(684)	319,294
5720000	Maint of Underground Lines	173	0	0	173
5730000	Maint of Mac Transmission Plt	130,008	28	35	129,944
	<b>Transmission Maintenance</b>	<b>671,447</b>	<b>3,344</b>	<b>2,370</b>	<b>666,733</b>
5900000	Maint Supv & Engineering	772	707	0	65
5910000	Maintenance of Structures	5,535	1,264	0	4,271
5920000	Maint of Station Equipment	133,738	128,542	53	5,143
5930000	Maintenance of Overhead Lines	8,186,021	8,181,819	3	14,199
5930001	Tree and Brush Control	154,898	154,898	0	0
5930010	Storm Expense Amortization	607,300	607,300	0	0
5940000	Maint of Underground Lines	32,034	32,034	0	0
5950000	Maint of Lns Trnsf,Registrs&Dvs	10,828	10,828	0	0
5960000	Maint of Strt Lighting & Signal S	21,413	21,412	0	0
5970000	Maintenance of Meters	20,068	18,553	0	1,515
5980000	Maint of Mac Distribution Plt	22,482	22,274	0	208
	<b>Distribution Maintenance</b>	<b>9,205,088</b>	<b>9,179,630</b>	<b>57</b>	<b>26,402</b>
9350001	Maint of Structures - Owned	90,180	90,130	27	22
9350002	Maint of Structures - Leased	19,150	19,150	0	0
9350012	Maint of Data Equipment	39,828	27,891	11,937	0
9350013	Maint of Communication Eq-Unltd	314,393	280,124	24,269	0
9350015	Maint of Office Furniture & Eq	212,621	110,928	101,693	0
9350018	Maintenance of Video Equipment	43	43	0	0
9350019	Maint of Gen Plant-SCADA Equ	66	66	0	0
9350024	Maint of DA-AMI Comm Equip	2,777	2,723	35	19
	<b>Administration &amp; General Maintenance</b>	<b>679,658</b>	<b>641,058</b>	<b>137,961</b>	<b>41</b>

**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
04/07/2016 16:07

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
Account: GL_ACCT_SEC Business Units: SEGMENT_CONS					
<b>All Other Maintenance Expenses</b>		-	-	-	-
<b>Maintenance Expenses</b>		17,677,232	9,723,757	7,362,225	691,251
<b>Total Operational and Maintenance Expenses</b>		37,646,942	25,811,239	18,717,955	2,242,727
4040001	Amort. of Plant	447,951	339,201	(44,348)	153,097
4000001	Amort of P/B Acq Adj	9,654	0	0	9,654
<b>DDA Amortization</b>		457,606	339,201	(44,348)	162,751
4073000	Regulatory Debts	34,311	0	0	34,311
4073014	Regulatory Debt - BSRR	1,017,906	0	1,017,906	0
<b>DDA Regulatory Debits</b>		1,052,217	-	1,017,906	34,311
<b>DDA Regulatory Credits</b>		-	-	-	-
<b>Amortization</b>		1,609,821	339,201	973,558	197,062
4030001	Depreciation Exp	19,499,551	7,019,745	8,705,668	3,774,137
<b>DDA Depreciation</b>		19,499,551	7,019,745	8,705,668	3,774,137
<b>DDA STP Nuclear Decommissioning</b>		-	-	-	-
4031001	Depr - Asset Retirement Oblig	56,765	0	56,765	0
<b>DDA Asset Retirement Obligation</b>		56,765	-	56,765	-
<b>DDA Removal Costs</b>		-	-	-	-
<b>Depreciation</b>		19,556,315	7,019,745	8,762,433	3,774,137
<b>Depreciation and Amortization</b>		21,066,137	7,358,947	9,735,991	3,971,199
<b>Franchise Taxes</b>		-	-	-	-
408100815	State Gross Receipts Tax	(8,487)	0	(8,487)	0
408100816	State Gross Receipts Tax	9,000	0	9,000	0
<b>Revenue-kWhr Taxes</b>		613	-	613	-
4081002	FICA	777,868	404,323	372,165	1,177
4081003	Federal Unemployment Tax	8,490	6,492	1,967	31
4081007	State Unemployment Tax	38,034	22,455	15,478	100
4081033	Fringe Benefit Loading - FICA	(227,985)	(183,219)	(64,570)	(196)
4081034	Fringe Benefit Loading - FUT	(1,545)	(1,149)	(396)	(0)
4081035	Fringe Benefit Loading - SUT	(4,265)	(2,682)	(1,583)	(0)
<b>Payroll Taxes</b>		590,394	286,220	323,062	1,112
408102016	State Business Occup Taxes	990,653	0	990,653	0
<b>Capacity Taxes</b>		990,653	-	990,653	-
408100514	Real Personal Property Taxes	621,521	0	621,521	0
408100515	Real Personal Property Taxes	3,062,571	1,798,407	152,361	1,111,803
408102015	Real-Pers Prop Tax-Cap Leases	187,076	151,411	6,914	28,751
408102916	Real-Pers Prop Tax-Cap Leases	59,862	47,274	2,622	9,966
408103816	Real Prop Tax-Cap Leases	6,375	8,375	0	0
408200515	Real Personal Property Taxes	3,891	651	0	3,240
<b>Property Taxes</b>		3,841,296	2,004,118	783,418	1,163,760
408101815	St Publ Serv Comm Tax-Fees	283,051	283,051	0	0
<b>Regulatory Fees</b>		283,051	283,051	-	-
408101415	Federal Excise Taxes	900	0	900	0
<b>Production Taxes</b>		900	-	900	-
408101716	St Lic-Regatron Tax-Fees	52	52	0	0
408101915	State Sales and Use Taxes	791	791	0	0
408101916	State Sales and Use Taxes	2,336	2,336	0	0
408102216	Municipal License Fees	500	500	0	0
<b>Miscellaneous Taxes</b>		3,879	3,879	-	-
<b>Other Non-Income Taxes</b>		4,579	3,879	900	-
<b>Taxes Other Than Income Taxes</b>		5,810,486	2,667,088	2,098,646	1,164,872
<b>TOTAL OPERATING EXPENSES</b>		64,523,564	35,727,263	30,662,501	7,368,798
<i>Memo: SEC Total Operating Expenses</i>		128,640,130	147,726,710	92,667,831	7,370,233
<b>OPERATING INCOME</b>		41,021,144	11,057,286	12,605,293	17,368,685
<b>NON-OPERATING INCOME / (EXPENSES)</b>					
4190002	Int & Dividend Inc - Nonassoc	(488)	2,633	(2,896)	(225)
<b>Interest &amp; Dividend NonAffiliated</b>		(488)	2,633	(2,896)	(225)
4190005	Interest Income - Assoc CBP	355	17	338	0
<b>Interest &amp; Dividend Affiliated</b>		355	17	338	-
<b>Total Interest &amp; Dividend Income</b>		(133)	2,650	(2,558)	(225)
4210039	Carrying Charges	(75,478)	0	(85,321)	9,843
<b>Interest &amp; Dividend Carrying Charge</b>		(75,478)	-	(85,321)	9,843
<i>Memo: Total Interest &amp; Dividend Income w/ Carrying</i>		(75,611)	2,650	(87,879)	9,618
4181000	Adv Oth Fnds Used Orig Crsr	405,032	65,250	298,231	41,551

**INCOME STATEMENT**

GLS8016  
YTD Mar 2016  
04/07/2016 16:07

Kentucky Power Int Corpal	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
09B V2016-03-31	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS				
	<b>AFUDC</b>	<b>405,032</b>	<b>65,250</b>	<b>298,231</b>	<b>41,551</b>
	Gain on Disposition of Equity Investments	-	-	-	-
	Interest LTD FMB	-	-	-	-
4270002	Int on LTD - Install Pur Contr	10,674	10,674	0	0
	Interest LTD IPC	10,674	10,674	-	-
	Interest LTD Notes Payable - Affiliated	-	-	-	-
	Interest LTD Notes Payable - NonAffiliated	-	-	-	-
	Interest LTD Debentures	-	-	-	-
4270006	Int on LTD - Sen Unsec Notes	10,619,677	3,115,707	5,237,412	2,266,558
	Interest LTD Senior Unsecured	10,619,677	3,115,707	5,237,412	2,266,558
	Interest LTD Other - Affil	-	-	-	-
4270005	Int on LTD - Other LTD	392,465	115,145	193,558	83,764
	Interest LTD Other - NonAffil	392,465	115,145	193,558	83,764
	Interest on Long-Term Debt	11,022,815	3,241,528	5,430,968	2,350,321
4300003	Int to Assoc Co - CBP	38,764	57,939	148,188	(167,361)
	Interest STD - Affil	38,764	57,939	148,188	(167,361)
4310007	Lines Of Credit	230,326	54,602	165,417	10,307
	Interest STD - NonAffil	230,326	54,602	165,417	10,307
	Interest on Short Term Debt	269,090	112,541	313,603	(157,064)
4280002	Amrtz Debt Decrt&Exp-inst Pur	7,956	0	7,956	0
4280003	Amrtz Debt Decrt&Exp-NIP	33,221	9,747	18,384	7,090
4280005	Amrtz Decrt&Exp-Sn Unsec Note	140,043	41,087	69,067	29,889
	Amort of Debt Disc. Prem & Exp	181,221	50,834	93,407	36,980
4281004	Amrtz Loss Required Debt-Dlnt	8,413	2,468	4,149	1,796
	Amort Loss on Reacquired Debt	8,413	2,468	4,149	1,796
	Amort Gain on Reacquired Debt	-	-	-	-
	Other Interest - Fuel Recovery	-	-	-	-
4310001	Other Interest Expense	18,754	0	16,436	2,318
4310002	Interest on Customer Deposits	24,015	24,015	0	0
4310023	Interest Expense - State Tax	6,566	2,601	3,708	257
	Other Interest - NonAffil	49,335	26,616	20,144	2,576
	Other Interest Expense - Affil	-	-	-	-
	Interest Rate Hedge Unrealized (Gain)/Loss	-	-	-	-
4320000	Adv Emred Frds Used Crsb-Cr	(286,475)	(46,028)	(211,130)	(29,317)
	AFUDC-Borrowed Funds	(286,475)	(46,028)	(211,130)	(29,317)
	<b>Total Interest Charges</b>	<b>11,244,399</b>	<b>3,387,957</b>	<b>5,851,141</b>	<b>2,205,301</b>
	<b>INCOME BEFORE INCOME TAXES and EQUITY EARNINGS</b>	<b>30,116,166</b>	<b>7,737,208</b>	<b>7,164,604</b>	<b>15,214,483</b>
	<b>INCOME TAXES and EQUITY EARNINGS</b>				
4091001	Income Taxes UOI - Federal	(285,255)	408,262	(4,280,243)	3,586,706
4092001	Inc Tax, Oth Inc&Ded-Federal	(75,675)	(52,138)	(18,864)	(6,673)
	<b>Federal Current Income Tax</b>	<b>(360,930)</b>	<b>356,124</b>	<b>(4,299,107)</b>	<b>3,580,033</b>
4101001	Prov Def I/T Util Op Inc-Fed	34,804,680	3,458,941	30,258,597	1,089,143
4102001	Prov Def I/T Oth I&D - Federal	367,596	0	366,494	1,101
4111001	Prv Def I/T-Cr Util Op Inc-Fed	(24,001,402)	(1,274,224)	(22,494,433)	(232,745)
4112001	Prv Def I/T-Cr Oth I&D-Fed	(384,387)	0	(384,387)	0
	<b>Federal Deferred Income Tax</b>	<b>10,806,487</b>	<b>2,184,717</b>	<b>7,764,271</b>	<b>867,499</b>
4114001	ITC Adj, Utility Oper - Fed	(657)	(288)	(303)	(66)
	<b>Federal Investment Tax Credits</b>	<b>(657)</b>	<b>(288)</b>	<b>(303)</b>	<b>(66)</b>
	<b>Federal Income Taxes</b>	<b>10,444,901</b>	<b>2,640,674</b>	<b>3,466,661</b>	<b>4,437,466</b>
409100216	Income Taxes UOI - State	125,948	118,436	(759,615)	787,127
409200216	Inc Tax Oth Inc Ded - State	(12,868)	(8,865)	(2,868)	(1,135)
	<b>State Current Income Tax</b>	<b>113,079</b>	<b>109,570</b>	<b>(762,483)</b>	<b>765,992</b>
4101002	Prov Def I/T Util Op Inc-State	262,081	0	262,081	0
4111002	Prv Def I/T-Cr Util Op Inc-State	(507,214)	0	(507,214)	0
	<b>State Deferred Income Tax</b>	<b>(245,133)</b>	<b>-</b>	<b>(245,133)</b>	<b>-</b>
	<b>State Investment Tax Credits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>State Income Taxes</b>	<b>(132,054)</b>	<b>109,570</b>	<b>(1,007,816)</b>	<b>765,992</b>
	Local Current Income Tax	-	-	-	-
	Local Deferred Income Tax	-	-	-	-
	Local Investment Tax Credits	-	-	-	-
	<b>Local Income Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Foreign Current Income Tax	-	-	-	-
	Foreign Deferred Income Tax	-	-	-	-
	Foreign Investment Tax Credits	-	-	-	-
	<b>Foreign Income Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Income Taxes</b>	<b>10,312,847</b>	<b>2,650,144</b>	<b>2,459,246</b>	<b>5,203,468</b>
	<b>Equity Earnings of Subs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

American Electric Power

INCOME STATEMENT

GLS8018  
YTD Mar 2016  
04/07/2016 18:07

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8018 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8018 086 V2016-03-31 Account: GL_ACCT_SEC Business Units: SEGMENT_CONS	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>19,803,319</b>	<b>5,087,065</b>	<b>4,705,269</b>	<b>10,010,985</b>
Discontinued Operations (Net of Taxes)	-	-	-	-
Cumulative Effect of Accounting Changes	-	-	-	-
Extraordinary Income / (Expenses)	-	-	-	-
<b>NET INCOME</b>	<b>19,803,319</b>	<b>5,087,065</b>	<b>4,705,269</b>	<b>10,010,985</b>
Minority Interest	-	-	-	-
Preferred Stock Dividend Subs	-	-	-	-
<b>Earnings to Common Shareholders</b>	<b>19,803,319</b>	<b>5,087,065</b>	<b>4,705,269</b>	<b>10,010,985</b>
<b>NET INCOME (LOSS) NODE before PS</b>	<b>19,803,319</b>	<b>5,087,065</b>	<b>4,705,269</b>	<b>10,010,985</b>
Double Check on Net Income Node after PS	0	0	(0)	-

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

GLS8216  
YTD Mar 2016  
04/09/2016 06:56

09B V2016-03-	Account: GL_ACCT_SEC	Business Unit: SEGMENT_CONS	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
<b>ASSETS</b>						
Cash and Cash Equivalents			1,370,808	1,370,608	0	0
Other Cash Deposits			10,849	5,788	5,063	0
Customers			14,516,241	12,140,693	2,048,183	327,365
Accrued Unbilled Revenues			344,451	(166,581)	511,032	0
Miscellaneous Accounts Receivable			28,516,769	14,925,690	63,933,352	9,572,628
Allowances for Uncollectible Accounts			(261,925)	(252,551)	(800)	(8,574)
Accounts Receivable			43,115,536	26,647,251	66,491,787	9,891,420
Advances to Affiliates			0	0	0	0
Fuel, Materials and Supplies			39,587,937	2,138,619	36,713,209	736,109
Risk Management Contracts - Current			2,448,086	0	2,448,086	0
Margin Deposits			2,288,376	30,515	2,257,861	0
Unrecovered Fuel - Current			0	0	19,471	0
Other Current Regulatory Assets			0	0	0	0
Prepayments and Other Current Assets			2,298,581	1,388,448	858,937	51,196
<b>TOTAL CURRENT ASSETS</b>			<b>91,119,973</b>	<b>31,581,227</b>	<b>108,794,395</b>	<b>10,678,724</b>
Electric Production			1,125,083,806	807,314,048	1,141,281,395	566,853,248
Electric Transmission			570,717,700	0	0	0
Electric Distribution			760,412,623	0	0	0
General Property, Plant and Equipment			62,056,515	199,571	1,461,903	1,160,479
Construction Work-in-Progress			70,277,734	11,774,484	52,087,944	6,415,305
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>			<b>2,688,548,377</b>	<b>819,288,103</b>	<b>1,194,831,242</b>	<b>574,429,032</b>
less: Accumulated Depreciation and Amortization			(858,549,045)	(261,492,882)	(410,229,713)	(184,826,470)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>			<b>1,731,999,332</b>	<b>557,795,241</b>	<b>784,601,530</b>	<b>389,602,562</b>
Net Regulatory Assets			527,581,288	114,417,349	354,745,474	58,418,465
Securitized Transition Assets and Other			0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts			0	0	0	0
Investments in Power and Distribution Projects			0	0	0	0
Goodwill			0	0	0	0
Long-Term Risk Management Assets			80,493	0	80,493	0
Employee Benefits and Pension Assets			7,299,691	2,933,963	4,183,382	182,345
Other Non Current Assets			23,151,873	6,011,213	13,765,632	3,375,028
<b>TOTAL OTHER NON-CURRENT ASSETS</b>			<b>658,113,345</b>	<b>123,362,526</b>	<b>372,774,981</b>	<b>61,975,839</b>
<b>TOTAL ASSETS</b>			<b>2,381,232,650</b>	<b>712,738,993</b>	<b>1,266,170,905</b>	<b>462,257,125</b>

<b>LIABILITIES</b>						
Accounts Payable			53,862,510	57,384,051	50,297,867	6,095,494
Advances from Affiliates			15,789,997	26,082,354	71,012,853	(81,305,210)
Short-Term Debt			0	0	0	0
Other Current Regulatory Liabilities			0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated			65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated			0	0	0	0
Risk Management Liabilities			1,188,708	72,376	1,116,330	0
Accrued Taxes			9,255,534	12,393,411	(14,224,363)	11,086,487
Memo: Property Taxes			17,616,024	8,371,699	4,179,985	5,064,340
Accrued Interest			6,292,215	1,858,110	3,097,666	1,336,439
Risk Management Collateral			0	0	0	0
Utility Customer Deposits			26,764,064	26,488,230	275,834	0
Deposits - Customer and Collateral			26,764,064	26,488,230	275,834	0
Over-Recovered Fuel Costs - Current			361,249	0	380,720	0
Dividends Declared			0	0	0	0
Preferred Stock due W/IN 1 Yr			0	0	0	0
Obligations under Capital Leases - Current			969,687	490,596	455,193	23,898
Tax Collections Payable			2,592,034	2,375,965	215,943	126
Revenue Refunds - Accrued			1,135,711	0	16,115	1,119,596
Accrued Rents - Rockport			0	0	0	0
Accrued - Payroll			2,179,172	955,020	1,221,183	2,969
Accrued Rents			0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

Kentucky Power  
Int Consol  
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Kentucky Power  
Company -  
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Kentucky Power  
Company - Generation  
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Kentucky Power  
Company -  
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GLS8216  
YTD Mar 2016  
04/09/2016 06:59

Layout : GLS8216		YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
09B V2016-03-	Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS				
	Accrued ICP	1,337,500	713,980	622,617	903
	Accrued Vacations	5,120,398	2,326,816	2,788,084	5,497
	Misc Employee Benefits	792,923	264,529	501,344	27,050
	Payroll Deductions	154,739	76,021	78,574	143
	Severance / SEI	1,278,216	0	1,278,216	0
	Accrued Workers Compensation	210,110	16,216	184,202	9,691
2530022	Customer Advance Receipts	1,903,070	1,903,070	0	0
	Customer Advance	1,903,070	1,903,070	0	0
2420511	Control Cash Disburse Account	2,944,408	2,944,408	0	0
	Control Cash Disbursement Account	2,944,408	2,944,408	0	0
	JMG Liability	0	0	0	0
2300002	ARO - Current	16,861,479	0	16,861,479	0
2420028	Econ. Development Fund Curr	548,290	350,040	198,250	0
2420512	Unclaimed Funds	4,687	4,687	0	0
2420542	Acc Cash Franchise Req	91,786	91,786	0	0
242059216	Sales Use Tax - Leased Equip	101	0	88	34
2420643	Accrued Audit Fees	106,242	32,744	53,298	20,199
2420656	Federal Mitigation Accru (NSR)	554,326	0	554,326	0
2530050	Deferred Rev - Pole Attachments	183,487	183,487	0	0
2530112	Other Deferred Credits-Curr	308,753	0	308,753	0
2530124	Contr In Aid of Constr Advance	52,705	52,705	0	0
2530177	Deferred Rev-Bonus Lease Curr	431,564	0	431,564	0
	Misc Current and Accrued Liabilities	19,143,420	715,449	18,407,738	20,233
	Current Other and Accrued Liabilities	38,791,701	12,291,475	25,314,017	1,186,209
	Other Current Liabilities	39,761,388	12,782,071	25,769,210	1,210,107
	<b>TOTAL CURRENT LIABILITIES</b>	<b>218,275,655</b>	<b>137,060,603</b>	<b>202,726,117</b>	<b>(61,576,683)</b>
	Long-Term Debt - Affiliated	0	0	0	0
	Long-Term Debt - Non Affiliated	801,868,785	235,447,022	395,143,064	171,278,700
	Long-Term Debt - Premiums and Discounts Unamort	(236,194)	(69,297)	(116,487)	(50,410)
	<i>Memo - LTD NonAffiliated and Premiums</i>	801,632,591	235,377,725	395,026,577	171,228,289
	Long-Term Risk Management Liabilities - Hedge	0	0	0	0
2440002	LT Unreal Losses - Non Affil	31,307	523	30,784	0
2440022	LT Liability MTM Collateral	(212)	(212)	0	0
	Long-Term Risk Management Liabilities - MTM	31,095	311	30,784	0
	Long-Term Risk Management Liabilities	31,095	311	30,784	0
	Deferred Income Taxes	648,622,677	184,654,143	332,072,377	131,896,156
	Deferred Investment Tax Credits	3,393	1,452	1,497	445
	Regulatory Liabilities and Deferred Credits	(33,914,239)	(29,697,730)	(522,676)	(3,693,833)
	<i>Memo - Reg Liab and Def ITC</i>	(33,910,846)	(29,696,278)	(521,180)	(3,693,388)
	Asset Retirement Obligation	56,477,487	89,340	56,406,147	0
	Nuclear Decommissioning	0	0	0	0
	Employee Benefits and Pension Obligations	12,345,855	10,801,263	(195,545)	1,739,936
	Trust Preferred Securities	0	0	0	0
	Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0
	Obligations Under Capital Leases	2,107,276	914,734	1,158,484	34,058
	Def Credits - Income Tax	664,459	295,827	313,632	55,000
2530114	Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0
	Def Credits - NSR	1,110,644	0	1,110,644	0
	Customer Advances for Construction	162,839	162,839	0	0
	Def Gain on Sale/Leaseback	0	0	0	0
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0
	Def Gain on Disp of Utility Plant	0	0	0	0
2530067	IPP - System Upgrade Credits	289,140	0	0	289,140
2530092	Fbr Opt Lns-In Kind Sv-Dfd Gns	141,039	141,039	0	0
2530101	MACSS Unidentified EDI Cash	35	35	0	0
2530137	Fbr Opt Lns-Sold-Deld Rev	72,673	0	0	72,673
2530178	Deferred Rev-Bonus Lease NC	899,092	0	899,092	0
2530185	OIU Accounting of ExpensesT	6,750	0	6,750	0
	Def Credits - Other	1,408,730	141,074	905,842	361,813
	Total Other Deferred Credits	1,571,569	303,913	905,842	361,813
	Accumulated Provisions - Rate Refund	0	0	0	0
	Accumulated Provisions - Misc	407,750	0	407,750	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Mar 2016  
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Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

09B V2016-03-	Account: GL_ACCT_SEC	Business Unit: SEGMENT_CONS	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016	YTD Mar 2016
Layout : GLS8216						
Other Non-Current Liabilities						
			5,861,697	1,514,474	3,896,353	450,871
TOTAL NON-CURRENT LIABILITIES			1,491,060,356	402,720,977	786,717,513	301,621,866
TOTAL LIABILITIES						
Cumulative Pref Stocks of Subs - Not subject Mand Redem			0	0	0	0
Minority Interest - Deferred Credits			0	0	0	0
COMMON SHAREHOLDERS' EQUITY						
Common Stock			50,450,000	22,404,049	10,287,603	17,758,348
Paid in Capital			527,309,077	106,025,371	337,243,870	84,039,836
Premium on Capital Stock			0	0	0	0
Retained Earnings			95,763,593	44,553,105	(69,221,539)	120,432,027
Accumulated Other Comprehensive Income (Loss)			(1,826,041)	(25,114)	(1,582,659)	(18,269)
TOTAL SHAREHOLDERS' EQUITY			671,896,629	172,957,412	276,727,275	222,211,942
Memo: Total Equity			671,896,629	172,957,412	276,727,275	222,211,942
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			2,381,232,650	712,738,993	1,266,170,905	462,257,125
out-of-balance			(0)	0	0	(0)

Reserved Section



AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

Kentucky Power Int Consol GLS8216  
Kentucky Power Company - 110  
Kentucky Power Company - Generation 117  
Kentucky Power Company - 180

GLS8216  
YTD Mar 2015  
04/09/2015 09:47

09B V2015-03- Account: GL_ACCT_SEC Balance Unit: SEGMENT_CONS	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015
<b>ASSETS</b>				
Cash and Cash Equivalents	835,404	835,404	0	0
Other Cash Deposits	0	0	0	0
Customers	16,023,306	12,184,002	2,976,038	863,266
Accrued Unbilled Revenues	39,362	(351,705)	391,067	0
Miscellaneous Accounts Receivable	25,399,828	9,421,289	76,920,641	15,710,871
Allowances for Uncollectible Accounts	(203,541)	(130,052)	(64,915)	(8,574)
Accounts Receivable	41,258,954	21,123,634	80,222,830	16,585,563
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	58,171,279	2,179,014	55,229,109	763,156
Risk Management Contracts - Current	2,988,973	0	2,988,973	0
Margin Deposits	2,030,087	21,966	2,008,121	0
Unrecovered Fuel - Current	4,222,126	0	4,222,126	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	2,068,924	1,263,341	483,406	322,178
<b>TOTAL CURRENT ASSETS</b>	<b>111,575,747</b>	<b>25,423,259</b>	<b>145,154,564</b>	<b>17,650,896</b>
Electric Production	1,186,326,854	782,924,439	1,839,215,230	554,164,737
Electric Transmission	557,833,616	0	0	0
Electric Distribution	735,284,108	0	0	0
General Property, Plant and Equipment	519,681,783	199,571	1,481,903	1,160,479
Construction Work-in-Progress	45,358,232	7,540,495	30,102,330	7,715,406
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>3,024,484,590</b>	<b>790,664,505</b>	<b>1,870,779,463</b>	<b>563,040,622</b>
less: Accumulated Depreciation and Amortization	(1,052,114,226)	(257,072,258)	(618,521,633)	(176,520,334)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,972,370,365</b>	<b>533,592,246</b>	<b>1,052,257,830</b>	<b>386,520,289</b>
Net Regulatory Assets	241,792,250	99,982,786	84,876,331	58,953,133
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	854,464	0	854,464	0
Employee Benefits and Pension Assets	13,243,731	5,347,844	7,382,608	513,378
Other Non Current Assets	16,674,086	6,568,827	6,401,011	3,706,248
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>272,564,631</b>	<b>111,877,457</b>	<b>99,514,314</b>	<b>61,172,759</b>
<b>TOTAL ASSETS</b>	<b>2,356,510,642</b>	<b>670,892,962</b>	<b>1,296,926,709</b>	<b>465,343,945</b>

<b>LIABILITIES</b>				
Accounts Payable	70,124,465	79,336,340	63,749,518	3,691,580
Advances from Affiliates	740,367	(32,010,813)	109,339,457	(76,589,077)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	2,274,117	7,256	2,266,861	0
Accrued Taxes	1,069,956	15,006,203	(25,362,403)	11,426,156
Memo: Property Taxes	15,007,213	6,955,493	3,879,754	4,171,966
Accrued Interest	6,141,532	1,780,297	3,002,019	1,379,215
Risk Management Collateral	306,317	0	306,317	0
Utility Customer Deposits	26,018,884	26,018,884	0	0
Deposits - Customer and Collateral	26,325,200	26,018,884	306,317	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	1,011,630	503,131	486,343	22,156
Tax Collections Payable	2,763,294	2,534,231	228,935	128
Revenue Refunds - Accrued	25,586,887	24,455,290	12,001	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,949,897	782,486	1,164,943	2,469
Accrued Rents	2,206	2,206	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Mar 2015  
04/02/2015 09:47

Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

09B V2015-03-		Layout : GLS8216	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015
Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS						
	Accrued ICP		1,274,207	614,815	658,464	928
	Accrued Vacations		5,190,926	2,170,271	3,016,023	4,632
	Misc Employee Benefits		1,313,695	513,312	774,749	25,635
	Payroll Deductions		166,213	78,635	87,455	123
	Severance / SEI		4,415,904	0	4,415,904	0
	Accrued Workers Compensation		718,093	321,807	375,778	20,508
2530022	Customer Advance Receipts		1,112,455	1,112,455	0	0
	Customer Advance		1,112,455	1,112,455	0	0
2420511	Control Cash Disburse Account		3,814,049	3,814,049	0	0
	Control Cash Disbursement Account		3,814,049	3,814,049	0	0
	JMG Liability		0	0	0	0
2300002	ARO - Current		2,220,140	0	2,220,140	0
2420088	Econ. Development Fund Curr		291,250	0	291,250	0
2420512	Unclaimed Funds		5,318	5,318	0	0
2420542	Acc Cash Franchise Req		93,392	93,392	0	0
242059215	Sales Use Tax - Leased Equip		143	0	70	73
2420643	Accrued Audit Fees		110,338	33,046	55,912	21,380
2420656	Federal Mitigation Accru (NSR)		554,326	0	554,326	0
2420664	ST State Mitigation Def (NSR)		148,663	0	148,663	0
2530050	Deferred Rev -Pole Attachments		204,199	204,199	0	0
2530112	Other Deferred Credits-Curr		339,825	44,992	294,834	0
2530124	Contr In Aid of Constr Advance		70,354	70,354	0	0
2530177	Deferred Rev-Bonus Lease Curr		431,564	0	431,564	0
	Misc Current and Accrued Liabilities		4,469,513	451,301	3,996,759	21,453
	Current Other and Accrued Liabilities		52,777,339	36,850,857	14,731,010	1,195,472
	Other Current Liabilities		63,788,970	37,353,988	15,217,354	1,217,628
	<b>TOTAL CURRENT LIABILITIES</b>		<b>225,464,606</b>	<b>127,472,954</b>	<b>233,519,122</b>	<b>(58,874,497)</b>
	Long-Term Debt - Affiliated		0	0	0	0
	Long-Term Debt - Non Affiliated		780,000,000	223,064,400	381,521,400	175,414,200
	Long-Term Debt - Premiums and Discounts Unamort		(402,919)	(115,227)	(197,080)	(90,812)
	<i>Memo - LTD NonAffiliated and Premiums</i>		779,597,081	222,949,173	381,324,320	175,323,588
	Long-Term Risk Management Liabilities - Hedge		0	0	0	0
2440002	LT Unreal Losses - Non Affil		433,477	0	433,477	0
2440022	L/T Liability MTM Collateral		(15,555)	0	(15,555)	0
	Long-Term Risk Management Liabilities - MTM		417,922	0	417,922	0
	Long-Term Risk Management Liabilities		417,922	0	417,922	0
	Deferred Income Taxes		580,124,916	169,388,812	280,883,513	129,852,593
	Deferred Investment Tax Credits		23,292	7,218	11,485	4,590
	Regulatory Liabilities and Deferred Credits		19,276,225	(35,831,882)	81,798,567	(6,890,480)
	<i>Memo - Reg Liab and Def ITC</i>		19,299,518	(35,824,644)	61,810,052	(6,685,890)
	Asset Retirement Obligation		64,123,266	65,474	64,057,781	0
	Nuclear Decommissioning		0	0	0	0
	Employee Benefits and Pension Obligations		12,224,543	10,080,956	1,255,343	888,244
	Trust Preferred Securities		0	0	0	0
	Cumulative Preferred Stocks of Subs - Mandatory Rede		0	0	0	0
	Obligations Under Capital Leases		2,610,510	1,152,797	1,405,011	52,703
	Def Credits - Income Tax		84,201	43,549	12,298	28,354
2530114	Federal Mitigation Deferral(NSR)		1,110,644	0	1,110,644	0
	Def Credits - NSR		1,110,644	0	1,110,644	0
	Customer Advances for Construction		120,284	120,284	0	0
	Def Gain on Sale/Leaseback		0	0	0	0
	Deferred Gain on Sale and Leaseback - Rockport		0	0	0	0
	Def Gain on Disp of Utility Plant		0	0	0	0
2530000	Other Deferred Credits		848	0	848	0
2530067	IPP - System Upgrade Credits		279,912	0	0	279,912
2530092	Fbr Opt Lns-In Kind Sv-Dfd Gnr		148,635	148,635	0	0
2530101	MACSS Unidentified EDI Cash		170	170	0	0
2530137	Fbr Opt Lns-Sold-Defd Rev		86,229	0	0	86,229
2530178	Deferred Rev-Bonus Lease NC		1,330,656	0	1,330,656	0
	Def Credits - Other		1,846,451	148,805	1,331,504	366,141
	Total Other Deferred Credits		1,966,735	269,089	1,331,504	366,141
	Accumulated Provisions - Rate Refund		0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Mar 2015  
04/09/2015 09:47

Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

09B V2015-03-	Layout : GLS8216 Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015	YTD Mar 2015
	Accumulated Provisions - Misc	640,750	0	640,750	0
	Other Non-Current Liabilities	6,412,840	1,465,435	4,500,207	447,198
	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,462,200,077</b>	<b>368,125,206</b>	<b>794,249,138</b>	<b>299,825,733</b>
	<b>TOTAL LIABILITIES</b>	<b>1,687,664,683</b>	<b>495,598,161</b>	<b>1,027,768,260</b>	<b>240,951,235</b>
	Cumulative Pref Stocks of Subs - Not subject Mand Redem	0	0	0	0
	Minority Interest - Deferred Credits	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>					
	Common Stock	50,450,000	22,404,049	10,287,603	17,758,348
	Paid in Capital	517,459,463	106,025,371	327,394,248	84,039,836
	Premium on Capital Stock	0	0	0	0
	Retained Earnings	103,066,786	46,907,140	(66,467,718)	122,627,364
	Accumulated Other Comprehensive Income (Loss)	(2,130,279)	(41,758)	(2,055,683)	(32,838)
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>668,845,959</b>	<b>175,294,802</b>	<b>269,158,448</b>	<b>224,392,709</b>
	<i>Memo: Total Equity</i>	668,845,959	175,294,802	269,158,448	224,392,709
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,356,510,642</b>	<b>670,892,962</b>	<b>1,296,926,709</b>	<b>465,343,945</b>
	out-of-balance	(0)	0	0	(0)

Reserved Section

GLR7210V

04/11/16 12:35

		BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>							
101/106	GENERATION	1,124,272,407.54	11,110,985.72	(3,691,683.82)	0.00	0.00	1,131,691,709.44
	<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>11,110,985.72</b>	<b>(3,691,683.82)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,131,691,709.44</b>
101/106	TRANSMISSION	564,356,984.53	2,543,420.52	(509,012.07)	0.00	0.00	566,391,392.98
101/106	DISTRIBUTION	798,264,586.59	8,469,372.18	(2,586,995.39)	0.00	0.00	804,146,963.38
	<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>22,123,778.42</b>	<b>(6,787,691.28)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,502,230,065.80</b>
1011001/12	CAPITAL LEASES	5,258,431.49	0.00	0.00	209,592.40	0.00	5,468,023.89
102	ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001	ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>22,123,778.42</b>	<b>(6,787,691.28)</b>	<b>209,592.40</b>	<b>0.00</b>	<b>2,507,698,089.69</b>
1050001	PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>107000X</b>	<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X	BEG. BAL.	59,350,976.05					
107000X	ADDITIONS		30,801,497.53				
107000X	TRANSFERS		(19,874,739.90) 1)				
107000X	END. BAL.		<u>10,926,757.63</u>				70,277,733.68
	<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>33,050,536.05</b>	<b>(6,787,691.28)</b>	<b>209,592.40</b>	<b>0.00</b>	<b>2,585,726,424.33</b>
<b>NONUTILITY PLANT</b>							
1210001	NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002	NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29	OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
	<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February 2016 - \$2,249,038.52.

KENTUCKY POWER COMPANY  
 ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
 YEAR TO DATE - March, 2016

GLR7410V

04/07/16 11:12

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/SALV COST	TRANSFER/ADJUSTMENTS	ENDING BALANCE
<b>UTILITY PLANT</b>						
<b>NUCLEAR</b>						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
<b>TOTAL NUCLEAR</b>					<b>0.00</b>	
1080001/11 PRODUCTION	403,108,517.50	8,577,033.43	(3,691,683.82)	(595,052.88)	0.00	407,398,814.23
1080001/11 TRANSMISSION	176,427,961.28	3,774,137.39	(509,012.07)	(17,807.79)	0.00	179,675,278.81
1080001/11 DISTRIBUTION	222,789,410.10	7,021,153.28	(2,586,995.39)	(1,043,592.05)	0.00	226,179,975.94
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(49,669.19)	(2,007,923.89)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(2,395.35)	(47,767.50)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(1,335,591.10)	1,656,452.72	(1,770,043.23)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>19,372,324.10</b>	<b>(6,787,691.28)</b>	<b>(2,992,043.82)</b>	<b>1,604,388.18</b>	<b>809,428,334.37</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	295,177.16	(24,209.09)	0.00	0.00	1,844,030.72	2,114,998.79
1110001 TRANSMISSION	1,430,933.85	156,375.06	0.00	0.00	(3,277.67)	1,584,031.24
1110001 DISTRIBUTION	5,080,066.43	351,139.87	0.00	0.00	(11,938.48)	5,419,267.82
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>483,305.84</b>	<b>0.00</b>	<b>0.00</b>	<b>1,828,814.57</b>	<b>9,118,297.85</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	36,471.98	2,391,060.78
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>19,855,629.94</b>	<b>(6,787,691.28)</b>	<b>(2,992,043.82)</b>	<b>3,469,674.73</b>	<b>820,937,693.00</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	1,667.43	0.00	0.00	0.00	229,962.62
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>1,667.43</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>229,981.49</b>

Preparer - PSnVision Report GLR7410V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

May 24, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed April 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses— Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in black ink that reads 'Jerri L. Ruggiero'.

Jerri L. Ruggiero  
Manager –Regulated Accounting

**INCOME STATEMENT**

GLS8018  
YTD Apr 2016  
05/08/2016 18:46

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8018		YTD Apr 2015	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
09B V2016-04-30 Account: GL_ACCT_SEC Business Units: SEGMENT_CONS					
<b>REVENUES</b>					
440001	Residential Sales-W/Space Htg	51,649,791	51,649,791	0	0
440002	Residential Sales-W/O Space Htg	20,596,671	20,596,671	0	0
440005	Residential Fuel Rev	21,831,173	21,831,173	0	0
A	<b>Revenue - Residential Sales</b>	<b>94,077,635</b>	<b>94,077,635</b>	-	-
442001	Commercial Sales	28,472,196	28,472,196	0	0
442008	Sales to Pub Auth - Schools	5,075,700	5,075,700	0	0
442007	Sales to Pub Auth - Ex Schools	5,416,534	5,416,534	0	0
442013	Commercial Fuel Rev	11,476,585	11,476,585	0	0
A	<b>Revenue - Commercial Sales</b>	<b>50,441,015</b>	<b>50,441,015</b>	-	-
B	<b>Revenue - Industrial Sales - Affiliated</b>	-	-	-	-
442002	Industrial Sales (Excl Mines)	22,200,527	22,200,527	0	0
442004	Ind Sales-NonAff(Ind Mines)	8,628,327	8,628,327	0	0
442016	Industrial Fuel Rev	21,323,723	21,323,723	0	0
A	<b>Revenue - Industrial Sales - NonAffiliated</b>	<b>52,162,577</b>	<b>52,162,577</b>	-	-
	<b>Revenue - Industrial Sales</b>	<b>52,162,577</b>	<b>52,162,577</b>	-	-
A	<b>Revenue - Gas Products Sales</b>	-	-	-	-
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>	-	-	-	-
B	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>	-	-	-	-
444000	Public Street/Highway Lighting	544,259	544,259	0	0
444002	Public St & Hwy Light Fuel Rev	95,790	95,790	0	0
A	<b>Revenue - Other Retail Sales</b>	<b>640,050</b>	<b>640,050</b>	-	-
B	<b>Revenue - Other Retail Sales - Affiliated</b>	-	-	-	-
	<b>Revenue - Retail Sales</b>	<b>197,311,276</b>	<b>197,311,276</b>	-	-
456017	OTH Elec Rev-Trans-Affl	24,886	0	0	24,886
456043	OTH Elec Rv-Trn-Aff-Trnf Pchca	0	0	0	11,626,719
4561033	PJM NITS Revenue - Affiliated	17,206,964	0	0	17,206,964
4561034	PJM TO Adm. Serv Rev - Aff	268,550	0	0	268,550
4561035	PJM Affiliated Trans NITS Cost	(14,728,528)	0	(14,728,528)	0
4561036	PJM Affiliated Trans TO Cost	(211,218)	0	(211,218)	0
4561056	ARI PJM Trans Enhancement Rev	223,469	0	0	223,469
4561060	ARI PJM Trans Enhancement Cost	(191,281)	0	(191,281)	0
4561062	PROVISION RTO Cost - Aff	0	0	407,228	0
4561063	PROVISION RTO Rev Affiliated	0	0	0	(407,228)
B	<b>Revenue - Transmission-Affiliated</b>	<b>2,692,842</b>	-	<b>(14,723,800)</b>	<b>28,943,361</b>
4470150	Transm. Rev - Dedic Wheel/Muni	47,381	0	(365,089)	412,470
4470206	PJM Trans loss credits-OSS	14,391	0	14,391	0
4470209	PJM trans loss charges-OSS	(63,837)	0	(63,837)	0
4561002	RTO Formation Cost Recovery	18,545	0	(29,869)	48,414
4561005	PJM Point to Point Trans Svc	194,120	0	194,120	0
4561006	PJM Trans Owner Admin Rev	42,826	0	0	42,826
4561007	PJM Network Ldgng Trans Svc	2,012,922	0	0	2,012,922
4561019	OTH Elec Rev Trans Non Affl	19,445	0	0	19,445
4561028	PJM Pow Fac Cntr Rev Wheel Cu NA	1,211	0	0	1,211
4561029	PJM NITS Revenue Wheel Cus-NAff	830,296	0	0	830,296
4561030	PJM TO Serv Rev Wheel Cus-NAff	16,442	0	0	16,442
4561058	NonAffl PJM Trans Enhncmnt Rev	252,409	0	0	252,409
4561061	NAff PJM RTEP Rev for Wheel-FR	10,783	0	0	10,783
4561064	PROVISION RTO Rev Wheel/Cus-NAff	(19,954)	0	0	(19,954)
4561065	PROVISION RTO Rev - NonAff	(53,443)	0	0	(53,443)
A	<b>Revenue - Transmission-NonAffiliated</b>	<b>3,323,636</b>	-	<b>(250,285)</b>	<b>3,573,820</b>
	<b>Revenue - Transmission</b>	<b>6,016,377</b>	-	<b>(14,974,084)</b>	<b>32,517,181</b>
4470001	Sales for Resale - Assoc Cos	260,366	0	260,366	0
4470151	Trading Auction Sales Affl	1,084,669	0	1,084,669	0
B	<b>Revenue - Resale-Affiliated</b>	<b>1,345,035</b>	-	<b>1,345,035</b>	-
4470009	Sales for Resale-Booked Sales	4,266,268	0	4,266,268	0
4470010	Sales for Resale-Booked Purch	(3,602,401)	0	(3,602,401)	0
4470027	Wheel/Muni/Pb Ath Fuel Rev	804,020	0	804,020	0
4470033	Wheel/Muni/Pub Auth Base Rev	1,381,986	0	1,381,986	0
4470081	Financial Spark Gas - Realized	(766)	0	(766)	0
4470082	Financial Electric Realized	(1,561,463)	0	(1,561,463)	0
4470089	PJM Energy Sales Margin	(108,361)	0	(108,361)	0
4470098	PJM Oper Reserve Rev-OSS	(14,900)	0	(14,900)	0
4470099	Capacity Cr. Net Sales	365,365	0	365,365	0
4470100	PJM FTR Revenue-OSS	28,543	0	28,543	0
4470103	PJM Energy Sales Cost	3,080,620	0	3,080,620	0
4470107	PJM NITS Purch-NonAff	(6,724)	0	(6,724)	0
4470110	PJM TO Admin. Exp -NonAff	(0)	0	(0)	0

**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/08/2016 18:48

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
09B V2016-04-30	Account: GL_ACCT_SEC Business Units: SEGMENT_CDNS				
4470112	Non-Trading Bookout Sales-OSS	45	0	45	0
4470115	PJM Meter Corrections-OSS	8,547	0	8,547	0
4470116	PJM Meter Corrections-LSE	158,110	0	158,110	0
4470126	PJM Incremental Imp Comp-OSS	17,136	0	17,136	0
4470131	Non-Trading Bookout Purch-OSS	(191,293)	0	(191,293)	0
4470143	Financial Hedge Realized	348,163	0	348,163	0
4470168	Interest Rate Swaps-Power	(182)	0	(182)	0
4470170	Non-ECR Auction Sales-OSS	(7,284)	0	(7,284)	0
4470175	OSS Sharing Redress - Retail	(3,673,795)	0	(3,673,795)	0
4470176	OSS Sharing Redress-Reduction	3,673,795	0	3,673,795	0
4470214	PJM 30m Suppl Reserve CR OSS	4,556	0	4,556	0
4470215	PJM 30m Suppl Reserve CH OSS	(3,746)	0	(3,746)	0
4470220	PJM Regulation - OSS	1,721	0	1,721	0
4470221	PJM Spinning Reserve - OSS	1,574	0	1,574	0
4470222	PJM Responsive - OSS	109,792	0	109,792	0
5550080	PJM Hourly Net Purch -FERC	(1,107,591)	0	(1,107,591)	0
A	<b>Revenue - Resale-NonAffiliated</b>	<b>3,969,731</b>	-	<b>3,969,731</b>	-
A	<b>Revenue - Resale-Realized</b>	-	-	-	-
A	<b>Revenue - Resale-Risk Mgmt MTM</b>	-	-	-	-
A	<b>Revenue - Resale-Risk Mgmt Activities</b>	-	-	-	-
	<b>Revenue - Sales for Resale</b>	<b>5,314,766</b>	-	<b>5,314,766</b>	-
4470074	Sale for Resale-Aff-Tim Price	0	0	143,261,272	0
4540001	Rent From Elec Property - AF	120,398	276,692	0	0
4580001	Oth Elec Rev - Affiliated	12,475	0	12,475	0
B	<b>Revenue - Other Ele-Affiliated</b>	<b>132,874</b>	<b>276,692</b>	<b>143,273,747</b>	-
4500000	Forfeited Discounts	1,429,583	1,429,583	0	0
4510001	Misc Service Rev - NonAffl	215,537	212,018	0	4,519
4540002	Rent From Elec Property-NAC	40,414	600	36,689	3,125
4540005	Rent from Elec Prop-Pole Attch	1,570,228	1,570,228	0	0
4580007	Oth Elec Rev - DSM Program	1,619,780	1,619,780	0	0
	<b>Revenue - Other Ele-NonAffiliated</b>	<b>4,876,542</b>	<b>4,832,210</b>	<b>36,689</b>	<b>7,644</b>
	<b>Revenue - Gas</b>	-	-	-	-
4118002	Comp Allow Gain Trls IV SO2	75	0	75	0
4118008	Comp Allow Gain CSAPR Seas NOx	134,000	0	134,000	0
4118006	Comp Allow Gain CSAPR An NOx	124,125	0	124,125	0
4115010	Emission Allow KY Env Surch	(148,998)	0	(148,998)	0
	<b>Gain/(Loss) on Allowances</b>	<b>108,202</b>	-	<b>108,202</b>	-
A	<b>Revenue - Other Ele-NonAffiliated</b>	<b>4,985,745</b>	<b>4,832,210</b>	<b>145,891</b>	<b>7,644</b>
	<b>Revenue - Other Opr Electric</b>	<b>5,118,618</b>	<b>5,108,901</b>	<b>143,419,839</b>	<b>7,644</b>
D	<b>Revenue Merchandising &amp; Contract Work</b>	-	-	-	-
C	<b>Revenues Non-Utility Operations - Affiliated</b>	-	-	-	-
D	<b>Revenues Non-Utility Operations - NonAffiliated</b>	-	-	-	-
	<b>Revenues from Non-Utility Operations</b>	-	-	-	-
C	<b>Non-Operating Rental Income - Affiliated</b>	-	-	-	-
4180001	Non-Operating Rental Income	11,500	11,000	500	0
4180005	Non-Operating Rental Inc-Dep	(2,223)	0	0	(2,223)
D	<b>Non-Operating Rental Income - NonAffiliated</b>	<b>9,277</b>	<b>11,000</b>	<b>500</b>	<b>(2,223)</b>
	<b>Non-Operating Rental Income</b>	<b>9,277</b>	<b>11,000</b>	<b>500</b>	<b>(2,223)</b>
C	<b>Non-Operating Misc Income -Affiliated</b>	-	-	-	-
4210002	Misc Non-Op Inc-NonAco-Rents	873	222	415	235
4210005	Misc Non-Op Inc-NonAco-Timber	4,545	0	4,545	0
4210007	Misc Non-Op Inc - NonAco - Oth	144,178	227	143,949	0
D	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>149,693</b>	<b>449</b>	<b>148,909</b>	<b>235</b>
	<b>Non-Operating Misc Income</b>	<b>149,593</b>	<b>449</b>	<b>148,909</b>	<b>235</b>
4540004	Rent From Elec Prop-ASD-Nonaf	25,850	25,850	0	0
4580015	Other Electric Revenues - ABD	94,895	84,895	0	10,000
D	<b>Associated Business Development Income</b>	<b>120,545</b>	<b>110,545</b>	-	<b>10,000</b>
	<b>Revenue - Other Opr - Other</b>	<b>279,416</b>	<b>121,995</b>	<b>149,409</b>	<b>8,012</b>
(C)	<b>Memo: Revenue-Oth Opr-Oth Aff</b>	-	-	-	-
(D)	<b>Memo: Revenue-Oth Opr-Oth Non</b>	<b>279,416</b>	<b>121,995</b>	<b>149,409</b>	<b>8,012</b>
	<b>Revenue - Other Operating</b>	<b>5,398,033</b>	<b>5,230,896</b>	<b>143,569,048</b>	<b>15,666</b>
A	<b>Provision for Rate Refund - NonAffiliated</b>	-	-	-	-
B	<b>Provision for Rate Refund - Affiliated</b>	-	-	-	-
	<b>Provision for Rate Refund</b>	-	-	-	-
4210032	Pwr Purch Outside Svc Tenity	(745)	0	(745)	0
A	<b>Revenue - Power Sales</b>	<b>(745)</b>	-	<b>(745)</b>	-
<b>TOTAL OPERATING REVENUES</b>		<b>213,839,707</b>	<b>202,642,172</b>	<b>133,908,884</b>	<b>32,532,836</b>
(A)	<b>Memo: G/T/D Revenue</b>	<b>209,589,542</b>	<b>202,143,486</b>	<b>3,864,592</b>	<b>3,581,464</b>

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Section II - Application  
Filing Requirements  
Exhibit S  
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**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/09/2016 16:48

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
09B V2016-04-30	Account: GL ACCT_SEC Business Units: SEGMENT_CONS				
+(B)	Memo: Other Affiliated Revenue	4,070,750	276,692	129,894,983	28,943,361
+(C)	Memo: Revenue-Oth Opr-Oth Aff	-	-	-	-
+(D)	Memo: Revenue-Oth Opr-Oth Non	279,415	121,995	149,409	8,012
	<b>Memo: Total Operating Revenues</b>	<b>213,939,707</b>	<b>202,542,172</b>	<b>133,908,984</b>	<b>32,532,836</b>
=(E)=(B)+(C)	Memo: Affiliated Revenue	4,070,750	276,692	129,894,983	28,943,361
=(F)=(D)+(A)	Memo: Non-Affiliated Revenue	209,868,957	202,265,481	4,014,001	3,589,475
	<b>Memo: Total Operating Revenues</b>	<b>213,939,707</b>	<b>202,542,172</b>	<b>133,908,984</b>	<b>32,532,836</b>
<b>FUEL EXPENSES</b>					
5010000	Fuel	1,001,208	8	1,001,193	5
5010001	Fuel Consumed	32,315,362	0	32,315,362	0
5010003	Fuel - Procure Unload & Handle	1,308,535	0	1,308,535	0
5010019	Fuel Oil Consumed	353,762	0	353,762	0
5010027	Gypsum handling/disposal costs	115,444	0	115,444	0
5010028	Gypsum Sales Proceeds	(151,141)	0	(151,141)	0
	<b>Fuel Expense Total</b>	<b>34,941,168</b>	<b>8</b>	<b>34,941,166</b>	<b>5</b>
5010005	Fuel - Deferred	(1,980,472)	0	(1,980,472)	0
	<b>Deferred Fuel Expense</b>	<b>(1,980,472)</b>	<b>-</b>	<b>(1,980,472)</b>	<b>-</b>
	<b>Over Under Fuel Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Fuel for Electric Generation</b>	<b>32,960,696</b>	<b>8</b>	<b>32,960,692</b>	<b>6</b>
	<b>Fuel from Affiliates for Electric Generation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5090000	Allow Consum Title IV SO2	255,222	0	255,222	0
5090008	Allow Consumpt CSAPR SO2	25,564	0	25,564	0
5090014	Environmental Over/Under O&M E	22,710	0	22,710	0
	<b>Allowances - Consumption</b>	<b>303,497</b>	<b>-</b>	<b>303,497</b>	<b>-</b>
5020002	Urea Expense	528,171	0	528,171	0
5020003	Trona Expense	120,864	0	120,864	0
5020004	Limestone Expense	1,303,627	0	1,303,627	0
5020005	Polymer expense	6,446	0	6,446	0
5020007	Lime Hydrate Expense	5,379	0	5,379	0
5020015	Environmental Over/Under Consum	(134,217)	0	(134,217)	0
	<b>Emissions Control - Chemicals</b>	<b>1,830,270</b>	<b>-</b>	<b>1,830,270</b>	<b>-</b>
	<b>Total Fuel for Electric Generation</b>	<b>35,094,462</b>	<b>8</b>	<b>35,094,449</b>	<b>6</b>
	<b>Memo: NonAff Fuel/Allow/Emissions</b>	<b>35,094,462</b>	<b>8</b>	<b>35,094,449</b>	<b>5</b>
5550027	Purch Pwr-Non-Fuel Portion-Aff	17,031,772	0	17,031,772	0
5550029	Purch Power-Asoc-Traffic Price	0	143,261,272	0	0
5550048	Purch Power-Fuel Portion-Aff	9,860,561	0	9,860,561	0
	<b>Purchased Electricity from AEP - Affiliates</b>	<b>26,892,333</b>	<b>143,261,272</b>	<b>26,892,333</b>	<b>-</b>
5550000	Purchased Power	0	0	0	0
5550001	Purch Pwr-NonTrading-Nonassoc	14,085,371	0	14,085,371	0
5550032	Gas-Conversion-Mona Plant	(17)	0	(17)	0
5550039	PJM Inadvertent Mtr Res-CSS	307	0	307	0
5550040	PJM Inadvertent Mtr Res-LSE	12,756	0	12,756	0
5550074	PJM Reactive-Charge	842,111	0	842,111	0
5550075	PJM Reactive-Credit	(388,500)	0	(388,500)	0
5550076	PJM Black Start-Charge	291,326	0	291,326	0
5550078	PJM Regulation-Charge	246,038	0	246,038	0
5550079	PJM Regulation-Credit	(35,147)	0	(35,147)	0
5550083	PJM Spinning Reserve-Charge	125,543	0	125,543	0
5550084	PJM Spinning Reserve-Credit	(36,788)	0	(36,788)	0
5550090	PJM 30m Suppl Reserv Charge LSE	6,623	0	6,623	0
5550099	PJM Purchases-non-ECR-Auction	1,378	0	1,378	0
5550100	Capacity Purchases-Auction	2,340	0	2,340	0
5550123	PJM OpRes-LSE-Charge	300,195	0	295,983	4,212
5550124	PJM Implicit Congestion LSE	429,232	0	429,232	0
5550132	PJM FTR Reverse-LSE	(1,046,850)	0	(1,046,850)	0
5550137	PJM OpRes-LSE-Credit	(5,760)	0	(5,760)	0
5550141	Purchase Power-PPA Deferred	227,743	0	227,743	0
5550142	KY Env Sur - Purchase Power	5,973	0	5,973	0
5550143	BS1DR PJM Over/Under Recovery	(527)	0	(527)	0
5550326	PJM Transm Loss Charges - LSE	2,834,794	0	2,834,794	0
5550327	PJM Transm Loss Credits-LSE	(610,468)	0	(610,468)	0
	<b>Purchased Electricity for Resale - NonAffiliated</b>	<b>17,307,676</b>	<b>-</b>	<b>17,303,462</b>	<b>4,212</b>
	<b>Purchased Gas for Resale - Affiliated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Purchased Gas for Resale - NonAffiliated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Purchased Power</b>	<b>44,200,008</b>	<b>143,261,272</b>	<b>44,195,796</b>	<b>4,212</b>
	<b>GROSS MARGIN</b>	<b>134,646,238</b>	<b>69,280,892</b>	<b>54,618,739</b>	<b>32,528,619</b>

**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/09/2016 18:46

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8018  
039 V2016-04-30 Account: GL\_ACCT\_SEC Business Units: SEGMENT\_CONS YTD Apr 2016 YTD Apr 2016 YTD Apr 2016 YTD Apr 2016

OPERATING EXPENSES					
5000000	Oper Supervision & Engineering	598,118	4,382	891,124	814
5000001	Oper Super & Eng-RATA-AM	20,273	0	20,273	0
5020000	Steam Expenses	407,072	0	407,072	0
5050000	Electric Expenses	129,947	0	129,947	0
5060000	Misc Steam Power Expenses	2,658,366	285	2,657,889	192
5060002	Misc Steam Power Exp-Asso	14,457	0	14,457	0
5060003	Removal Cost Expense - Steam	173	(4)	180	(3)
5060012	BS1DR OAU Recovery-Oper Costs	(224,943)	0	(224,943)	0
5060013	Environmental Over/Under O&M E	46,313	0	46,313	0
	<b>Steam Generation Op Exp</b>	<b>4,047,777</b>	<b>4,663</b>	<b>4,042,311</b>	<b>803</b>
	<b>Nuclear Generation Op Exp</b>	-	-	-	-
	<b>Hydro Generation Op Exp</b>	-	-	-	-
5560000	Sys Control & Load Dispatching	124,592	0	124,592	0
5570000	Other Expenses	504,979	0	504,979	0
5570007	Other Pwr Exp - Wholesale RECs	1,399	1,399	0	0
5757000	PJM Adm-MAM&SC - OSS	14,852	0	14,852	0
5757001	PJM Adm-MAM&SC - Internal	320,056	0	320,056	0
	<b>Other Generation Op Exp</b>	<b>985,878</b>	<b>1,399</b>	<b>984,479</b>	-
5800000	Oper Supervision & Engineering	387,915	1,462	3,099	383,353
5811000	Load Dispatch - Reliability	2,207	0	0	2,207
5812000	Load Dispatch-Mnt&Op TransSys	286,051	92	201	285,759
5814000	PJM Adm-SSCADS-OSS	18,164	0	18,164	0
5814001	PJM Adm-SSCADS-Internal	385,336	0	385,336	0
5815000	Reliability, Ping&Stds Develop	38,849	1,488	3,349	32,034
5816000	PJM Adm-RP&SDS-OSS	4,910	0	4,910	0
5816001	PJM Adm-RP&SDS - Internal	111,431	0	111,431	0
5820001	Station Expenses - Nonassoc	32,167	0	0	32,167
5830000	Overhead Line Expenses	41,078	0	0	41,078
5850002	Transmission Elec by Others-NAC	46,674	0	46,674	0
5850007	Tran Elec by Oth-Aff-Tm Price	0	11,826,719	0	0
5850012	PJM Trans Enhancement Charge	1,946,407	0	1,946,407	0
5850018	PJM NITS Expense - Affiliated	4,276,260	0	4,276,260	0
5850019	AMT PJM Trans Enhancement Exp	930,184	0	930,184	0
5850026	PROVISION RTO Air Expense	(794,664)	0	(794,664)	0
5860000	Misc Transmission Expenses	356,260	3,419	6,240	346,601
5860004	EPP FERC Assessment Fees	10	2	6	1
5870002	Rents - Associated	0	0	0	156,293
	<b>Transmission Op Exp</b>	<b>8,067,238</b>	<b>11,633,160</b>	<b>6,937,697</b>	<b>1,279,493</b>
5800000	Oper Supervision & Engineering	121,275	111,806	5,652	3,817
5810000	Load Dispatching	898	912	0	(13)
5820000	Station Expenses	37,485	37,489	0	(4)
5830000	Overhead Line Expenses	245,293	245,291	(0)	2
5840000	Underground Line Expenses	34,410	34,410	0	0
5850000	Street Lighting & Signal Sys E	59,736	59,736	0	0
5860000	Meter Expenses	138,440	137,547	658	234
5870000	Customer Installations Exp	60,776	60,776	0	0
5880000	Miscellaneous Distribution Exp	1,280,954	1,260,587	13,223	7,144
5890001	Rents - Nonassociated	462,016	462,016	0	0
5890002	Rents - Associated	21,288	21,288	0	0
	<b>Distribution Op Exp</b>	<b>2,463,681</b>	<b>2,432,868</b>	<b>19,633</b>	<b>11,180</b>
9010000	Supervision - Customer Accts	91,249	91,249	0	0
9020000	Meter Reading Expenses	(8,313)	(8,940)	482	146
9020002	Meter Reading - Regular	128,764	128,764	0	0
9020003	Meter Reading - Large Power	19,791	19,791	0	0
9030000	Cust Records & Collection Exp	110,732	109,607	(148)	1,271
9030001	Customer Orders & Inquiries	752,258	750,793	1,201	263
9030002	Manual Billing	8,378	8,096	0	282
9030003	Postage - Customer Bills	252,541	252,541	0	0
9030004	Cashiering	42,513	42,626	(94)	(20)
9030005	Collection Agents Fees & Exp	19,924	19,924	0	0
9030006	Credit & Oth Collector Activ	299,272	299,272	0	0
9030007	Collectors	100,780	100,780	0	0
9030009	Data Processing	56,760	56,760	0	0
9040007	Uncoll Accts - Misc Receivable	57,654	56,854	800	0
9050000	Misc Customer Accounts Exp	6,653	6,653	0	0
9070000	Supervision - Customer Services	22,681	22,681	0	0
9070001	Supervision - DSM	28	28	0	(0)

**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/09/2016 18:45

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
088 V2016-04-30	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS				
9080000	Customer Assistance Expenses	289,430	289,389	32	10
9080004	Cust Assistance Exp - DSM - Ind	(7)	(4)	(3)	(0)
9080008	Cust Assistance Expense - DSM	1,191,881	1,191,860	1	0
9080000	Information & Instruct Advts	12,448	3,689	6,807	1,951
9100000	Misc Cust Svc&Informational Ex	10,161	3,571	5,396	1,194
9100001	Misc Cust Svc & Info Exp - RCS	79	19	49	11
	<b>Customer Service and Information Op Exp</b>	<b>3,465,636</b>	<b>3,446,002</b>	<b>14,624</b>	<b>6,109</b>
9110002	Supervision - Comm & Ind	23	23	0	0
9120000	Demonstrating & Selling Exp	12,560	12,560	0	0
9130001	Advertising Exp - Residential	95	95	0	0
	<b>Sales Expenses</b>	<b>12,678</b>	<b>12,678</b>	-	-
	<b>Memo: Insurance (9240 9250)</b>	<b>1,027,357</b>	<b>425,659</b>	<b>532,768</b>	<b>88,732</b>
9200000	Administrative & Gen Salaries	3,258,659	1,369,630	1,388,634	500,396
9210001	Off Supt & Exp - Nonassociated	272,668	151,309	98,344	23,015
9210005	Cellular Phones and Pagers	(0)	(0)	0	(0)
9220000	Administrative Exp Travel - Cr	(301,916)	(301,916)	0	0
9220001	Admin Exp Travel to Construction	(313,048)	(313,048)	0	0
9230001	Outside Svcs Empl - Nonassoc	625,881	200,335	310,160	115,386
9230003	AEPSC Billed to Client Co	182,057	57,999	66,733	57,325
9240000	Property Insurance	219,892	60,834	104,368	54,689
9250000	Injuries and Damages	430,053	254,969	166,024	9,060
9250001	Safety Dinners and Awards	2,432	2,432	0	0
9250002	Emp Accident Prevntion-Adm Exp	2,561	1,914	640	7
9250006	Wkhrs Crpmnt Prevntn&Inf Prv	266,829	153,247	108,293	5,089
9250007	Personal Inj&Prop Dmgge-Pub	166,277	5,837	160,434	5
9250010	Fig Ben Loading - Workers Comp	(60,487)	(53,374)	(8,993)	(120)
9260000	Employee Pensions & Benefits	6,300	1,184	5,117	0
9260001	Est & Post Empl Pub-Salaries	7,299	2,530	3,355	1,414
9260002	Pension & Group Ins Admin	9,939	4,534	5,257	148
9260003	Pension Plan	814,174	533,503	245,994	34,677
9260004	Group Life Insurance Premiums	50,112	26,819	22,731	561
9260005	Group Medical Ins Premiums	1,664,130	1,001,863	653,931	8,335
9260007	Group L-T Disability Ins Prem	21,729	12,406	8,457	866
9260008	Group Dental Insurance Prem	75,015	44,596	29,932	486
9260010	Training Administration Exp	205	65	81	58
9260012	Employee Activities	234	189	45	20
9260014	Educational Assistance Prnt	887	0	582	305
9260021	Postretirement Benefits - OPEB	(844,977)	(444,540)	(329,259)	(71,178)
9260027	Savings Plan Contributions	562,494	307,239	254,385	870
9260037	Supplemental Pension	1,530	1,530	0	0
9260040	SFAS 112 Postemployment Benef	(322,096)	747	(322,972)	129
9260050	Fig Ben Loading - Pension	(350,512)	(282,792)	(67,324)	(306)
9260051	Fig Ben Loading - Grip Ins	(662,704)	(500,156)	(161,902)	(646)
9260052	Fig Ben Loading - Savings	(193,574)	(139,281)	(54,113)	(180)
9260053	Fig Ben Loading - OPEB	256,419	202,206	53,822	292
9260055	IntercoFringeOffset- Don't Use	(143,148)	(98,572)	(44,552)	(24)
9260058	Fig Ben Loading - Accrued	7,379	(1,640)	9,127	(108)
9260060	Amort-Post Retirement Benefit	72,207	43,184	23,736	5,277
9270000	Franchise Requirements	45,930	45,930	0	0
9280000	Regulatory Commission Exp	(24)	(8)	(11)	(6)
9280001	Regulatory Commission Exp-Adm	172	1	1	170
9280002	Regulatory Commission Exp-Cases	11,462	894	9,742	825
9301000	General Advertising Expenses	16	16	0	0
9301001	Newspaper Advertising Space	8,828	4,373	3,617	838
9301010	Printed	145	34	90	21
9301012	Public Opinion Surveys	10,772	10,772	0	0
9301015	Other Corporate Comm Exp	7,241	4,218	2,309	715
9302000	Misc General Expenses	84,929	31,804	28,958	24,167
9302003	Corporate & Fiscal Expenses	4,750	3,316	861	573
9302004	Research, Develop&Demonstr Exp	36	36	0	0
9302458	AEPSC Non Affiliated expenses	0	0	0	0
9310001	Rents - Real Property	39,189	39,189	0	0
9310002	Rents - Personal Property	89,609	63,038	22,806	3,764
	<b>Administration &amp; General</b>	<b>5,087,755</b>	<b>2,509,385</b>	<b>2,801,641</b>	<b>776,829</b>
4111005	Accretion Expense	229,323	0	229,323	0
	<b>Accretion</b>	<b>229,323</b>	-	<b>229,323</b>	-
4116000	Gain From Disposition of Plant	(1,734)	(1,734)	0	0
	<b>Loss/(Gain) on Utility Plant</b>	<b>(1,734)</b>	<b>(1,734)</b>	-	-

**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/09/2016 18:48

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission
GLS8016 Actual	110 Actual	117 Actual	180 Actual

Layout: GLS8016		YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
069 V2016-04-30	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS				
9302005	Assoc Bus Dev - Materials Sold	2,161	2,161	0	0
9302007	Assoc Business Development Exp	38,641	27,425	2,716	6,500
	<b>Associated Business Development Expenses</b>	<b>38,803</b>	<b>29,587</b>	<b>2,716</b>	<b>6,500</b>
	Gain on Disposition of Property	-	-	-	-
	Loss on Disposition of Property	-	-	-	-
	Loss(Gain) of Sale of Property	-	-	-	-
4265009	Factored Cust A/R Exp - AMI	331,488	331,488	0	0
4265010	Fact Cust A/R-Bad Debt-AMI	607,049	607,049	0	0
	<b>Opr Exp and Factored A/R Water Heaters</b>	<b>938,537</b>	<b>938,537</b>	-	-
4285004	Social & Service Club Dues	29,524	12,320	12,030	5,175
4285007	Regulatory Expenses	4,883	1,227	2,910	745
	<b>Expense of Non-Utility Operation</b>	<b>34,407</b>	<b>13,547</b>	<b>14,940</b>	<b>5,920</b>
4210009	Misc Non-Op Exp - NonAssoc	1,628	918	142	588
	<b>Misc NonOp Expenses - NonAssoc</b>	<b>1,628</b>	<b>918</b>	<b>142</b>	<b>588</b>
4261000	Donations	214,934	190,380	21,018	3,535
	<b>Donation Contributions</b>	<b>214,934</b>	<b>190,380</b>	<b>21,018</b>	<b>3,535</b>
4263001	Penalties	822	0	822	0
	<b>Provision for Penalties</b>	<b>822</b>	-	<b>822</b>	-
4284000	Civic & Political Activities	183,666	56,259	100,116	27,291
	<b>Civic &amp; Political Activities</b>	<b>183,666</b>	<b>56,259</b>	<b>100,116</b>	<b>27,291</b>
4285002	Other Deductions - Nonassoc	1,102	364	529	209
	<b>Other Deductions</b>	<b>1,102</b>	<b>364</b>	<b>529</b>	<b>209</b>
	<b>Shutdown Coal Company Expenses</b>	-	-	-	-
	<b>All Other Operational Expenses</b>	<b>1,375,086</b>	<b>1,200,006</b>	<b>137,568</b>	<b>37,523</b>
	<b>Operational Expenses</b>	<b>26,762,031</b>	<b>21,268,013</b>	<b>15,149,692</b>	<b>2,117,438</b>
5100000	Maint Supv & Engineering	747,164	227	746,822	114
5110000	Maintenance of Structures	1,102,356	0	1,102,356	0
5120000	Maintenance of Boiler Plant	6,175,388	0	6,175,388	0
5120034	BSRR O&M Recovery-Maint Costs	(82,745)	0	(82,745)	0
5120035	BSRR O&M Recovery-Maint Costs	(649,451)	0	(649,451)	0
5130000	Maintenance of Electric Plant	1,831,696	0	1,831,696	0
5140000	Maintenance of Misc Steam Plt	518,588	(461)	519,047	0
	<b>Steam Generation Maintenance</b>	<b>9,642,983</b>	<b>(234)</b>	<b>9,643,113</b>	<b>114</b>
	<b>Nuclear Generation Maintenance</b>	-	-	-	-
	<b>Hydro Generation Maintenance</b>	-	-	-	-
	<b>Other Generation Maintenance</b>	-	-	-	-
5680000	Maint Supv & Engineering	9,763	50	0	9,713
5690000	Maintenance of Structures	2,180	0	0	2,180
5691000	Maint of Computer Hardware	209	1	0	207
5692000	Maint of Computer Software	49,494	3,053	2,904	43,537
5693000	Maint of Communication Equip	842	0	0	842
5700000	Maint of Station Equipment	84,551	24	3	84,524
5710000	Maintenance of Overhead Lines	410,794	(188)	(715)	411,697
5720000	Maint of Underground Lines	37	0	0	37
5730000	Maint of Misc Transmission Plt	142,156	28	35	142,093
	<b>Transmission Maintenance</b>	<b>700,027</b>	<b>2,969</b>	<b>2,228</b>	<b>694,831</b>
5900000	Maint Supv & Engineering	765	753	0	13
5910000	Maintenance of Structures	6,215	1,767	0	4,448
5920000	Maint of Station Equipment	170,414	168,997	(16)	1,432
5930000	Maintenance of Overhead Lines	11,256,659	11,242,673	(9)	13,995
5930001	Tree and Bush Control	213,382	213,382	0	0
5930010	Storm Expense Authorization	809,733	809,733	0	0
5940000	Maint of Underground Lines	28,154	28,153	0	0
5950000	Maint of Line Trnsf, Regulators&Dv	15,390	15,390	0	0
5960000	Maint of Stn Lghtng & Signal S	23,603	23,603	0	0
5970000	Maintenance of Metals	26,681	24,859	0	1,823
5980000	Maint of Misc Distribution Plt	20,909	20,585	7	317
	<b>Distribution Maintenance</b>	<b>12,571,906</b>	<b>12,649,897</b>	<b>(17)</b>	<b>22,027</b>
9350001	Maint of Structures - Owned	112,129	111,999	2	127
9350002	Maint of Structures - Leased	19,582	19,582	0	0
9350012	Maint of Data Equipment	52,485	36,962	15,523	0
9350013	Maint of Communication Eq-Unltd	398,791	374,817	23,974	0
9350015	Maint of Office Furniture & Eq	241,254	124,058	117,196	0
9350016	Maintenance of Video Equipment	43	43	0	0
9350019	Maint of Gen Plans-SCADA Equ	89	89	0	0
9350024	Maint of DA-AMI Comm Equip	5,854	5,841	8	5

American Electric Power  
**INCOME STATEMENT**

GLS8016 YTD Apr 2016 05/06/2016 15:46	Account: GL_ACC_T_SEC Business Unit: SEGMENT_CONS Layout: GLS8016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016		110		117		180	
		Actual	YTD Apr 2016	Actual	YTD Apr 2016	Actual	YTD Apr 2016	Actual	YTD Apr 2016
4000001		830,227	673,391	466,311	30,274	166,703	132		
4000001	Administration & General Maintenance	23,746,163	13,226,023	0	0	9,802,027	717,104		
4073000	All Other Maintenance Expenses	50,497,184	34,494,036	466,311	30,274	24,961,818	2,834,542		
4073014	Maintenance Expenses								
4030001	Total Operational and Maintenance Expenses	700,939	673,391	466,311	30,274	166,703	132		
	Amount of Plant	12,872	0	0	0	0	12,872		
	Amount of Ppl Acq Adj	713,811	496,311	496,311	30,274	30,274	217,226		
	DDA Amortization	45,747	0	0	0	0	45,747		
	Regulatory Debit - ISSR	1,340,227	0	0	0	1,340,227	0		
	DDA Regulatory Debits	1,385,976	0	0	0	1,340,227	45,747		
	DDA Regulatory Credits								
	Amortization	2,969,786	466,311	466,311	30,274	1,340,227	45,747		
	Depreciation Exp	25,434,468	9,369,859	9,369,859	11,028,142	11,028,142	5,035,467		
	DDA Depreciation	26,434,468	9,369,859	9,369,859	11,028,142	11,028,142	5,035,467		
	DDA STP Nuclear Decommissioning								
	Depr - Asset Retirement Oblig	75,686	0	0	0	75,686	0		
	DDA Asset Retirement Oblig	75,686	0	0	0	75,686	0		
	DDA Removal Costs								
	Depreciation and Amortization	26,510,165	9,369,859	9,369,859	11,048,228	11,048,228	5,036,467		
	Franchise Taxes	27,698,940	9,836,171	9,836,171	12,476,336	12,476,336	5,298,440		
	State Gross Receipts Tax	(8,487)	0	0	(8,487)	(8,487)	0		
	State Gross Receipts Tax	12,000	0	0	12,000	12,000	0		
	Revenue-Whtr Taxes	3,813	0	0	3,813	3,813	0		
	FICA	1,002,675	544,515	544,515	456,574	456,574	1,585		
	Federal Unemployment Tax	8,518	6,377	6,377	2,109	2,109	32		
	State Unemployment Tax	38,555	22,657	22,657	15,795	15,795	103		
	Fringe Benefit Loading - FICA	(352,365)	(263,484)	(263,484)	(98,541)	(98,541)	(339)		
	Fringe Benefit Loading - FUTA	(2,402)	(1,781)	(1,781)	(620)	(620)	(0)		
	Fringe Benefit Loading - SUT	(7,059)	(4,578)	(4,578)	(2,480)	(2,480)	(0)		
	Payroll Taxes	687,823	313,706	313,706	372,837	372,837	1,379		
	State Business Occup Taxes	1,320,870	0	0	1,320,870	1,320,870	0		
	Capacity Taxes	1,320,870	0	0	1,320,870	1,320,870	0		
	Real Personal Property Taxes	828,694	0	0	828,694	828,694	0		
	Real Personal Property Taxes	4,074,768	2,397,876	2,397,876	194,508	194,508	1,462,404		
	Real-Prop Prop Tax-Cap Leases	187,243	151,411	151,411	28,751	28,751	0		
	Real-Prop Prop Tax-Cap Leases	79,816	63,032	63,032	7,081	7,081	0		
	Real-Prop Tax-Cap Leases	8,500	8,500	8,500	0	0	0		
	Real Personal Property Taxes	5,168	868	868	0	0	4,320		
	Property Taxes	5,164,230	2,621,687	2,621,687	0	0	1,528,763		
	SI-Pub Serv Comm Tax-Fees	377,401	377,401	377,401	0	0	0		
	Regulatory Fees	377,401	377,401	377,401	0	0	0		
	Federal Excise Taxes	900	0	0	900	900	0		
	Fields Excise Taxes	870	0	0	870	870	0		
	Production Taxes	1,770	0	0	1,770	1,770	0		
	SI Lic-Rightion Tax-Fees	52	52	52	0	0	0		
	State Sales and Use Taxes	791	791	791	0	0	0		
	State Sales and Use Taxes	3,367	3,367	3,367	0	0	0		
	Municipal License Fees	500	500	500	0	0	0		
	Miscellaneous Taxes	4,710	4,710	4,710	0	0	0		
	Other Non-Income Taxes	6,480	4,710	4,710	1,770	1,770	0		
	Taxes Other Than Income Taxes	7,680,418	3,317,604	3,317,604	2,732,769	2,732,769	1,530,143		
	<b>TOTAL OPERATING EXPENSES</b>	<b>85,687,540</b>	<b>47,647,711</b>	<b>47,647,711</b>	<b>40,169,718</b>	<b>40,169,718</b>	<b>5,683,124</b>		
	Memorandum: SEC Total Operating Expenses	164,982,910	180,808,991	180,808,991	119,449,963	119,449,963	9,667,341		
	<b>OPERATING INCOME</b>	<b>48,957,897</b>	<b>11,633,181</b>	<b>11,633,181</b>	<b>14,459,021</b>	<b>14,459,021</b>	<b>32,855,495</b>		
	<b>NON-OPERATING INCOME / (EXPENSES)</b>								
4100002	Int & Dividend Inc - Nonassoc	1,372	4,267	4,267	(2,670)	(2,670)	(225)		
4100005	Interest & Dividend Non-Affiliated	1,372	4,267	4,267	(2,670)	(2,670)	(225)		
	Interest Income - Assoc CBP	955	(3,616)	(3,616)	(5,566)	(5,566)	10,137		
	Interest & Dividend Affiliated	955	(3,616)	(3,616)	(5,566)	(5,566)	10,137		
	Total Interest & Dividend Income	2,328	660	660	(8,236)	(8,236)	9,912		
4210036	Carrying Charge	383,257	649	649	369,233	369,233	13,376		
	Interest & Dividend Carrying Charge	383,257	649	649	369,233	369,233	13,376		

American Electric Power  
**INCOME STATEMENT**

GLS8016  
YTD Apr 2016  
05/06/2016 18:48

Account	GLS8016 Actual	YTD Apr 2016	Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016			
											110	117	180
											Actual	Actual	Actual
Memo: Total Interest & Dividend Income w/ Carrying													
Adv On Frs Last Ding Crsb													
4191000	385,683	1,289					380,997			23,287			
4270002	510,898	85,777					368,816			58,305			
4270006	510,898	85,777					368,816			58,305			
<b>Gain on Disposition of Equity Investments</b>													
Interest LTD FMB													
Int on LTD - Intnl Pur Contr													
4270002	33,459	33,459					0			0			
Interest LTD IPC													
Interest LTD Notes Payable - Affiliated													
4270006	14,159,569	4,154,276					6,983,216			3,022,077			
Interest LTD Notes Payable - NonAffiliated													
Int on LTD - Sen Unsec Notes													
4270006	14,159,569	4,154,276					6,983,216			3,022,077			
Interest LTD Senior Unsecured													
Int on LTD - Other LTD													
4270006	519,521	152,422					256,217			110,881			
Interest LTD Other - NonAffil													
4270006	519,521	152,422					256,217			110,881			
Interest on Long-Term Debt													
Int to Assoc Co - Corp													
4300003	14,712,649	4,340,167					7,239,433			3,132,968			
Interest STD - Affil													
Lines Of Credit													
4310007	42,027	78,884					172,795			(206,452)			
Interest STD - NonAffil													
Interest on Short Term Debt													
4320002	307,148	72,360					221,365			13,422			
Amort Debt Debit/Exp - Int													
4320003	307,148	72,360					221,365			13,422			
Amort Debt Debit/Exp - Note													
4320006	349,175	148,044					394,180			(182,029)			
Amort of Debt Disc. Prem & Exp													
4320006	166,125	54,763					21,846			8,454			
Amort Loss on Recquired Debt													
4291004	241,828	87,779					92,069			39,853			
Amort Gain on Recquired Debt													
4291004	11,217	3,291					124,643			49,307			
Other Interest - Fuel Recovery													
4310001	19,669	0					5,532			2,394			
4310002	32,131	32,131					16,513			3,156			
4310023	6,566	2,601					3,708			257			
4320000	58,368	34,732					20,221			3,413			
<b>Other Interest - NonAffil</b>													
Interest Rate Hedge Unrealized (Gain)/Loss													
Adv Binned Frsk Used Crsb-Cr													
4320000	(366,748)	(61,213)					(265,326)			(40,209)			
AFUDC-Borrowed Funds													
4320000	(366,748)	(61,213)					(265,326)			(40,209)			
<b>Total Interest Charges</b>													
15,008,187													
4,532,790													
7,518,553													
7,870,271													
19,890,264													
<b>INCOME TAXES AND EQUITY EARNINGS</b>													
<b>INCOME TAXES AND EQUITY EARNINGS</b>													
4091001	36,824	148,249					(4,808,494)			4,666,869			
4092001	(65,090)	(69,794)					(10,870)			(4,425)			
<b>Federal Current Income Tax</b>													
4101001	(48,466)	76,456					(4,819,364)			4,692,444			
4102001	38,217,365	3,987,234					32,809,155			1,440,996			
4111001	694,247	0					692,779			1,469			
4112001	(26,315,016)	(1,649,808)					(24,355,707)			(309,501)			
4112001	(531,368)	0					(531,368)			0			
4114001	12,065,248	2,317,426					8,614,858			1,132,964			
<b>Federal Deferred Income Tax</b>													
4114001	(676)	(394)					(404)			(89)			
<b>Federal Investment Tax Credits</b>													
4091002	12,015,907	2,395,497					3,795,090			5,825,320			
4092002	342,852	78,614					(746,921)			1,011,258			
<b>State Income Taxes</b>													
4091002	(14,469)	(11,868)					(1,848)			(752)			
<b>State Current Income Tax</b>													
4101002	329,483	88,746					(748,769)			1,010,607			
4111002	262,081	0					262,081			0			
4112002	(676,266)	0					(676,266)			0			
4112002	(414,205)	0					(414,205)			0			
<b>State Deferred Income Tax</b>													
<b>State Investment Tax Credits</b>													
<b>Local Current Income Tax</b>													
<b>Local Deferred Income Tax</b>													
<b>Local Investment Tax Credits</b>													
<b>Local Income Taxes</b>													
<b>Foreign Current Income Tax</b>													
<b>Foreign Deferred Income Tax</b>													
<b>Foreign Investment Tax Credits</b>													
<b>Foreign Income Taxes</b>													
88,746													
(1,162,974)													
1,010,607													

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Apr 2016  
 05/09/2016 15:46

Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
GLS8016 Actual		YTD Apr 2016		110 Actual		117 Actual		180 Actual	
YTD Apr 2016		YTD Apr 2016		YTD Apr 2016		YTD Apr 2016		YTD Apr 2016	
Total Income Taxes	11,930,186		2,462,242						8,835,827
Equity Earnings of Subs	-		-		-		-		-
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>22,917,806</b>		<b>4,725,224</b>		<b>5,038,155</b>		<b>5,038,155</b>		<b>13,154,427</b>
Discontinued Operations (Net of Taxes)	-		-		-		-		-
Cumulative Effect of Accounting Changes	-		-		-		-		-
Extraordinary Income / (Expense)	-		-		-		-		-
<b>NET INCOME</b>	<b>22,917,806</b>		<b>4,725,224</b>		<b>5,038,155</b>		<b>5,038,155</b>		<b>13,154,427</b>
Minority Interest	-		-		-		-		-
Preferred Stock Dividend Subs	-		-		-		-		-
Earnings to Common Shareholders	22,917,806		4,725,224		5,038,155		5,038,155		13,154,427
<b>NET INCOME (LOSS) NODE before PS</b>	<b>22,917,806</b>		<b>4,725,224</b>		<b>5,038,155</b>		<b>5,038,155</b>		<b>13,154,427</b>
Double Check on Net Income Node after PS	(0)		(0)		(0)		(0)		(0)

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Apr 2016  
 05/19/2016 15:07

09B V2016-04-  
 Ljyrd : GLS8216  
 Account GL\_ACT\_SEC Business Unit: SEGMENT\_CONS

	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	915,794	915,794	0	0
Other Cash Deposits	10,849	5,786	5,063	0
Customers	14,121,415	12,079,677	1,660,859	380,879
Accrued Unbilled Revenues	(108,227)	(619,259)	511,032	0
Miscellaneous Accounts Receivable	21,536,145	4,098,259	52,715,031	8,417,184
Allowances for Uncollectible Accounts	(277,071)	(267,697)	(800)	(8,574)
Accounts Receivable	35,272,261	15,290,980	54,886,122	8,789,489
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	50,565,756	2,115,968	47,742,077	707,711
Risk Management Contracts - Current	1,787,150	0	1,787,150	0
Margin Deposits	2,813,661	33,483	2,780,178	0
Unrecovered Fuel - Current	199,537	0	199,537	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	1,409,952	1,188,112	188,277	35,563
<b>TOTAL CURRENT ASSETS</b>	<b>92,974,961</b>	<b>19,560,133</b>	<b>107,586,404</b>	<b>9,532,763</b>
Electric Production	1,128,161,443	810,745,654	1,144,480,633	567,000,203
Electric Transmission	570,810,862	0	0	0
Electric Distribution	763,622,946	0	0	0
General Property, Plant and Equipment	52,453,393	199,671	1,461,903	1,160,479
Construction Work-in-Progress	72,807,266	11,042,127	54,784,999	6,980,129
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,697,855,688</b>	<b>821,987,352</b>	<b>1,200,727,535</b>	<b>575,140,810</b>
less: Accumulated Depreciation and Amortization	(860,097,455)	(262,212,658)	(412,201,403)	(185,683,394)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,737,758,242</b>	<b>559,774,694</b>	<b>788,526,132</b>	<b>389,457,416</b>
Net Regulatory Assets	529,227,864	114,095,780	356,863,261	58,268,843
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	80,056	11,029	69,027	0
Employee Benefits and Pension Assets	7,533,098	3,047,164	4,285,692	200,250
Other Non Current Assets	12,617,627	5,382,468	4,236,268	2,999,903
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>549,458,663</b>	<b>122,636,429</b>	<b>365,453,238</b>	<b>61,468,997</b>
<b>TOTAL ASSETS</b>	<b>2,380,191,867</b>	<b>701,861,247</b>	<b>1,281,565,774</b>	<b>460,459,175</b>
<b>LIABILITIES</b>				
Accounts Payable	57,646,664	49,930,364	48,778,847	2,631,782
Advances from Affiliates	6,327,114	23,626,740	87,039,491	(84,338,117)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	85,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	737,749	6,660	731,089	0
Accrued Taxes	8,841,769	12,004,071	(14,485,011)	11,322,699
Memo: Property Taxes	17,598,070	8,365,981	4,179,223	5,042,667
Accrued Interest	9,839,868	2,899,928	4,850,246	2,088,694
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,781,234	26,518,135	263,099	0
Deposits - Customer and Collateral	26,781,234	26,518,135	263,099	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	970,290	490,024	458,301	23,965
Tax Collections Payable	2,294,320	1,913,024	380,632	664
Revenue Refunds - Accrued	1,130,336	0	10,740	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	811,482	354,523	455,805	1,154
Accrued Rents	(1,793)	(1,793)	0	0



**AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET**

GLS8216  
 YTD Apr 2016  
 05/02/2016 15:07

Account	GLS8216 Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
Account	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
09B V2016-04- Layout : GLS8216 Account: GL_ACT_SEC - Business Unit: SEGMENT_CONS				
2530022	Accrued ICP	1,368,425	629,958	1,208
2420088	Accrued Vacations	5,214,612	2,343,542	5,832
2420512	Misc Employee Benefits	823,888	249,057	27,294
2420542	Payroll Deductions	148,214	72,453	91
2420656	Severance / SEI	1,262,107	0	0
2530050	Accrued Workers Compensation	228,933	34,974	186,831
2530112	Customer Advance Receipts	1,641,853	1,641,853	0
2530124	Customer Advance	1,641,853	1,641,853	0
2530177	Control Cash Disburse Account	1,701,625	1,701,625	0
	JMGS Liability	0	0	0
	ARO - Current	16,861,479	0	0
	Econ. Development Fund Curr	574,747	376,497	0
	Unclaimed Funds	4,687	4,687	0
	Acc Cash Franchise Req	85,027	85,027	0
	Sales Use Tax - Leased Equip	701	600	34
	Accrued Audit Fees	144,163	44,432	27,409
	Federal Mitigation Acctn (NSR)	554,326	0	0
	Deferred Rev-Pole Attachments	135,396	135,396	0
	Other Deferred Credits-Curr	221,816	0	0
	Contr in Aid of Const Advance	55,302	55,302	0
	Deferred Rev-Bonus Lease Cur	431,564	431,564	0
	Misc Current and Accrued Liabilities	19,069,008	701,940	27,443
	Current Other and Accrued Liabilities	35,692,990	8,641,156	1,190,408
	Other Current Liabilities	36,863,280	10,151,180	1,214,374
	<b>TOTAL CURRENT LIABILITIES</b>	<b>211,836,666</b>	<b>125,116,076</b>	<b>(67,080,568)</b>
2440002	Long-Term Debt - Affiliated	0	0	0
	Long-Term Debt - Non Affiliated	801,915,298	235,459,890	171,288,061
	Long-Term Debt - Premiums and Discounts Unamort	(222,300)	(65,220)	(47,445)
	Memo - LTD Non-Affiliated and Premiums	801,692,998	235,394,670	171,240,616
	Long-Term Risk Management Liabilities - Hedge	0	0	0
	LT Unreal Losses - Non AVE	47,252	0	0
	Long-Term Risk Management Liabilities - MTM	47,252	0	0
	Long-Term Risk Management Liabilities	47,252	47,252	0
	Deferred Income Taxes	649,936,876	184,997,725	132,888,758
	Deferred Investment Tax Credits	3,174	1,386	423
	Regulatory Liabilities and Deferred Credits	(33,091,755)	(29,002,073)	(3,308,495)
	Memo - Reg Liab and Def ITC	(33,088,581)	(29,000,717)	(3,308,073)
	Asset Retirement Obligation	59,096,884	69,672	0
	Nuclear Decommissioning	0	0	0
	Employee Benefits and Pension Obligations	12,888,917	11,186,150	1,751,807
	Trust Preferred Securities	0	0	0
	Cumulative Preferred Stocks - Mandatory Rede	0	(49,040)	0
	Obligations Under Capital Leases	2,054,558	901,952	32,030
	Def Credits - Income Tax	664,459	295,927	55,000
	Federal Mitigation Deferral(NSR)	1,110,644	0	0
	Def Credits - NSR	1,110,644	0	0
	Customer Advances for Construction	162,500	162,500	0
	Def Gain on Sale/Leaseback	0	0	0
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0
	Def Gain on Disp of Utility Plant	0	0	0
	JPP - System Upgrade Credits	289,878	0	289,979
	Fbr Opt Live-In Kind Sv-Def Gns	140,343	140,343	0
	Fbr Opt Lib-Sold-Def Rev	71,543	0	71,543
	Deferred Rev-Bonus Lease NC	863,128	0	0
	Def Credits - Other	1,364,993	140,343	361,522
	Total Other Deferred Credits	1,527,493	302,843	361,522
	Accumulated Provisions - Rate Refund	407,750	0	0
	Accumulated Provisions - Misc	5,764,904	1,500,622	448,552
	Other Non-Current Liabilities	1,493,339,049	404,149,121	302,193,295
	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,493,339,049</b>	<b>787,007,633</b>	<b>302,193,295</b>

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Apr 2016  
05/10/2016 13:07

	Layout : GLS8216	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
	Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016	YTD Apr 2016
<b>TOTAL LIABILITIES</b>					
Cumulative Pref Stocks - Not subject Mand Redem		1,705,175,715	529,254,197	984,503,120	235,102,727
Minority Interest - Deferred Credits		0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock		50,450,000	22,404,049	10,287,603	17,759,348
Paid in Capital		527,309,077	106,025,371	337,243,870	84,039,836
Premium on Capital Stock		0	0	0	0
Retained Earnings		98,878,090	44,191,285	(88,886,843)	123,575,459
Accumulated Other Comprehensive Income (Loss)		(1,821,006)	(23,636)	(1,680,175)	(17,194)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		675,016,152	172,597,049	277,062,654	225,356,448
Memo: Total Equity		675,016,152	172,597,049	277,062,654	225,356,448
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		2,380,191,867	701,861,247	1,261,565,774	460,459,175
out-of-balance		(0)	0	0	(0)

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Apr 2015  
 09/11/2015 16:30

09B V2015-04-  
 Layout: GLS8216  
 Account: GL\_Acct\_SEC\_Business Unit\_SEGMENT\_CONS

	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	599,708	599,708	0	0
Other Cash Deposits	0	0	0	0
Customers	19,203,301	12,368,921	5,849,975	984,405
Accrued Unbilled Revenues	(4,733,947)	(5,125,014)	391,067	0
Miscellaneous Accounts Receivable	23,317,672	9,723,375	52,477,121	8,402,257
Allowances for Uncollectible Accounts	(257,050)	(183,560)	(64,915)	(8,574)
Accounts Receivable	37,529,976	16,783,721	58,653,247	9,378,088
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	59,141,584	2,255,003	55,110,104	776,476
Risk Management Contracts - Current	3,824,354	0	3,824,354	0
Margin Deposits	2,519,251	43,217	2,476,034	0
Unrecovered Fuel - Current	669,741	0	669,741	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	1,771,591	1,121,340	402,599	247,653
<b>TOTAL CURRENT ASSETS</b>	<b>105,056,205</b>	<b>20,802,990</b>	<b>121,136,079</b>	<b>10,402,217</b>
Electric Production	1,166,232,731	785,036,768	1,639,274,130	554,329,663
Electric Transmission	557,980,684	0	0	0
Electric Distribution	737,217,635	0	0	0
General Property, Plant and Equipment	520,031,464	199,571	1,461,903	1,160,479
Construction Work-in-Progress	53,559,374	7,965,559	37,517,197	8,076,618
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>3,035,021,887</b>	<b>793,201,898</b>	<b>1,678,283,230</b>	<b>563,566,759</b>
less: Accumulated Depreciation and Amortization	(1,061,161,285)	(259,079,050)	(624,894,359)	(177,187,876)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,973,860,602</b>	<b>534,122,848</b>	<b>1,053,388,871</b>	<b>386,378,883</b>
Net Regulatory Assets	246,585,251	100,332,832	89,529,279	56,723,140
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	948,212	28,165	920,047	0
Employee Benefits and Pension Assets	13,540,922	5,488,301	7,519,533	533,088
Other Non Current Assets	15,406,313	5,968,638	6,079,827	3,357,848
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>276,480,698</b>	<b>111,817,936</b>	<b>104,048,686</b>	<b>60,614,076</b>
<b>TOTAL ASSETS</b>	<b>2,355,397,505</b>	<b>666,743,773</b>	<b>1,278,543,636</b>	<b>457,395,175</b>
<b>LIABILITIES</b>				
Accounts Payable	65,662,727	48,270,818	62,282,880	2,394,109
Advances from Affiliates	478,769	(2,819,095)	91,454,516	(85,156,651)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	2,353,778	42,680	2,311,098	0
Accrued Taxes	(1,259,093)	11,117,965	(24,528,189)	12,151,132
Memo: Property Taxes	14,996,424	6,939,638	3,879,650	4,167,135
Accrued Interest	9,749,578	2,793,236	4,766,475	2,189,867
Risk Management Collateral	56,317	0	56,317	0
Utility Customer Deposits	26,321,735	26,071,735	250,000	0
Deposits - Customer and Collateral	26,378,051	26,071,735	306,317	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/in 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	1,003,041	504,528	476,403	22,111
Tax Collections Payable	1,720,566	1,624,003	96,456	107
Revenue Refunds - Accrued	22,294,019	21,166,497	7,926	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	2,350,885	949,105	1,398,851	2,928
Accrued Rents	(3,494)	(3,494)	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS9216  
 YTD Apr 2015  
 05/11/2015 16:50

Account GL_Acct_Sec - Business Unit - SEGMENT - COBS	Layout: GLS9216	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015
		Kentucky Power Int Consol GLS9216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
2530022	Accrued ICP	1,423,784	619,213	803,337	1,233	
	Accrued Vacations	5,318,841	2,209,117	3,104,997	4,727	
	Misc Employee Benefits	1,285,965	521,081	739,097	25,787	
	Payroll Deductions	166,806	78,684	87,998	123	
	Severance / SEI	4,415,904	0	4,415,904	0	
	Accrued Workers Compensation	733,423	323,880	389,035	20,508	
	Customer Advance Receipts	1,415,734	1,415,734	0	0	
	Customer Advance	1,415,734	1,415,734	0	0	
2420511	Control Cash Disburse Account	6,381,709	6,381,709	0	0	
	Control Cash Disbursement Account	6,381,709	6,381,709	0	0	
	JMIG Liability	0	0	0	0	
2300002	ARO - Current	2,220,140	0	2,220,140	0	
2420088	Econ Development Fund Curr	291,250	0	291,250	0	
2420512	Unclaimed Funds	5,318	5,318	0	0	
2420542	Acc Cash Franchise Req	86,305	86,305	0	0	
242059215	Sales Use Tax - Leased Equip	143	0	70	73	
2420643	Accrued Audit Fees	146,429	43,855	74,199	28,374	
2420656	Federal Mitigation Accru (NSR)	554,326	0	554,326	0	
2420664	ST State Mitigation Def (NSR)	148,663	0	148,663	0	
2530050	Deferred Rev - Pole Attachments	151,240	151,240	0	0	
2530112	Other Deferred Credits-Curr	221,616	0	221,616	0	
2530124	Contr In Aid of Const Advance	57,357	57,357	0	0	
2530177	Deferred Rev-Bonus Lease Curr	431,564	0	431,564	0	
	Misc Current and Accrued Liabilities	4,314,352	344,076	3,941,829	28,447	
	Current Other and Accrued Liabilities	51,818,494	35,629,606	14,985,431	1,203,457	
	Other Current Liabilities	52,821,535	36,134,134	15,461,834	1,225,568	
	<b>TOTAL CURRENT LIABILITIES</b>	<b>221,185,345</b>	<b>121,611,472</b>	<b>217,054,929</b>	<b>(70,195,976)</b>	
	Long-Term Debt - Affiliated	0	0	0	0	
	Long-Term Debt - Non Affiliated	780,000,000	223,084,400	381,521,400	175,414,200	
	Long-Term Debt - Premiums and Discounts Unamort	(389,025)	(111,253)	(190,284)	(87,488)	
	Memo - LTD NonAffiliated and Premiums	779,610,975	222,953,147	381,331,116	175,326,712	
	Long-Term Risk Management Liabilities - Hedge	0	0	0	0	
2440002	LT Unreal Losses - Non AFF	368,204	0	368,204	0	
2440022	LT Liability MTM Collateral	(13,185)	0	(13,185)	0	
	Long-Term Risk Management Liabilities - MTM	355,018	0	355,018	0	
	Long-Term Risk Management Liabilities	355,018	0	355,018	0	
	Deferred Income Taxes	582,527,421	172,175,825	280,417,985	129,933,611	
	Deferred Investment Tax Credits	21,154	6,609	10,409	4,137	
	Regulatory Liabilities and Deferred Credits	19,459,670	(36,220,897)	62,409,204	(6,728,647)	
	Memo - Reg Liab and Def/TC	19,480,824	(36,214,278)	62,419,673	(6,724,510)	
	Asset Retirement Obligation	64,265,545	65,788	64,199,757	0	
	Nuclear Decommissioning	12,856,409	10,424,698	1,534,069	897,642	
	Employee Benefits and Pension Obligations	0	0	0	0	
	Trust Preferred Securities	0	0	0	0	
	Cumulative Preferred Stocks - Mandatory Rede	0	0	0	0	
	Obligations Under Capital Leases	2,536,718	1,110,749	1,375,137	50,832	
	Def Credits - Income Tax	84,201	43,549	12,298	28,354	
2530114	Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0	
	Def Credits - NSR	1,110,644	0	1,110,644	0	
	Customer Advances for Construction	120,385	120,385	0	0	
	Def Gain on Sale/Leaseback	0	0	0	0	
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0	
	Def Gain on Disp of Utility Plant	0	0	0	0	
	Other Deferred Credits	467	0	467	0	
2530000	IPP - System Upgrade Credits	280,568	0	0	280,568	
2530057	For Opt Lns-In Kind Sv-Defr Gns	148,023	148,023	0	0	
2530092	For Opt Lns-Sold-Defr Rev	85,099	0	0	85,099	
2530137	Deferred Rev-Bonus Lease NC	1,294,692	0	1,294,692	0	
2530178	Def Credits - Other	1,808,950	148,023	1,295,160	365,767	
	Total Other Deferred Credits	1,929,335	288,408	1,295,160	365,767	
	Accumulated Provisions - Rate Refund	0	0	0	0	
	Accumulated Provisions - Misc	640,750	0	640,750	0	

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Apr 2016  
 05/11/2015 16:50

Account: GL_ACCT_SEC	Business Unit: SEGMENT_CONS	Layout: GLMETH	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
099 V2015-04-			YTD Apr 2015	YTD Apr 2015	YTD Apr 2015	YTD Apr 2015
<b>Other Non-Current Liabilities</b>						
			6,301,647	1,422,706	4,433,989	444,953
<b>TOTAL NON-CURRENT LIABILITIES</b>			1,465,397,838	370,827,885	794,691,545	299,878,408
<b>TOTAL LIABILITIES</b>			1,686,583,184	492,439,357	1,011,746,474	229,662,433
Cumulative Pref Stocks of Subs - Not subject Mand Redem			0	0	0	0
Minority Interest - Deferred Credits			0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>						
Common Stock			50,450,000	22,404,049	10,287,603	17,758,348
Paid In Capital			517,459,453	106,025,371	327,394,246	84,039,836
Premium on Capital Stock			0	0	0	0
Retained Earnings			103,030,113	45,915,314	(68,831,466)	125,946,285
Accumulated Other Comprehensive Income (Loss)			(2,125,244)	(40,318)	(2,053,220)	(31,706)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			668,814,321	174,304,416	266,797,162	227,712,743
Memo: Total Equity			668,814,321	174,304,416	266,797,162	227,712,743
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			2,355,397,505	666,743,773	1,278,543,636	457,395,175
out-of-balance			(0)	0	0	(0)

Reserved Section

GLR7210V 05/10/16 16:12

UTILITY PLANT	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
101106 GENERATION	1,124,272,407.54	15,048,016.38	(4,418,728.56)	0.00	0.00	1,134,901,695.36
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>15,048,016.38</b>	<b>(4,418,728.56)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,134,901,695.36</b>
101106 TRANSMISSION	564,356,984.53	2,734,301.40	(552,938.38)	0.00	0.00	566,538,347.55
101106 DISTRIBUTION	798,264,586.59	12,654,504.06	(3,351,291.37)	0.00	0.00	807,567,799.28
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>30,436,821.84</b>	<b>(8,322,958.31)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,509,007,842.19</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	209,615.81	0.00	5,468,047.30
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>30,436,821.84</b>	<b>(8,322,958.31)</b>	<b>209,615.81</b>	<b>0.00</b>	<b>2,514,475,889.49</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		41,644,061.88				
107000X TRANSFERS		(28,187,783.32)				
107000X END. BAL.		13,456,278.56				72,807,254.61
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>43,893,100.40</b>	<b>(8,322,958.31)</b>	<b>209,615.81</b>	<b>0.00</b>	<b>2,595,033,745.06</b>

**NONUTILITY PLANT**

1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February 2016 - \$2,249,038.52.

ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - April, 2016

05/10/16 16:13

GLR7410V

UTILITY PLANT	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>NUCLEAR</b>						
1080001/11 OTHER DECOMMISSIONING COSTS					0.00	
					0.00	
<b>TOTAL NUCLEAR</b>					0.00	
1080001/11 PRODUCTION	403,108,517.50	11,447,965.41	(4,418,728.56)	(801,300.85)	0.00	409,336,453.50
1080001/11 TRANSMISSION	176,427,961.28	5,035,466.79	(552,938.38)	(40,526.53)	0.00	180,869,963.16
1080001/11 DISTRIBUTION	222,789,410.10	9,371,736.71	(3,348,829.02)	(1,492,697.74)	0.00	227,319,620.05
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(75,805.89)	(2,034,061.59)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(3,195.95)	(48,568.10)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(1,687,660.60)	2,334,525.12	(1,444,040.33)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>25,855,168.91</b>	<b>(8,320,495.96)</b>	<b>(4,022,185.72)</b>	<b>2,255,521.28</b>	<b>813,999,365.70</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	295,177.16	46,780.12	0.00	0.00	0.00	2,185,988.00
1110001 TRANSMISSION	1,430,933.85	209,894.87	0.00	0.00	(3,277.67)	1,637,551.05
1110001 DISTRIBUTION	5,080,066.43	482,193.47	(2,462.35)	0.00	(11,938.48)	5,547,859.07
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>738,868.46</b>	<b>(2,462.35)</b>	<b>0.00</b>	<b>1,828,814.57</b>	<b>9,371,398.12</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	88,610.33	2,443,199.13
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>26,594,037.37</b>	<b>(6,322,958.31)</b>	<b>(4,022,185.72)</b>	<b>4,172,946.18</b>	<b>825,813,962.95</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	2,223.24	0.00	0.00	0.00	230,518.43
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>2,223.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>230,537.30</b>

Preparer - PSnVision Report GLR7410V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Depr Rpt. 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

June 20, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed May 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in black ink that reads "Jerri L. Ruggiero". The signature is written in a cursive, flowing style.

Jerri L. Ruggiero  
Manager – Regulated Accounting



INCOME STATEMENT

GLS8016
YTD May 2016
05/02/2016 15:01

Table with columns: Account, GL, ACTY, SEC, Business Units, SEGMENT, CONS, LAYOUT, GLS8016, YTD May 2016, Kentucky Power Int Control, Kentucky Power Distribution, Kentucky Power Generation, Kentucky Power Company - Transmission, YTD May 2016, YTD May 2016, YTD May 2016. Rows include Residential Sales, Commercial Sales, Industrial Sales, Gas Products Sales, Gas Transportation & Storage Sales, and Retail Sales.

088 Y2016-05-31
Layout: GLS8016
Account: GL, ACTY, SEC Business Units: SEGMENT, CONS

REVENUES

Main data table with columns: Account, GL, ACTY, SEC, Business Units, SEGMENT, CONS, LAYOUT, GLS8016, YTD May 2016, Kentucky Power Int Control, Kentucky Power Distribution, Kentucky Power Generation, Kentucky Power Company - Transmission, YTD May 2016, YTD May 2016, YTD May 2016. Rows include Residential Sales-WSpace Htg, Residential Sales-WO Space Htg, Commercial Sales, Industrial Sales, Gas Products Sales, Gas Transportation & Storage Sales, and Retail Sales.

**INCOME STATEMENT**

GLS016  
YTD May 2016  
06/02/2016 15:01

Account: GL_Acct_BEC Business Units: SEGMENT_CODE		Kentucky Power Int Contol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
GLS016		GLS016		110		117		180	
YTD May 2016		YTD May 2016		YTD May 2016		YTD May 2016		YTD May 2016	
Actual		Actual		Actual		Actual		Actual	
088 V2016-05-31	Layoff: GLS016								
447012	Non-Trading Bookend Sales-OSS	45	0	0	0	0	45	0	0
447015	PJM Meter Corrections-OSS	7,780	0	0	0	0	7,780	0	0
447016	PJM Meter Corrections-LSE	143,000	0	0	0	0	143,000	0	0
447028	PJM Incremental Imp Cong-OSS	27,877	0	0	0	0	27,877	0	0
447031	Non-Trading Bookend Purch-OSS	(226,248)	0	0	0	0	(226,248)	0	0
447043	Financial Hedge Realized	397,930	0	0	0	0	397,930	0	0
447048	Interest Rate Swap-Power	(182)	0	0	0	0	(182)	0	0
447070	Non-ECR Auction Sales-OSS	(8,549)	0	0	0	0	(8,549)	0	0
447075	OSS Sharing Reclass - Retail	(4,439,047)	0	0	0	0	(4,439,047)	0	0
447076	OSS Sharing Reclass-Resoction	4,439,047	0	0	0	0	4,439,047	0	0
4470214	PJM 30m Suppl Reserve CR OSS	4,578	0	0	0	0	4,578	0	0
4470215	PJM 30m Suppl Reserve CH OSS	(3,713)	0	0	0	0	(3,713)	0	0
447020	PJM Regulation - OSS	6,508	0	0	0	0	6,508	0	0
447021	PJM Spinning Reserve - OSS	2,386	0	0	0	0	2,386	0	0
447022	PJM Reserve - OSS	(137,240)	0	0	0	0	(137,240)	0	0
5550060	PJM Hourly Net Purch -FERC	(1,411,292)	0	0	0	0	(1,411,292)	0	0
	<b>Revenue - Resale-NonAffiliated</b>	<b>4,519,208</b>					<b>4,519,208</b>		
A	<b>Revenue - Resale-Realized</b>								
A	<b>Revenue - Resale-Risk Mgmt MTM</b>								
A	<b>Revenue - Resale-Risk Mgmt Activities</b>								
	<b>Revenue - Sales for Resale</b>								
447074	Sales for Resale-As-Tied Price	8,141,932	0	0	0	0	8,141,932	0	0
450001	Rent From Elect Property - A	150,498	0	0	0	0	150,498	0	0
450001	Chg Elect Rev - Affiliated	12,650	0	0	0	0	12,650	0	0
	<b>Revenue - Other Ele-Affiliated</b>	<b>163,148</b>					<b>163,148</b>		
450000	Forecasted Damages	1,719,025	0	0	0	0	1,719,025	0	0
4510001	Misc Services Rev - NonAffil	291,614	0	0	0	0	291,614	0	0
450002	Rent From Elect Property-NAIC	63,214	0	0	0	0	63,214	0	0
450005	Rent from Elec Prop-Pole Atch	1,946,511	0	0	0	0	1,946,511	0	0
450007	Chg Elect Rev - DSM Program	2,151,112	0	0	0	0	2,151,112	0	0
	<b>Revenue - Other Ele-NonAffiliated</b>	<b>6,173,478</b>					<b>6,173,478</b>		
	<b>Revenue - Gas</b>								
411802	Comp. Allow Oltim Title IV 502	76	0	0	0	0	76	0	0
411808	Comp Allow Gain CSA/PR State NOx	134,000	0	0	0	0	134,000	0	0
411809	Comp Allow Gain CSA/PR An NOx	124,125	0	0	0	0	124,125	0	0
4118010	Emission Allow KY Env Surch	(124,046)	0	0	0	0	(124,046)	0	0
	<b>Gain/(Loss) on Allowances</b>	<b>134,155</b>					<b>134,155</b>		
A	<b>Revenue - Other Ele-NonAffiliated</b>	<b>6,307,631</b>					<b>6,307,631</b>		
	<b>Revenue - Other Opr Electric</b>	<b>6,470,778</b>					<b>6,470,778</b>		
D	<b>Revenue Merchandising &amp; Contract Work</b>								
C	<b>Revenues Non-Utility Operations - Affiliated</b>								
D	<b>Revenues Non-Utility Operations - NonAffiliated</b>								
C	<b>Revenues from Non-Utility Operations</b>								
C	<b>Non-Operating Rental Income - Affiliated</b>								
4180001	Non-Operating Rental Income	14,125	0	0	0	0	14,125	0	0
418006	Non-Operating Rental Inc-Opr	(2,779)	0	0	0	0	(2,779)	0	0
	<b>Non-Operating Rental Income - NonAffiliated</b>	<b>11,346</b>					<b>11,346</b>		
D	<b>Non-Operating Rental Income</b>	<b>11,346</b>					<b>11,346</b>		
C	<b>Non-Operating Misc Income - Affiliated</b>								
4210002	Misc Non-Op Inc-NonAffil-Rent	1,004	278	278	0	0	1,004	458	268
4210026	Misc Non-Op Inc-NonAffil-Timber	4,545	0	0	0	0	4,545	0	0
4210007	Misc Non-Op Inc - NonAffil - Oth	180,216	283	283	0	0	179,933	0	0
	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>185,765</b>					<b>184,935</b>		
4540004	Non-Operating Misc Income	185,765	561	561	0	0	184,938	268	268
4560015	Rent From Elect Prop-ASD-None	28,692	0	0	0	0	28,692	0	0
	<b>Other Electric Revenues - ASD</b>	<b>111,411</b>					<b>111,411</b>		
	<b>Associated Business Development Income</b>	<b>140,103</b>					<b>129,103</b>		
	<b>Revenue - Other Opr - Other</b>	<b>337,214</b>					<b>143,164</b>		
(C)	<b>Memo: Revenue-Oth Opr-Oth Aff</b>								
(D)	<b>Memo: Revenue-Oth Opr-Oth Non</b>								
A	<b>Revenue - Other Operating</b>	<b>337,214</b>					<b>143,164</b>		
B	<b>Provision for Rate Refund - NonAffiliated</b>	<b>6,807,893</b>					<b>6,594,692</b>		
	<b>Provision for Rate Refund - Affiliated</b>								
	<b>Provision for Rate Refund</b>								
421002	Per Purch Outside Sys Termit	(745)	0	0	0	0	(745)	0	0
	<b>Revenue - Power Sales</b>	<b>260,491,805</b>					<b>162,609,235</b>		
	<b>TOTAL OPERATING REVENUES</b>	<b>255,109,718</b>					<b>246,246,767</b>		
	<b>Revenue - Other</b>	<b>4,995,695</b>					<b>4,995,695</b>		
	<b>TOTAL REVENUES</b>	<b>260,105,413</b>					<b>251,242,462</b>		

Memo: C/D/D Revenue

(A)

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD May 2016  
 06/06/2016 15:01

Account: GL_Acct_SEC - Business Units: SEGMENT_CODE	Kentucky Power Int Counsel		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD May 2016	110 Actual	YTD May 2016	117 Actual	YTD May 2016	180 Actual	YTD May 2016
5910000								
5910001								
5910003								
5910019								
5910027								
5910028								
5910005								
5900020								
5900039								
5900014								
5900027								
5900003								
5900004								
5900005								
5900007								
5900015								
5950027								
5950029								
5950048								
5950001								
5950032								
5950039								
5950040								
5950074								
5950075								
5950076								
5950078								
5950079								
5950083								
5950084								
5950086								
5950089								
5950100								
5950123								
5950124								
5950132								
5950137								
5950141								
5950142								
5950143								
5950206								
5950327								
<b>FUEL EXPENSES</b>								
	Fuel	1,167,428	8	1,167,418				5
	Fuel Consumed	36,914,094	0	36,914,094				0
	Fuel - Process Unleaded & Handle	1,449,822	0	1,449,822				0
	Fuel Oil Consumed	581,225	0	581,225				0
	Gypsum handling/disposal costs	144,004	0	144,004				0
	Gypsum Sales Proceeds	(228,557)	0	(228,557)				0
	<b>Fuel Expenses Total</b>	<b>40,007,806</b>	<b>8</b>	<b>40,007,792</b>				<b>8</b>
	Fuel - Deferred	(1,087,248)	0	(1,087,248)				0
	(1,087,248)							
	<b>Deferred Fuel Expenses</b>	<b>38,920,557</b>	<b>8</b>	<b>38,920,544</b>				<b>8</b>
	<b>Over Under Fuel Expenses</b>	<b>-</b>	<b>0</b>	<b>-</b>				<b>0</b>
	<b>Fuel for Electric Generation</b>	<b>290,043</b>	<b>0</b>	<b>290,043</b>				<b>0</b>
	Fuel from Affiliates for Electric Generation	25,984	0	25,984				0
	Allow Consumpt CSAPP S02	(6,589)	0	(6,589)				0
	Environmental Over/Under OMM E	289,448	-	289,448				-
	<b>Allowances - Consumption</b>	<b>589,277</b>	<b>0</b>	<b>589,277</b>				<b>0</b>
	Unres Expense	135,478	0	135,478				0
	Leasehold Expense	1,463,756	0	1,463,756				0
	Polymer Expense	6,446	0	6,446				0
	Leasehold Expense	5,775	0	5,775				0
	Environmental Over/Under Control	(153,049)	0	(153,049)				0
	<b>Emissions Control - Chemicals</b>	<b>2,047,882</b>	<b>0</b>	<b>2,047,882</b>				<b>0</b>
	<b>Total Fuel for Electric Generation</b>	<b>41,267,687</b>	<b>8</b>	<b>41,267,674</b>				<b>8</b>
	41,267,687							
	<b>Memorandum Fuel/Allow/Emissions</b>	<b>21,351,596</b>	<b>0</b>	<b>21,351,596</b>				<b>0</b>
	Purch Power-Non-Fuel Portion-Aff	0	0	0				0
	Purch Power-Auxo-Treat Price	10,502	0	10,502				0
	Purch Power-Fuel Portion-Aff	1,049,459	0	1,049,459				0
	<b>Purchased Electricity from AEP - Affiliates</b>	<b>(460,624)</b>	<b>0</b>	<b>(460,624)</b>				<b>0</b>
	Gas-Conversion-More Plant	365,856	0	365,856				0
	PJM Inadvertent Mtr Res-OSS	300,468	0	300,468				0
	PJM Inadvertent Mtr Res-LSE	(49,353)	0	(49,353)				0
	PJM Reactive-Charge	138,752	0	138,752				0
	PJM Black Start-Charge	(41,038)	0	(41,038)				0
	PJM Regulation-Charge	6,820	0	6,820				0
	PJM Regulation-Credit	1,427	0	1,427				0
	PJM Spinning Reserve-Credit	2,925	0	2,925				0
	PJM Purchases-non-ECR Auction	330,489	0	330,489				0
	Capacity Purchases-Auction	532,065	0	532,065				0
	PJM Impairt Completion-LSE	(1,278,692)	0	(1,278,692)				0
	PJM FTR Revenue-LSE	(7,235)	0	(7,235)				0
	PJM Ofgas-LSE-Credit	229,666	0	229,666				0
	Purchase Power-PPA Deferred	(338,462)	0	(338,462)				0
	KY Env Sur - Purchase Power	785	0	785				0
	BSIOR PJM Over/Under Recovery	3,154,057	0	3,154,057				0
	PJM Transm Loss Charges - LSE	(698,438)	0	(698,438)				0
	PJM Transm Loss Credits-LSE	20,779,627	0	20,779,627				0
	<b>Purchased Electricity for Resale - NonAffiliated</b>	<b>56,635,187</b>	<b>0</b>	<b>56,635,187</b>				<b>0</b>
	<b>Purchased Gas for Resale - Affiliated</b>	<b>174,906,346</b>	<b>0</b>	<b>174,906,346</b>				<b>0</b>
	<b>Purchased Gas for Resale - NonAffiliated</b>	<b>71,829,441</b>	<b>0</b>	<b>71,829,441</b>				<b>0</b>
	<b>Total Purchased Power</b>	<b>163,688,731</b>	<b>0</b>	<b>163,688,731</b>				<b>0</b>
	<b>GROSS MARGIN</b>	<b>56,635,187</b>	<b>0</b>	<b>56,635,187</b>				<b>0</b>
	<b>OPERATING EXPENSES</b>	<b>85,710,694</b>	<b>0</b>	<b>85,710,694</b>				<b>0</b>
	<b>Total Operating Expenses</b>	<b>29,083,544</b>	<b>0</b>	<b>29,083,544</b>				<b>0</b>
	<b>Net Operating Income</b>	<b>27,551,643</b>	<b>0</b>	<b>27,551,643</b>				<b>0</b>

**INCOME STATEMENT**

GLS8016  
YTD May 2016  
36/08/2016 15:01

Account	Kentucky Power Int Conso		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD May 2016	Actual	YTD May 2016	Actual	YTD May 2016	Actual	YTD May 2016
5000000	1,227,002	6,225	1,218,747	2,029	0	0	0	
5000001	20,134	0	20,134	0	0	0	0	
5000002	487,548	0	487,548	0	0	0	0	
5000003	153,569	0	153,569	0	0	0	0	
5000004	3,290,892	760	3,289,755	477	0	0	0	
5000005	18,176	0	18,176	0	0	0	0	
5000006	158	(3)	164	(2)	0	0	0	
5000007	58,173	0	58,173	0	0	0	0	
5000008	40,719	0	40,718	0	0	0	0	
5000013	5,306,470	6,992	5,286,984	2,504	0	0	0	
5000000	160,060	0	160,060	0	0	0	0	
5000001	627,431	0	627,431	0	0	0	0	
5000002	1,415	1,415	0	0	0	0	0	
5000003	20,603	0	20,603	0	0	0	0	
5000004	376,914	0	376,914	0	0	0	0	
5000005	1,186,424	1,416	1,186,009	415	0	0	0	
5000006	487,139	1,680	3,817	491,842	0	0	0	
5000007	2,946	0	2,946	2,946	0	0	0	
5000008	355,302	105	233	354,964	0	0	0	
5000009	24,939	0	24,939	0	0	0	0	
5000010	454,425	0	454,425	0	0	0	0	
5000011	45,939	1,770	4,088	39,681	0	0	0	
5000012	6,586	0	6,586	0	0	0	0	
5000013	127,527	0	127,527	0	0	0	0	
5000014	56,507	0	56,507	0	0	0	0	
5000015	63,511	0	63,511	0	0	0	0	
5000016	54,357	0	54,357	0	0	0	0	
5000017	0	14,287,234	0	0	0	0	0	
5000018	2,440,904	0	2,440,904	0	0	0	0	
5000019	5,371,831	0	5,371,831	0	0	0	0	
5000020	1,162,730	0	1,162,730	0	0	0	0	
5000021	(1,001,515)	0	(1,001,515)	0	0	0	0	
5000022	434,977	4,080	7,692	423,196	0	0	0	
5000023	10	2	6	1	0	0	0	
5000024	0	0	0	0	0	0	0	
5000025	10,087,716	14,294,882	8,657,420	1,628,014	0	0	0	
5000026	258,024	240,908	11,113	6,002	0	0	0	
5000027	1,165	1,136	0	28	0	0	0	
5000028	53,267	53,263	0	4	0	0	0	
5000029	313,726	313,721	(0)	4	0	0	0	
5000030	44,182	44,182	0	0	0	0	0	
5000031	67,703	67,703	0	0	0	0	0	
5000032	225,166	224,267	675	224	0	0	0	
5000033	72,165	72,165	0	0	0	0	0	
5000034	1,590,893	1,565,157	16,655	8,071	0	0	0	
5000035	576,191	578,191	0	0	0	0	0	
5000036	26,623	26,623	0	0	0	0	0	
5000037	3,229,094	3,186,317	28,443	16,336	0	0	0	
5000038	106,898	106,898	0	0	0	0	0	
5000039	(10,929)	(10,929)	520	147	0	0	0	
5000040	151,781	151,781	0	0	0	0	0	
5000041	23,930	23,930	0	0	0	0	0	
5000042	136,554	134,946	20	1,569	0	0	0	
5000043	930,804	929,255	1,265	284	0	0	0	
5000044	10,268	9,815	0	351	0	0	0	
5000045	323,002	323,002	0	0	0	0	0	
5000046	51,889	51,889	35	19	0	0	0	
5000047	25,200	25,200	0	0	0	0	0	
5000048	388,565	388,565	0	0	0	0	0	
5000049	120,514	120,514	0	0	0	0	0	
5000050	89,206	89,206	0	0	0	0	0	
5000051	68,603	68,603	825	0	0	0	0	
5000052	32,209	32,209	0	0	0	0	0	
5000053	26	28	(1)	(0)	0	0	0	
5000054	358,744	358,709	26	6	0	0	0	

Account: GL\_ACT\_SEC Business Units: SEGMENT\_CONS

LAYOUT: GLS8016

085 Y2016-05-31

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD May 2016  
 06/02/2016 15:01

Account	GL_ACCT_SEC	Business Units	SEGMENT	CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
					GLS8016 Actual	YTD May 2016	110 Actual	YTD May 2016	117 Actual	YTD May 2016	180 Actual	YTD May 2016
9080004					(7)	(5)	(2)	0	0	0	0	0
9080006					1,614,428	1,614,427	0	0	0	0	0	0
9090000					12,608	3,849	8,807	0	0	0	0	1,951
9100000					15,734	5,206	8,592	0	0	0	0	1,937
9100001					79	19	48	0	0	0	0	11
9110002					4,440,340	4,416,830	18,136	0	0	0	0	6,276
9120000					15,382	15,382	0	0	0	0	0	0
9130001					95	95	0	0	0	0	0	0
9200000					16,601	16,601	0	0	0	0	0	0
9210001					1,216,819	677,669	613,656	0	0	0	0	127,305
9220000					3,939,112	1,657,133	1,678,730	0	0	0	0	603,249
9220001					332,205	152,811	150,029	0	0	0	0	29,265
9230000					(352,163)	(352,163)	0	0	0	0	0	0
9230001					(336,398)	(336,398)	0	0	0	0	0	0
9230002					800,113	257,468	404,642	0	0	0	0	138,003
9230003					151,337	53,810	48,567	0	0	0	0	47,960
9230004					271,421	73,166	128,759	0	0	0	0	88,498
9230005					565,605	330,414	220,294	0	0	0	0	14,896
9230006					2,432	2,432	0	0	0	0	0	0
9230007					2,772	2,032	727	0	0	0	0	13
9230008					323,177	227,485	51,833	0	0	0	0	44,048
9230009					226,769	6,181	220,600	0	0	0	0	7
9230010					(73,378)	(63,861)	(9,359)	0	0	0	0	(156)
9230011					9,819	1,480	8,429	0	0	0	0	0
9230012					8,955	3,094	4,148	0	0	0	0	1,714
9230013					13,817	8,366	7,252	0	0	0	0	198
9230014					1,017,681	666,961	307,474	0	0	0	0	43,346
9230015					61,775	33,239	27,936	0	0	0	0	589
9230016					2,046,684	1,230,321	807,151	0	0	0	0	9,212
9230017					40,806	23,268	15,818	0	0	0	0	1,720
9230018					93,011	55,362	37,062	0	0	0	0	596
9230019					224	121	83	0	0	0	0	20
9230020					770	534	196	0	0	0	0	38
9230021					2,228	0	1,850	0	0	0	0	378
9230022					(1,055,653)	(555,378)	(411,340)	0	0	0	0	(88,934)
9230023					694,929	382,127	311,745	0	0	0	0	1,057
9230024					1,912	1,912	0	0	0	0	0	0
9230025					(321,378)	1,012	(322,586)	0	0	0	0	167
9230026					(442,335)	(442,335)	(85,484)	0	0	0	0	(517)
9230027					(831,197)	(625,748)	(204,605)	0	0	0	0	(843)
9230028					(241,837)	(174,001)	(67,602)	0	0	0	0	(234)
9230029					333,048	260,260	72,408	0	0	0	0	381
9230030					(172,277)	(121,110)	(51,143)	0	0	0	0	(24)
9230031					7,182	31	7,252	0	0	0	0	(121)
9230032					90,258	53,992	29,669	0	0	0	0	6,597
9230033					57,528	57,528	0	0	0	0	0	0
9230034					(15)	(5)	(6)	0	0	0	0	(3)
9230035					170	170	0	0	0	0	0	170
9230036					16,036	1,507	13,223	0	0	0	0	1,305
9230037					16	16	0	0	0	0	0	0
9230038					14,384	5,693	7,061	0	0	0	0	1,630
9230039					308	73	192	0	0	0	0	44
9230040					11,459	11,459	0	0	0	0	0	0
9230041					15,548	6,676	7,085	0	0	0	0	1,808
9230042					202,038	32,135	144,933	0	0	0	0	24,970
9230043					5,163	3,440	1,073	0	0	0	0	650
9230044					36	36	0	0	0	0	0	0
9230045					48,987	48,987	0	0	0	0	0	0
9230046					111,972	78,821	28,489	0	0	0	0	4,662
9230047					7,895,160	3,144,417	3,694,375	0	0	0	0	968,368
9230048					286,951	286,951	0	0	0	0	0	0
9230049					286,951	286,951	0	0	0	0	0	0
4110005					(2,167)	(2,167)	0	0	0	0	0	0
4110006					(2,167)	(2,167)	0	0	0	0	0	0
9320005					2,161	2,161	0	0	0	0	0	0

American Electric Power  
**INCOME STATEMENT**

GLS8016  
YTD May 2016  
06/02/2016 15:31

Account: GL_ACCT_SEC - Business Units - SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD May 2016	Actual	YTD May 2016	Actual	YTD May 2016	Actual	YTD May 2016
932007		39,661		28,178		808		9,675
		40,823		30,339		809		9,675
4265008	Assoc Business Development Exp							
4265010	Gain on Disposition of Property	428,525						
	Loss on Disposition of Property	726,715						
	Loss(Gain) of Sale of Property	1,165,240						
4265004	Factored Curt AIR Exp - AIR							
4265007	Fact Curt AIR- Bad Debs-AIR							
4210006	Water Heaters	15,445						
4261000	Social & Service Club Dues	8,180						
4263001	Regulatory Expenses	44,716						
4264000	Expense of Non-Utility Operation	1,901						
4265002	Misc Non-Op Exp - NonAssoc	1,901						
	Donations	269,202						
	Donation Contributions	269,202						
	Penalties	822						
	Provision for Penalties	822						
	Civic & Political Activities	225,444						
	Other Deductions - Nonassoc	225,444						
	Other Deductions	49,127						
	Other Deductions	49,127						
	Shutdown Coal Company Expenses							
	All Other Operational Expenses	1,745,462						
5100020	Maint Surv & Engineering	34,041,783						
5110000	Maintenance of Structures	937,213						
5120000	Maintenance of Boiler Plant	1,163,932						
5120034	BSRR O&M Recovery-Maint Coals	7,133,152						
5120035	BSIOR O&M Recovery-Maint Coals	(85,832)						
5130000	Maintenance of Electric Plant	(497,453)						
5140000	Maintenance of Non Steam Pt	2,066,915						
	Steam Generation Maintenance	600,924						
	Nuclear Generation Maintenance	11,319,028						
	Hydro Generation Maintenance							
	Other Generation Maintenance							
5680000	Maint Surv & Engineering	12,756						
5690000	Maintenance of Structures	2,180						
5691000	Maint of Computer Hardware	280						
5692000	Maint of Computer Software	56,078						
5693000	Maint of Communication Equip	1,328						
5700000	Maint of Station Equipment	152,390						
5710000	Maintenance of Overhead Lines	532,834						
5720000	Maint of Underground Lines	75						
5730000	Maint of Misc Transmission Pt	151,851						
5800000	Transmission Maintenance	811,771						
5910000	Maint Surv & Engineering	931						
5920000	Maintenance of Structures	7,562						
5920000	Maint of Station Equipment	219,905						
5930000	Maintenance of Overhead Lines	14,227,710						
5930001	Tow and Bush Control	263,771						
5930010	Storm Expense Amortization	1,012,187						
5940000	Maint of Underground Lines	29,940						
5950000	Maint of Live Line Rigs/Lines/Dr	15,713						
5960000	Maint of Sub Lighting & Signal S	25,773						
5970000	Maintenance of Metals	32,971						
5980000	Maint of Misc Distribution Pt	29,841						
9350001	Maint of Structures - Owned	15,666,287						
9350002	Maint of Structures - Leased	136,727						
9350012	Maint of Data Equipment	25,140						
9350013	Maint of Communication Equip	66,102						
9350015	Maint of Office Furniture & Eq	477,486						
9350018	Maintenance of Video Equipment	274,724						
9350018	Maint of Gen Plant-SCADA Equip	43						
9350024	Maint of DA-AMI Comm Equip	117						
	Administration & General Maintenance	9,090						
		989,428						
		804,811						
		183,389						

**INCOME STATEMENT**

GLS8016  
YTD May 2016  
000002016 15.01

088 1/2016-05-31 Account: GL\_AECT\_SEC Business Unit: SEGMENT\_COMB

Layoff: GLS8016

**All Other Maintenance Expenses**  
**Maintenance Expenses**  
**Total Operational and Maintenance Expenses**

	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD May 2016	110 Actual	YTD May 2016	117 Actual	YTD May 2016	180 Actual	YTD May 2016
4040001	29,085,337	16,652,892	0	0	0	0	0	0
4050001	63,127,100	43,248,027	0	0	0	0	0	0
4073000	956,704	596,687	0	0	0	0	0	0
4073014	16,090	0	0	0	0	0	0	0
	972,794	596,687	0	0	0	0	0	0
	57,184	0	0	0	0	0	0	0
	1,311,062	0	0	0	0	0	0	0
	1,368,246	0	0	0	0	0	0	0
4080001	2,341,040	696,687	0	0	0	0	0	0
	31,475,926	11,730,317	0	0	0	0	0	0
	31,475,926	11,730,317	0	0	0	0	0	0
4081001	94,608	0	0	0	0	0	0	0
	94,608	0	0	0	0	0	0	0
	31,670,533	11,730,317	0	0	0	0	0	0
	33,811,574	12,327,004	0	0	0	0	0	0
	(8,487)	0	0	0	0	0	0	0
	15,177	0	0	0	0	0	0	0
	6,690	0	0	0	0	0	0	0
	1,257,418	690,552	0	0	0	0	0	0
	8,662	6,462	0	0	0	0	0	0
	39,001	22,842	0	0	0	0	0	0
	(440,097)	(316,559)	0	0	0	0	0	0
	(2,993)	(2,215)	0	0	0	0	0	0
	(8,991)	(5,879)	0	0	0	0	0	0
	862,998	396,203	0	0	0	0	0	0
	1,651,068	0	0	0	0	0	0	0
	1,651,068	0	0	0	0	0	0	0
	1,035,958	0	0	0	0	0	0	0
	5,090,446	2,897,345	0	0	0	0	0	0
	187,410	151,411	0	0	0	0	0	0
	99,770	78,790	0	0	0	0	0	0
	10,625	10,625	0	0	0	0	0	0
	6,485	1,085	0	0	0	0	0	0
	6,430,604	3,238,268	0	0	0	0	0	0
	471,751	471,751	0	0	0	0	0	0
	471,761	471,761	0	0	0	0	0	0
	900	0	0	0	0	0	0	0
	870	0	0	0	0	0	0	0
	1,770	0	0	0	0	0	0	0
	52	52	0	0	0	0	0	0
	791	791	0	0	0	0	0	0
	4,155	4,155	0	0	0	0	0	0
	500	500	0	0	0	0	0	0
	5,498	5,498	0	0	0	0	0	0
	7,268	5,488	0	0	0	0	0	0
	9,420,400	4,111,708	0	0	0	0	0	0
	109,489,073	69,688,738	0	0	0	0	0	0
	293,361,947	234,693,092	0	0	0	0	0	0
	57,129,658	13,142,703	0	0	0	0	0	0
	3,403,238	3,403,238	0	0	0	0	0	0
	49,127,844	12,127,081	0	0	0	0	0	0
	146,026,485	12,131,316	0	0	0	0	0	0
	16,682,760	28,404,206	0	0	0	0	0	0
	2,958	5,198	0	0	0	0	0	0
	2,958	5,198	0	0	0	0	0	0
	1,964	(4,624)	0	0	0	0	0	0
	4,963	674	0	0	0	0	0	0
	774,778	799	0	0	0	0	0	0
	774,776	799	0	0	0	0	0	0
	779,739	1,374	0	0	0	0	0	0
	(1,789)	(1,789)	0	0	0	0	0	0
	(1,789)	(1,789)	0	0	0	0	0	0
	(7,123)	(7,123)	0	0	0	0	0	0
	(7,123)	(7,123)	0	0	0	0	0	0
	(9,913)	(9,913)	0	0	0	0	0	0
	757,414	16,562	0	0	0	0	0	0
	757,414	16,562	0	0	0	0	0	0
	748,502	29,864	0	0	0	0	0	0

**NON-OPERATING INCOME/(EXPENSES)**

4180002	Interest & Dividend Inc - Nonassoc	2,958	5,198	(1,789)	(410)
4190005	Interest & Dividend Non-Affiliated	2,958	5,198	(1,789)	(410)
	Interest Income - Assoc CBP	1,964	(4,624)	(7,123)	13,711
	Interest & Dividend Affiliated	1,964	(4,624)	(7,123)	13,711
	Total Interest & Dividend Income	4,963	674	(9,913)	13,301
	Carrying Charges	774,778	799	757,414	16,562
	Interest & Dividend Carrying Charge	774,776	799	757,414	16,562
	Memo: Total Interest & Dividend Income w/ Carrying	779,739	1,374	748,502	29,864

INCOME STATEMENT

GLS8016  
YTD May 2016  
0000/2016 15 01

		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual		110 Actual		117 Actual		180 Actual	
		YTD May 2016		YTD May 2016		YTD May 2016		YTD May 2016	
Account: GL_ACCT_SEC Business Units: SEGMENT_CONS									
Layout: GLS8016									
4181000	AFUDC	654,003	114,474	460,311	79,217	460,311	79,217		
Gain on Disposition of Equity Investments									
Interest LTD FMB									
Interest LTD IPC									
Interest LTD Notes Payable - Affiliated									
Interest LTD Debentures									
Interest LTD Senior Unsecured									
Interest LTD Other - Affl									
Interest LTD Other - Other LTD									
Interest LTD Other - NonAffl									
Interest on Long-Term Debt									
Interest STD - Affl									
Interest STD - NonAffl									
Interest on Short Term Debt									
Amort of Debt Disc, Prem & Exp									
Amort Loss on Recquired Debt									
Amort Gain on Recquired Debt									
Other Interest - Fuel Recovery									
Other Interest Expense									
Interest on Customer Deposits									
Interest Expense - State Tax									
Other Interest - NonAffl									
Other Interest Expense - Affl									
Interest Rate Hedge Unrealized (Gain)/Loss									
AFUDC-Borrowed Funds									
Total Interest Charges		18,768,125	6,878,881	9,401,085	3,688,978	9,401,085	3,688,978		
INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS		38,784,878	6,579,880	8,380,478	24,824,388	8,380,478	24,824,388		
INCOME TAXES AND EQUITY EARNINGS									
Income Taxes, UG - Federal									
Inc Tax, Oth Inc/Ded-Federal									
Federal Current Income Tax									
Prov Del JT US Op Inc-Fed									
Prov Del JT Oth MD - Federal									
Prov Del JT-Cr Oth Inc-Fed									
Prov Del JT-Cr Oth Inc-Fed									
JTC Ag, Utility Oper - Fed									
Federal Investment Tax Credits									
Federal Income Taxes									
Income Taxes UG - State									
Inc Tax Oth Inc Ded - State									
State Current Income Tax									
Prov Del JT US Op Inc-State									
Prov Del JT-Cr UG Inc-State									
State Deferred Income Tax									
State Investment Tax Credits									
State Income Taxes									
Local Current Income Tax									
Local Deferred Income Tax									
Local Investment Tax Credits									
Local Income Taxes									
Foreign Current Income Tax									
Foreign Deferred Income Tax									
Foreign Investment Tax Credits									
Foreign Income Taxes									
Total Income Taxes		13,620,961	2,254,872	2,878,282	8,488,107	2,878,282	8,488,107		



American Electric Power

**INCOME STATEMENT**

GLS8016  
 YTD May 2016  
 06/09/2016 15:01

Account: GL_ACCT_SEC - Business Units - SEGMENT - CONS		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
GLS8016		GLS8016		110		117		180	
Actual		Actual		Actual		Actual		Actual	
YTD May 2016		YTD May 2016		YTD May 2016		YTD May 2016		YTD May 2016	
Equity Earnings of Subs									
INCOME AFTER INCOME TAXES and EQUITY EARNINGS		26,173,714	-	4,325,318	-	5,512,194	-	16,336,201	-
Discontinued Operations (Net of Taxes)									
Cumulative Effect of Accounting Changes		-	-	-	-	-	-	-	-
Extraordinary Income / (Expenses)		-	-	-	-	-	-	-	-
NET INCOME		26,173,714	-	4,325,318	-	5,512,194	-	16,336,201	-
Minority Interest									
Preferred Stock Dividend Subs		-	-	-	-	-	-	-	-
Earnings to Common Shareholders		26,173,714	-	4,325,318	-	5,512,194	-	16,336,201	-
NET INCOME (LOSS) NODE before PS		26,173,714	0	4,325,318	0	5,512,194	0	16,336,201	0
Double Check on Net Income Node after PS									

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD May 2016  
06/09/2016 12:29

Layout: GLS8216  
Account: GL\_ACT\_SEC Business Unit: SEGMENT\_CONS

	YTD May 2016	YTD May 2016	YTD May 2016	YTD May 2016
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	1,158,104	1,158,104	0	0
Other Cash Deposits	10,848	6,788	5,063	0
Customers	14,273,395	12,083,540	1,741,472	448,384
Accrued Unbilled Revenues	3,519,615	3,519,615	0	0
Miscellaneous Accounts Receivable	21,906,821	6,662,672	58,793,616	8,908,949
Allowances for Uncollectible Accounts	(283,316)	(273,942)	(800)	(8,574)
Accounts Receivable	39,416,515	21,991,885	60,534,288	9,348,759
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	51,354,612	2,025,713	48,619,507	709,392
Risk Management Contracts - Current	2,062,620	0	2,062,620	0
Margin Deposits	915,334	38,403	876,931	0
Unrecovered Fuel - Current	0	0	2,944	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	1,430,161	1,167,975	225,313	36,874
<b>TOTAL CURRENT ASSETS</b>	<b>98,348,195</b>	<b>26,387,864</b>	<b>112,326,667</b>	<b>10,095,024</b>
Electric Production	1,182,463,020	813,869,789	1,198,894,684	567,354,524
Electric Transmission	571,124,922	0	0	0
Electric Distribution	766,527,896	0	0	0
General Property, Plant and Equipment	62,825,111	199,571	1,461,903	1,160,479
Construction Work-in-Progress	20,864,050	10,998,867	2,567,491	7,307,693
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,603,805,000</b>	<b>825,068,227</b>	<b>1,202,914,077</b>	<b>675,822,686</b>
less: Accumulated Depreciation and Amortization	(861,488,132)	(262,748,762)	(412,263,104)	(186,476,266)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,742,316,868</b>	<b>562,319,465</b>	<b>790,650,973</b>	<b>389,346,420</b>
Net Regulatory Assets	532,442,733	114,079,577	360,195,045	58,168,111
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	32,242	14,755	17,487	0
Employee Benefits and Pension Assets	7,766,014	3,160,134	4,387,742	219,138
Other Non Current Assets	11,323,636	4,756,315	3,942,413	2,624,908
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>551,564,624</b>	<b>122,010,781</b>	<b>368,542,686</b>	<b>61,011,157</b>
<b>TOTAL ASSETS</b>	<b>2,390,229,687</b>	<b>710,718,110</b>	<b>1,271,520,326</b>	<b>460,452,611</b>
<b>LIABILITIES</b>				
Accounts Payable	53,120,814	56,805,544	46,351,881	2,621,806
Advances from Affiliates	15,971,610	22,456,857	73,552,171	(80,037,418)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	812,842	22,004	790,838	0
Accrued Taxes	8,495,694	11,455,382	(15,872,063)	12,702,375
Memo. Property Taxes	17,575,469	8,356,049	4,179,222	5,040,198
Accrued Interest	13,308,195	3,923,501	6,557,107	2,827,587
Risk Management Collateral	75,867	0	75,867	0
Utility Customer Deposits	26,585,167	26,335,167	250,000	0
Deposits - Customer and Collateral	26,661,034	26,335,167	325,867	0
Over-Recovered Fuel Costs - Current	695,630	0	698,574	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	967,719	486,606	457,081	24,032
Tax Collections Payable	1,874,507	1,796,977	77,403	127
Revenue Refunds - Accrued	1,337,737	0	218,141	1,119,596
Accrued Rents - Rookport	0	0	0	0
Accrued - Payroll	1,143,745	502,177	639,953	1,615
Accrued Rents	(1,494)	(1,494)	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD May 2016  
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Kentucky Power Int Consol GLS8216  
 Kentucky Power Company - 110  
 Kentucky Power Company - Generation 117  
 Kentucky Power Company - 180

	YTD May 2016	YTD May 2016	YTD May 2016
09B V2016-05- Layout: GLS8216 Account: 01_ACCT_BEC Business Unit: SCOMENT_CONS			
Accrued ICP	1,710,476	787,522	921,440
Accrued Vacations	5,193,846	2,313,953	2,873,738
Misc Employee Benefits	783,112	236,491	519,339
Payroll Deductions	150,788	74,026	76,672
Severance / SEI	1,251,368	0	1,251,368
Accrued Workers Compensation	213,880	42,470	168,264
Customer Advance Receipts	2,099,078	2,099,078	0
Customer Advance	2,099,078	2,099,078	0
Control Cash Disburse Account	3,422,716	3,422,716	0
Control Cash Disbursement Account	3,422,716	3,422,716	0
JIMG Liability	0	0	0
ARO - Current	16,861,479	0	16,861,479
Econ. Development Fund Curr	550,326	352,078	198,250
Undeclared Funds	4,570	4,570	0
Acc Cash Franchise Req	93,519	93,519	0
Sales Use Tax - Leased Equip	10,405	10,303	68
Accrued Audit Fees	(35,278)	(10,875)	(17,697)
Federal Mitigation Accru (NSR)	554,326	0	554,326
Deferred Rev - Pole Attachments	87,305	87,305	0
Other Deferred Credits-Curr	221,618	0	221,618
Center in Aid of Constr Advance	97,845	97,845	0
Deferred Rev-Bonus Lease Curr	431,564	0	431,564
Misc Current and Accrued Liabilities	18,877,977	634,743	18,249,606
Current Other and Accrued Liabilities	38,057,437	11,908,659	24,995,925
Other Current Liabilities	39,025,156	12,395,268	26,453,005
<b>TOTAL CURRENT LIABILITIES</b>	<b>223,080,975</b>	<b>133,193,721</b>	<b>203,057,380</b>
Long-Term Debt - Affiliated	0	0	0
Long-Term Debt - Non Affiliated	801,961,812	236,472,758	396,191,631
Long-Term Debt - Premiums and Discounts Unamort	(208,406)	(61,144)	(102,782)
Long-Term Debt - LTD Non-Affiliated and Premiums	801,753,406	235,411,614	395,088,849
Long-Term Risk Management Liabilities - Hedge	0	0	0
LT Unreal Losses - Non AFI	17,818	0	17,818
Long-Term Risk Management Liabilities - MTM	17,818	0	17,818
Long-Term Risk Management Liabilities	17,818	0	17,818
Deferred Income Taxes	652,185,110	185,458,629	334,477,048
Deferred Investment Tax Credits	2,955	1,280	1,295
Regulatory Liabilities and Deferred Credits	(30,566,691)	(27,677,147)	(78,936)
Memo - Reg Liab and Def LTC	(30,553,736)	(27,575,987)	(77,642)
Asset Retirement Obligation	55,936,695	70,006	55,866,689
Nuclear Decommissioning	0	0	0
Employee Benefits and Pension Obligations	13,046,475	11,253,347	(9,953)
Trust Preferred Securities	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Redo	1,992,263	880,658	1,081,608
Obligations Under Capital Leases	2,485,768	296,790	2,133,794
Def Credits - Income Tax	1,110,644	0	1,110,644
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644
Def Credits - NSR	161,380	161,380	0
Customer Advances for Construction	0	0	0
Def Gain on Sale/Leaseback	0	0	0
Deferred Gain on Sale and Leaseback - Rockport	0	0	0
Def Gain on Disp of Utility Plant	0	0	0
IPP - System Upgrade Credits	260,820	0	0
For Opt Lns-In Kind Sv-Dfg Gns	139,647	139,647	0
For Opt Lns-Sold-Defld Rev	70,414	0	0
Deferred Rev-Bonus Lease NC	827,165	0	827,165
Def Credits - Other	1,328,045	139,647	827,165
Total Other Deferred Credits	1,489,425	301,027	827,165
Accumulated Provisions - Rate Refund	0	0	0
Accumulated Provisions - Misc	407,750	0	407,750
Other Non-Current Liabilities	7,485,960	1,478,475	5,560,960
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,499,871,818</b>	<b>406,096,186</b>	<b>790,923,770</b>
			<b>446,414</b>
			<b>361,233</b>
			<b>361,233</b>
			<b>290,820</b>
			<b>70,414</b>
			<b>827,165</b>
			<b>827,165</b>
			<b>827,165</b>
			<b>407,750</b>
			<b>5,560,960</b>
			<b>302,861,663</b>

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD May 2016  
 06/05/2016 12:28

Account: GL_ACT_SEC	Business Unit: SEGMENT_CONS	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
09B Y2016-05-		YTD May 2016	YTD May 2016	YTD May 2016	YTD May 2016
TOTAL LIABILITIES					
Cumulative Pref Stocks of Subs - Not subject Mand Redem		1,722,952,592	539,289,905	993,981,149	242,142,898
Minority Interest - Deferred Credits		0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock		60,450,000	22,404,049	10,287,603	17,758,348
Paid in Capital		527,309,077	106,026,371	337,243,870	84,039,836
Premium on Capital Stock		0	0	0	0
Retained Earnings		91,133,988	43,020,944	(68,414,604)	116,527,649
Accumulated Other Comprehensive Income (Loss)		(1,816,970)	(22,169)	(1,577,692)	(16,119)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>667,277,094</b>	<b>171,428,205</b>	<b>277,539,177</b>	<b>218,309,713</b>
Memo: Total Equity		667,277,094	171,428,205	277,539,177	218,309,713
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		2,390,229,687	710,718,110	1,271,520,326	460,452,611
	out-of-balance	(0)	0	0	(0)

Restricted Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD May 2015  
 05/13/2015 10:47

09B V2015-06-  
 Layout: GLS8216  
 Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONG

	YTD May 2015	YTD May 2015	YTD May 2015	YTD May 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	722,484	722,484	0	0
Other Cash Deposits	0	0	0	0
Customers	16,103,298	14,248,429	729,268	1,125,602
Accrued Unbilled Revenues	2,364,625	1,973,558	391,067	0
Miscellaneous Accounts Receivable	23,723,272	6,567,931	51,427,436	8,287,497
Allowances for Uncollectible Accounts	(195,884)	(122,394)	(64,915)	(8,574)
Accounts Receivable	41,989,311	22,667,523	52,482,856	9,404,525
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	54,106,489	2,219,629	51,188,974	897,866
Risk Management Contracts - Current	6,858,396	0	6,858,396	0
Margin Deposits	922,039	36,278	885,761	0
Unrecovered Fuel - Current	0	0	0	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	1,313,158	843,654	232,621	236,882
<b>TOTAL CURRENT ASSETS</b>	<b>105,917,857</b>	<b>26,499,589</b>	<b>111,649,608</b>	<b>10,339,273</b>
Electric Production	1,167,337,636	785,446,590	1,198,413,469	555,199,777
Electric Transmission	559,667,738	0	0	0
Electric Distribution	738,477,904	0	0	0
General Property, Plant and Equipment	78,398,503	199,571	1,481,903	1,160,479
Construction Work-In-Progress	60,187,868	9,188,949	43,188,707	7,860,033
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,601,069,467</b>	<b>796,805,110</b>	<b>1,241,044,068</b>	<b>564,220,289</b>
less: Accumulated Depreciation and Amortization	(826,860,752)	(260,908,369)	(187,951,221)	(178,001,161)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,774,208,715</b>	<b>535,896,741</b>	<b>1,053,092,847</b>	<b>386,219,127</b>
Net Regulatory Assets	259,274,651	100,881,999	101,745,811	58,647,040
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	720,716	19,375	701,341	0
Employee Benefits and Pension Assets	13,838,113	5,628,756	7,656,558	552,797
Other Non-Current Assets	14,176,404	5,382,817	5,784,255	3,009,331
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>288,009,884</b>	<b>111,912,950</b>	<b>115,887,765</b>	<b>60,209,169</b>
<b>TOTAL ASSETS</b>	<b>2,368,136,456</b>	<b>673,299,260</b>	<b>1,280,629,220</b>	<b>456,767,570</b>
<b>LIABILITIES</b>				
Accounts Payable	69,716,608	48,471,022	63,233,272	2,671,904
Advances from Affiliates	14,087,524	12,014,338	87,486,176	(85,414,990)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year - Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	2,583,122	54,945	2,528,177	0
Accrued Taxes	(17,358,621)	8,756,049	(39,930,802)	13,817,132
Memo. Property Taxes	14,852,162	6,885,620	3,879,650	4,086,892
Accrued Interest	13,255,318	3,796,370	6,481,978	2,976,371
Risk Management Collateral	56,317	0	56,317	0
Utility Customer Deposits	26,509,847	26,126,697	383,150	0
Deposits - Customer and Collateral	26,566,163	26,126,697	439,466	0
Over-Recovered Fuel Costs - Current	1,300,805	0	1,300,805	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	990,137	502,041	465,923	22,173
Tax Collections Payable	2,062,200	1,690,089	391,513	598
Revenue Refunds - Accrued	19,001,243	17,877,705	3,942	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	839,715	344,268	494,410	1,037
Accrued Rents	(1,564)	(1,564)	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD May 2015  
 05/10/2015 10:47

09B V2015-05-  
 Account: GL\_ACCT\_SEC Business Unit: SECURTY\_CONS

Layout: GLS8216

	YTD May 2015	YTD May 2015	YTD May 2015	YTD May 2015
Kentucky Power Int Consol GLS8216	1,779,726	774,018	1,004,170	1,538
Kentucky Power Company - 110	5,330,690	2,213,483	3,112,037	5,169
Kentucky Power Company - Generation 117	1,297,581	496,695	774,757	26,129
Kentucky Power Company - 180	164,993	77,604	87,266	123
	4,415,904	0	4,415,904	0
Accrued ICP	712,906	282,806	409,592	20,508
Accrued Vacations	2,274,870	2,274,870	0	0
Misc Employee Benefits	2,665,589	2,665,589	0	0
Payroll Deductions	2,665,589	2,665,589	0	0
Severance / SEI	0	0	0	0
Accrued Workers Compensation	2,220,140	0	2,220,140	0
Customer Advance Receipts	91,250	0	91,250	0
Customer Advance	5,315	3,315	0	0
Control Cash Disburse Account	94,271	94,271	0	0
JMG Liability	471	0	398	73
ARO - Current	(35,389)	(10,599)	0	(6,981)
Econ. Development Fund Curr	554,326	554,326	0	0
Unclaimed Funds	54,018	54,018	0	0
Acc Cash Franchise Req	98,281	98,281	0	0
Sales Use Tax - Leased Equip	221,616	221,616	0	0
Accrued Audit Fees	65,451	65,451	0	0
Federal Mitigation Acru (NSR)	431,564	0	431,564	0
ST State Mitigation Def (NSR)	3,801,316	252,718	3,555,385	(6,787)
Deferred Rev - Pole Attachments	44,365,169	28,948,281	14,248,976	1,167,911
Other Deferred Credits-Curr	45,355,305	29,450,322	14,714,900	1,190,084
Contr in Aid of Const Advance	220,506,222	126,668,743	201,265,970	(64,858,898)
Deferred Rev-Bonus Lease Curr	0	0	0	0
Misc Current and Accrued Liabilities	780,000,000	223,064,400	381,521,400	175,414,200
Current Other and Accrued Liabilities	(375,131)	(107,280)	(183,488)	(84,363)
Other Current Liabilities	779,624,869	222,957,120	381,337,912	175,329,837
<b>TOTAL CURRENT LIABILITIES</b>	0	0	0	0
Long-Term Debt - Affiliated	340,082	0	340,082	0
Long-Term Debt - Non Affiliated	(21,893)	0	(21,893)	0
Long-Term Debt - Premiums and Discounts Unamort	318,169	0	318,169	0
Memo - LTD NonAffiliated and Premiums	318,169	0	318,169	0
Long-Term Risk Management Liabilities - Hedge	602,477,843	175,069,226	287,238,744	130,169,872
LT Unreal Losses - Non Affl	19,018	6,000	9,333	3,684
LT Liability MTM Collateral	22,013,877	(36,430,022)	66,260,434	(6,816,534)
Long-Term Risk Management Liabilities - MTM	22,032,894	(36,424,022)	66,269,767	(6,812,651)
Long-Term Risk Management Liabilities	64,410,935	68,103	64,344,832	0
Deferred Income Taxes	0	0	0	0
Regulatory Liabilities and Deferred Credits	13,237,287	10,616,405	1,713,862	907,029
Memo - Reg Liab and Def ITC	0	0	0	0
Asset Retirement Obligation	0	0	0	0
Nuclear Decommissioning	0	0	0	0
Employee Benefits and Pension Obligations	0	0	0	0
Trust Preferred Securities	0	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Rede	2,465,412	1,070,971	1,345,485	48,955
Obligations Under Capital Leases	84,201	43,549	12,298	28,354
Def Credits - Income Tax	1,110,644	0	1,110,644	0
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0
Def Credits - NSR	119,903	119,903	0	0
Customer Advances for Construction	0	0	0	0
Def Gain on Sale/Leaseback	0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0
Def Gain on Disp of Utility Plant	281,454	0	0	281,454
IPP - System Upgrade Credits	147,411	147,411	0	0
Fbr Opt Line-In Kind Sv-Dld Gns	83,970	0	0	83,970
Fbr Opt Line-Sold-Deld Rev	1,258,729	0	1,258,729	0
Deferred Rev-Bonus Lease NC	1,771,563	147,411	1,258,729	365,423
Def Credits - Other	1,891,466	267,314	1,258,729	365,423
Total Other Deferred Credits	640,750	0	640,750	0
Accumulated Provisions - Rate Refund	0	0	0	0
Accumulated Provisions - Misc	0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD May 2016  
 08/10/2015 10:47

Account GL ACCT_SEC Business Unit SEGMENT_CONS	YTD May 2015	YTD May 2015	YTD May 2015	YTD May 2015	YTD May 2015
09B V2015-05- Layoff : GLS8216					
Kentucky Power Int Consol GLS8216	6,192,473	1,381,834	4,367,906	442,733	
Kentucky Power Company - Generation	1,488,294,478	373,666,666	814,581,192	300,036,620	180
Kentucky Power Company - 110	1,708,800,701	500,335,409	1,015,847,162	235,177,722	
Kentucky Power Company - 117	0	0	0	0	
Kentucky Power Company - 180	0	0	0	0	
Other Non-Current Liabilities					
TOTAL NON-CURRENT LIABILITIES					
TOTAL LIABILITIES					
Cumulative Pref Stocks of Subs - Not subject Mand Reditr	0	0	0	0	0
Minority Interest - Deferred Credits	0	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	50,450,000	22,404,049	10,287,603	17,758,348	
Paid in Capital	517,459,453	106,025,371	327,394,246	84,039,836	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	93,546,512	44,573,308	(70,849,034)	119,822,237	
Accumulated Other Comprehensive Income (Loss)	(2,120,209)	(38,879)	(2,060,767)	(30,573)	
TOTAL SHAREHOLDERS' EQUITY	659,335,755	172,963,850	264,782,058	221,589,847	
Memo. Total Equity	659,335,755	172,963,850	264,782,058	221,589,847	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,388,136,456	673,299,260	1,280,629,220	456,767,570	
out-of-balance	(0)	0	0	(0)	

Reserved Section

GLR7210V 06/09/16 16:14

UTILITY PLANT

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
101/106 GENERATION	1,124,272,407.54	71,872,338.16	(6,828,523.72)	0.00	0.00	1,189,316,221.98
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>71,872,338.16</b>	<b>(6,828,523.72)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,189,316,221.98</b>
101/106 TRANSMISSION	564,356,984.53	3,096,253.42	(560,568.79)	0.00	0.00	566,892,669.16
101/106 DISTRIBUTION	798,264,586.59	16,447,196.03	(4,030,777.71)	0.00	0.00	810,681,004.91
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>91,415,787.61</b>	<b>(11,419,870.22)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,566,889,896.05</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	220,068.39	0.00	5,478,499.88
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>91,415,787.61</b>	<b>(11,419,870.22)</b>	<b>220,068.39</b>	<b>0.00</b>	<b>2,572,368,395.93</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL	59,350,976.05					
107000X ADDITIONS		50,679,823.29				
107000X TRANSFERS		(89,166,749.09)				
107000X END. BAL		<u>(38,486,925.80)</u>				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>52,928,861.81</b>	<b>(11,419,870.22)</b>	<b>220,068.39</b>	<b>0.00</b>	<b>2,600,983,047.14</b>

NONUTILITY PLANT

1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February 2016 - \$2,249,038.52.

Preparer - PSnVision Report GLR7210V  
Reviewer - Debbi Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Asset Rpt 1042



KENTUCKY POWER COMPANY  
 ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
 YEAR TO DATE - May, 2016

GLR7410V 06/09/16 16:14

UTILITY PLANT	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>NUCLEAR</b>						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
<b>TOTAL NUCLEAR</b>					<b>0.00</b>	
1080001/11 PRODUCTION	403,108,517.50	14,336,163.01	(6,828,523.72)	(807,168.69)	0.00	409,808,988.10
1080001/11 TRANSMISSION	176,427,961.28	6,296,952.63	(560,568.79)	(40,682.11)	0.00	182,123,663.01
1080001/11 DISTRIBUTION	222,789,410.10	11,732,663.63	(4,028,315.36)	(1,586,760.56)	0.00	228,906,997.81
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(101,598.81)	(2,059,853.51)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(4,000.15)	(49,372.30)
RETIREMENT WORK IN PROGRESS	(2,080,904.85)	0.00	0.00	(2,067,584.19)	2,434,611.36	(1,723,857.68)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>32,365,779.27</b>	<b>(11,417,407.87)</b>	<b>(4,502,175.55)</b>	<b>2,329,012.40</b>	<b>817,006,565.44</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	295,177.16	119,975.13	0.00	0.00	0.00	2,259,183.01
1110001 TRANSMISSION	1,430,933.85	264,237.75	0.00	0.00	(3,277.67)	1,691,893.93
1110001 DISTRIBUTION	5,080,066.43	613,486.82	(2,462.35)	0.00	(11,938.48)	5,679,152.42
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>997,699.70</b>	<b>(2,462.35)</b>	<b>0.00</b>	<b>1,828,814.57</b>	<b>9,630,229.36</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	163,929.12	2,518,517.92
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>33,363,478.97</b>	<b>(11,419,870.22)</b>	<b>(4,502,175.55)</b>	<b>4,321,756.09</b>	<b>829,155,312.72</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	2,779.05	0.00	0.00	0.00	231,074.24
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>2,779.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>231,093.11</b>

Preparer - PSnVision Report GLR7410V  
 Reviewer - Dabbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

July 18, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed June 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri Ruggiero'.

Jerri L. Ruggiero  
Manager –Regulated Accounting

American Electric Power  
 INCOME STATEMENT

GLS8016 YTD Jun 2016 07/06/2016 15:16	Account: GL_ACCT_SEC 098 1/20/16 06:30	Business Units: SEGMENT_CONS	Kentucky Power Int Costal		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
			GLS8016 Actual	YTD Jun 2016 Actual	110 Actual	117 Actual	180 Actual	YTD Jun 2016 Actual		
<b>REVENUES</b>										
4400001	Residential Sales-WSpace Hg		69,224,690							
4400002	Residential Sales-WD Space Hg		30,013,864							
4400005	Residential Fuel Rev		29,142,525							
A	<b>Revenue - Residential Sales</b>		<b>128,381,079</b>							
4400001	Commercial Sales		43,730,284							
4400007	Sales to Pub Auth - Schools		7,591,264							
4400013	Sales to Pub Auth - Ex Schools		8,370,595							
	Commercial Fuel Rev		17,239,626							
A	<b>Revenue - Commercial Sales</b>		<b>76,931,770</b>							
B	<b>Revenue - Industrial Sales - Affiliated</b>									
4400002	Industrial Sales (Excl Mines)		34,335,658							
4400004	Ind Sales-NonAffiliated Mines		12,719,776							
4400016	Industrial Fuel Rev		32,406,762							
A	<b>Revenue - Industrial Sales - NonAffiliated</b>		<b>79,462,196</b>							
A	<b>Revenue - Industrial Sales</b>		<b>112,197,776</b>							
A	<b>Revenue - Gas Products Sales</b>		<b>846,520</b>							
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>		<b>133,233</b>							
B	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>		<b>981,753</b>							
4400000	Public Street/Highway Lighting		846,520							
4400002	Public St & Hwy Light Fuel Rev		133,233							
A	<b>Revenue - Other Retail Sales</b>		<b>981,753</b>							
B	<b>Revenue - Retail Sales</b>		<b>285,756,798</b>							
4300017	Ch Elec Rev-Trans-Atb		37,798							
4500043	Ch Elec Rev-Trn-Atb-Totl Price		0							
4501033	PJM NTS Revenue - Affiliated		25,881,549							
4501034	PJM TO Adm. Serv Rev - Aff		388,892							
4501035	PJM Affiliated Trans NTS Cost		(22,153,654)							
4501036	PJM Affiliated Trans TO Cost		(297,969)							
4501038	APL PJM Trans Enhancement Rev		335,204							
4501039	APL PJM Trans Enhancement Cost		(286,922)							
4501042	PROVISION RTO Cost - Aff		813,465							
4501043	PROVISION RTO Rev - Affiliated		0							
B	<b>Revenue - Transmission-Affiliated</b>		<b>3,904,378</b>							
4401050	Transm. Rev -Debt: VidualMun		18,612							
4470206	PJM Trans loss credits-OSS		44,831							
4470208	PJM Ixatam loss charges-OSS		(265,224)							
4501020	RTO Formation Cost Recovery		(40,373)							
4501026	PJM Part to Part Trans Sic		277,441							
4501028	PJM Trans Owner Admin Rev		73,026							
4501027	PJM Network Inaug Trans Sic		3,027,737							
4501019	Ch Elec Rev Trans Non Aff		2,609							
4501028	PJM Pow Fac On Rev Vtdl Cu-NA		2,448,875							
4501028	PJM NTS Revenue Vtdl Cu-NAE		23,953							
4501028	PJM TO Serv Rev Vtdl Cu-NAE		378,614							
4501028	NonAff PJM Trans Enhancem Rev		16,175							
4501021	NAE PJM REP Rev for Wtd-FR		(29,906)							
4501064	PROVISION RTO Rev VtdlCu-NAE		(77,567)							
4501065	PROVISION RTO Rev - NonAff		4,726,288							
A	<b>Revenue - Transmission-NonAffiliated</b>		<b>6,631,166</b>							
4470001	Sales for Resale - Azone Cos		325,432							
4470151	Tracking Auction Sales Aff		1,323,990							
4470005	<b>Revenue - Resale-Affiliated</b>		<b>1,649,423</b>							
4470010	Sales for Resale-Bookout Purch		6,347,303							
4470027	West/Mid/Pb Ath Fuel Rev		(4,962,595)							
4470033	West/Mid/Pb Ath Base Rev		1,137,770							
4470031	West/Mid/Pb Ath Base Rev		1,150,010							
4470082	Financial Spk. Cos - Related		(7,706)							
4470082	Financial Electric Realizor		(2,044,306)							
4470089	PJM Energy Sales Margin		718,797							
4470098	PJM Oper Reserve Rev-OSS		(28,585)							
4470099	Capacity Cr. Net Sales		672,617							
4470100	PJM FTR Revenue-OSS		51,843							
4470102	PJM Energy Sales Cost		8,386,870							
4470107	PJM NTS Purch-NonAff		(9,785)							
4470110	PJM TO Adm. Exp-NonAff		(0)							

American Electric Power

INCOME STATEMENT

GL58016  
 YTD Jun 2016  
 07/05/2016 15:16

Account	GL ACCT_SEC	Business Unit	SEGMENT	CONS	Kentucky Power Int Corp		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
					GL58016 Actual	YTD Jun 2016	110 Actual	YTD Jun 2016	117 Actual	YTD Jun 2016	180 Actual	YTD Jun 2016
0981020160630					Layout: GL58016							
4470112		Non-Trading Bookend Sales-OSS			649,885	0	0	0	0	0	0	0
4470115		PJM Meter Corrections-OSS			6,005	0	0	0	0	0	0	0
4470116		PJM Meter Corrections-LE			125,037	0	0	0	0	0	0	0
4470126		PJM Incremental Intg Contg-OSS			8,721	0	0	0	0	0	0	0
4470131		Non-Trading Bookend Purch-OSS			(920,043)	0	0	0	0	0	0	0
4470143		Financial Hedge Realized			516,440	0	0	0	0	0	0	0
4470168		Interest Rate Swap-Power			(182)	0	0	0	0	0	0	0
4470170		Non-ECR Auction Sales-OSS			(6,549)	0	0	0	0	0	0	0
4470175		OSS Sharing Recedes - Retail			(4,306,530)	0	0	0	0	0	0	0
4470176		OSS Sharing Recedes-Production			4,306,530	0	0	0	0	0	0	0
4470214		PJM 30m Suppl Reserve CR OSS			4,584	0	0	0	0	0	0	0
4470215		PJM 30m Suppl Reserve CR OSS			(3,715)	0	0	0	0	0	0	0
4470220		PJM 30m Suppl Reserve CH OSS			6,594	0	0	0	0	0	0	0
4470221		PJM Regulation - OSS			3,856	0	0	0	0	0	0	0
4470222		PJM Spinning Reserve - OSS			164,689	0	0	0	0	0	0	0
5550080		PJM Reserve - OSS			(2,250,375)	0	0	0	0	0	0	0
		PJM Hourly Net Purch - FERC			9,886,189	-	-	-	-	-	-	-
		<b>Revenue - Resale-NonAffiliated</b>			11,637,612	-	-	-	-	11,637,612	-	-
4470074		Sale for Resale-AE Trf Price			0	0	0	0	0	0	0	0
4540001		Ret From Elect Property - AF			180,598	0	0	0	0	207,873,820	0	0
4580001		Chg Elect Rev - Affiliated			12,834	0	0	0	0	12,834	0	0
		<b>Revenue - Other Ele-Affiliated</b>			193,432	0	0	0	0	207,886,654	0	0
4500000		Furnished Discounts			1,964,137	0	0	0	0	1,964,137	0	0
4510001		Misc Service Rev - Nonaffl			355,029	0	0	0	0	348,251	0	0
4540002		Ret From Elect Property-NAC			64,314	0	0	0	0	1,200	0	0
4540005		Ret From Elec Prop-Pole Atch			2,991,830	0	0	0	0	59,009	0	0
4580007		Chg Elect Rev - DSM Program			2,749,790	0	0	0	0	2,749,790	0	0
		<b>Revenue - Other Ele-NonAffiliated</b>			8,145,100	0	0	0	0	59,089	0	0
4116002		Revenue - Gas			76	0	0	0	0	76	0	0
4116006		Comp Allow Gains Tbe IV SO2			134,000	0	0	0	0	134,000	0	0
4118008		Comp Allow Gains CSAPR Sess NOx			124,125	0	0	0	0	124,125	0	0
4119010		Comp Allow Gains CSAPR An NOx			(8,241)	0	0	0	0	(8,241)	0	0
		<b>Revenue - Other Ele-NonAffiliated</b>			249,860	0	0	0	0	249,860	0	0
		<b>Gain/(Loss) on Allowances</b>			8,395,060	0	0	0	0	309,049	0	0
		<b>Revenue - Other Opr Electric</b>			8,684,920	0	0	0	0	208,195,703	0	0
		<b>Revenue Merchandising &amp; Contract Work</b>			-	-	-	-	-	-	-	-
		<b>Revenues Non-Utility Operations - Affiliated</b>			-	-	-	-	-	-	-	-
		<b>Revenues Non-Utility Operations - NonAffiliated</b>			-	-	-	-	-	-	-	-
		<b>Revenues from Non-Utility Operations</b>			-	-	-	-	-	-	-	-
		<b>Non-Operating Rental Income - Affiliated</b>			-	-	-	-	-	-	-	-
4190001		Non-Operating Rental Income			16,000	0	0	0	0	16,000	0	0
4190005		Non-Operating Rental Income			(3,335)	0	0	0	0	(3,335)	0	0
		<b>Non-Operating Rental Income - NonAffiliated</b>			13,415	0	0	0	0	760	0	0
		<b>Non-Operating Misc Income - Affiliated</b>			13,415	0	0	0	0	760	0	0
4210002		Misc Non-Op Inc-Non-Op-Rent			1,235	333	0	0	0	500	402	0
4210005		Misc Non-Op Inc-Non-Op-Timber			4,545	0	0	0	0	4,545	0	0
4210007		Misc Non-Op Inc - Non-Misc - Oth			216,256	339	0	0	0	215,917	0	0
4540004		Non-Operating Misc Income - NonAffiliated			222,036	672	0	0	0	220,962	402	0
4580015		Ret From Elect Prop-ABD-Nonaf			45,478	0	0	0	0	220,992	402	0
		<b>Other Electric Revenues - ASD</b>			156,199	0	0	0	0	145,199	0	0
		<b>Revenue - Other Opr - Other</b>			201,677	0	0	0	0	190,677	0	0
		<b>Revenue - Other Opr - Other</b>			437,128	0	0	0	0	221,712	0	0
		<b>Revenue - Other Operating</b>			437,128	0	0	0	0	221,712	0	0
		<b>Provision for Rate Refund - Retail</b>			9,026,620	0	0	0	0	208,417,416	0	0
		<b>Provision for Rate Refund - NonAffiliated</b>			(106,369)	0	0	0	0	(44,705)	0	0
		<b>Provision for Rate Refund - Affiliated</b>			(926,468)	0	0	0	0	(106,369)	0	0
		<b>Provision for Rate Refund - Affiliated</b>			(1,079,642)	0	0	0	0	(163,074)	0	0
		<b>Provision for Rate Refund - Affiliated</b>			(1,079,642)	0	0	0	0	(926,468)	0	0
		<b>Provision for Rate Refund - Affiliated</b>			(745)	0	0	0	0	(926,468)	0	0
		<b>Provision for Rate Refund - Affiliated</b>			(745)	0	0	0	0	(1,079,642)	0	0

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Jun 2016  
 07/02/2016 15:15

GLS8016		Kentucky Power Int Const		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
YTD Jun 2016		110 Actual		117 Actual		180 Actual		180 Actual	
088 V0215-08-30		YTD Jun 2016		YTD Jun 2016		YTD Jun 2016		YTD Jun 2016	
Account: GL ACCT_3EC Business Unit: SEGMENT_CONS		[745]		[745]		[745]		[745]	
<b>A Revenue - Power Sales</b>									
<b>TOTAL OPERATING REVENUES</b>									
-1(A)	Memo: GT/D Revenue	313,870,910	284,454,394	-	-	-	-	-	-
-1(B)	Memo: Other Affiliated Revenue	308,612,517	293,832,007	-	-	-	-	-	-
-1(C)	Memo: Revenue-Oth Opr-Oth Aff	4,821,264	415,037	-	-	-	-	-	-
-1(D)	Memo: Revenue-Oth Opr-Oth Non	437,128	207,350	-	-	-	-	-	-
-1(E)=1(B)+1(C)+1(D)	<b>Memo: Total Operating Revenues</b>	<b>313,870,910</b>	<b>294,454,394</b>	<b>207,350</b>	<b>221,712</b>	<b>197,170,959</b>	<b>197,170,959</b>	<b>47,418,727</b>	<b>8,067</b>
-1(F)=1(A)	Memo: Affiliated Revenue	4,821,264	415,037	-	-	-	-	-	-
-1(G)=1(F)	Memo: Non-Affiliated Revenue	308,049,646	294,039,357	-	-	-	-	-	-
	<b>Memo: Total Operating Revenues</b>	<b>313,870,910</b>	<b>294,454,394</b>	<b>207,350</b>	<b>221,712</b>	<b>197,170,959</b>	<b>197,170,959</b>	<b>47,418,727</b>	<b>8,067</b>
<b>FUEL EXPENSES</b>									
5010000	Fuel	1,330,088	8	8	1,330,083	5	5		
5010001	Fuel Consumed	46,576,567	0	0	46,576,567	0	0		
5010003	Fuel - Procedure Unload & Handle	1,802,110	0	0	1,802,110	0	0		
5010013	Fuel Surplus Activity	381,233	0	0	381,233	0	0		
5010019	Fuel Oil Consumed	615,800	0	0	615,800	0	0		
5010020	Nat Gas Consumed Steam	1,313,425	0	0	1,313,425	0	0		
5010027	Gypsum Handling/Disposal Costs	169,501	0	0	169,501	0	0		
5010028	Gypsum Sales Proceeds	(295,133)	0	0	(295,133)	0	0		
5010034	Gen Transp Res Fees-Steam	432,000	0	0	432,000	0	0		
5010005	<b>Fuel Expense Total</b>	<b>51,325,699</b>	<b>8</b>	<b>8</b>	<b>52,325,688</b>	<b>5</b>	<b>5</b>		
	Fuel - Deferred	(2,178,913)	0	0	(2,178,913)	0	0		
	<b>Fuel - Deferred</b>	<b>(2,178,913)</b>	<b>0</b>	<b>0</b>	<b>(2,178,913)</b>	<b>0</b>	<b>0</b>		
	<b>Fuel - Deferred</b>	<b>50,146,686</b>	<b>8</b>	<b>8</b>	<b>50,146,673</b>	<b>5</b>	<b>5</b>		
5050000	Allow Consum Tble IV 502	320,358	0	0	320,358	0	0		
5050009	Allow Consumt CSAPR 502	25,867	0	0	25,867	0	0		
5090014	Environmental Over/Under OMM E	(2,459)	0	0	(2,459)	0	0		
	<b>Allowances - Consumption</b>	<b>344,546</b>	<b>0</b>	<b>0</b>	<b>344,546</b>	<b>0</b>	<b>0</b>		
5200002	Uras Expense	863,084	0	0	863,084	0	0		
5200003	Treat Expense	168,020	0	0	168,020	0	0		
5200004	Lime/Silica Expense	1,703,491	0	0	1,703,491	0	0		
5200005	Polymer Expense	6,446	0	0	6,446	0	0		
5200007	Line Hydrals Expense	7,504	0	0	7,504	0	0		
5200015	Environmental Over/Under Chem	(412,821)	0	0	(412,821)	0	0		
	<b>Emissions Control - Chemicals</b>	<b>2,153,733</b>	<b>0</b>	<b>0</b>	<b>2,153,733</b>	<b>0</b>	<b>0</b>		
	<b>Total Fuel for Electric Generation</b>	<b>52,644,965</b>	<b>8</b>	<b>8</b>	<b>52,644,952</b>	<b>5</b>	<b>5</b>		
	Memo: NonAff Fuel/Allow/Emissions	52,644,965	8	8	52,644,952	5	5		
5550027	Purch Non-Aff Fuel Portion-Aff	0	0	0	0	0	0		
5550029	Purch Power-Asoc-Timb Price	17,674,316	0	0	17,674,316	0	0		
5550048	Purchased Electricity from AEP - Affiliates	43,482,747	207,873,820	207,873,820	43,482,747	207,873,820	43,482,747		
	<b>Purchased Electricity from AEP - Affiliates</b>	<b>18,067,787</b>	<b>2</b>	<b>2</b>	<b>18,067,787</b>	<b>2</b>	<b>2</b>		
5550000	Purchased Power	(17)	0	0	(17)	0	0		
5550001	Purch Non-Trading-Non-Aff	(695)	0	0	(695)	0	0		
5550032	Gas-Conversion-Misc Plant	7,416	0	0	7,416	0	0		
5550038	PJM Inadvertent Mtr Res-OSS	1,261,159	0	0	1,261,159	0	0		
5550040	PJM Inadvertent Mtr Res-LSE	(552,749)	0	0	(552,749)	0	0		
5550074	PJM Reactive-Charge	436,985	0	0	436,985	0	0		
5550075	PJM Reactive-Credit	350,992	0	0	350,992	0	0		
5550076	PJM Black Start-Charge	(52,828)	0	0	(52,828)	0	0		
5550078	PJM Regulation-Charge	163,608	0	0	163,608	0	0		
5550079	PJM Regulation-Credit	(46,482)	0	0	(46,482)	0	0		
5550080	PJM Spinning Reserve-Charge	13,509	0	0	13,509	0	0		
5550081	PJM Spinning Reserve-Credit	2,925	0	0	2,925	0	0		
5550082	PJM 30m Suppl Rmny Charge LSE	384,706	0	0	384,706	0	0		
5550089	PJM Purchase-As-ECR-Auction	(1,438,960)	0	0	(1,438,960)	0	0		
5550100	Capacity Purchases-Auction	(16,086)	0	0	(16,086)	0	0		
5550123	PJM OpRes-LSE-Charge	228,167	0	0	228,167	0	0		
5550124	PJM Implicit Congestion LSE	(158,806)	0	0	(158,806)	0	0		
5550132	PJM FTR Revenue-LSE	3,803,856	0	0	3,803,856	0	0		
5550137	PJM OpRes-LSE-Credit	(785,220)	0	0	(785,220)	0	0		
5550141	Purchase Power-PPA-Deferred	10,578	0	0	10,578	0	0		
5550142	NY Env Sur - Purchase Power	676,573	0	0	676,573	0	0		
5550128	BE/CR PJM Over/Under Recovery	(1,438,960)	0	0	(1,438,960)	0	0		
5550228	PJM Transm Loss Charge - LSE	2,623,884	0	0	2,623,884	0	0		
5550227	PJM Transm Loss Credits-LSE	3,803,856	0	0	3,803,856	0	0		
	<b>Total Fuel for Electric Generation</b>	<b>78,522,000</b>	<b>207,873,820</b>	<b>207,873,820</b>	<b>78,522,000</b>	<b>207,873,820</b>	<b>78,522,000</b>		

American Electric Power

INCOME STATEMENT

GLS#018 YTD Jun 2016 07/02/2016 15:16	Layout: GLS0018 Account: GL_ACCT_SEC Business Units: SEGMENT CONS	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS0016 Actual	YTD Jun 2016	110 Actual	YTD Jun 2016	117 Actual	YTD Jun 2016	180 Actual	YTD Jun 2016
		24,961,193	-	-	-	-	-	-	-
	Purchased Electricity for Resale - Non-Affiliated	-	-	-	-	-	-	-	-
	Purchased Gas for Resale - Affiliated	-	-	-	-	-	-	-	-
	Purchased Gas for Resale - Non-Affiliated	-	-	-	-	-	-	-	-
	Total Purchased Power	68,423,940	297,873,820	86,560,566	76,112,644	68,413,362	10,678	47,405,144	10,678
	<b>GROSS MARGIN</b>	<b>132,802,005</b>							
<b>OPERATING EXPENSES</b>									
5000000	Oper Supervision & Engineering	1,476,757	7,396			1,466,163			3,188
5000001	Oper Super & Eng-RATA-AM	20,753	0			20,753			0
5000000	Station Expenses	603,122	0			603,122			0
5000000	Electric Expenses	167,097	0			167,097			0
5000000	Misc Station Power Expenses	3,859,138	783			3,857,865			490
5000002	Misc Station Power Exp-Assoc	22,099	0			22,099			0
5000003	Removal Cost Expense - Station	144	(6)			155			(6)
5000012	BSTOR O&M Recovery-Oper Costs	(1,222,836)	0			(1,222,836)			0
5000013	Environmental Over/Under O&M E	369,336	0			369,336			0
	<b>Nuclear Generation Op Exp</b>	<b>6,295,869</b>	<b>6,173</b>			<b>6,283,754</b>			<b>3,683</b>
	<b>Hydro Generation Op Exp</b>								
	Sys Control & Load Dispatching	-	-			-			-
5500020	Other Expenses	196,525	0			196,525			0
5570000	Other Pwr Exp - Wholesale RECs	750,187	0			750,187			0
5570007	PJM Adm-MAWASC-OSS	1,535	1,535			0			0
5750000	PJM Adm-MAMWSC-OSS	37,737	0			37,737			0
5757001	PJM Adm-MAMWSC-Internal	447,128	0			447,128			0
	<b>Other Generation Op Exp</b>	<b>1,433,112</b>	<b>1,836</b>			<b>1,431,677</b>			<b>603,877</b>
5600000	Oper Supervision & Engineering	610,088	2,035			4,156			3,682
5611000	Load Dispatch - Reliability	3,682	0			0			0
5612000	Load Dispatch-Maint&Op TransSys	421,999	112			251			0
5614000	PJM Adm-SSCADS-OSS	43,376	0			43,376			0
5615000	PJM Adm-SSCADS-Internal	530,989	0			530,989			0
5618000	Reliability-Phg&Stat Develop	51,861	1,959			4,547			45,384
5618001	PJM Adm-RPLSDS-OSS	11,286	0			11,286			0
5620001	PJM Adm-RPLSDS-Internal	146,354	0			146,354			0
5620000	Station Expenses - Nonstatic	77,575	0			0			77,575
5620002	Overhead Line Expenses	67,815	0			0			67,815
5620007	Transmission Elec by Others-MVC	62,410	0			62,410			0
5620012	Tran Elec by Oth-MVC Price	0	17,064,908			0			0
5620016	PJM Trans Enhancement Charge	2,887,049	0			2,887,049			0
5620018	PJM HTS Expenses - Affiliated	6,432,081	0			6,432,081			0
5620020	AMB PJM Trans Enhancement Exp	1,395,276	0			1,395,276			0
5620024	PROVISION FOR ARE Expenses	1,706,493	0			1,706,493			0
5620026	Misc Transmission Expenses	756,221	5,032			9,357			741,832
5620028	SPP FERC Assessment Fees	10	2			6			1
5620029	Rents - Associated	0	0			0			0
	<b>Transmission Op Exp</b>	<b>15,294,583</b>	<b>17,074,080</b>			<b>13,323,609</b>			<b>234,440</b>
5600000	Oper Supervision & Engineering	305,611	285,747			12,754			7,109
5610000	Load Dispatching	1,594	1,342			252			900
5620000	Station Expenses	65,320	65,320			0			0
5600000	Overhead Line Expenses	372,326	372,317			(0)			0
5610000	Underground Line Expenses	57,914	57,914			0			0
5620000	Street Lighting & Signal Sys E	86,408	86,408			0			0
5600000	Meter Expenses	312,313	311,390			663			270
5600000	Customer Incentivize Exp	84,549	84,549			0			0
5600000	Miscellaneous Distribution Exp	1,856,891	1,826,324			20,057			10,600
5600001	Rents - Nonassociated	835,204	835,204			0			0
5600002	Rents - Associated	31,947	31,947			0			0
	<b>Distribution Op Exp</b>	<b>4,011,068</b>	<b>3,066,463</b>			<b>33,478</b>			<b>19,141</b>
8010000	Supervision - Customer Accs	116,955	116,898			46			12
8020000	Meter Reading Expenses	(9,864)	(9,864)			554			191
8020002	Meter Reading - Regular	182,673	182,673			0			0
8020003	Meter Reading - Large Power	28,095	28,095			0			0
8020000	Cust Records & Collection Exp	160,458	156,460			156			1,843
9000001	Customer Orders & Inquiries	1,138,377	1,136,845			1,248			284
9020002	Manual Billing	11,911	11,515			0			386
9020003	Package - Customer Bills	360,925	360,925			0			0
9020004	Contracting	67,477	66,729			568			180
9020005	Collection Agents Fees & Exp	34,576	34,576			0			0
9020006	Credit & Oth Collection Actv	479,174	479,174			0			0

**INCOME STATEMENT**

GLS8016  
YTD Jun 2016  
07/29/2016 15:16

Account	GL_ACCT_SEC	Business Unit	SEGMENT	CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
					GLS8016 Actual	YTD Jun 2016	110 Actual	YTD Jun 2016	117 Actual	YTD Jun 2016	180 Actual	YTD Jun 2016
Layout: GLS8016												
Account: GL_ACCT_SEC Business Unit: SEGMENT CONS												
9030007					143,364	143,364	0	0	0	0	0	0
9030008					86,799	86,799	0	0	0	0	0	0
9040007					(133,708)	(133,708)	27	27	0	0	0	0
9050000					9,487	9,487	0	0	0	0	0	0
9070000					46,842	46,842	12	12	0	0	0	0
9070001					26	26	(1)	(1)	0	0	0	0
9080000					425,880	425,880	26	26	0	0	0	0
9080004					(7)	(7)	(5)	(5)	(2)	(2)	0	0
9090008					2,105,110	2,105,110	4,009	4,009	6,807	6,807	1,951	1,951
9090009					12,768	12,768	6,038	6,038	10,663	10,663	2,422	2,422
9100000					19,121	19,121	79	79	49	49	11	11
9100001					5,286,644	5,286,644	20,161	20,161	7,301	7,301	7,301	7,301
9110002					23	23	0	0	0	0	0	0
9120000					17,765	17,765	0	0	0	0	0	0
9120001					2,116	2,116	0	0	0	0	0	0
9130008					25,000	25,000	0	0	0	0	0	0
					44,895	44,895	0	0	0	0	0	0
					44,895	44,895	0	0	0	0	0	0
					1,487,145	1,487,145	695,539	695,539	144,338	144,338	144,338	144,338
					4,655,764	4,655,764	1,859,480	1,859,480	715,921	715,921	715,921	715,921
					348,055	348,055	195,587	195,587	113,501	113,501	39,968	39,968
					(0)	(0)	(0)	(0)	0	0	(0)	(0)
					(400,948)	(400,948)	0	0	0	0	0	0
					(365,011)	(365,011)	0	0	0	0	0	0
					(6)	(6)	0	0	0	0	0	0
					853,115	853,115	308,235	308,235	488,493	488,493	156,388	156,388
					151,002	151,002	59,458	59,458	49,597	49,597	47,548	47,548
					322,563	322,563	85,278	85,278	155,150	155,150	82,156	82,156
					678,694	678,694	398,884	398,884	283,400	283,400	16,410	16,410
					2,432	2,432	0	0	0	0	0	0
					2,942	2,942	2,128	2,128	786	786	16	16
					332,716	332,716	235,626	235,626	51,170	51,170	45,920	45,920
					243,230	243,230	5,964	5,964	237,218	237,218	18	18
					(85,452)	(85,452)	(74,071)	(74,071)	(11,197)	(11,197)	(184)	(184)
					10,187	10,187	1,793	1,793	8,388	8,388	0	0
					10,688	10,688	3,660	3,660	4,978	4,978	2,050	2,050
					14,249	14,249	6,988	6,988	7,454	7,454	189	189
					1,221,180	1,221,180	800,218	800,218	368,950	368,950	52,014	52,014
					74,413	74,413	40,365	40,365	33,390	33,390	637	637
					2,429,585	2,429,585	1,459,561	1,459,561	859,677	859,677	10,347	10,347
					57,605	57,605	34,082	34,082	20,948	20,948	2,574	2,574
					110,978	110,978	66,221	66,221	44,060	44,060	707	707
					839	839	279	279	539	539	21	21
					806	806	543	543	223	223	40	40
					2,348	2,348	0	0	1,850	1,850	488	488
					(1,265,175)	(1,265,175)	(665,671)	(665,671)	(482,848)	(482,848)	(106,656)	(106,656)
					830,055	830,055	456,748	456,748	372,046	372,046	1,260	1,260
					2,295	2,295	0	0	0	0	0	0
					(320,385)	(320,385)	1,378	1,378	(321,980)	(321,980)	219	219
					(528,170)	(528,170)	(427,960)	(427,960)	(95,603)	(95,603)	(608)	(608)
					(986,851)	(986,851)	(748,087)	(748,087)	(237,763)	(237,763)	(891)	(891)
					(286,270)	(286,270)	(208,081)	(208,081)	(77,609)	(77,609)	(279)	(279)
					404,036	404,036	316,828	316,828	86,761	86,761	448	448
					(200,480)	(200,480)	(143,410)	(143,410)	(57,048)	(57,048)	(24)	(24)
					(36,043)	(36,043)	(40,829)	(40,829)	4,932	4,932	(146)	(146)
					108,310	108,310	64,791	64,791	35,803	35,803	7,916	7,916
					69,021	69,021	0	0	0	0	0	0
					(8)	(8)	(11)	(11)	7	7	(6)	(6)
					185	185	5	5	173	173	0	0
					24,510	24,510	18,804	18,804	2,696	2,696	2,696	2,696
					181	181	181	181	0	0	0	0
					17,233	17,233	6,389	6,389	8,828	8,828	2,038	2,038
					309	309	73	73	192	192	44	44
					15,089	15,089	15,082	15,082	5	5	1	1
					15,892	15,892	7,075	7,075	6,995	6,995	1,792	1,792
					124,033	124,033	38,018	38,018	56,783	56,783	29,232	29,232
					5,134	5,134	3,439	3,439	1,045	1,045	650	650
					36	36	36	36	0	0	0	0

American Electric Power  
**INCOME STATEMENT**

GLS8016  
 YTD Jun 2016  
 6/30/2016 15:15

Account	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Jun 2016	110 Actual	YTD Jun 2016	117 Actual	YTD Jun 2016	160 Actual	YTD Jun 2016
Layout: GLS8016								
Account: GL_ACDT_SEC Business Units: SEGMENT_CONS								
8302458	ADPSC Non Affiliated expenses	0	0	0	0	0	0	0
9310001	Rents - Real Property	58,784	58,784	0	0	0	0	0
9310002	Rents - Personal Property	134,753	94,971	0	0	34,216	0	5,560
411006	Administration & General	8,959,486	3,723,687	0	0	4,119,218	0	1,118,669
	Accretion Expense	344,774	0	0	0	344,774	0	0
4118000	Accretion	344,774	0	0	0	344,774	0	0
	Gain From Deposition of Plant	(2,600)	(2,600)	0	0	0	0	0
	Losses(Gain) on Utility Plant	(2,600)	(2,600)	0	0	0	0	0
9320006	Assoc Bus Dev - Mainside Sold	14,549	14,549	0	0	0	0	0
9320007	Assoc Business Development Exp	44,238	34,334	0	0	1,147	0	8,757
	Assoc Business Development Expenses	58,786	48,882	0	0	1,147	0	8,757
	Gain on Disposition of Property	-	-	-	-	-	-	-
	Loss on Disposition of Property	-	-	-	-	-	-	-
	Loss(Gain) of Sale of Property	-	-	-	-	-	-	-
4250009	Factored Cust AR Exp - All	528,164	528,164	0	0	0	0	0
4250010	Fact Cust AR-Red Dblts-All	874,632	874,632	0	0	0	0	0
	Opt Exp and Factored AR	1,402,797	1,402,797	0	0	0	0	0
	Water Heaters	-	-	-	-	-	-	-
4250004	Social & Service Club Dues	44,903	17,732	0	0	19,156	0	8,014
4250007	Regulatory Expenses	7,452	4,838	0	0	4,503	0	1,112
4210008	Expense of Non-Utility Operation	82,354	19,669	0	0	23,669	0	9,128
	Mac Non-Op Exp - NonAssoc	2,443	1,333	0	0	279	0	832
4251000	Misc NonOp Expenses - NonAssoc	2,443	1,333	0	0	279	0	832
	Donations	317,996	284,494	0	0	28,400	0	5,102
	Donation Contributions	317,996	284,494	0	0	28,400	0	5,102
4253001	Penalties	822	822	0	0	822	0	0
4264000	Provision for Penalties	289,086	74,447	0	0	170,400	0	44,239
4265002	Civic & Political Activities	289,086	74,447	0	0	170,400	0	44,239
	Other Deductions - NonAssoc	51,412	29,471	0	0	21,268	0	874
	Other Deductions	51,412	29,471	0	0	21,268	0	874
	Shutdown Coal Company Expenses	-	-	-	-	-	-	-
	All Other Operational Expenses	2,116,911	1,812,111	0	0	244,828	0	69,973
	Operational Expenses	42,843,118	31,928,287	0	0	24,862,532	0	3,411,667
5100000	Maint Svy & Engineering	1,154,887	264	0	0	1,154,490	0	133
5110000	Maintenance of Structures	1,251,015	0	0	0	1,251,015	0	0
5120000	Maintenance of Saker Plant	8,035,102	0	0	0	8,035,102	0	0
5120004	BSRR O&M Recovery-Maint Costs	(82,201)	0	0	0	(82,201)	0	0
5120005	BSRR O&M Recovery-Maint Costs	(2,044,514)	0	0	0	(2,044,514)	0	0
5130000	Maintenance of Electric Plant	2,589,849	0	0	0	2,589,849	0	0
5140000	Maintenance of Misc Steam Pt	774,148	(523)	0	0	774,871	0	0
	Maintenance of Misc Steam Pt	1,688,084	(259)	0	0	1,688,211	0	133
	Steam Generation Maintenance	-	-	-	-	-	-	-
	Nuclear Generation Maintenance	-	-	-	-	-	-	-
	Hydro Generation Maintenance	-	-	-	-	-	-	-
	Other Generation Maintenance	-	-	-	-	-	-	-
5600000	Maint Svy & Engineering	16,176	250	0	0	283	0	15,663
5600000	Maintenance of Structures	8,767	0	0	0	8,767	0	0
5601000	Maint of Computer Hardware	406	7	0	0	13	0	387
5602000	Maint of Computer Software	65,900	4,472	0	0	2,804	0	58,524
5603000	Maint of Communication Equip	222,706	1,056	0	0	107	0	2,819
5700000	Maintenance of Overhead Lines	625,475	(129)	0	0	(708)	0	221,543
5700010	Maint of Underground Lines	177	0	0	0	0	0	626,313
5700020	Maint of Misc Transmission Pt	165,112	37	0	0	58	0	177
5700030	Transmission Maintenance	1,197,337	6,692	0	0	2,837	0	165,017
5900000	Maint Svy & Engineering	1,181	1,130	0	0	51	0	1,099,008
5910000	Maintenance of Structures	11,947	8,861	0	0	0	0	5,085
5920000	Maint of Station Equipment	241,854	237,049	0	0	63	0	4,752
5930000	Maintenance of Overhead Lines	18,563,868	18,549,919	0	0	(12)	0	13,962
5930010	Tires and Blush Control	313,155	313,155	0	0	0	0	0
5930010	Steam Expense Amortization	1,214,600	1,214,600	0	0	0	0	0
5940000	Maint of Underground Lines	40,099	40,098	0	0	0	0	1
5950000	Maint of Low Tnd Right-of-Way	19,219	19,219	0	0	0	0	0
5960000	Maint of Sign Lighting & Signal S	28,282	28,282	0	0	0	0	1
5970000	Maintenance of Meters	38,167	37,310	0	0	0	0	1,857
5980000	Maint of Misc Distribution Pt	28,378	27,988	0	0	0	0	360
	Distribution Maintenance	20,476,611	20,476,611	0	0	51	0	26,088



American Electric Power  
**INCOME STATEMENT**

GLS8016 YTD Jun 2016 07/02/2016 15:16	Kentucky Power Int Consol GLS8016 Actual	YTD Jun 2016	Kentucky Power Company - Distribution 110 Actual	YTD Jun 2016	Kentucky Power Company - Generation 117 Actual	YTD Jun 2016	Kentucky Power Company - Transmission 180 Actual
0300001		171,377	170,996		(7)		389
0300002	Maint of Structures - Owned	28,692	0				0
0300012	Maint of Structures - Leased	77,858	55,099		22,760		0
0300013	Maint of Data Equipment	569,355	527,327		42,028		0
0300015	Maint of Communication Eq-Unit	310,834	159,165		151,670		0
0300016	Maint of Office Furniture & Eq	62	62		0		0
0300019	Maintenance of Video Equipment	145	145		0		0
0300024	Maint of Gen Plant-SCADA Eq	8,836	8,836		19		11
	Maint of DA-AMI Comm Equip	1,167,190	890,321		216,470		400
	<b>Administration &amp; General Maintenance</b>						
	<b>All Other Maintenance Expenses</b>						
	<b>Maintenance Expenses</b>	34,444,372	21,431,366		11,887,368		1,126,639
	<b>Total Operational and Maintenance Expenses</b>	77,287,490	53,359,633		36,659,900		4,537,309
4000001	Amount of Profit	1,218,572	730,917		175,085		312,571
4000001	Amount of PR Act Adj	19,308	0		0		19,308
4073000	DDA Amortization	1,237,880	730,917		175,085		331,879
4073014	Regulatory Debits	68,621	0		0		68,621
	Regulatory Debt - BSR	1,331,265	0		1,331,265		0
	DDA Regulatory Debits	1,389,886			1,331,265		68,621
4030001	Amortization	2,637,767	730,917		1,806,360		400,600
	Depreciation Exp	38,569,229	14,103,957		16,925,981		7,559,291
	DDA Depreciation	38,689,229	14,103,957		16,825,981		7,559,291
4031001	DDA STP Nuclear Decommissioning	113,529	0		113,529		0
	DDA Asset Retirement Oblig	113,529			113,529		0
	DDA Asset Retirement Oblig	113,529			113,529		0
	DDA Removal Costs	38,702,768	14,103,957		17,039,510		7,559,291
	Depreciation and Amortization	41,340,625	14,834,874		18,545,860		7,959,791
409100015	Franchise Taxes	(8,487)	0		(8,487)		0
409100016	State Gross Receipts Tax	18,177	0		18,177		0
	State Gross Receipts Tax	9,690			9,690		0
4091002	Revenue-W/Whr Taxes	1,520,690	832,793		685,462		2,435
4091003	FICA	8,845	6,505		2,309		32
4091007	Federal Unemployment Tax	38,755	23,048		16,603		103
4091023	State Unemployment Tax	(520,649)	(378,460)		(141,666)		(523)
4091034	Fringe Benefit Liability - FUTA	(3,539)	(2,639)		(900)		(1)
4091035	Fringe Benefit Liability - SUTA	(10,749)	(7,147)		(3,601)		(1)
409102016	Payroll Taxes	1,034,153	474,102		669,095		2,048
	State Business Occup Taxes	1,891,305	0		1,891,305		0
409102514	Capacity Taxes	1,891,305			1,891,305		0
409102515	Real Personal Property Taxes	979,058	(155,004)		1,227,364		(83,302)
409102915	Real Personal Property Taxes	6,118,428	3,825,192		143,970		2,148,266
409102916	Real-Pers Prop Tax-Cap Leases	187,960	151,411		7,418		28,751
409102918	Real-Pers Prop Tax-Cap Leases	119,724	94,548		5,244		19,932
409102919	Real Prop Tax-Cap Leases	12,750	12,750		0		0
409202515	Real Personal Property Taxes	7,782	1,302		0		6,480
409101915	Property Taxes	7,426,321	3,930,200		1,383,995		2,111,127
	St Paid Seln Comm Tax-Fees	566,102	566,102		0		0
409101415	Regulatory Fees	866,102					
409101416	Federal Excise Taxes	900	0		900		0
	Federal Excise Taxes	870	0		870		0
409101716	Production Taxes	1,770			1,770		0
409101915	St Lic-Regtion Tax-Fees	52	52		0		0
409101916	State Sales and Use Taxes	791	791		0		0
409102216	State Sales and Use Taxes	4,809	4,809		0		0
	Municipal License Fees	500	500		0		0
	Miscellaneous Taxes	6,161	6,161				
	Other Non-Income Taxes	7,921	6,161		1,770		
	Taxes Other Than Income Taxes	11,024,492	4,976,554		3,834,768		2,113,172
	<b>TOTAL OPERATING EXPENSES</b>	129,662,607	73,171,061		69,170,626		14,610,269
	Memo: SEC Total Operating Expenses	269,751,413	281,044,889		180,230,640		14,620,862
	<b>OPERATING INCOME</b>	53,149,437	13,409,505		16,942,118		32,787,876
	<b>NON-OPERATING INCOME (EXPENSES)</b>						

**INCOME STATEMENT**

American Electric Power

GLS#016 YTD Jun 2016 07/06/2016 15:16	Kentucky Power Int Consol GLS#016 Actual	Kentucky Power Company - Distribution 110 Actual	Kentucky Power Company - Generation 117 Actual	Kentucky Power Company - Transmission 180 Actual	YTD Jun 2016	
					YTD Jun 2016	YTD Jun 2016
4190002	4,381	6,832	(2,041)	(410)		
4190005	1,964	(4,824)	(7,124)	(410)		
4210028	1,984	(4,654)	(7,124)	13,711		
	560,907	2,268	(6,185)	13,301		
	369,907	965	340,146	19,698		
	367,162	3,173	330,982	32,997		
4191000	586,585	133,019	459,414	95,151		
	666,666	133,019	469,414	95,151		
4270002	78,782	78,782	-	-		
4270006	21,239,353	6,248,370	10,450,328	4,540,655		
	21,239,353	6,248,370	10,450,328	4,540,655		
4270005	780,340	232,519	388,854	168,967		
	780,340	232,519	388,854	168,967		
4300003	22,109,476	6,669,670	10,839,183	4,709,822		
4310007	57,238	115,463	254,557	(312,782)		
	485,472	115,463	264,657	(312,782)		
	485,472	131,815	334,126	19,531		
	642,710	131,815	334,126	19,531		
	15,933	0	15,933	0		
	66,443	18,547	32,892	14,205		
	280,087	82,398	137,810	59,878		
	382,483	101,846	186,435	74,083		
	16,825	4,950	8,279	3,597		
	16,825	4,950	8,279	3,597		
4310001	(214,315)	0	(219,120)	4,805		
4310002	46,451	48,451	0	0		
4310023	(81,354)	2,749	(84,401)	298		
	(247,218)	51,200	(303,521)	5,103		
4320000	(483,246)	(93,233)	(323,393)	(66,620)		
	(483,246)	(93,233)	(323,393)	(66,620)		
	41,903,224	6,673,887	6,735,848	28,493,489		
	181,631	(4,111,343)	(2,381,661)	6,674,658		
	(182,387)	(112,410)	(82,257)	(7,720)		
	(766)	(4,223,763)	(2,444,139)	6,667,136		
	48,000,533	5,634,204	40,000,216	2,196,113		
	1,340,601	0	1,338,398	2,203		
	(33,119,479)	(4,044,917)	(26,538,252)	(555,310)		
	(1,042,159)	0	(1,042,159)	0		
	15,179,496	1,789,287	11,767,202	1,833,066		
	(1,314)	(576)	(606)	(132)		
	(1,314)	(678)	(806)	(132)		
	15,177,428	(2,435,042)	9,312,457	8,300,010		
	(1,464,458)	(104,131)	(2,803,882)	1,443,535		
	(31,015)	(19,115)	(10,587)	(1,313)		
	(1,496,473)	(123,247)	(2,814,448)	1,442,222		
	5,106,520	4,844,538	262,061	0		
	(5,575,237)	0	(5,575,237)	0		
	(468,817)	4,844,639	(6,313,158)	-		
	(1,964,090)	4,721,293	(8,127,604)	1,442,222		
<b>INCOME TAXES AND EQUITY EARNINGS</b>						
4091001	181,631	(4,111,343)	(2,381,661)	6,674,658		
4092001	(182,387)	(112,410)	(82,257)	(7,720)		
4101001	(766)	(4,223,763)	(2,444,139)	6,667,136		
4102001	48,000,533	5,634,204	40,000,216	2,196,113		
4110001	1,340,601	0	1,338,398	2,203		
4110001	(33,119,479)	(4,044,917)	(26,538,252)	(555,310)		
4112001	(1,042,159)	0	(1,042,159)	0		
4114001	15,179,496	1,789,287	11,767,202	1,833,066		
4091002E16	(1,314)	(576)	(606)	(132)		
4092002E16	(1,314)	(678)	(806)	(132)		
4101002	15,177,428	(2,435,042)	9,312,457	8,300,010		
4111002	(1,464,458)	(104,131)	(2,803,882)	1,443,535		
4111002	(31,015)	(19,115)	(10,587)	(1,313)		
	(1,496,473)	(123,247)	(2,814,448)	1,442,222		
	5,106,520	4,844,538	262,061	0		
	(5,575,237)	0	(5,575,237)	0		
	(468,817)	4,844,639	(6,313,158)	-		
	(1,964,090)	4,721,293	(8,127,604)	1,442,222		

American Electric Power

**INCOME STATEMENT**

GLS9016  
 YTD Jun 2016  
 07/08/2016 15:15

	GLS9016 Actual	110 Actual	117 Actual	180 Actual
	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016
Local Current Income Tax	-	-	-	-
Local Deferred Income Tax	-	-	-	-
Local Investment Tax Credits	-	-	-	-
Local Income Taxes	-	-	-	-
Foreign Current Income Tax	-	-	-	-
Foreign Deferred Income Tax	-	-	-	-
Foreign Investment Tax Credits	-	-	-	-
Foreign Income Taxes	-	-	-	-
Total Income Taxes	13,213,336	2,285,251	1,184,853	9,742,232
Equity Earnings of Subs	28,689,868	4,387,538	5,550,995	18,751,257
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>28,689,868</b>	<b>4,387,538</b>	<b>5,550,995</b>	<b>18,751,257</b>
Discontinued Operations (Net of Taxes)	-	-	-	-
Cumulative Effect of Accounting Changes	-	-	-	-
Extraordinary Income / (Expense)	-	-	-	-
<b>NET INCOME</b>	<b>28,689,868</b>	<b>4,387,538</b>	<b>5,550,995</b>	<b>18,751,257</b>
Minority Interest	-	-	-	-
Preferred Stock Dividend Subs	-	-	-	-
Earnings to Common Shareholders	28,689,868	4,387,538	5,550,995	18,751,257
<b>NET INCOME (LOSS) NODE before PS</b>	<b>28,689,868</b>	<b>4,387,538</b>	<b>5,550,995</b>	<b>18,751,257</b>
Double Check on Net Income Node after PS	(0)	(0)	0	-

Reserved Section

GLS8216  
YTD Jun 2016  
07/06/2016 13:25

09B V2016-06-  
Layout: GLS8216  
Account: GL\_ACCT\_SEC Balance Sheet Segment CONS

	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016
<b>ASSETS</b>			
Cash and Cash Equivalents	1,053,072	1,063,072	0
Other Cash Deposits	10,849	5,786	5,063
Customers	14,656,154	10,798,666	3,350,357
Accrued Unbilled Revenues	2,078,179	2,078,179	0
Miscellaneous Accounts Receivable	22,190,426	10,964,925	63,164,487
Allowances for Uncollectible Accounts	(68,111)	(60,137)	(8,574)
Accounts Receivable	38,856,048	23,781,633	66,514,645
Advances to Affiliates	0	0	0
Fuel, Materials and Supplies	37,676,196	2,058,370	35,124,061
Risk Management Contracts - Current	1,030,730	0	1,030,730
Margin Deposits	1,630,930	40,766	1,690,174
Unrecovered Fuel - Current	397,554	0	397,554
Other Current Regulatory Assets	0	0	0
Prepayments and Other Current Assets	2,328,545	2,019,337	285,506
<b>TOTAL CURRENT ASSETS</b>	<b>82,981,924</b>	<b>28,958,954</b>	<b>104,947,923</b>
Electric Production	1,195,690,808	817,186,263	1,202,264,324
Electric Transmission	571,523,517	0	0
Electric Distribution	769,764,023	0	0
General Property, Plant and Equipment	63,080,646	199,571	1,461,903
Construction Work-in-Progress	18,251,738	10,071,413	1,866,914
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,809,310,733</b>	<b>827,457,246</b>	<b>1,205,393,141</b>
less: Accumulated Depreciation and Amortization	(865,325,718)	(253,258,524)	(414,708,529)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,743,985,015</b>	<b>584,200,722</b>	<b>790,684,572</b>
Net Regulatory Assets	631,931,590	114,873,326	359,999,243
Securitized Transition Assets and Other	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0
Investments in Power and Distribution Projects	0	0	0
Goodwill	0	0	0
Long-Term Risk Management Assets	60,622	12,108	48,514
Employee Benefits and Pension Assets	7,680,427	3,083,012	4,403,704
Other Non Current Assets	19,502,724	4,584,129	12,742,917
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>659,176,363</b>	<b>122,552,675</b>	<b>378,194,377</b>
<b>TOTAL ASSETS</b>	<b>2,386,142,302</b>	<b>715,712,251</b>	<b>1,271,825,872</b>
<b>LIABILITIES</b>			
Accounts Payable	57,054,707	62,859,108	49,982,213
Advances from Affiliates	16,274,466	17,799,237	84,258,954
Short-Term Debt	0	0	0
Other Current Regulatory Liabilities	65,000,000	0	65,000,000
Long-Term Debt Due Within One Year Non-Affiliated	0	0	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0
Risk Management Liabilities	896,390	9,318	887,072
Accrued Taxes	7,080,414	6,294,408	(12,696,241)
Memo: Property Taxes	17,214,255	8,689,803	3,696,530
Accrued Interest	8,050,258	2,425,211	3,904,795
Risk Management Collateral	98,290	0	98,290
Utility Customer Deposits	26,634,010	26,384,010	250,000
Deposits - Customer and Collateral	26,732,300	26,384,010	348,280
Over-Recovered Fuel Costs - Current	0	0	0
Dividends Declared	0	0	0
Preferred Stock due W/JN 1 Yr	0	0	0
Obligations under Capital Leases - Current	971,612	486,228	461,285
Tax Collections Payable	2,237,230	2,176,939	60,159
Revenue Refunds - Accrued	1,396,214	0	276,618
Accrued Rents - Rockport	0	0	0
Accrued - Payroll	1,483,788	647,724	834,487
Accrued Rents	0	0	0
<b>TOTAL LIABILITIES</b>	<b>211,483,788</b>	<b>211,483,788</b>	<b>211,483,788</b>
<b>Equity</b>			
Common Stock	1,174,658,514	1,174,658,514	1,174,658,514
Retained Earnings	999,800,000	329,570,000	886,687,080
Accumulated Other Comprehensive Income	11,683,788	11,683,788	11,683,788
<b>TOTAL EQUITY</b>	<b>2,174,658,514</b>	<b>504,322,263</b>	<b>1,059,942,084</b>

	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016
<b>ASSETS</b>			
Cash and Cash Equivalents	1,053,072	1,063,072	0
Other Cash Deposits	10,849	5,786	5,063
Customers	14,656,154	10,798,666	3,350,357
Accrued Unbilled Revenues	2,078,179	2,078,179	0
Miscellaneous Accounts Receivable	22,190,426	10,964,925	63,164,487
Allowances for Uncollectible Accounts	(68,111)	(60,137)	(8,574)
Accounts Receivable	38,856,048	23,781,633	66,514,645
Advances to Affiliates	0	0	0
Fuel, Materials and Supplies	37,676,196	2,058,370	35,124,061
Risk Management Contracts - Current	1,030,730	0	1,030,730
Margin Deposits	1,630,930	40,766	1,690,174
Unrecovered Fuel - Current	397,554	0	397,554
Other Current Regulatory Assets	0	0	0
Prepayments and Other Current Assets	2,328,545	2,019,337	285,506
<b>TOTAL CURRENT ASSETS</b>	<b>82,981,924</b>	<b>28,958,954</b>	<b>104,947,923</b>
Electric Production	1,195,690,808	817,186,263	1,202,264,324
Electric Transmission	571,523,517	0	0
Electric Distribution	769,764,023	0	0
General Property, Plant and Equipment	63,080,646	199,571	1,461,903
Construction Work-in-Progress	18,251,738	10,071,413	1,866,914
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,809,310,733</b>	<b>827,457,246</b>	<b>1,205,393,141</b>
less: Accumulated Depreciation and Amortization	(865,325,718)	(253,258,524)	(414,708,529)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,743,985,015</b>	<b>584,200,722</b>	<b>790,684,572</b>
Net Regulatory Assets	631,931,590	114,873,326	359,999,243
Securitized Transition Assets and Other	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0
Investments in Power and Distribution Projects	0	0	0
Goodwill	0	0	0
Long-Term Risk Management Assets	60,622	12,108	48,514
Employee Benefits and Pension Assets	7,680,427	3,083,012	4,403,704
Other Non Current Assets	19,502,724	4,584,129	12,742,917
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>659,176,363</b>	<b>122,552,675</b>	<b>378,194,377</b>
<b>TOTAL ASSETS</b>	<b>2,386,142,302</b>	<b>715,712,251</b>	<b>1,271,825,872</b>
<b>LIABILITIES</b>			
Accounts Payable	57,054,707	62,859,108	49,982,213
Advances from Affiliates	16,274,466	17,799,237	84,258,954
Short-Term Debt	0	0	0
Other Current Regulatory Liabilities	65,000,000	0	65,000,000
Long-Term Debt Due Within One Year Non-Affiliated	0	0	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0
Risk Management Liabilities	896,390	9,318	887,072
Accrued Taxes	7,080,414	6,294,408	(12,696,241)
Memo: Property Taxes	17,214,255	8,689,803	3,696,530
Accrued Interest	8,050,258	2,425,211	3,904,795
Risk Management Collateral	98,290	0	98,290
Utility Customer Deposits	26,634,010	26,384,010	250,000
Deposits - Customer and Collateral	26,732,300	26,384,010	348,280
Over-Recovered Fuel Costs - Current	0	0	0
Dividends Declared	0	0	0
Preferred Stock due W/JN 1 Yr	0	0	0
Obligations under Capital Leases - Current	971,612	486,228	461,285
Tax Collections Payable	2,237,230	2,176,939	60,159
Revenue Refunds - Accrued	1,396,214	0	276,618
Accrued Rents - Rockport	0	0	0
Accrued - Payroll	1,483,788	647,724	834,487
Accrued Rents	0	0	0
<b>TOTAL LIABILITIES</b>	<b>211,483,788</b>	<b>211,483,788</b>	<b>211,483,788</b>
<b>Equity</b>			
Common Stock	1,174,658,514	1,174,658,514	1,174,658,514
Retained Earnings	999,800,000	329,570,000	886,687,080
Accumulated Other Comprehensive Income	11,683,788	11,683,788	11,683,788
<b>TOTAL EQUITY</b>	<b>2,174,658,514</b>	<b>504,322,263</b>	<b>1,059,942,084</b>

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jun 2016  
07/02/2016 16:23

Layout: GLS8216  
Account: GL\_ACCT\_SEC Business Use: SEGMENT\_CONS

	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016
09B V2016-06-	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
2530022	Accrued ICP	2,376,411	1,191,847	1,182,278
2420088	Accrued Vacations	5,073,037	2,274,945	2,791,594
2420512	Misc Employee Benefits	928,339	303,288	587,479
2420542	Payroll Deductions	149,500	72,859	76,549
242058216	Severance / SEI	1,045,769	0	1,045,769
2420643	Accrued Workers Compensation	207,133	35,715	168,703
2530050	Customer Advance Receipts	1,993,311	1,993,311	0
2530112	Customer Advance	1,993,311	1,993,311	0
2530177	Control Cash Debit Account	3,377,205	3,377,205	0
	Control Cash Disbursement Account	3,377,205	0	0
	JMG Liability	0	0	0
	ARO - Current	16,622,761	0	16,622,761
	Econ. Development Fund Curt	498,326	342,576	153,750
	Unclaimed Funds	4,605	4,605	0
	Acc Cash Franchise Req	81,946	81,946	0
	Sales Use Tax - Leased Equip	101	0	88
	Accrued Audit Fees	338	103	170
	Federal Mitigation Acru (NSRI)	554,328	0	554,328
	Deferred Rev - Pole Attachments	39,214	39,214	0
	Other Deferred Credits-Curt	76,511	0	76,511
	Conlr In Aid of Const Advance	70,062	70,062	0
	Deferred Rev-Bonus Lease Curt	431,564	0	431,564
	Misc Current and Accrued Liabilities	18,377,785	538,535	17,839,151
	Current Other and Accrued Liabilities	38,845,721	12,611,869	24,872,787
	Other Current Liabilities	39,817,333	13,098,097	25,334,071
	<b>TOTAL CURRENT LIABILITIES</b>	<b>220,705,868</b>	<b>130,868,389</b>	<b>217,017,155</b>
	Long-Term Debt - Affiliated	0	0	0
	Long-Term Debt - Non Affiliated	802,003,346	239,330,257	388,656,888
	Long-Term Debt - Premiums and Discounts Linemort	(184,613)	(58,000)	(94,584)
	Memo - LTD NonAffiliated and Premiums	801,808,634	239,272,257	389,562,104
	Long-Term Risk Management Liabilities - Hedge	0	0	0
	LT Unreal Losses - Non Aff	47,132	0	47,132
	Long-Term Risk Management Liabilities - MTM	47,132	0	47,132
	Long-Term Risk Management Liabilities	47,132	0	47,132
	Deferred Income Taxes	653,525,488	189,796,624	331,385,839
	Deferred Investment Tax Credits	2,736	1,164	1,194
	Regulatory Liabilities and Deferred Credits	(30,970,788)	(26,888,693)	(1,405,319)
	Memo - Reg Liab and Def ITC	(30,968,051)	(26,887,519)	(1,404,125)
	Asset Retirement Obligation	54,862,446	70,341	54,782,105
	Nuclear Decommissioning	0	0	0
	Employee Benefits and Pension Obligations	10,726,264	9,665,993	(731,721)
	Trust Preferred Securities	0	0	0
	Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0
	Obligations Under Capital Leases	0	857,229	1,059,877
	Def Credits - Income Tax	1,945,063	275,571	291,883
	Fidert Mitigation Deferral(NSR)	620,594	0	291,883
	Def Credits - NSR	1,110,644	0	1,110,644
	Customer Advances for Construction	1,110,644	0	1,110,644
	Def Gain on Sale/Leaseback	161,530	161,530	0
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0
	Def Gain on Disp of Utility Plant	0	0	0
	IPP - System Upgrade Credits	281,627	0	0
	For Opt Line-in Kind Sv-Old Gns	138,951	138,951	0
	MACSS Unidentified EDI Cash	220	220	0
	For Opt Line-Sold-Debt Rev	69,284	0	69,284
	Deferred Rev-Bonus Lease NC	781,201	0	781,201
	Def Credits - Other	1,291,284	139,171	791,201
	Total Other Deferred Credits	1,452,814	300,701	791,201
	Accumulated Provisions - Rate Refund	153,074	0	153,074
	Accumulated Provisions - Misc	349,500	0	349,500
	Other Non-Current Liabilities	5,631,689	1,433,502	3,603,105
	<b>TOTAL LIABILITIES</b>	<b>2,220,705,868</b>	<b>1,433,502,389</b>	<b>1,433,502,389</b>

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jun 2016  
 07/05/2016 10:25

09B V2016-06- Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS Layout: GLS8216

	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016	YTD Jun 2016
<b>TOTAL NON-CURRENT LIABILITIES</b>	1,495,833,802	413,351,199	777,224,439	305,058,163
<b>TOTAL LIABILITIES</b>	1,716,339,669	544,220,588	984,241,594	239,839,131
Cumulative Pref Stocks - Not subject Mand Redem	0	0	0	0
Minority interest - Deferred Credits	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>				
Common Stock	50,450,000	22,404,049	10,287,603	17,758,348
Paid In Capital	527,309,077	106,025,371	337,243,870	84,039,838
Premium on Capital Stock	0	0	0	0
Retained Earnings	93,850,162	43,083,262	(88,375,803)	118,942,704
Accumulated Other Comprehensive Income (Loss)	(1,806,607)	(21,019)	(1,570,392)	(15,198)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	669,802,633	171,491,663	277,585,278	220,725,692
Memo: Total Equity	669,802,633	171,491,663	277,585,278	220,725,692
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,386,142,302	715,712,251	1,271,826,872	459,563,823
out-of-balance	(0)	0	0	(0)

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jun 2015  
 07/17/2015 13:26

09B V2015-06-  
 Layout : GLS8216  
 Account GL\_ACCT\_SEC Business LINE SEGMENT\_CONS

	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	514,928	0	0	0
Other Cash Deposits	0	0	0	0
Customers	13,710,747	9,554,154	3,656,589	500,004
Accrued Unbilled Revenues	3,107,823	2,596,791	511,032	0
Miscellaneous Accounts Receivable	20,476,488	13,083,911	49,606,396	10,463,571
Allowances for Uncollectible Accounts	(185,950)	(112,460)	(64,915)	(8,574)
Accounts Receivable	37,109,109	28,122,395	53,709,102	10,955,000
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	48,986,771	2,156,081	46,103,774	727,916
Risk Management Contracts - Current	7,068,113	0	7,068,113	0
Margin Deposits	841,763	33,141	808,622	0
Unrecovered Fuel - Current	2,206,863	0	2,206,863	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,403,023	1,906,345	807,673	669,005
<b>TOTAL CURRENT ASSETS</b>	<b>100,130,570</b>	<b>28,731,890</b>	<b>110,704,147</b>	<b>12,371,922</b>
Electric Production	1,182,389,467	790,479,679	1,200,811,392	555,289,832
Electric Transmission	558,718,057	0	0	0
Electric Distribution	742,366,759	0	0	0
General Property, Plant and Equipment	65,936,572	199,571	1,461,903	1,160,479
Construction Work-in-Progress	63,094,745	9,187,633	45,737,819	8,169,293
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,612,507,600</b>	<b>799,866,893</b>	<b>1,249,011,113</b>	<b>564,629,604</b>
less: Accumulated Depreciation and Amortization	(877,464,681)	(262,948,315)	(435,488,417)	(179,017,949)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,735,042,919</b>	<b>536,918,578</b>	<b>812,612,696</b>	<b>385,611,655</b>
Net Regulatory Assets	452,327,223	101,134,841	294,674,161	56,618,221
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	619,173	11,929	607,244	0
Employee Benefits and Pension Assets	13,684,639	6,528,573	7,628,573	526,914
Other Non Current Assets	12,972,999	4,812,861	5,607,030	2,663,108
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>479,604,034</b>	<b>111,488,783</b>	<b>309,417,007</b>	<b>59,899,244</b>
<b>TOTAL ASSETS</b>	<b>2,314,777,524</b>	<b>678,139,241</b>	<b>1,231,633,861</b>	<b>457,681,820</b>
<b>LIABILITIES</b>				
Accounts Payable	58,063,129	51,102,678	62,944,970	6,662,870
Advances from Affiliates	27,175,732	11,736,348	106,187,687	(90,747,303)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year Non-Affiliated	0	0	0	0
Long-Term Debt Due Within One Year - Affiliated	2,846,503	54,145	2,692,358	0
Risk Management Liabilities	(30,770,884)	7,286,827	(53,146,701)	15,085,989
Accrued Taxes	14,837,614	6,860,123	3,665,051	4,112,440
Memo: Property Taxes	7,815,591	2,276,864	3,807,610	1,731,116
Accrued Interest	0	0	0	0
Risk Management Collateral	26,745,403	26,373,742	371,661	0
Utility Customer Deposits	26,745,403	26,373,742	371,661	0
Deposits - Customer and Collateral	0	0	0	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	978,255	498,747	456,273	22,235
Tax Collections Payable	2,036,702	1,950,936	85,643	123
Revenue Refunds - Accrued	19,060,162	17,877,705	62,651	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,138,183	484,940	651,782	1,462
Accrued Rents	0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jun 2015  
07/17/2015 13:26

09B V2015-06-  
Layout : GLS8218  
Account GL\_ACCT\_BEC Business Unit SEGMENT\_CONS

	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015	
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
2300022	Accrued ICP	2,820,016	1,285,739	1,531,971	2,307
	Accrued Vacations	4,827,332	2,182,864	2,639,098	5,370
	Misc Employee Benefits	1,213,071	446,391	740,534	26,146
	Payroll Deductions	161,584	78,597	82,863	123
	Severance / SEI	4,142,291	0	4,142,291	0
	Accrued Workers Compensation	649,459	226,904	402,047	20,508
	Customer Advances Receipts	2,254,159	2,254,159	0	0
	Customer Advance	2,254,159	2,254,159	0	0
	Control Cash Disbursement Account	2,175,162	2,175,162	0	0
	JMIG Liability	0	0	0	0
	ARO - Current	11,469,997	11,469,997	0	0
	Econ. Development Fund Curt	149,500	0	149,500	0
	Unclaimed Funds	5,465	5,465	0	0
	Acc Cash Franchise Reg	82,300	82,300	0	0
	Sales Use Tax - Leased Equip	498	0	425	73
	Accrued Audit Fees	701	210	358	133
	Federal Mitigation Acoru (NSR)	554,328	0	554,328	0
	ST State Mitigation Def (NSR)	27,028	0	27,028	0
	Deferred Rev - Pole Attachments	45,322	45,322	0	0
	Other Deferred Credits-Curt	377,057	0	377,057	0
	Contr in Aid of Conrail Advance	82,686	82,686	0	0
	Deferred Rev-Bonus Lease Curt	431,584	0	431,584	0
	Misc Current and Accrued Liabilities	13,206,464	196,002	13,010,256	207
	Current Other and Accrued Liabilities	53,684,575	28,159,396	23,349,396	1,175,840
	Other Current Liabilities	54,662,829	29,659,146	23,805,609	1,198,075
	<b>TOTAL CURRENT LIABILITIES</b>	<b>211,328,303</b>	<b>128,490,760</b>	<b>201,564,193</b>	<b>(66,049,251)</b>
	Long-Term Debt - Affiliated	0	0	0	0
	Long-Term Debt - Non Affiliated	780,000,000	226,402,800	380,406,000	173,191,200
	Long-Term Debt - Premiums and Discounts Unamort	(361,238)	(104,863)	(176,176)	(80,209)
	Memo - LTD Non-Affiliated and Premiums	779,638,763	226,297,947	380,229,825	173,110,991
	Long-Term Risk Management Liabilities - Hedge	0	0	0	0
	LT Unreal Losses - Non Aff	268,094	0	268,094	0
	LT Liability MTM Collateral	(389)	0	(389)	0
	Long-Term Risk Management Liabilities - MTM	297,705	0	297,705	0
	Long-Term Risk Management Liabilities	297,705	0	297,705	0
	Deferred Income Taxes	618,711,058	176,892,427	311,705,001	130,113,829
	Deferred Investment Tax Credits	16,878	5,391	8,257	3,231
	Regulatory Liabilities and Deferred Credits	(41,733,300)	(36,791,191)	1,958,914	(6,901,023)
	Memo - Reg Liab and Def /TC	(41,716,421)	(36,765,800)	1,967,171	(6,897,792)
	Asset Retirement Obligation	69,872,383	66,420	69,805,963	0
	Nuclear Decommissioning	0	0	0	0
	Employee Benefits and Pension Obligations	10,379,255	8,854,478	631,292	893,486
	Trust Preferred Securities	0	0	0	0
	Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0
	Obligations Under Capital Leases	2,395,699	1,030,881	1,317,744	47,074
	Def Credits - Income Tax	84,201	43,549	12,298	28,354
	Federal Mitigation Defera(NSR)	1,110,644	0	1,110,644	0
	Def Credits - NSR	1,110,644	0	1,110,644	0
	Customer Advances for Construction	164,433	164,433	0	0
	Def Gain on Sale/Leaseback	0	0	0	0
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0
	Def Gain on Disp of Utility Plant	0	0	0	0
	Other Deferred Credits	7,823	7,823	0	0
	IPP - System Upgrade Credits	282,180	0	282,180	0
	Ftr Opt Lns-in Kind Sr-Dtd Gnr	146,799	146,799	0	0
	MACSS Undenified EDI Cash	727	727	0	0
	Ftr Opt Lns-Sold-Defd Rev	82,840	0	82,840	0
	Deferred Rev-Bonus Lease NC	1,222,765	0	1,222,765	0
	Def Credits - Other	1,743,134	155,349	1,222,765	365,020
	Total Other Deferred Credits	1,907,567	319,782	1,222,765	365,020
	Accumulated Provisions - Rate Refund	0	0	0	0



AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jun 2015  
 07/17/2015 13.26

Layout : GLS8216

Account: GL\_ACCOUNT\_SEC Business Unit: SEGMENT\_CONS

	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015	YTD Jun 2015
Kentucky Power Int Consol GLS8216				
Kentucky Power Company - 110				
Kentucky Power Company - Generation 117				
Kentucky Power Company - 180				
Accumulated Provisions - Misc	582,500	0	582,500	0
Other Non-Current Liabilities	8,080,611	1,394,212	4,245,951	440,448
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,443,263,352</b>	<b>376,719,684</b>	<b>768,862,907</b>	<b>297,660,760</b>
<b>TOTAL LIABILITIES</b>	<b>1,654,691,655</b>	<b>505,210,434</b>	<b>870,447,100</b>	<b>231,611,509</b>
Cumulative Pref Stocks of Subs - Not subject Mand Redem	0	0	0	0
Minority Interest - Deferred Credits	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>				
Common Stock	50,450,000	22,404,049	10,287,603	17,768,348
Paid In Capital	517,459,463	106,025,371	327,384,246	84,039,836
Premium on Capital Stock	0	0	0	0
Retained Earnings	94,375,268	44,537,385	(74,463,322)	124,301,196
Accumulated Other Comprehensive Income (Loss)	(2,098,843)	(37,999)	(2,031,776)	(29,069)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>660,185,889</b>	<b>172,928,807</b>	<b>281,186,751</b>	<b>226,070,311</b>
Memo: Total Equity	660,185,889	172,928,807	281,186,751	226,070,311
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,314,777,524</b>	<b>678,139,241</b>	<b>1,231,633,851</b>	<b>457,681,820</b>
out-of-balance	(0)	0	0	(0)

Reserved Section

KENTUCKY POWER COMPANY  
 DETAIL OF ELECTRIC UTILITY PROPERTY  
 YEAR TO DATE - June, 2016

07/08/16 14:38

GLR7210V

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,124,272,407.54	76,122,135.62	(7,728,994.78)	0.00	0.00	1,192,665,548.38
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>76,122,135.62</b>	<b>(7,728,994.78)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,192,665,548.38</b>
101/106 TRANSMISSION	564,356,984.53	3,674,153.87	(706,538.44)	0.00	0.00	567,324,599.76
101/106 DISTRIBUTION	798,264,586.59	20,580,505.98	(4,844,465.88)	0.00	0.00	814,000,626.69
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>100,376,795.27</b>	<b>(13,279,999.10)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,573,990,774.83</b>
101100/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	237,234.42	0.00	5,495,665.91
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>100,376,795.27</b>	<b>(13,279,999.10)</b>	<b>237,234.42</b>	<b>0.00</b>	<b>2,579,486,440.74</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>107000X CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		58,028,519.17				
107000X TRANSFERS		(98,127,756.75) 1)				
107000X END. BAL.		(40,099,237.56)				19,251,738.47
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>60,277,557.69</b>	<b>(13,279,999.10)</b>	<b>237,234.42</b>	<b>0.00</b>	<b>2,606,488,780.17</b>
<b>NONUTILITY PLANT</b>						
1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52.

KENTUCKY POWER COMPANY  
ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - June, 2016

07/08/16 14:37

GLR7410V

UTILITY PLANT	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/SALV COST	TRANSFER/ADJUSTMENTS	ENDING BALANCE
<b>NUCLEAR</b>						
1080001/11 OTHER DECOMMISSIONING COSTS					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
<b>TOTAL NUCLEAR</b>					0.00	
1080001/11 PRODUCTION	403,108,517.50	17,410,828.06	(7,728,994.78)	(1,433,454.43)	0.00	411,356,896.35
1080001/11 TRANSMISSION	176,427,961.28	7,559,290.56	(706,538.44)	(71,217.47)	0.00	183,209,495.93
1080001/11 DISTRIBUTION	222,789,410.10	14,106,773.60	(4,842,003.53)	(1,965,271.11)	0.00	230,088,909.06
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(127,095.23)	(2,085,349.93)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(4,804.97)	(50,177.12)
RETIREMENT WORK IN PROGRESS	(2,080,904.85)	0.00	0.00	(2,394,605.69)	3,469,943.01	(1,015,567.53)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>39,076,892.22</b>	<b>(13,277,536.75)</b>	<b>(5,864,548.70)</b>	<b>3,338,042.81</b>	<b>821,504,206.77</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	295,177.16	195,052.63	0.00	0.00	1,844,030.72	2,334,260.51
1110001 TRANSMISSION	1,430,933.85	319,215.33	0.00	0.00	(3,277.67)	1,746,871.51
1110001 DISTRIBUTION	5,080,066.43	748,721.53	(2,462.35)	0.00	(11,938.48)	5,814,387.13
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>1,262,989.49</b>	<b>(2,462.35)</b>	<b>0.00</b>	<b>1,828,814.57</b>	<b>9,895,519.15</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	224,401.45	2,578,990.25
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>40,339,881.71</b>	<b>(13,279,999.10)</b>	<b>(5,864,548.70)</b>	<b>5,391,258.83</b>	<b>833,978,716.17</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ovmd	228,295.19	3,334.86	0.00	0.00	0.00	231,630.05
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>3,334.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>231,648.92</b>

**NONUTILITY PLANT**

1220001 Depr&Amrt of Nonutil Prop-Ovmd  
1240028 Other Property - RETIRE  
**TOTAL NONUTILITY PLANT**

Preparer - P&S Vision Report GLR7410V  
Reviewer - Debby Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



**American Electric Power**  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

August 23, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed July 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri L. Ruggiero'.

Jerri L. Ruggiero  
Manager – Regulated Accounting

**INCOME STATEMENT**

American Electric Power

GLS9016  
 YTD Jul 2016  
 09/30/2016 15:37

		Kentucky Power Int Conso		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission		
		GLS9016	110	117	180					
		Actual	Actual	Actual	Actual					
		YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016					
REVENUES										
440001	Residential Sales-W6Space Hg	60,539,577	60,539,577	0	0	0	0	0	0	
440002	Residential Sales-WD Space H	36,571,221	36,571,221	0	0	0	0	0	0	
440005	Residential Fuel Rev	34,093,947	34,093,947	0	0	0	0	0	0	
A	<b>Revenue - Residential Sales</b>	<b>161,204,745</b>	<b>161,204,745</b>	0	0	0	0	0	0	
442001	Commercial Sales	51,842,384	51,842,384	0	0	0	0	0	0	
442006	Sales to Pub Auth - Schools	8,673,100	8,673,100	0	0	0	0	0	0	
442007	Sales to Pub Auth - Ex. Schools	9,871,746	9,871,746	0	0	0	0	0	0	
442013	Commercial Fuel Rev	20,423,730	20,423,730	0	0	0	0	0	0	
A	<b>Revenue - Commercial Sales</b>	<b>90,810,961</b>	<b>90,810,961</b>	0	0	0	0	0	0	
B	<b>Revenue - Industrial Sales - Affiliated</b>									
442002	Industrial Sales (Excl Mines)	40,204,014	40,204,014	0	0	0	0	0	0	
442004	Ind Sales-NonAffil(Ind Mines)	14,481,665	14,481,665	0	0	0	0	0	0	
442016	Industrial Fuel Rev	37,286,525	37,286,525	0	0	0	0	0	0	
A	<b>Revenue - Industrial Sales - Non-Affiliated</b>	<b>91,972,204</b>	<b>91,972,204</b>	0	0	0	0	0	0	
A	<b>Revenue - Gas Products Sales</b>									
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>									
B	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>									
444000	Public Street/Highway Lighting	996,862	996,862	0	0	0	0	0	0	
444002	Public S/A Hwy Light Fuel Rev	150,880	150,880	0	0	0	0	0	0	
A	<b>Revenue - Other Retail Sales</b>	<b>1,147,741</b>	<b>1,147,741</b>	0	0	0	0	0	0	
B	<b>Revenue - Other Retail Sales - Affiliated</b>									
	<b>Revenue - Retail Sales</b>	<b>336,136,661</b>	<b>336,136,661</b>	0	0	0	0	0	0	
456017	On Elect Rev-Trans-Affl	47,807	47,807	0	0	0	0	47,807	0	
456043	On Elec Rv-Trn-Aff-Trd Prica	0	0	0	0	0	0	19,975,752	0	
456103	PJM NTS Revenue - Affiliated	29,910,143	29,910,143	0	0	0	0	29,910,143	0	
456103A	PJM TO Adm. Serv Rev - Aff	466,079	466,079	0	0	0	0	466,079	0	
456103B	PJM Affiliated Trans NTS Cost	(25,783,825)	(25,783,825)	0	0	0	0	(25,783,825)	0	
456103C	PJM Affiliated Trans TO Cost	(350,474)	(350,474)	0	0	0	0	(350,474)	0	
456105	AMI PJM Trans Enhancement Rev	430,381	430,381	0	0	0	0	430,381	0	
456106	AMI PJM Trans Enhancement Cost	(372,923)	(372,923)	0	0	0	0	(372,923)	0	
4561062	PROVISION RTO Cost - Aff	0	0	0	0	0	0	613,465	0	
4561063	PROVISION RTO Rev Affiliated	0	0	0	0	0	0	(613,465)	0	
4470150	Transm. Rev. Debit. What/Mun	17,938	17,938	0	0	0	0	(707,979)	80,216,694	
4470206	PJM Trans loss credit-OSS	100,524	100,524	0	0	0	0	725,917	0	
4470208	PJM trans loss charges-OSS	(678,742)	(678,742)	0	0	0	0	(678,742)	0	
4561002	RTO Formation Cost Recovery	(40,644)	(40,644)	0	0	0	0	(125,871)	85,227	
4561005	PJM Point to Point Trans Svc	326,134	326,134	0	0	0	0	326,134	0	
4561006	PJM Trans Owner Admin Rev	78,229	78,229	0	0	0	0	78,229	0	
4561007	PJM Network Iddg Trans Svc	3,498,036	3,498,036	0	0	0	0	3,498,036	0	
4561019	On Elec Rev Trans Non Affl	32,366	32,366	0	0	0	0	32,366	0	
4561028	PJM Pow Fac Chg Rev What Cui-NA	4,186	4,186	0	0	0	0	4,186	0	
4561029	PJM NTS Revenue What Cui-NAF	1,443,288	1,443,288	0	0	0	0	1,443,288	0	
4561030	PJM TO Serv Rev What Cui-NAF	28,398	28,398	0	0	0	0	28,398	0	
4561038	NovAMI PJM Trans Enhocost Rev	607,333	607,333	0	0	0	0	607,333	0	
4561051	NAF PJM RTEP Rev for What-PR	20,767	20,767	0	0	0	0	20,767	0	
4561064	PROVISION RTO Rev What-Cui-NAF	(29,906)	(29,906)	0	0	0	0	(29,906)	0	
4561065	PROVISION RTO Rev - NonAff	(77,567)	(77,567)	0	0	0	0	(77,567)	0	
A	<b>Revenue - Transmission</b>	<b>6,331,322</b>	<b>6,331,322</b>	0	0	0	0	<b>(1,085,933)</b>	<b>6,417,255</b>	
	<b>Revenue - Transmission-NonAffiliated</b>	<b>9,663,607</b>	<b>9,663,607</b>	0	0	0	0	<b>(26,989,890)</b>	<b>68,633,949</b>	
4470001	Sales for Resale - Amdoc Cui	338,846	338,846	0	0	0	0	338,846	0	
4470151	Trading Auction Sales Affl	1,330,097	1,330,097	0	0	0	0	1,330,097	0	
4470008	<b>Revenue - Resale-Affiliated</b>	<b>1,668,943</b>	<b>1,668,943</b>	0	0	0	0	<b>1,668,943</b>	0	
4470010	Sales for Resale-Bookout Sales	7,407,592	7,407,592	0	0	0	0	7,407,592	0	
4470027	Sales for Resale-Bookout Purch	(5,852,168)	(5,852,168)	0	0	0	0	(5,852,168)	0	
4470033	What/Mun/Pr Auth Fuel Rev	1,335,196	1,335,196	0	0	0	0	1,335,196	0	
4470081	What/Mun/Pr Auth Base Rev	1,460,512	1,460,512	0	0	0	0	1,460,512	0	
4470081	Financial Spent Gas - Realized	(11,905)	(11,905)	0	0	0	0	(11,905)	0	
4470082	Financial Electric Realized	(2,088,960)	(2,088,960)	0	0	0	0	(2,088,960)	0	
4470088	PJM Energy Sales Margin	3,198,617	3,198,617	0	0	0	0	3,198,617	0	
4470096	PJM Oper Reserve Rev-OSS	(47,379)	(47,379)	0	0	0	0	(47,379)	0	
4470098	Capacity Cz. Net Sales	886,054	886,054	0	0	0	0	886,054	0	
4470100	PJM FTR Revenue-OSS	97,135	97,135	0	0	0	0	97,135	0	
4470103	PJM Energy Sales Cost	14,198,877	14,198,877	0	0	0	0	14,198,877	0	
4470107	PJM NTS Purch-BookAff	(11,231)	(11,231)	0	0	0	0	(11,231)	0	
4470110	PJM TO Adm. Exp-NonAff	(0)	(0)	0	0	0	0	(0)	0	

**INCOME STATEMENT**

GLS8016  
YTD Jul 2016  
08/05/2016 15:37

GLS8016 YTD Jul 2016 08/05/2016 15:37	Account: GL_Acct_SEC Business Units: SEGMENT_CODE	Layer: GLS8016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
			GLS8016 Actual	YTD Jul 2016 Actual	110 Actual	117 Actual	180 Actual	YTD Jul 2016 Actual	YTD Jul 2016 Actual	YTD Jul 2016 Actual
4470112	Non-Trading Bookend Sales-OSS		1,808,647	0	0	0	0	0	0	0
4470115	PJM Meter Corrections-OSS		(4,452)	0	0	0	0	0	0	0
4470116	PJM Meter Corrections-USE		92,217	0	0	0	0	0	0	0
4470126	PJM Incremental Int Consol-OSS		(267,628)	0	0	0	0	0	0	0
4470131	Non-Trading Bookend Purch-OSS		(1,636,964)	0	0	0	0	0	0	0
4470143	Financial Hedge Reversed		638,846	0	0	0	0	0	0	0
4470158	Interest Rate Swap-Power		(182)	0	0	0	0	0	0	0
4470170	Non-ECR Auction Sales-OSS		(6,549)	0	0	0	0	0	0	0
4470175	OSS Shoring Revenues - Retail		(4,088,407)	0	0	0	0	0	0	0
4470176	OSS Shoring Revenues - Retail		4,089,407	0	0	0	0	0	0	0
4470214	PJM 30m Suppl Reserve CR OSS		6,861	0	0	0	0	0	0	0
4470215	PJM 30m Suppl Reserve CH OSS		(3,715)	0	0	0	0	0	0	0
4470220	PJM Regulation - OSS		21,138	0	0	0	0	0	0	0
4470221	PJM Spinning Reserves - OSS		6,366	0	0	0	0	0	0	0
4470222	PJM Reserve - OSS		192,137	0	0	0	0	0	0	0
5550090	PJM Hourly Net Purch -FERC		(3,312,434)	0	0	0	0	0	0	0
			17,906,844	-	-	-	-	-	-	-
	<b>A Revenue - Resale-NonAffiliated</b>									
	<b>A Revenue - Resale-Realized</b>									
	<b>A Revenue - Resale-Risk Mgmt MTM</b>									
	<b>A Revenue - Resale-Risk Mgmt Activities</b>									
	<b>Revenue - Sales for Resale</b>									
	Sale for Resale-MT, Int Price		19,576,787	-	-	-	-	-	-	-
	Rent From Elec Priority - A'		0	0	0	0	0	0	0	0
	0th Elec Rev - Affiliated		210,697	484,210	0	0	0	0	0	0
	<b>Revenue - Other Ele-Affiliated</b>									
	Forfeited Discounts		249,917	484,210	0	0	0	0	0	0
	Misc Service Rev - NonAff		2,294,040	2,294,040	0	0	0	0	0	0
	Rent From Elec Priority-MAC		412,341	404,433	0	0	0	0	0	0
	Rent From Elec Prop-Pub Alth		66,039	1,500	0	0	0	0	0	0
	0th Elec Rev - DSM Program		3,470,760	3,470,760	0	0	0	0	0	0
	<b>Revenue - Other Ele-NonAffiliated</b>									
	Revenue - Gas		3,431,300	3,431,300	0	0	0	0	0	0
	Conts Allow Gain Title IV SO2		9,674,480	9,602,033	0	0	0	0	0	0
	Conts Allow Gain CSAPR Sess NOx		76	0	0	0	0	0	0	0
	Conts Allow Gain CSAPR An NOx		235,500	0	0	0	0	0	0	0
	Conts Allow Gain CSAPR An NOx		142,125	0	0	0	0	0	0	0
	Emission Allow KY Env Surch		139,895	0	0	0	0	0	0	0
	Gain/(Loss) on Allowances		517,666	517,666	0	0	0	0	0	0
	<b>Revenue - Other Opr Electric</b>									
	Revenue Merchandising & Contract Work		10,192,078	9,602,033	0	0	0	0	0	0
	Revenues Non-Utility Operations - Affiliated		10,432,983	10,686,243	0	0	0	0	0	0
	Revenues Non-Utility Operations - NonAffiliated									
	Revenues from Non-Utility Operations									
	<b>Non-Operating Rental Income - Affiliated</b>									
	Non-Operating Rental Income		19,375	18,500	0	0	0	0	0	0
	Non-Operating Rental Inc-Misc		(94)	0	0	0	0	0	0	0
	Non-Operating Rental Inc-Opr		(3,891)	0	0	0	0	0	0	0
	<b>Non-Operating Rental Income - NonAffiliated</b>									
	Non-Operating Rental Income		15,390	16,500	0	0	0	0	0	0
	<b>Non-Operating Misc Income - Affiliated</b>									
	Misc Non-Op Inc-NonMac-Rent		1,364	388	0	0	0	0	0	0
	Misc Non-Op Inc-NonMac-Timber		4,545	0	0	0	0	0	0	0
	Misc Non-Op Inc - NonMac - Oth		252,294	395	0	0	0	0	0	0
	<b>Non-Operating Misc Income - NonAffiliated</b>									
	Rent From Elec Prop-ABD-Nonaff		268,203	783	0	0	0	0	0	0
	Other Electric Revenues - ABD		268,203	783	0	0	0	0	0	0
	Other Electric Revenues - ABD		48,797	48,797	0	0	0	0	0	0
	<b>Associated Business Development Income</b>									
	Revenue - Other Opr - Other		189,366	189,366	0	0	0	0	0	0
	Revenue - Other Opr - Other		238,163	218,163	0	0	0	0	0	0
	Revenue - Other Opr - Other		511,767	237,446	0	0	0	0	0	0
	Revenue - Other Operating		511,767	237,446	0	0	0	0	0	0
	Revenue - Other Operating		10,544,749	10,323,889	0	0	0	0	0	0
	Pro Rate Refund - NonAffiliated		(40,980)	0	0	0	0	0	0	0
	Pro Rate Refund - Retail		(99,338)	0	0	0	0	0	0	0
	<b>Provision for Rate Refund - NonAffiliated</b>									
	Pro Rate Refund - Affiliated		(140,318)	0	0	0	0	0	0	0
	<b>Provision for Rate Refund - Affiliated</b>									
	Provision for Rate Refund - Affiliated		(849,262)	0	0	0	0	0	0	0
	<b>Provision for Rate Refund</b>									
	Provision for Rate Refund		(889,680)	0	0	0	0	0	0	0
	Revenue - Other Operating		16,543	16,543	0	0	0	0	0	0
	Revenue - Other Operating		29,401	29,401	0	0	0	0	0	0
	Revenue - Other Operating		(99,338)	(99,338)	0	0	0	0	0	0
	Revenue - Other Operating		(849,262)	(849,262)	0	0	0	0	0	0
	Revenue - Other Operating		(889,680)	(889,680)	0	0	0	0	0	0
	Revenue - Other Operating		12,868	12,868	0	0	0	0	0	0
	Revenue - Other Operating		244,289,009	244,289,009	0	0	0	0	0	0
	Revenue - Other Operating		875	875	0	0	0	0	0	0
	Revenue - Other Operating		(94)	(94)	0	0	0	0	0	0
	Revenue - Other Operating		781	781	0	0	0	0	0	0
	Revenue - Other Operating		781	781	0	0	0	0	0	0
	Revenue - Other Operating		434	434	0	0	0	0	0	0
	Revenue - Other Operating		256,987	256,987	0	0	0	0	0	0
	Revenue - Other Operating		434	434	0	0	0	0	0	0
	Revenue - Other Operating		20,000	20,000	0	0	0	0	0	0
	Revenue - Other Operating		218,163	218,163	0	0	0	0	0	0
	Revenue - Other Operating		257,767	257,767	0	0	0	0	0	0
	Revenue - Other Operating		16,543	16,543	0	0	0	0	0	0
	Revenue - Other Operating		29,401	29,401	0	0	0	0	0	0
	Revenue - Other Operating		(99,338)	(99,338)	0	0	0	0	0	0
	Revenue - Other Operating		(849,262)	(849,262)	0	0	0	0	0	0
	Revenue - Other Operating		(889,680)	(889,680)	0	0	0	0	0	0

INCOME STATEMENT

GLS8016  
YTD Jul 2016  
08/02/2016 15:37

Account: GL_ACDT_SEC Business Unit: SEGMENT_CONS		Layout: GLS8016		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
				GLS8016		110		117		180	
				Actual		Actual		Actual		Actual	
		YTD Jul 2016		YTD Jul 2016		YTD Jul 2016		YTD Jul 2016		YTD Jul 2016	
4210032	Pwr Purch Outside Bc Trnltry		(745)								
A	Revenue - Power Sales		(745)								
	<b>TOTAL OPERATING REVENUES</b>		<b>374,334,370</b>		<b>345,459,341</b>		<b>237,132,129</b>		<b>(745)</b>		<b>55,673,769</b>
	Memo: G/T/D Revenue										
	Memo: Other Affiliated Revenue										
	Memo: Revenue-Oth Opr-Oth Aff		369,424,830		344,737,684		17,397,351		6,289,795		6,289,795
	Memo: Revenue-Oth Opr-Oth Non		5,397,783		484,210		219,477,011		49,367,431		49,367,431
	Memo: Total Operating Revenues		374,334,370		345,459,341		237,132,129		257,767		16,543
	Memo: Affiliated Revenue		5,397,783		484,210		219,477,011		49,367,431		49,367,431
	Memo: Non-Affiliated Revenue		368,936,587		344,975,130		17,655,118		6,306,338		6,306,338
	Memo: Total Operating Revenues		374,334,370		345,459,341		237,132,129		55,673,769		55,673,769
<b>FUELEXPENSES</b>											
5010000	Fuel		1,556,419		12		1,556,400		7		7
5010001	Fuel Consumed		56,359,439		0		56,359,439		0		0
5010003	Fuel - Procure Unload & Handle		2,115,251		0		2,115,251		0		0
5010013	Fuel Sundry Activity		381,233		0		381,233		0		0
5010019	Fuel Oil Consumed		677,801		0		677,801		0		0
5010020	Net Gas Contracted Status		4,114,773		0		4,114,773		0		0
5010027	Gypsum handling/disposal costs		204,563		0		204,563		0		0
5010028	Gypsum Sales Proceeds		(350,300)		0		(350,300)		0		0
5010034	Gas Transp Rts Fee-Status		86,040,168		12		86,040,148		7		7
5010035	Fuel - Delivered		(3,900,469)		0		(3,900,469)		0		0
	Fuel - Delivered		(3,900,469)		0		(3,900,469)		0		0
	Deferred Fuel Expense		62,139,659		12		62,139,679		7		7
	Over Under Fuel Expense		361,514		0		361,514		0		0
	Fuel for Electric Generation		27,404		0		27,404		0		0
	Fuel from Affiliates for Electric Generation		(17,155)		0		(17,155)		0		0
	Allowances - Consumption		371,764		0		371,764		0		0
	Line Expense		809,886		0		809,886		0		0
	Trans Expense		201,075		0		201,075		0		0
	Limitation Expense		2,115,659		0		2,115,659		0		0
	Lime Hydrate Expense		8,446		0		8,446		0		0
	Environmental Over/Under O&M E		9,260		0		9,260		0		0
	Environmental Over/Under Consol		(140,330)		0		(140,330)		0		0
	Emissions Control - Chemicals		3,002,296		0		3,002,296		0		0
	Total Fuel for Electric Generation		66,513,787		12		66,513,738		7		7
	Memo: Non-Aff Fuel/Allow/Emissions		65,973,757		12		65,973,738		7		7
	Purch Pwr-Non-Fuel Paymnt-Aff		30,154,194		0		30,154,194		0		0
	Purch Power-Fuel Problem-Aff		23,138,435		0		23,138,435		0		0
	Purchased Electricity from AEP - Affiliates		63,292,629		0		63,292,629		0		0
	Purchased Power		18,378,215		0		18,378,215		0		0
	Purch Pwr-Non Trading-Non-Aff		12,472		0		12,472		0		0
	Purch Power Capacity-NA		(17)		0		(17)		0		0
	Gas-Contract-Non-Aff		(2,662)		0		(2,662)		0		0
	PJM Imbalanced Mkt Rev-OSS		2,989		0		2,989		0		0
	PJM Imbalanced Mkt Rev-LSE		1,475,066		0		1,475,066		0		0
	PJM Reactive-Charge		(644,874)		0		(644,874)		0		0
	PJM Reactive-Credit		508,791		0		508,791		0		0
	PJM Black Start-Charge		397,452		0		397,452		0		0
	PJM Regulation-Charge		(97,327)		0		(97,327)		0		0
	PJM Spinning Reserve-Credit		184,016		0		184,016		0		0
	PJM Spinning Reserve-Charge		(49,375)		0		(49,375)		0		0
	PJM Short Supply Reserve Charge LSE		95,835		0		95,835		0		0
	PJM Purchases-Non-CCR Auction		1,447		0		1,447		0		0
	Capacity Purchases-Auction		2,925		0		2,925		0		0
	PJM Optima-LSE-Charge		435,192		0		435,192		0		0
	PJM Impact Congestion-LSE		797,209		0		797,209		0		0
	PJM FTR Revenue-LSE		(1,541,788)		0		(1,541,788)		0		0
	PJM Optima-LSE-Credit		(31,713)		0		(31,713)		0		0
	Purchased Power-PPA Deferred		226,790		0		226,790		0		0
	KY Env Sur - Purchase Power		15,470		0		15,470		0		0
	BS10R PJM Over/Under Recovery		2,928,636		0		2,928,636		0		0

INCOME STATEMENT

GLS8016  
YTD Jul 2016  
06/02/2016 15:37

089 12016-07-31 Account: GL\_ACCT\_SEC Business Units: SEGMENT\_CONS Layout: GLS8016

	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	YTD Jul 2016 Actual	GLS8016 Actual	YTD Jul 2016 Actual	110 Actual	YTD Jul 2016 Actual	117 Actual	YTD Jul 2016 Actual	180 Actual
PJM Transm Line Charges - LSE	4,686,162		0		0	4,686,162	0	0
PJM Transm Lost Credits - LSE	(920,202)		0		0	(920,202)	0	0
Purchased Electricity for Resale - NonAffiliated	26,900,720		-	-	-	26,889,283	-	11,437
Purchased Gas for Resale - Affiliated	-		-	-	-	-	-	-
Purchased Gas for Resale - NonAffiliated	-		-	-	-	-	-	-
<b>Total Purchased Power</b>	<b>80,193,349</b>		<b>243,881,604</b>		<b>80,181,912</b>	<b>81,436,478</b>		<b>11,437</b>
<b>GROSS MARGIN</b>	<b>228,627,283</b>		<b>101,777,724</b>		<b>91,436,478</b>			<b>55,653,325</b>
<b>OPERATING EXPENSES</b>								
Oper Supervision & Engineering	1,747,216		9,556		1,733,512			4,148
Oper Suppl & Eng-RATA-MH	24,677		0		24,677			0
Steam Expense	742,118		0		742,118			0
Electric Expense	167,170		0		167,170			0
Misc Steam Power Expense	4,556,651		787		4,557,372			492
Misc Steam Power Exp-Atasc	26,352		0		26,352			0
Removal Coal Expense - Steam	1,026		(6)		1,040			(6)
B510R OJ Recovery-Oper Costs	(1,148,056)		(6)		(1,148,056)			0
Environmental OvedUnder O&M E	550,580		0		550,580			0
<b>Steam Generation Op Exp</b>	<b>6,669,734</b>		<b>10,335</b>		<b>6,664,766</b>			<b>4,533</b>
<b>Nuclear Generation Op Exp</b>	<b>-</b>		<b>-</b>		<b>-</b>			<b>-</b>
<b>Hydro Generation Op Exp</b>	<b>-</b>		<b>-</b>		<b>-</b>			<b>-</b>
Sys Control & Load Dispatching	242,697		0		242,697			0
Other Expenses	877,643		0		877,643			0
Other Per Exp - Wholesale RECA	4,689		4,689		4,689			0
PJM Admin-MANMESC - OSS	63,150		0		63,150			0
PJM Admin-MANMESC - Internal	512,514		0		512,514			0
<b>Other Generation Op Exp</b>	<b>1,790,693</b>		<b>4,889</b>		<b>1,696,004</b>			<b>-</b>
Oper Supervision & Engineering	696,776		2,241		4,739			669,797
Load Dispatch - Reliability	4,115		0		4,115			0
Load Dispatch Mtrk/Op TransSys	486,926		115		258			486,553
PJM Admin-SSC&S-OSS	69,640		0		69,640			0
PJM Admin-SSC&S-Internal	598,697		0		598,697			0
Reliability Prog/Std Develop	57,098		2,214		5,185			49,689
PJM Admin-RP&S&S-OSS	17,729		0		17,729			0
PJM Admin-RP&S&S-Internal	162,691		0		162,691			0
Station Expense - Nonassoc	133,961		0		133,961			0
Overhead Line Expenses	70,081		0		70,081			0
Transman Elec by Other-Top Price	73,677		0		73,677			0
PJM Trans Enhancement Charge	0		19,975,752		0			0
PJM NTS Expense - Affiliated	3,347,908		0		3,347,908			0
PROVISION RTO AM Expense	8,143,530		0		8,143,530			0
Misc Transmission Expenses	1,740,355		0		1,740,355			0
SPP FERC Assessment Fees	1,533,550		0		1,533,550			0
R-King Trans Crtr Exp - Aff	829,013		5,661		10,708			812,644
Rents - Allocated	10		2		8			1
Oper Supervision & Engineering	17,965,348		0		16,708,672			273,513
Load Dispatching	268,633		19,985,985		23,157			2,619,986
Station Expense	1,771		1,556		0			215
Underground Line Expenses	78,874		78,932		0			942
Street Lighting & Signal Sys E	416,246		416,239		2			5
Misc Expenses	66,576		66,576		0			0
Customer Installation Exp	96,318		96,318		0			0
Mechanical Distribution Exp	391,356		390,322		675			359
Rents - Nonassociated	92,063		92,063		0			0
Rents - Associated	2,125,102		2,090,271		22,927			11,904
<b>Distribution Op Exp</b>	<b>967,901</b>		<b>967,901</b>		<b>0</b>			<b>0</b>
Superann - Customer Accs	37,272		37,272		0			0
Meter Reading Expenses	4,543,112		4,472,414		46,761			23,936
Meter Reading - Regular	128,887		128,823		46			12
Meter Reading - Large Power	(1,739)		(1,739)		595			200
Customer Orders & Impulses	206,599		206,599		0			0
Manual Billing	32,136		32,136		0			0
Postage - Customer Bills	183,471		181,032		207			2,172
	1,357,274		1,355,565		1,425			284
	13,368		12,940		0			448
	400,634		400,634		0			0



**INCOME STATEMENT**

American Electric Power

GLS8018  
YTD Jul 2016  
02/02/2016 15:37

Account: GL_ACCT_SEC - Business Units: SEGMENT_CONS	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD Jul 2016	Actual	YTD Jul 2016	Actual	YTD Jul 2016	Actual	YTD Jul 2016
68812016-07-31	Legend: GLS8016							
3030004	73,462	72,482						231
9020005	34,891	34,891						0
9030008	557,818	557,818						0
9030007	165,988	165,988						0
9030009	97,312	97,312						0
9040007	(134,988)	(134,988)						1
9050000	10,379	10,379						0
9070000	52,900	52,900						0
9070001	28	28						(1)
9080000	481,686	481,497						144
9090004	1	(3)						3
9090009	2,673,097	2,673,097						(2)
9090020	12,768	4,009						6,807
9100000	21,510	8,458						10,844
9100001	79	19						49
9110002	6,387,576	6,339,119						20,896
9120000	19,776	19,776						0
9130001	2,773	2,588						175
9130006	25,000	25,000						0
9130008	47,397	47,397						176
9200000	1,778,338	816,100						804,104
9200001	5,266,001	2,236,535						806,303
9200002	353,076	197,174						45,168
9200003	(0)	(0)						(0)
9200004	(456,000)	(456,000)						0
9200005	(387,451)	(387,451)						0
9200006	(12)	(12)						0
9200007	1,073,689	380,902						538,500
9200008	(14,800)	5,210						(28,980)
9200009	410,960	104,549						212,240
9200010	804,910	477,378						309,689
9200011	2,432	2,432						0
9200012	4,131	2,800						1,291
9200013	415,327	313,110						54,948
9200014	243,994	5,999						237,973
9200015	(103,417)	(91,168)						(12,038)
9200016	10,880	2,084						8,796
9200017	12,821	4,381						8,004
9200018	14,206	6,576						7,432
9200019	1,424,700	933,591						430,436
9200020	86,918	47,415						36,830
9200021	2,809,548	1,687,278						1,110,802
9200022	74,436	44,996						26,012
9200023	128,915	77,016						51,083
9200024	888	319						558
9200025	949	581						88
9200026	2,314	0						1,850
9200027	(1,476,912)	(777,014)						(575,455)
9200028	2,677	2,677						429,067
9200029	(319,945)	1,577						(321,669)
9200030	(577,957)	(473,010)						(104,288)
9200031	(1,115,242)	(847,579)						(266,525)
9200032	(324,607)	(237,573)						(88,733)
9200033	448,572	350,386						97,672
9200034	(226,350)	(164,307)						(62,219)
9200035	(21,904)	(29,317)						7,558
9200036	126,362	75,589						41,537
9200037	80,463	80,463						0
9200038	(24)	(8)						(11)
9200039	183	4						6
9200040	34,788	4,679						28,465
9200041	181	181						0
9200042	19,633	6,938						10,320
9200043	346	82						215
9200044	29,341	29,332						2
9200045	15,892	7,094						7,003

**INCOME STATEMENT**

GLS8016  
YTD Jul 2016  
08/24/2016 15:37

Account	YTD Jul 2016		YTD Jul 2016		YTD Jul 2016		YTD Jul 2016	
	GLS8016		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	Actual	110	Actual	117	Actual	180	Actual	180
008 02016-07-31	Layout: GLS8016							
	Account: GL_ACCY_SEC Business Unit: SEGMENT_CONS							
932000	Misc General Expenses	143,561	41,009	70,967	31,585			
932002	Capitals & Fixed Expenses	5,778	3,644	1,347	787			
932004	Research, Develop,Chemicals Exp	61	61	0	0			
932058	AEFSC Non Affiliated Expenses	0	0	0	0			
931001	Rents - Real Property	66,581	66,581	0	0			
931002	Rents - Personal Property	157,556	111,138	39,946	6,472			
411026	Administration & General	10,242,161	4,371,810	4,664,812	1,205,738			
	Accretion Expense	402,597	0	402,597	0			
411000	Accretion	402,697	(3,033)	402,697	0			
932006	Gain From Disposition of Plant	(3,033)	(3,033)	0	0			
932007	Loss(Gain) on Utility Plant	(3,033)	(3,033)	0	0			
	Assoc Bus Dev - Murrumb Solid	16,729	16,729	0	0			
	Assoc Business Development Exp	50,306	40,632	2,801	15,873			
		76,035	67,361	2,801	16,973			
425009	Gain on Disposition of Property							
425010	Loss on Disposition of Property							
	Loss(Gain) of Sale of Property							
	Facilities Curt AR Exp - Air	634,328	634,328	0	0			
	Fac Curt AR-Sub,Debb-Air	1,008,024	1,008,024	0	0			
	Oper Exp and Factored AIR	1,642,352	1,642,352					
	Water Heaters							
	Social & Service Club Dues	47,635	18,835	20,325	9,475			
	Regulatory Expense	8,732	2,141	5,299	1,292			
	Expense of Non-Utility Operation	66,367	20,975	25,624	9,767			
	Misc Non-Op Exp - NonAssoc	3,030	1,616	397	1,015			
	Donations	375,193	332,841	35,308	1,015			
	Donation Contributions	376,193	332,841	35,308	7,045			
	Penalties	822	0	822	0			
	Provision for Penalties	822	0	822	0			
	Civic & Political Activities	307,723	86,854	175,163	45,666			
	Other Deductions - NonAssoc	307,723	86,854	175,163	45,666			
	Other Deductions	71,500	41,413	29,499	588			
	Other Deductions	71,500	41,413	29,499	588			
	Shutdown Coal Company Expenses							
	All Other Operational Expenses	2,466,987	2,125,053	286,633	64,101			
	Operational Expenses	50,468,782	37,411,828	29,484,117	3,842,002			
	Maint Supv & Engineering	1,350,119	296	1,349,719	134			
	Maintenance of Structures	1,345,658	0	1,345,658	0			
	Maintenance of Boiler Plant	8,698,194	0	8,698,194	0			
	Maint of Bt PE Environmental	32	0	32	0			
	BSRR O&M Recovery-Maint Costs	(94,541)	0	(94,541)	0			
	BS1QR O&M Recovery-Maint Costs	(1,997,402)	0	(1,997,402)	0			
	Maintenance of Electric Plant	2,810,048	0	2,810,048	0			
	Maintenance of Misc Steam Pt	831,856	(523)	832,379	0			
	Steam Generation Maintenance	13,043,972	(257)	13,044,096	134			
	Nuclear Generation Maintenance							
	Hydro Generation Maintenance							
	Other Generation Maintenance							
	Maint Supv & Engineering	17,751	145	208	17,397			
	Maintenance of Structures	8,815	0	0	8,815			
	Maint of Computer Hardware	650	18	41	592			
	Maint of Computer Software	74,060	5,045	2,812	66,103			
	Maint of Communication Equip	3,171	0	0	3,171			
	Maint of Station Equipment	272,441	1,056	107	271,278			
	Maintenance of Overhead Lines	1,155,031	(367)	(710)	1,156,108			
	Maint of Underground Lines	190	0	0	190			
	Maint of Misc Transmission Pt	200,821	48	118	200,655			
	Transmission Maintenance	1,732,829	6,946	2,676	1,724,308			
	Maint Supv & Engineering	1,396	1,341	0	55			
	Maintenance of Structures	15,639	7,103	0	8,536			
	Maint of Station Equipment	287,557	282,533	57	4,968			
	Maintenance of Overhead Lines	22,361,002	22,348,603	56	14,342			
	Trees and Brush Control	360,339	360,339	0	0			
	Storm Expense Amortization	1,417,033	1,417,033	0	0			
	Maint of Underground Lines	46,807	46,807	0	0			
	Maint of Live Tree Right-of-Way	24,200	24,200	0	0			

**INCOME STATEMENT**

GLS016  
YTD Jul 2016  
06/23/2016 15:37

Account GL_ACCT_SEC	Business Units: SEGMENT_CONS	Kentucky Power Int Console		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS016		110		117		180	
		Actual	YTD Jul 2016	Actual	YTD Jul 2016	Actual	YTD Jul 2016	Actual	YTD Jul 2016
5900000	Maint of Strt Lighting & Signal S	20,979	28,979	0	0	0	0	0	0
5900000	Maintenance of Motore	44,359	42,568	0	0	0	0	1,831	372
5900000	Maint of Misc Depreciation Pt	28,984	26,612	0	0	0	0	0	0
5900000	Distribution Maintenance	24,886,119	24,886,119	113	113	0	0	30,104	551
9250001	Maint of Structures - Owned	187,595	187,023	0	0	0	0	0	0
9250002	Maint of Structures - Leased	35,781	35,781	0	0	0	0	0	0
9250012	Maint of Data Equipment	90,704	64,312	0	0	0	0	0	0
9250013	Maint of Communication Eq-Unit	658,803	610,932	0	0	0	0	0	0
9250015	Maint of Office Furniture & Eq	334,348	171,776	0	0	0	0	0	0
9250016	Maintenance of Video Equipment	62	62	0	0	0	0	0	0
9250019	Maint of Gen Plant-SCADA Eqp	172	172	0	0	0	0	0	0
9250024	Maint of DA-AMI Comm Equip	9,205	9,188	0	0	0	0	0	0
9250024	Administration & General Maintenance	1,316,648	1,078,226	0	0	0	0	0	0
9250024	All Other Maintenance Expenses	0	0	0	0	0	0	0	0
9250024	Maintenance Expenses	40,709,884	25,871,032	0	0	0	0	0	0
9250024	Total Operational and Maintenance Expenses	91,178,867	63,082,961	0	0	0	0	0	0
4000001	Amort of Plant	1,483,616	865,917	0	0	0	0	0	0
4000001	Amort of Pr Acq Ag	22,526	0	0	0	0	0	0	0
4000001	DDA Amortization	1,606,142	865,917	0	0	0	0	0	0
4000001	Regulatory Debit	80,058	0	0	0	0	0	0	0
4000001	Regulatory Debt - BSRR	1,542,353	0	0	0	0	0	0	0
4000001	DDA Regulatory Debits	1,622,411	0	0	0	0	0	0	0
4000001	DDA Regulatory Credits	0	0	0	0	0	0	0	0
4000001	Amortization	3,128,622	865,917	0	0	0	0	0	0
4000001	Depreciation Exp	45,863,374	16,482,447	0	0	0	0	0	0
4000001	DDA Depreciation	45,863,374	16,482,447	0	0	0	0	0	0
4000001	DDA STP Nuclear Decommissioning	0	0	0	0	0	0	0	0
4000001	DDA Asset Retirement Obligation	132,451	132,451	0	0	0	0	0	0
4000001	DDA Removal Costs	132,451	132,451	0	0	0	0	0	0
4000001	Depreciation and Amortization	45,996,826	16,482,447	0	0	0	0	0	0
4000001	Franchise Taxes	48,124,377	17,348,364	0	0	0	0	0	0
4000001	State Gross Receipts Tax	(8,487)	0	0	0	0	0	0	0
4000001	State Gross Receipts Tax	21,177	0	0	0	0	0	0	0
4000001	State Gross Receipts Tax	12,690	12,690	0	0	0	0	0	0
4000001	FICA	1,782,477	987,696	0	0	0	0	0	0
4000001	Federal Unemployment Tax	8,915	6,553	0	0	0	0	0	0
4000001	State Unemployment Tax	23,201	16,704	0	0	0	0	0	0
4000001	Fringe Benefit Loading - FICA	(590,487)	(431,952)	0	0	0	0	0	0
4000001	Fringe Benefit Loading - FUTA	(3,969)	(2,961)	0	0	0	0	0	0
4000001	Fringe Benefit Loading - SUTA	1,224,624	674,170	0	0	0	0	0	0
4000001	State Business Occup Taxes	2,311,523	2,311,523	0	0	0	0	0	0
4000001	Capacity Taxes	979,058	(155,004)	0	0	0	0	0	0
4000001	Real Personal Property Taxes	7,430,927	4,482,724	0	0	0	0	0	0
4000001	Real Personal Property Taxes	151,411	7,418	0	0	0	0	0	0
4000001	Real-Prop Prop Tax-Cap Lease	141,685	110,306	0	0	0	0	0	0
4000001	Real-Prop Prop Tax-Cap Lease	14,875	14,875	0	0	0	0	0	0
4000001	Real Personal Property Taxes	9,079	1,518	0	0	0	0	0	0
4000001	Property Taxes	8,783,204	4,666,832	0	0	0	0	0	0
4000001	SI Pub Serv Comm Tax-Fee	566,102	566,102	0	0	0	0	0	0
4000001	SI Pub Serv Comm Tax-Fee	93,900	93,900	0	0	0	0	0	0
4000001	Regulatory Fees	660,002	660,002	0	0	0	0	0	0
4000001	Federal Excise Taxes	900	900	0	0	0	0	0	0
4000001	Federal Excise Taxes	3,580	3,580	0	0	0	0	0	0
4000001	Production Taxes	4,480	4,480	0	0	0	0	0	0
4000001	SI Lic-Ratation Tax-Fees	132	132	0	0	0	0	0	0
4000001	State Sales and Use Taxes	791	791	0	0	0	0	0	0
4000001	State Sales and Use Taxes	5,475	5,475	0	0	0	0	0	0
4000001	Municipal License Fees	520	520	0	0	0	0	0	0
4000001	Miscellaneous Taxes	6,917	6,917	0	0	0	0	0	0
4000001	Other Non-Income Taxes	11,397	11,397	0	0	0	0	0	0
4000001	Taxes Other Than Income Taxes	12,983,339	5,825,820	0	0	0	0	0	0
4000001	TOTAL OPERATING EXPENSES	153,256,383	86,250,248	0	0	0	0	0	0
4000001	Memo: SEC Total Operating Expenses	288,983,489	329,939,862	0	0	0	0	0	0
4000001		17,377,401	17,377,401	0	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power

GLS6016  
YTD Jul 2016  
06/30/2016 15:37

Layout: GLS6016  
Account: GL\_Acct\_SEC Business Unit: SEGMENT\_C005

	GLS6016 Actual	YTD Jul 2016 Actual	Kentucky Power Company - Distribution 110 Actual	YTD Jul 2016 Actual	Kentucky Power Company - Generation 117 Actual	YTD Jul 2016 Actual	Kentucky Power Company - Transmission 180 Actual	YTD Jul 2016 Actual
<b>OPERATING INCOME</b>	<b>76,340,881</b>	<b>15,619,479</b>	<b>15,619,479</b>	<b>21,628,033</b>	<b>38,286,358</b>			
<b>NON-OPERATING INCOME / (EXPENSES)</b>								
4190002	Int & Dividend Inc - Non Assoc	6,017	8,466	(2,039)	(410)			
4190005	Interest & Dividend NonAffiliated	8,017	8,468	(2,039)	(410)			
	Interest Income - Assoc CBP	2,890	(4,743)	(8,493)	15,927			
4210008	Interest & Dividend Affiliated	2,890	(4,743)	(8,493)	16,927			
	Total Interest & Dividend Income	8,707	3,723	(10,532)	18,517			
	Carrying Charge	(197,800)	1,138	(221,713)	22,774			
	Interest & Dividend Carrying Charge	(197,800)	1,138	(221,713)	22,774			
4191000	Memor: Total Interest & Dividend Income w/ Carrying	(189,093)	4,862	(232,246)	38,290			
	Any Cdn From Used Drug Crat	689,716	135,592	458,869	95,154			
	AFUDC	689,716	135,592	458,869	95,154			
	Gain on Disposition of Equity Investments	-	-	-	-			
4270002	Interest LTD FMB	102,118	102,118	0	0			
	Interest LTD IPC	102,118	102,118	-	-			
4270006	Interest LTD Notes Payable - Affiliated	24,779,245	7,303,895	12,171,636	5,303,714			
	Interest LTD Notes Payable - NonAffiliated	24,779,245	7,303,895	12,171,636	5,303,714			
4270005	Interest LTD Debentures	928,549	273,730	456,060	198,759			
	Interest LTD Other - NonAff	928,549	273,730	456,060	198,759			
4300003	Interest on Long-Term Debt	25,809,912	7,679,742	12,827,698	6,502,474			
4310007	Interest STD - Affil	64,076	132,196	302,001	(370,121)			
	Interest STD - NonAffil	500,468	145,803	301,893	22,772			
4290002	Interest on Short Term Debt	660,468	146,903	381,893	22,772			
4290006	Amort of Debt Disc, Prem & Exp	624,644	277,999	893,894	(347,349)			
4291004	Amort Loss on Reacquired Debt	18,630	5,786	9,642	4,202			
4310001	Other Interest Expenses	38,773	0	33,063	5,680			
4310002	Interest on Customer Deposits	56,865	56,865	0	0			
4310023	Interest Expense - State Tax	(61,354)	2,749	(84,401)	298			
	Other Interest Expense - NonAffil	14,284	58,614	(61,308)	5,978			
4320000	Interest Rate Hedge Unrealized (Gain)/Loss	(482,677)	(98,766)	(324,676)	(69,235)			
	AFUDC-Borrowed Funds	(492,877)	(98,766)	(324,676)	(69,235)			
	Total Interest Charges	28,398,584	8,043,542	13,172,440	5,182,602			
	<b>INCOME TAXES AND EQUITY EARNINGS</b>	<b>49,442,920</b>	<b>7,616,381</b>	<b>8,679,316</b>	<b>33,247,211</b>			
4091001	Income Taxes UOI - Federal	964,759	(4,026,288)	(2,760,832)	7,771,960			
4092001	Federal Current Income Tax	(61,958)	(132,857)	59,416	(8,521)			
4101001	Prov Del UT Ltd Op Inc Fed	882,800	(4,159,146)	(2,721,814)	7,763,469			
4110001	Prov Del UT Ltd Op Inc MD - Federal	51,766,559	6,373,737	42,873,831	2,519,090			
4112001	Prov Del UT-Cr Ltd Op Inc Fed	1,920,400	0	1,917,830	2,570			
4113001	Prov Del UT-Cr Ltd Op Inc MD - Fed	(35,121,979)	(4,363,067)	(30,157,532)	(601,390)			
4114001	Federal Deferred Income Tax	(1,868,911)	0	(1,868,911)	0			
	Federal Investment Tax Credits	16,699,169	2,010,671	12,767,218	1,920,280			
	Federal Income Taxes	(1,533)	(672)	(707)	(154)			
409100216	Income Taxes UOI - State	17,679,436	(2,149,146)	10,044,997	9,643,686			
409200216	State Current Income Tax	(1,137,407)	(64,403)	(2,757,922)	1,684,919			
	State Current Income Tax	(13,937)	(22,592)	10,104	(1,449)			
	State Current Income Tax	(1,151,344)	(86,995)	(2,747,819)	1,683,470			
4101002	Prov Del UT Ltd Op Inc State	5,106,620	4,844,539	262,081	0			

American Electric Power

INCOME STATEMENT

GLS8016  
 YTD Jul 2016  
 06/30/2016 15:37

Account GL_Acct_BEC Business Units: SEGMENT_CODE	Kentucky Power Int Const GLS8018 Actual		Kentucky Power Company - Distribution 110 Actual		Kentucky Power Company - Generation 117 Actual		Kentucky Power Company - Transmission 180 Actual	
	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016
068 V2016-07-31	16,790,404	2,606,398	4,767,644	1,814,951	6,764,387	11,367,055	21,880,158	
4111002	(5,744,309)	0	0	(5,744,309)	0	0	0	
Pvt Def Int Cr UN/Gen/State	(637,888)	4,844,539	4,844,539	(6,482,228)				
State Deferred Income Tax	(1,789,032)	4,767,644	4,767,644	(8,230,046)			1,683,470	
State Investment Tax Credits	-	-	-	-	-	-	-	-
Local Current Income Tax	-	-	-	-	-	-	-	-
Local Deferred Income Tax	-	-	-	-	-	-	-	-
Local Investment Tax Credits	-	-	-	-	-	-	-	-
Local Income Taxes	-	-	-	-	-	-	-	-
Foreign Current Income Tax	-	-	-	-	-	-	-	-
Foreign Deferred Income Tax	-	-	-	-	-	-	-	-
Foreign Investment Tax Credits	-	-	-	-	-	-	-	-
Foreign Income Taxes	-	-	-	-	-	-	-	-
Total Income Taxes	16,790,404	2,606,398	4,767,644	1,814,951	6,764,387	11,367,055	21,880,158	
Equity Earnings of Subs	33,652,516	5,007,993	5,007,993	6,764,387	6,764,387	21,880,158	21,880,158	
INCOME AFTER INCOME TAXES and EQUITY EARNINGS								
Discontinued Operations (Net of Taxes)	-	-	-	-	-	-	-	-
Cumulative Effect of Accounting Changes	-	-	-	-	-	-	-	-
Extraordinary Income / (Expenses)	-	-	-	-	-	-	-	-
NET INCOME	33,652,516	5,007,993	5,007,993	6,764,387	6,764,387	21,880,158	21,880,158	
Minority Interest	-	-	-	-	-	-	-	-
Preferred Stock Dividend Subs	-	-	-	-	-	-	-	-
Earnings to Common Shareholders	33,652,516	5,007,993	5,007,993	6,764,387	6,764,387	21,880,158	21,880,158	
NET INCOME (LOSS) MODE before PS	33,652,516	5,007,993	5,007,993	6,764,387	6,764,387	21,880,158	21,880,158	
Double Check on Net Income Mode after PS	0	0	0	(0)	(0)			

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jul 2016  
 06/02/2016 13:27

Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	Layout: GLS8216	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016
		Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>					
Cash and Cash Equivalents		791,047	791,047	0	0
Other Cash Deposits		10,849	5,786	5,063	0
Customers		17,700,755	12,505,876	4,632,827	562,052
Accrued Unbilled Revenues		5,801,196	5,801,196	0	0
Miscellaneous Accounts Receivable		25,902,237	3,385,588	69,995,743	9,034,176
Allowances for Uncollectible Accounts		(68,312)	(59,738)	0	(8,574)
Accounts Receivable		49,335,876	21,632,923	74,628,570	9,987,654
Advances to Affiliates		0	0	0	0
Fuel, Materials and Supplies		45,625,011	2,178,889	43,029,020	417,102
Risk Management Contracts - Current		921,858	0	921,858	0
Margin Deposits		1,019,766	49,653	970,113	0
Unrecovered Fuel - Current		2,120,487	0	2,120,487	0
Other Current Regulatory Assets		0	0	0	0
Prepayments and Other Current Assets		3,245,394	2,353,262	790,469	101,664
<b>TOTAL CURRENT ASSETS</b>		<b>103,070,288</b>	<b>27,011,559</b>	<b>122,465,580</b>	<b>10,108,420</b>
Electric Production		1,165,874,843	819,436,252	1,202,448,359	569,263,100
Electric Transmission		572,952,774	0	0	0
Electric Distribution		771,876,827	0	0	0
General Property, Plant and Equipment		63,265,219	199,571	1,461,903	1,160,479
Construction Work-in-Progress		18,894,001	9,787,434	2,122,407	6,984,160
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>		<b>2,612,863,665</b>	<b>829,423,257</b>	<b>1,206,032,669</b>	<b>577,407,738</b>
less: Accumulated Depreciation and Amortization		(869,719,433)	(253,848,814)	(417,695,041)	(188,175,578)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>		<b>1,743,144,231</b>	<b>585,574,443</b>	<b>788,337,628</b>	<b>389,232,160</b>
Net Regulatory Assets		531,146,771	114,841,663	356,378,878	57,926,430
Securitized Transition Assets and Other		0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts		0	0	0	0
Investments in Power and Distribution Projects		0	0	0	0
Goodwill		0	0	0	0
Long-Term Risk Management Assets		998	0	998	0
Employee Benefits and Pension Assets		7,913,345	3,195,992	4,505,754	211,599
Other Non Current Assets		8,997,559	3,922,060	3,262,417	1,813,082
<b>TOTAL OTHER NON-CURRENT ASSETS</b>		<b>648,058,672</b>	<b>121,969,675</b>	<b>386,147,846</b>	<b>59,951,111</b>
<b>TOTAL ASSETS</b>		<b>2,394,273,192</b>	<b>714,545,717</b>	<b>1,276,951,054</b>	<b>459,289,690</b>
<b>LIABILITIES</b>					
Accounts Payable		68,409,254	66,621,105	54,414,419	3,887,001
Advances from Affiliates		1,318,074	10,806,668	81,114,444	(90,603,028)
Short-Term Debt		0	0	0	0
Other Current Regulatory Liabilities		0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated		65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated		0	0	0	0
Risk Management Liabilities		1,226,507	47,542	1,178,965	0
Accrued Taxes		8,272,312	8,406,863	(12,940,157)	12,805,615
Memo: Property Taxes		17,175,835	8,691,928	3,657,985	4,825,521
Accrued Interest		11,729,501	3,527,482	5,690,585	2,511,434
Risk Management Collateral		98,290	0	98,290	0
Utility Customer Deposits		26,845,252	26,395,252	250,000	0
Deposits - Customer and Collateral		26,743,542	26,395,252	348,290	0
Over-Recovered Fuel Costs - Current		0	0	0	0
Dividends Declared		0	0	0	0
Preferred Stock due W/in 1 Yr		0	0	0	0
Obligations under Capital Leases - Current		961,739	475,088	462,484	24,167
Tax Collections Payable		2,108,326	2,023,891	84,297	138
Revenue Refunds - Accrued		1,531,211	0	271,298	1,259,914
Accrued Rents - Rockport		0	0	0	0
Accrued - Payroll		1,632,588	703,093	927,188	2,308
Accrued Rents		(1,787)	(1,787)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jul 2016  
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Account	Kentucky Power Int Consol GLS8216		Kentucky Power Company - 110		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016
09B V2016-07 -	2,421,214	1,120,006	1,298,460	2,747				
Accrued ICP	4,875,302	2,213,175	2,655,327	6,799				
Accrued Vacations	892,963	289,510	575,997	27,456				
Misc Employee Benefits	148,035	72,431	75,513	91				
Payroll Deductions	950,788	0	950,788	0				
Severance / SEI	207,617	38,312	166,589	2,715				
Accrued Workers Compensation	1,864,766	1,864,766	0	0				
Customer Advance Receipts	1,964,766	1,964,766	0	0				
Customer Advance	1,882,745	1,882,745	0	0				
Control Cash Disburse Account	1,882,745	1,882,745	0	0				
Control Cash Disbursement Account	0	0	0	0				
JMG Liability	16,622,761	0	16,622,761	0				
ARO - Current	335,691	355,541	(19,650)	0				
Econ. Development Fund Curr	68,675	68,675	0	0				
Unclaimed Funds	59,255	59,255	0	0				
Acc Cash Franchise Req	101	0	69	34				
Sales Use Tax - Leased Equip	36,733	11,320	18,428	6,984				
Accrued Audit Fees	554,326	0	554,326	0				
Federal Mitigation Acctu (NSR)	80,623	80,623	0	0				
Deferred Rev - Pole Attachments	72,399	72,399	0	0				
Contr in Aid of Constr Advance	431,564	0	431,564	0				
Deferred Rev-Bonus Lease Curr	18,262,529	648,013	17,607,497	7,018				
Misc Current and Accrued Liabilities	36,876,297	10,954,155	24,612,956	1,309,186				
Current Other and Accrued Liabilities	37,838,036	11,429,243	25,075,439	1,333,354				
Other Current Liabilities	220,537,226	127,234,136	219,881,985	(70,065,824)				
<b>TOTAL CURRENT LIABILITIES</b>								
2440002	0	0	0	0				
Long-Term Debt - Affiliated	802,049,861	239,343,336	389,680,689	173,025,856				
Long-Term Debt - Non Affiliated	(180,619)	(63,857)	(87,828)	(38,934)				
Long-Term Debt - Premiums and Discounts Unamort	801,869,262	239,289,479	389,592,861	172,986,922				
Memo - LTD Non-Affiliated and Premiums	0	0	0	0				
Long-Term Risk Management Liabilities - Hedge	32,048	3,827	28,221	0				
LT Unreal Losses - Non AIG	32,048	3,827	28,221	0				
Long-Term Risk Management Liabilities - MTM	32,048	3,827	28,221	0				
Long-Term Risk Management Liabilities	655,000,332	190,142,824	332,316,324	132,541,184				
Deferred Income Taxes	2,517	1,083	1,083	357				
Deferred Investment Tax Credits	(29,419,455)	(25,787,283)	(1,363,925)	(2,269,248)				
Regulatory Liabilities and Deferred Credits	(29,416,938)	(25,786,215)	(1,362,833)	(2,267,890)				
Memo - Reg Liab and Def ITC	54,798,700	70,679	54,728,021	0				
Asset Retirement Obligation	11,325,824	10,088,705	(562,594)	1,789,714				
Nuclear Decommissioning	0	0	0	0				
Employee Benefits and Pension Obligations	1,860,125	813,506	1,020,707	25,912				
Trust Preferred Securities	620,594	275,571	291,883	53,140				
Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0				
Obligations Under Capital Leases	1,110,644	1,110,644	0	0				
Def Credits - Income Tax	1,110,644	1,110,644	0	0				
Def Credits - NSR	161,430	161,430	0	0				
Customer Advances for Construction	0	0	0	0				
Def Gain on Sale/Leaseback	0	0	0	0				
Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0				
Def Gain on Disp of Utility Plant	292,502	0	0	0				
JPP - System Upgrade Credits	138,255	138,255	0	282,502				
Fbr Opt Lns-In Kind Sv-Old Gns	68,154	0	0	68,154				
Fbr Opt Lns-Sold-Old Rev	755,237	0	0	0				
Deferred Rev-Bonus Lease NC	1,254,149	138,255	755,237	360,657				
Def Credits - Other	1,415,580	299,685	755,237	360,657				
Total Other Deferred Credits	0	0	0	0				
Accumulated Provisions - Rate Refund	349,500	0	349,500	0				
Accumulated Provisions - Misc	5,356,442	1,388,762	3,527,972	439,708				
Other Non-Current Liabilities	1,498,965,670	415,198,060	778,267,972	305,499,638				
<b>TOTAL NON-CURRENT LIABILITIES</b>								

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jul 2016  
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Account GL_Acct_Sec Business Unit Segment Conts	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016	YTD Jul 2016
09B V2016-07- Layout: GLS8218					
Kentucky Power Int Consol GLS8216	1,719,502,896	542,432,195	998,149,956	235,434,014	
Kentucky Power Company - Generation	0	0	0	0	180
Kentucky Power Company - Kentucky Power	0	0	0	0	117
Kentucky Power Company - Kentucky Power	0	0	0	0	110
<b>TOTAL LIABILITIES</b>					
Cumulative Pref Stocks of Subs - Not subject Mand Redem					
Minority Interest - Deferred Credits					
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	60,450,000	22,404,049	10,287,603	17,758,348	
Paid in Capital	527,309,077	106,026,371	337,243,870	84,039,836	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	98,612,790	43,703,618	(67,162,432)	122,071,603	
Accumulated Other Comprehensive Income (Loss)	(1,601,571)	(19,518)	(1,567,943)	(14,110)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	674,770,295	172,113,521	278,801,098	223,855,677	
Memo: Total Equity					
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,394,273,192	714,545,717	1,276,961,054	459,289,690	
out-of-balance	(0)	0	0	(0)	

Revised Section



AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jul 2015  
 06/11/2015 12:34

Kentucky Power  
 Int Consol  
 GLS8216

Kentucky Power  
 Company -  
 110

Kentucky Power  
 Company - Generation  
 117

Kentucky Power  
 Company -  
 180

Account GL_Acct_SEC Business Unit SEGMENT_CONS	YTD Jul 2015	YTD Jul 2015	YTD Jul 2015	YTD Jul 2015
<b>ASSETS</b>				
Cash and Cash Equivalents	630,153	630,153	0	0
Other Cash Deposits	0	0	0	0
Customers	16,580,113	10,163,073	6,044,605	382,434
Accrued Unbilled Revenues	983,116	472,084	511,032	0
Miscellaneous Accounts Receivable	22,092,968	7,305,921	59,582,464	10,438,336
Allowances for Uncollectible Accounts	(222,339)	(108,316)	(105,449)	(8,574)
Accounts Receivable	39,443,868	17,832,763	68,032,653	10,812,196
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	44,804,988	2,173,023	41,701,743	730,232
Risk Management Contracts - Current	7,289,574	0	7,289,574	0
Margin Deposits	801,768	33,616	768,152	0
Unrecovered Fuel - Current	3,658,743	0	3,658,743	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	4,308,974	2,371,743	1,074,244	862,987
<b>TOTAL CURRENT ASSETS</b>	<b>100,739,068</b>	<b>23,041,298</b>	<b>120,526,108</b>	<b>12,405,415</b>
Electric Production	1,167,254,491	793,298,878	1,185,915,693	557,115,549
Electric Transmission	560,423,253	0	0	0
Electric Distribution	744,912,446	0	0	0
General Property, Plant and Equipment	66,561,881	199,571	1,461,903	1,160,479
Construction Work-in-Progress	55,948,993	9,524,142	39,154,196	7,270,656
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,595,101,064</b>	<b>803,022,591</b>	<b>1,226,531,791</b>	<b>665,546,683</b>
less: Accumulated Depreciation and Amortization	(870,509,036)	(263,379,366)	(427,380,548)	(179,739,122)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,724,592,028</b>	<b>539,643,225</b>	<b>799,151,243</b>	<b>385,807,561</b>
Net Regulatory Assets	461,052,382	106,516,401	297,588,557	56,947,424
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	527,366	0	527,366	0
Employee Benefits and Pension Assets	13,981,830	5,689,609	7,765,597	546,624
Other Non Current Assets	11,815,179	4,215,471	5,094,862	2,304,846
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>487,178,768</b>	<b>116,401,481</b>	<b>310,976,383</b>	<b>59,780,884</b>
<b>TOTAL ASSETS</b>	<b>2,312,507,856</b>	<b>679,086,004</b>	<b>1,230,643,735</b>	<b>458,011,870</b>
<b>LIABILITIES</b>				
Accounts Payable	67,049,041	67,243,278	51,998,333	3,041,184
Advances from Affiliates	17,647,018	(4,205,297)	114,941,399	(93,089,083)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	2,174,644	57,763	2,116,891	0
Accrued Taxes	(36,640,001)	2,976,621	(65,039,501)	16,523,878
Memo: Property Taxes	14,756,650	6,862,248	3,781,962	4,112,440
Accrued Interest	11,424,680	3,326,583	5,565,639	2,532,459
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,812,927	26,433,759	379,169	0
Deposits - Customer and Collateral	26,812,927	26,433,759	379,169	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	978,140	502,353	453,490	22,297
Tax Collections Payable	1,788,220	1,694,593	93,522	105
Revenue Refunds - Accrued	16,075,301	14,896,087	57,618	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,511,090	610,166	898,803	2,121
Accrued Rents	(1,993)	(1,993)	0	0

AMERICAN ELECTRIC POWER COMPANY  
**BALANCE SHEET**

GLS8216  
 YTD Jul 2015  
 08/17/2015 12:24

Account GL_AUCT_SEC	Business Unit	SEGMENT	CONTS	YTD Jul 2015	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
09B V2015-07-				YTD Jul 2015	YTD Jul 2015	YTD Jul 2015	YTD Jul 2015	YTD Jul 2015
Layer: GLS8216								
2530022	Accrued ICP			3,173,439	1,414,370	1,756,304	2,765	
	Accrued Vacations			4,738,951	2,160,916	2,572,513	5,519	
	Misc Employee Benefits			1,263,766	472,093	785,462	26,211	
	Payroll Deductions			158,175	79,685	79,367	123	
	Severance / SEI			2,441,623	0	2,441,623	0	
	Accrued Workers Compensation			263,301	68,850	182,665	11,786	
	Customer Advances			2,203,553	2,203,553	0	0	
	Control Cash Disburse Account			4,555,087	4,555,087	0	0	
2420511	JMG Liability			0	0	0	0	
	ARO - Current			11,469,997	0	11,469,997	0	
2300002	Econ Development Fund Curr			116,300	0	116,300	0	
2420086	Unclaimed Funds			56,400	56,400	0	0	
2420512	Acc Cash Franchise Req			60,835	0	0	0	
242052115	Sales Use Tax - Leased Equip			104	0	70	34	
2420643	Accrued Audit Fees			37,640	11,273	19,075	7,292	
2420656	Federal Mitigation Accru (NSR)			554,326	0	554,326	0	
2420664	ST State Mitigation Def (NSR)			27,028	0	27,028	0	
2530050	Deferred Rev - Poles Attachments			97,844	97,844	0	0	
2530112	Other Deferred Credits-Curr			221,616	0	221,616	0	
2530124	Contr In Aid of Const Advance			113,469	113,469	0	0	
2530177	Deferred Rev-Bonus Leases Curr			431,564	0	431,564	0	
	Misc Current and Accrued Liabilities			13,187,123	339,621	12,840,176	7,326	
	Current Other and Accrued Liabilities			51,357,637	28,494,031	21,688,053	1,175,553	
	<b>TOTAL CURRENT LIABILITIES</b>			<b>62,335,777</b>	<b>28,996,384</b>	<b>22,141,543</b>	<b>1,197,850</b>	
				206,904,088	124,828,081	207,103,473	(69,793,713)	
	Long-Term Debt - Affiliated			0	0	0	0	
	Long-Term Debt - Non Affiliated			780,000,000	226,402,800	380,406,000	173,191,200	
	Long-Term Debt - Premiums and Discounts Unamort			(347,344)	(100,820)	(169,399)	(77,124)	
	Memo - LTD Non-Affiliated and Premiums			779,652,656	226,301,980	380,236,601	173,114,076	
	Long-Term Risk Management Liabilities - Hedge			0	0	0	0	
	LT Unreal Losses - Non Affil			292,251	15,571	276,690	0	
2440002	LT Liability MTM Collateral			(8,856)	(8,281)	(567)	0	
2440022	Long-Term Risk Management Liabilities - MTM			282,403	6,280	276,123	0	
	Long-Term Risk Management Liabilities			282,403	8,280	276,123	0	
	Deferred Income Taxes			625,506,538	181,427,798	313,310,884	130,767,856	
	Regulatory Liabilities and Deferred Credits			14,740	4,782	7,181	2,778	
	Memo - Reg Liab and Def /TC			(39,490,136)	(35,874,465)	2,896,968	(6,512,639)	
	Asset Retirement Obligation			(39,475,396)	(35,869,693)	2,904,149	(6,509,862)	
	Nuclear Decommissioning			61,162,076	66,738	61,095,338	0	
	Employee Benefits and Pension Obligations			11,394,296	9,349,957	1,130,711	913,628	
	Trust Preferred Securities			0	0	0	0	
	Cumulative Preferred Stocks of Subs - Mandatory Rede			0	0	0	0	
	Obligations Under Capital Leases			2,346,038	1,007,138	1,293,713	45,167	
	Def Credits - Income Tax			84,201	43,549	12,298	28,354	
	Feder Mitigation Deferral(NSR)			1,110,644	0	1,110,644	0	
2530114	Def Credits - NSR			1,110,644	0	1,110,644	0	
	Customer Advances for Construction			164,173	164,173	0	0	
	Def Gain on Sale/Leaseback			0	0	0	0	
	Deferred Gain on Sale and Leaseback - Rockport			0	0	0	0	
	Def Gain on Disp of Utility Plant			0	0	0	0	
	IPP - System Upgrade Credits			282,970	0	0	0	
	Per Opt Lns-In Kind Sv-Old Gns			146,187	146,187	0	0	
2530067	Per Opt Lns-Scsd-Debt Rev			81,770	0	0	81,770	
2530082	Deferred Rev-Bonus Lease NC			1,186,801	0	1,186,801	0	
2530137	Def Credits - Other			1,697,668	146,187	1,186,801	364,681	
2530178	Total Other Deferred Credits			1,861,843	310,360	1,186,801	364,681	
	Accumulated Provisions - Rate Refund			0	0	0	0	
	Accumulated Provisions - Misc			582,500	0	582,500	0	

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jul 2016  
 09/11/2015 12:34

Kentucky Power  
 Int Consol  
 GLS8216

Kentucky Power  
 Company -  
 110

Kentucky Power  
 Company - Generation  
 117

Kentucky Power  
 Company -  
 180

Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	YTD Jul 2015	YTD Jul 2015	YTD Jul 2016	YTD Jul 2016
09B V2016-07- Layoff: GLS8216				
Other Non-Current Liabilities	5,985,225	1,361,047	4,185,956	438,222
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,444,507,799</b>	<b>382,644,118</b>	<b>763,139,761</b>	<b>298,723,919</b>
<b>TOTAL LIABILITIES</b>	<b>1,651,411,887</b>	<b>507,472,200</b>	<b>970,243,234</b>	<b>228,930,207</b>
Cumulative Pref Stocks of Subs - Not subject Mand Reditr	0	0	0	0
Minority Interest - Deferred Credits	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>				
Common Stock	50,450,000	22,404,049	10,287,803	17,768,348
Paid in Capital	517,469,453	106,025,371	327,394,246	84,039,836
Premium on Capital Stock	0	0	0	0
Retained Earnings	95,280,323	43,220,920	(75,252,028)	127,311,431
Accumulated Other Comprehensive Income (Loss)	(2,093,808)	(36,937)	(2,029,321)	(27,951)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>661,095,968</b>	<b>171,613,804</b>	<b>260,400,501</b>	<b>229,081,664</b>
Memo: Total Equity	661,095,968	171,613,804	260,400,501	229,081,664
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,312,507,855</b>	<b>679,086,004</b>	<b>1,230,643,735</b>	<b>458,011,870</b>
out-of-balance	(0)	0	0	(0)

Reserved Section

GLR7210V 08/09/16 13:01

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,124,272,407.54	76,330,679.80	(7,753,503.60)	0.00	0.00	1,192,848,583.74
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>76,330,679.80</b>	<b>(7,753,503.60)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,192,848,583.74</b>
101/106 TRANSMISSION	564,356,984.53	5,202,697.82	(758,437.67)	0.00	0.00	568,801,244.68
101/106 DISTRIBUTION	798,264,586.59	23,500,517.23	(5,496,316.52)	0.00	0.00	816,268,787.30
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>105,033,894.85</b>	<b>(14,008,257.79)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,577,919,615.72</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	219,062.47	0.00	5,477,493.96
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>105,033,894.85</b>	<b>(14,008,257.79)</b>	<b>219,062.47</b>	<b>0.00</b>	<b>2,583,397,109.68</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>107000X CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		62,327,881.60				
107000X TRANSFERS		(102,784,856.33)				
107000X END. BAL.		(40,456,974.73)				18,894,001.32
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>64,576,920.12</b>	<b>(14,008,257.79)</b>	<b>219,062.47</b>	<b>0.00</b>	<b>2,610,041,711.96</b>
<b>NONUTILITY PLANT</b>						
1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52.

Preparer - PSnVision Report GLR7210V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Asset Rpt 1042

KENTUCKY POWER COMPANY  
ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - July, 2016

GLR7410V 08/09/16 13:01

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>UTILITY PLANT</b>						
NUCLEAR						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
<b>TOTAL NUCLEAR</b>					0.00	
1080001/11 PRODUCTION	403,108,517.50	20,471,473.45	(7,753,503.60)	(1,772,049.68)	0.00	414,054,437.67
1080001/11 TRANSMISSION	176,427,961.28	8,822,527.53	(758,437.67)	(71,412.71)	0.00	184,420,638.43
1080001/11 DISTRIBUTION	222,789,410.10	16,485,732.29	(5,493,854.17)	(2,062,640.04)	0.00	231,718,648.18
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(151,943.19)	(2,110,197.89)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(5,611.39)	(50,983.54)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(2,699,527.30)	3,906,602.43	(883,829.72)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>45,779,733.27</b>	<b>(14,005,795.44)</b>	<b>(6,605,629.73)</b>	<b>3,749,047.85</b>	<b>827,148,713.14</b>
NUCLEAR						
1110001 PRODUCTION	295,177.16	272,155.79	0.00	0.00	0.00	2,411,363.67
1110001 TRANSMISSION	1,430,933.85	374,748.51	0.00	0.00	1,844,030.72	1,802,404.69
1110001 DISTRIBUTION	5,080,066.43	884,781.37	(2,462.35)	(500.00)	(11,938.48)	5,949,946.97
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>1,531,685.67</b>	<b>(2,462.35)</b>	<b>(500.00)</b>	<b>1,828,814.57</b>	<b>10,163,715.33</b>
101006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	301,041.41	2,655,630.21
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>47,311,418.94</b>	<b>(14,008,257.79)</b>	<b>(6,606,129.73)</b>	<b>5,878,903.83</b>	<b>839,966,058.66</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonull Prop-Ownd	228,295.19	3,890.67	0.00	0.00	0.00	232,185.86
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>3,890.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>232,204.73</b>

Preparer - P5nVision Report GLR7410V  
Reviewer - Debbi Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

September 15, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed August 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri L. Ruggiero'.

Jerri L Ruggiero  
Manager – Regulated Accounting

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Aug 2016  
 08/02/2016 16:14

Account: GL ACCT_SEC_Business Units: SEGMENT_CONS	Layout: GLS8016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Aug 2016	110 Actual	YTD Aug 2016	117 Actual	YTD Aug 2016	180 Actual	YTD Aug 2016
<b>REVENUES</b>									
4400001	Residential Sales-MRSpace Hg		91,954,897		91,954,897		0		0
4400002	Residential Sales-WD Space Hg		43,213,927		43,213,927		0		0
4400005	Residential Fuel Rev		39,864,117		39,864,117		0		0
	<b>Revenue - Residential Sales</b>		<b>175,062,940</b>		<b>175,062,940</b>		-		-
4420001	Commercial Sales		59,831,861		59,831,861		0		0
4420006	Sales to Pub Auth - Schools		9,987,809		9,987,809		0		0
4420007	Sales to Pub Auth - El Schools		11,365,218		11,365,218		0		0
4420013	Commercial Fuel Rev		24,047,169		24,047,169		0		0
	<b>Revenue - Commercial Sales</b>		<b>105,231,857</b>		<b>105,231,857</b>		-		-
	<b>Revenue - Industrial Sales - Affiliated</b>								
4420002	Industrial Sales (Erd Minnet)		45,938,444		45,938,444		0		0
4420004	Ind Sales-NonAffiliated (Minnet)		16,248,133		16,248,133		0		0
4420016	Industrial Fuel Rev		43,034,759		43,034,759		0		0
	<b>Revenue - Industrial Sales - Non-Affiliated</b>								
	<b>Revenue - Gas Products Sales</b>								
	<b>Revenue - Gas Transportation &amp; Storage Sales</b>								
	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>								
4440000	Public Street/Highway Lighting		1,134,305		1,134,305		0		0
4440002	Public St & Hwy Light Fuel Rev		172,410		172,410		0		0
	<b>Revenue - Other Retail Sales</b>		<b>1,306,716</b>		<b>1,306,716</b>		-		-
	<b>Revenue - Retail Sales</b>		<b>386,812,849</b>		<b>386,812,849</b>		-		-
4560003	Oh Elec Rv-Trn-Aff Trfd Price		33,936,737		33,936,737		0		22,962,578
4561033	PJM NTS Revenue - Affiliated		539,723		539,723		0		33,938,737
4561034	PJM TO Adm. Serv Rev - Aff		29,433,996		29,433,996		0		539,723
4561035	PJM Affiliated Trans NTS Cost		(402,274)		(402,274)		0		0
4561036	PJM Affiliated Trans TO Cost		525,559		525,559		0		0
4561058	All PJM Trans Enhancement Rev		(458,924)		(458,924)		0		525,559
4561060	All PJM Trans Enhancement Cost		0		0		0		0
4561062	PROVISION RTO Cost - Aff		0		0		0		0
4561063	PROVISION RTO Rev Affiliated		4,708,826		4,708,826		0		(813,465)
	<b>Revenue - Transmission-Affiliated</b>		<b>4,708,826</b>		<b>4,708,826</b>		<b>(29,681,729)</b>		<b>67,353,132</b>
4470150	Transm Rev-Debt VbtMntn		40,274		40,274		0		652,614
4470206	PJM Trans loss credits-OSS		153,166		153,166		0		0
4470208	PJM tranm loss charges-OES		(963,735)		(963,735)		0		0
451002	RTO Formation Cost Recovery		(42,605)		(42,605)		0		97,631
451005	PJM Prod to Prod Trans Bvc		385,542		385,542		0		0
451008	PJM Trans Owner Admin Rev		91,260		91,260		0		91,260
451007	PJM Network Utilg Trans Svc		3,970,331		3,970,331		0		3,970,331
451019	Oh Elec Rev Trans Non Aff		37,800		37,800		0		37,800
451028	PJM Pow Fie Cte Rev Wht Co-NA		4,296		4,296		0		4,296
451029	PJM NTS Revenue Wht Co-NAW		1,637,662		1,637,662		0		1,637,662
451030	PJM TO Serv Rev Wht Co-NAW		32,634		32,634		0		32,634
451056	NonAff PJM Trans Enhancm Rev		836,052		836,052		0		836,052
451061	NAF PJM RTEP Rev for Wht-FR		25,360		25,360		0		25,360
451064	PROVISION RTO Rev WhtCo-NAW		(29,906)		(29,906)		0		(29,906)
451065	PROVISION RTO Rev - NonAff		(77,567)		(77,567)		0		(77,567)
	<b>Revenue - Transmission-NonAffiliated</b>		<b>6,100,585</b>		<b>6,100,585</b>		<b>(1,377,603)</b>		<b>7,478,168</b>
	<b>Revenue - Transmission</b>		<b>10,809,389</b>		<b>10,809,389</b>		<b>(31,059,332)</b>		<b>84,831,300</b>
4470001	Sales for Resale - Assoc Co		338,774		338,774		0		0
4470151	Trading Auction Sales Aff		1,330,063		1,330,063		0		0
	<b>Revenue - Resale-Affiliated</b>		<b>1,668,837</b>		<b>1,668,837</b>		-		-
4470006	Sales for Resale-Bookout Sales		8,606,777		8,606,777		0		0
4470010	Sales for Resale-Bookout Purch		(6,788,001)		(6,788,001)		0		0
4470027	Wht/Mun/Ph Ath Fuel Rev		1,596,686		1,596,686		0		1,596,686
4470033	Wht/Mun/Ph Ath Base Rev		1,770,114		1,770,114		0		1,770,114
4470031	Financial Spark Gas - Resubsd		(12,095)		(12,095)		0		(12,095)
4470032	Financial Electric Resubsd		(2,157,470)		(2,157,470)		0		(2,157,470)
4470039	PJM Energy Sales Margin		4,405,770		4,405,770		0		4,405,770
4470056	PJM Ogr Reserve Rev-OSS		(49,861)		(49,861)		0		(49,861)
4470069	Capacity Cr. Net Sales		1,114,053		1,114,053		0		1,114,053
4470100	PJM FTR Revenue-OSS		116,977		116,977		0		116,977
4470103	PJM Energy Sales Cost		20,230,686		20,230,686		0		20,230,686
4470107	PJM NTS Purch-NonAff		(12,588)		(12,588)		0		(12,588)
4470110	PJM TO Adm. Exp.-NonAff		1,903,923		1,903,923		0		1,903,923
4470112	Non-Trading Bookout Sales-OSS		0		0		0		0

**INCOME STATEMENT**

GLS0016 YTD Aug 2016 08/01/16 15:14	0961 V2016-08-31	Account: GL_ACCT_SEC_Business Units: SEGMENT_CONS	Layout: GLS0016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
				GLS0016 Actual	YTD Aug 2016 Actual	110 Actual	YTD Aug 2016 Actual	117 Actual	YTD Aug 2016 Actual	180 Actual	YTD Aug 2016 Actual
				(6,348)	0	0	0	(6,348)	0	0	0
4470115		PJM Meter Corrections-OSS		83,001	0	0	0	83,001	0	0	0
4470116		PJM Meter Corrections-ISE		(493,569)	0	0	0	(493,569)	0	0	0
4470126		PJM Incremental Imp Cong-OSS		(1,972,476)	0	0	0	(1,972,476)	0	0	0
4470131		Non-Trading Bookout Purch-OSS		863,812	0	0	0	863,812	0	0	0
4470143		Financial Hedge Realized		(181)	0	0	0	(181)	0	0	0
4470168		Interest Rate Swaps-Power		(6,548)	0	0	0	(6,548)	0	0	0
4470170		Non-ECR Auction Sales-OSS		(4,342,693)	0	0	0	(4,342,693)	0	0	0
4470176		OSS Sharing Redline - Retail		4,342,693	0	0	0	4,342,693	0	0	0
4470214		OSS Sharing Redline-Retraction		58,780	0	0	0	58,780	0	0	0
4470215		PJM 30m Suppl Reserve CR OSS		(28,348)	0	0	0	(28,348)	0	0	0
4470220		PJM 30m Suppl Reserve CH OSS		34,585	0	0	0	34,585	0	0	0
4470221		PJM Regulation - OSS		7,593	0	0	0	7,593	0	0	0
4470222		PJM Spinning Reserve - OSS		219,585	0	0	0	219,585	0	0	0
5500060		PJM Heavy Met Purch-FERC		(5,547,413)	0	0	0	(5,547,413)	0	0	0
				23,955,410	-	-	-	23,955,410	-	-	-
		<b>Revenue - Resale-NonAffiliated</b>									
		<b>Revenue - Resale-Realized</b>									
		<b>Revenue - Resale-Risk Mgmt MTM</b>									
		<b>Revenue - Resale-Risk Mgmt Activities</b>									
		<b>Revenue - Sales for Resale</b>									
		Sale for Resale-Air Trif Price		25,624,247	0	0	0	25,624,247	0	0	0
		Rent From Elec Property - A1		296,493	553,383	0	553,383	0	0	57,697	0
		Oth Elec Rev - Affiliated		30,281	328,774	0	328,774	0	30,281	0	0
		<b>Revenue - Other Ele-Affiliated</b>									
		Forfeited Discounts		2,674,463	2,674,463	0	2,674,463	0	281,505,144	57,697	0
		Misc Service Rev - Nonaff		(487,741)	478,704	0	478,704	0	0	9,037	0
		Rent From Elec Property-NAC		67,138	1,650	0	1,650	0	60,089	5,400	0
		Rent from Elec Prop-Pole Anch		3,931,962	3,931,962	0	3,931,962	0	0	0	0
		Oth Elec Rev - DSM Program		6,729,886	6,729,886	0	6,729,886	0	0	0	0
		Gas Procurement Sales Net		6,296	6,296	0	6,296	0	0	0	0
		<b>Revenue - Other Ele-NonAffiliated</b>									
				13,687,687	13,616,765	0	13,616,765	0	68,385	14,437	0
		<b>Revenue - Gas</b>									
		Comp Allow Genra Title IV 502		76	76	0	76	0	0	0	0
		Comp Allow Genra CSAPR Sales NCh		235,500	235,500	0	235,500	0	0	0	0
		Comp Allow Genra CSAPR An NCh		142,125	142,125	0	142,125	0	0	0	0
		Emission Allow KY Env Surch		81,214	81,214	0	81,214	0	0	0	0
		Gain(Loss) on Allowances		488,914	488,914	0	488,914	0	0	0	0
		<b>Revenue - Other Ele-NonAffiliated</b>									
				14,366,501	14,370,148	0	14,370,148	0	282,034,443	14,437	0
				14,666,278	14,666,278	0	14,666,278	0	0	72,134	0
		<b>Revenues Non-Utility Operations - Affiliated</b>									
		<b>Revenues Non-Utility Operations - Non-Affiliated</b>									
		<b>Revenues from Non-Utility Operations</b>									
		<b>Non-Operating Rental Income - Affiliated</b>									
		Non-Operating Rental Income		22,000	21,000	0	21,000	0	1,000	0	0
		Non-Operating Rental Inc-Misc		(1,575)	(1,575)	0	(1,575)	0	(1,575)	0	0
		Non-Operating Rental Inc-Misc		(4,446)	(4,446)	0	(4,446)	0	(4,446)	0	0
		<b>Non-Operating Rental Income - Non-Affiliated</b>									
		Non-Operating Rental Income		15,978	15,978	0	15,978	0	(675)	(4,446)	0
		Non-Operating Misc Income - Affiliated		15,979	15,979	0	15,979	0	(675)	(4,446)	0
		Misc Non-Op Inc-NonAff-Rent		1,494	1,494	0	1,494	0	585	467	0
		Misc Non-Op Inc-NonAff-Tribe		6,142	6,142	0	6,142	0	6,142	0	0
		Misc Non-Op Inc - NonAff - Oth		299,334	299,334	0	299,334	0	297,862	0	0
		<b>Non-Operating Misc Income - Non-Affiliated</b>									
		Non-Operating Misc Income		296,978	296,978	0	296,978	0	294,609	467	0
		Rent From Elec Prop-ABU-Hornt		296,978	296,978	0	296,978	0	294,609	467	0
		Other Electric Revenues - ABD		53,100	53,100	0	53,100	0	0	0	0
		Other Electric Revenues - ABD		213,489	213,489	0	213,489	0	0	0	0
		Other Electric Revenues - ABD		299,593	299,593	0	299,593	0	0	0	0
		Other Electric Revenues - ABD		578,548	578,548	0	578,548	0	294,034	17,020	0
		<b>Revenue - Other Opr - Other</b>									
		Memor: Revenue-Oth Opr-Oth Aff		578,548	578,548	0	578,548	0	294,034	17,020	0
		Memor: Revenue-Oth Opr-Oth Non		15,263,823	15,263,823	0	15,263,823	0	282,328,478	69,154	0
		<b>Revenue - Other Operating</b>									
		Prov Rate Refund-NonAffiliated		(37,254)	(37,254)	0	(37,254)	0	0	(37,254)	0
		Prov Rate Refund - Retail		(90,307)	(90,307)	0	(90,307)	0	0	(90,307)	0
		<b>Provision for Rate Refund - Non-Affiliated</b>									
		Provision for Rate Refund - Affiliated		(127,652)	(127,652)	0	(127,652)	0	0	(127,652)	0
		<b>Provision for Rate Refund - Affiliated</b>									
		Provision for Rate Refund - Affiliated		(772,057)	(772,057)	0	(772,057)	0	0	(772,057)	0
		<b>Provision for Rate Refund</b>									
				(893,616)	(893,616)	0	(893,616)	0	0	(893,616)	0



American Electric Power

INCOME STATEMENT

GLS0016  
 YTD Aug 2016  
 06/02/2016 16:14

Account	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS0016 Actual	YTD Aug 2016	GLS0016 Actual	YTD Aug 2016	GLS0016 Actual	YTD Aug 2016	GLS0016 Actual	YTD Aug 2016
421003Z		(745)		0		(745)		0
	Pwr Purch Outside Srvc Trmity	(745)		0		(745)		0
	<b>Revenue - Power Sales</b>	<b>437,608,945</b>		<b>401,450,490</b>		<b>276,892,647</b>		<b>64,020,835</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>437,608,945</b>		<b>401,450,490</b>		<b>276,892,647</b>		<b>64,020,835</b>
	Memo: GTTD Revenue	431,097,018		400,629,614		23,102,361		7,365,044
	Memo: Other Affiliated Revenue	5,934,390		553,383		253,496,252		56,638,772
	Memo: Revenue-Oth Opr-Oth Aff	-		-		-		-
	Memo: Revenue-Oth Opr-Oth Non	578,548		267,493		294,034		17,020
	Memo: Total Operating Revenues	437,608,945		401,450,490		276,892,647		64,020,835
	Memo: Affiliated Revenue	5,934,390		553,383		253,496,252		56,638,772
	Memo: Non-Affiliated Revenue	431,674,555		400,897,107		23,396,395		7,382,064
	Memo: Total Operating Revenues	437,608,945		401,450,490		276,892,647		64,020,835
	<b>FUE EXPENSES</b>							
5010000	Fuel	1,805,373		12		74,064,872		7
5010001	Fuel Consumed	64,563,581		0		411,085		0
5010002	Fuel - Procure Unload & Handle	2,367,581		0		28,263		0
5010013	Fuel Storey Activity	381,233		0		(28,749)		0
5010019	Fuel Oil Consumed	810,768		0		410,588		0
5010020	Nat Gas Consumed Steam	7,480,294		0		820,482		0
5010027	Gypsum handling/disposal costs	255,111		0		249,733		0
5010038	Gypsum Sales Proceeds	(388,205)		0		2,505,365		0
5010034	Gas Tramp Res Free-Steam	1,528,136		0		6,446		0
5010065	Fuel Expense Total	78,794,882		12		12,363		0
	Fuel - Delivered	(4,730,160)		0		(185,584)		0
	Deferred Fuel Expense	(4,730,160)		0		3,488,806		0
	Over Under Fuel Expense					77,974,076		7
	Fuel for Electric Generation					77,974,076		7
	Fuel from Affiliates for Electric Generation					34,532,701		0
	Allow Consum Title IV SO2	74,064,882		12		28,716,433		0
	Allow Consum CSAPR SO2	(11,085)		0		83,249,134		0
	Environmental Ovt/Under O&M E	28,263		0		19,808,220		0
	Allowances - Consumption	(28,749)		0		19,821		0
	Urea Expense	(10,698)		0		(17)		0
	Trane Expense	820,482		0		(4,787)		0
	Limestone Expense	249,733		0		(3,425)		0
	Polymer Expense	2,505,365		0		0		0
	Lime Hydrate Expense	6,446		0		0		0
	Environmental Ovt/Under Consu	(195,584)		0		1,687,351		0
	Emissions Control - Chemicals	3,488,806		0		(736,989)		0
	Total Fuel for Electric Generation	77,974,085		12		730,942		0
	Memo: Non-Air Fuel/Allow/Emissions	34,532,701		0		457,578		0
	Purch Pwr-Non-Fuel Portion-Aff	28,716,433		0		(62,246)		0
	Purch Pwr-Assoct-Trmty Pwr	83,249,134		0		225,719		0
	Purch Pwr-Fuel Portion-Aff	19,808,220		0		(55,555)		0
	Purchased Power	7		0		153,792		0
	Purch Pwr-Non-Trading-Nonassoc	19,821		0		1,447		0
	Purch Pwr-Capacity-NA	(17)		0		2,925		0
	Gas-Conversion-Non-Plant	(4,787)		0		494,197		0
	PJM Inadvertent Mt Res-OSS	(3,425)		0		782,700		0
	PJM Inadvertent Mt Res-LSE	0		0		(1,671,547)		0
	PJM Ancillary Serv-Sync	0		0		(119,208)		0
	PJM Reserve-Charge	1,687,351		0		233,881		0
	PJM Reserve-Credit	(736,989)		0		68,071		0
	PJM Back Start-Charge	730,942		0		0		0
	PJM Regulation-Charge	457,578		0		0		0
	PJM Regulation-Credit	(62,246)		0		0		0
	PJM Spinning Reserve-Charge	225,719		0		0		0
	PJM Spinning Reserve-Credit	(55,555)		0		0		0
	PJM Slow Start Reserve-Charge LSE	153,792		0		0		0
	PJM Purchases non ECR Auction	1,447		0		0		0
	Capacity Purchases-Auction	2,925		0		0		0
	PJM OpRes-LSE-Charge	505,634		0		0		0
	PJM Inpdct Congestion-LSE	782,700		0		0		0
	PJM FIR Revenue-LSE	(1,671,547)		0		0		0
	PJM OpRes-LSE-Credit	(119,208)		0		0		0
	Purchase Power-PPA Delivered	233,881		0		0		0
	KY Env Sur - Purchase Power	68,071		0		0		0

American Electric Power

INCOME STATEMENT

GLS0016 YTD Aug 2016 08/02/2016 10:14	GLS0016 Actual	Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission	YTD Aug 2016		YTD Aug 2016	
						Actual	110	Actual	117
<p>Layout: GLS0016                  Account: GL_ACCT_SEC Business Units: SEGMENT_CONS</p>									
5500143		2,698,175	0	2,698,175	0				
5500326		5,543,362	0	5,543,362	0				
5500327		(1,088,385)	0	(1,088,385)	0				
		24,977,254	-	24,985,817	11,437				
		-	-	-	-				
		92,226,388	281,478,863	92,214,981	11,437				
		287,408,483	119,871,816	106,703,621	64,008,391				
<b>GROSS MARGIN</b>									
<b>OPERATING EXPENSES</b>									
5000000		2,067,010	11,587	2,050,568	4,755				
5000001		33,896	0	33,896	0				
5020000		836,287	0	836,287	0				
5050000		168,251	0	168,251	0				
5060000		5,011,096	805	5,009,790	503				
5060002		31,252	0	31,252	0				
5060003		430	(8)	444	(8)				
5060012		(671,117)	0	(671,117)	0				
5080013		222,678	0	222,678	0				
		7,699,763	12,484	7,682,027	5,262				
5560000		-	-	-	-				
5570000		292,784	0	292,784	0				
5570007		1,003,009	0	1,003,009	0				
5570008		51,948	0	51,948	0				
5570009		6	0	6	0				
5737001		88,633	0	88,633	0				
		590,412	0	590,412	0				
		2,028,793	51,955	1,974,838	0				
		817,485	2,525	5,302	808,858				
5600000		5,629	0	5,629	0				
5610000		555,646	115	258	555,272				
5610000		97,992	0	97,992	0				
5610001		677,497	0	677,497	0				
5615000		62,845	2,591	6,128	54,124				
5616000		24,778	0	24,778	0				
5620001		182,348	0	182,348	0				
5620002		73,719	0	73,719	0				
5650007		84,130	0	84,130	0				
5650012		0	22,062,578	0	0				
5650016		3,809,373	0	3,809,373	0				
5650019		9,854,999	0	9,854,999	0				
5650020		2,085,434	0	2,085,434	0				
5660000		1,282,563	0	1,282,563	0				
5660004		810,388	5,171	12,162	892,055				
5660008		10	2	6	1				
5670002		1	0	0	1				
		20,670,942	22,973,983	18,123,003	312,588				
		518,178	276,645	28,791	12,743				
		2,328	1,844	0	486				
		89,454	89,454	0	1,957				
		474,139	473,733	0	405				
		77,803	77,803	0	0				
		112,231	112,231	0	0				
		503,739	502,674	681	384				
		105,757	105,757	0	0				
		2,469,802	2,429,013	26,259	14,530				
		1,090,459	1,090,459	0	0				
		42,596	42,596	0	0				
		5,285,446	5,202,208	55,732	30,505				
		140,552	140,494	48	12				
		(6,237)	(7,068)	626	205				
		237,976	237,976	0	0				
		35,133	35,133	0	0				
		210,006	207,116	373	2,516				
		1,588,711	1,567,079	1,348	284				

**INCOME STATEMENT**

American Electric Power  
 GLS8016  
 YTD Aug 2016  
 08/02/2016 16:14

Account	Kentucky Power Int Contact		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Aug 2016 Actual	110 Actual	YTD Aug 2016 Actual	117 Actual	YTD Aug 2016 Actual	180 Actual	YTD Aug 2016 Actual
9200000	Manual Billing	14,737	14,220	0	0	0	517	
9200001	Postage - Customer Bkls	470,259	470,259	0	0	0	0	
9200002	Cashiering	85,765	84,124	0	1,258	0	382	
9200003	Collection Agents Fees & Exp	40,271	40,271	0	0	0	0	
9200004	Credit & Dth Collection Activ	642,435	642,435	0	0	0	0	
9200005	Collectors	193,672	193,672	0	0	0	0	
9200006	Data Processing	114,455	114,455	0	0	0	0	
9200007	Unpaid Accts - Misc Receivable	(110,861)	(110,861)	0	30	0	1	
9200008	Misc Customer Accounts Exp	12,080	12,080	0	0	0	0	
9200009	Supervision - Customer Service	66,843	66,843	0	0	0	0	
9200010	Supervision - DSM	74	76	0	(1)	0	(0)	
9200011	Customer Assistance Expenses	551,813	551,724	0	67	0	21	
9200012	Cust Assistance Exp - DSM - Ind	(2)	(3)	0	1	0	1	
9200013	Cust Assistance Expense - DSM	3,283,320	3,283,296	0	19	0	6	
9200014	Information & Instruct Advts	31,403	16,322	0	11,859	0	3,121	
9200015	Misc Cust Svcs/Informational Ex	38,694	21,725	0	12,202	0	2,767	
9200016	Misc Cust Svcs & Info Exp - RCS	79	19	0	49	0	11	
9200017	Customer Service and Information Op Exp	7,820,177	7,682,355	0	27,877	0	9,845	
9200018	Supervision - Comm & Int	23	23	0	0	0	0	
9200019	Democratizing & Selling Exp	21,667	21,667	0	0	0	0	
9200020	Advertising Exp - Residential	3,634	3,442	0	190	0	1	
9200021	Advertising Exp-Mktg Research	25,000	25,000	0	0	0	0	
9200022	Sales Expenses	60,324	60,133	0	190	0	0	
9200023	Administrative & Gen Salaries	3,009,087	3,009,087	0	915,060	0	174,977	
9200024	Off Supt & Exp - Nonseasonal	412,384	238,136	0	2,568,921	0	919,425	
9200025	Cellular Phones and Pagers	(508,171)	(508,171)	0	0	0	(0)	
9200026	Administrative Exp Travel - Cr	(408,873)	(408,873)	0	0	0	0	
9200027	Admin Exp Travel to Construction	(12)	(12)	0	0	0	0	
9200028	Admin Exp Travel to ABD	1,255,681	418,158	0	613,010	0	224,512	
9200029	Outside Svcs Emp - Nonseason	(301)	9,258	0	(21,440)	0	0	
9200030	AEPSC Billed to Client Co	487,417	119,459	0	264,430	0	103,527	
9200031	Property Insurance	917,331	546,674	0	351,494	0	18,162	
9200032	Injuries and Damages	2,432	2,432	0	0	0	0	
9200033	Safety Drains and Aerials	4,985	3,641	0	1,328	0	26	
9200034	Emp Accident Payroll-Admin Exp	473,808	352,729	0	68,605	0	52,474	
9200035	Wholes Computer Payroll Ins Pw	248,245	6,141	0	242,069	0	35	
9200036	Practical Inj/med/Prop Damage-Pw	(125,141)	(112,025)	0	(12,858)	0	(247)	
9200037	Fig Ben Loading - Workers Comp	12,475	2,389	0	10,085	0	0	
9200038	Employee Payments & Benefits	13,969	4,748	0	6,524	0	2,631	
9200039	Ed & Print Empl Pw-Salaries	21,572	9,882	0	11,280	0	310	
9200040	Pension & Group Ins Admin	1,627,864	1,066,777	0	491,746	0	69,341	
9200041	Pension Plan	88,763	53,904	0	44,146	0	712	
9200042	Group Life Insurance Premiums	3,188,336	1,915,984	0	1,259,768	0	12,585	
9200043	Group Medical Ins Premiums	85,011	55,910	0	34,819	0	4,282	
9200044	Group L-T Disability Ins Premium	146,819	87,828	0	58,066	0	927	
9200045	Group Dental Insurance Premium	1,153	398	0	680	0	76	
9200046	Training Administration Exp	1,525	966	0	465	0	62	
9200047	Employee Activities	5,095	0	0	4,526	0	569	
9200048	Educational Assistance Funds	(1,702,710)	(885,028)	0	(665,041)	0	(142,641)	
9200049	Professional Benefits - OPEB	1,100,254	613,001	0	485,539	0	1,713	
9200050	Savings Plan Contributions	3,059	3,059	0	0	0	0	
9200051	Supplemental Pension	(321,567)	842	0	(322,666)	0	157	
9200052	SFAS 112 Postemployment Benefit	(637,117)	942	0	(108,919)	0	(819)	
9200053	Fig Ben Loading - Pension	(1,265,232)	(968,857)	0	(294,959)	0	(1,338)	
9200054	Fig Ben Loading - Cap Ins	(365,769)	(269,966)	0	(95,425)	0	(377)	
9200055	Fig Ben Loading - Savings	500,389	391,335	0	108,451	0	603	
9200056	Fig Ben Loading - OPEB	(259,213)	(190,862)	0	(68,207)	0	(24)	
9200057	Interest/Ingr/Office - Don't Use	(89,571)	(93,939)	0	4,473	0	(205)	
9200058	Fig Ben Loading - Accrual	144,413	66,387	0	47,471	0	10,555	
9200059	Accrued-Paid Retirement Benefit	52,823	92,823	0	0	0	0	
9200060	Franchise Requirements	(16)	(5)	0	(7)	0	(4)	
9200061	Regulatory Commission Exp	188	6	0	13	0	176	
9200062	Regulatory Commission Exp-Admin	45,134	6,694	0	33,531	0	4,909	
9200063	Regulatory Commission Exp-Cash	290	290	0	0	0	0	
9200064	General Advertising Expenses	22,492	7,801	0	12,061	0	2,770	
9200065	Newspaper Advertising Space	391	93	0	243	0	56	

American Electric Power

INCOME STATEMENT

GLS#016 YTD Aug 2016 08/02/2016 15:14	Layout: GLS#016 Account: GL_Acct_Sec Business Units: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS#016 Actual	YTD Aug 2016 Actual	GLS#016 Actual	YTD Aug 2016 Actual	GLS#016 Actual	YTD Aug 2016 Actual	GLS#016 Actual	YTD Aug 2016 Actual
8301012	Public Opinion Surveys	34,539	34,525	0	0	0	0	0	0
8301015	Other Corporate Comm Exp	16,120	7,313	0	0	0	0	0	0
8302000	Misc General Expense	150,231	40,848	0	0	0	0	0	0
8302003	Corporate & Field Expenses	6,221	3,783	0	0	0	0	0	0
8302004	Research, Develop/Demonstr Exp	90	50	0	0	0	0	0	0
8302458	AEFSC Non Allocated Expense	0	0	0	0	0	0	0	0
8310001	Rents - Real Property	78,378	78,378	0	0	0	0	0	0
8310002	Rents - Personal Property	180,727	127,468	0	0	0	0	0	0
4111025	Administration & General	11,739,844	5,003,438	0	0	0	0	0	0
4111025	Accretion Expense	460,442	460,442	0	0	0	0	0	0
4116000	Accretion	460,442	460,442	0	0	0	0	0	0
4116000	Gain From Disposition of Plant	(3,466)	(3,466)	0	0	0	0	0	0
8302008	Loss/(Gain) on Utility Plant	(3,466)	(3,466)	0	0	0	0	0	0
8302007	Asset Bar Dev - Materials Sold	16,902	16,902	0	0	0	0	0	0
8302007	Asset Business Development Exp	60,460	41,810	0	0	0	0	0	0
8302007	Asset Business Development Exp	77,382	59,713	0	0	0	0	0	0
4255004	Associated Business Development Expenses	0	0	0	0	0	0	0	0
4255007	Loss on Disposition of Property	0	0	0	0	0	0	0	0
4255010	Loss/(Gain) of Sale of Property	0	0	0	0	0	0	0	0
4255001	Operation Exp - Nonassociated	724,166	724,166	0	0	0	0	0	0
4255008	Factored Coal A/R Exp - A/R	1,157,658	1,157,658	0	0	0	0	0	0
4255010	Fact Coal A/R-Bid Deba-A/R	1,881,824	1,881,824	0	0	0	0	0	0
4255004	Water Heaters	49,666	19,739	0	0	0	0	0	0
4255007	Social & Service Club Dues	8,732	2,141	0	0	0	0	0	0
4210008	Regulatory Expenses	66,398	21,880	0	0	0	0	0	0
4210008	Expense of Non-Utility Operation	3,242	1,764	0	0	0	0	0	0
4281000	Misc Non-Op Exp - NonAssoc	422,774	380,085	0	0	0	0	0	0
4281000	Donations	422,774	380,085	0	0	0	0	0	0
4281001	Donation Contributions	900	78	0	0	0	0	0	0
4281000	Penalties	900	78	0	0	0	0	0	0
4281000	Provision for Penalties	328,705	87,057	0	0	0	0	0	0
4281000	Civic & Political Activities	328,705	87,057	0	0	0	0	0	0
4281002	Civic & Political Activities	71,500	41,413	0	0	0	0	0	0
4281002	Other Deductions - NonAssoc	71,500	41,413	0	0	0	0	0	0
5100000	Other Deductions	2,787,343	2,414,102	0	0	0	0	0	0
5100000	Shutdown Coal Company Expenses	66,447,770	43,345,905	0	0	0	0	0	0
5100000	All Other Operational Expenses	1,576,864	315	0	0	0	0	0	0
5100000	Maint Supp & Engineering	1,458,883	315	0	0	0	0	0	0
5100000	Maintenance of Structures	9,088,354	0	0	0	0	0	0	0
5100000	Maintenance of Boiler, Paint	1	0	0	0	0	0	0	0
5100000	Maint of Bit Pit Environmental	(85,280)	0	0	0	0	0	0	0
5100000	BSRR OAU Recovery-Maint Costs	(1,736,413)	0	0	0	0	0	0	0
5100000	BSYOR OAU Recovery-Maint Costs	3,137,810	0	0	0	0	0	0	0
5100000	Maintenance of Electric Plant	1,086,585	(523)	0	0	0	0	0	0
5100000	Maintenance of Misc Steam Pt	14,814,816	(208)	0	0	0	0	0	0
5680000	Steam Generation Maintenance	20,736	69	0	0	0	0	0	0
5690000	Nuclear Generation Maintenance	8,943	0	0	0	0	0	0	0
5690000	Hydro Generation Maintenance	1,001	30	0	0	0	0	0	0
5690000	Other Generation Maintenance	78,341	5,546	0	0	0	0	0	0
5700000	Maint of Station Equipment	4,249	0	0	0	0	0	0	0
5700000	Maint of Station Equipment	338,288	1,066	0	0	0	0	0	0
5700000	Maintenance of Overhead Lines	1,365,722	80	0	0	0	0	0	0
5700000	Maint of Underground Lines	267	0	0	0	0	0	0	0
5700000	Maint of Misc Transmission Pt	197,981	37	0	0	0	0	0	0
5700000	Transmission Maintenance	2,016,838	6,829	0	0	0	0	0	0
5900000	Maint Supp & Engineering	1,552	1,471	0	0	0	0	0	0
5910000	Maintenance of Structures	17,964	7,546	0	0	0	0	0	0
5920000	Maint of Station Equipment	326,781	319,891	0	0	0	0	0	0
5930000	Maintenance of Overhead Lines	25,116,778	25,116,778	0	0	0	0	0	0
5930001	Tree and Brush Control	424,501	424,501	0	0	0	0	0	0

American Electric Power

INCOME STATEMENT

GLS8016  
 YTD Aug 2016  
 08/05/2016 18:14

Account: GL ACCT_SEC	Business Units: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Aug 2016 Actual	GLS8016 Actual	YTD Aug 2016 Actual	GLS8016 Actual	YTD Aug 2016 Actual	GLS8016 Actual	YTD Aug 2016 Actual
5900010	Storm Expense Amortization		1,619,467		1,619,467		0		0
5940000	Maint of Underground Lines		63,616		63,616		0		0
5950000	Maint of Live Line Right-of-Way		29,817		29,817		0		0
5960000	Maint of Str Lighting & Sign S		32,361		32,361		0		1
5970000	Maintenance of Motors		50,041		48,152		0		1,889
5980000	Maint of Misc Distribution PK		36,177		38,699		0		478
9300001	<b>Distribution Maintenance</b>		<b>27,736,881</b>		<b>27,702,099</b>		<b>115</b>		<b>34,868</b>
9300002	Maint of Structures - Owned		217,993		217,993		17		549
9300002	Maint of Structures - Leased		38,973		38,973		0		0
9300012	Maint of Other Equipment		104,196		73,959		30,208		0
9300013	Maint of Communication Equip		757,974		704,314		53,660		0
9300015	Maint of Office Furniture & Eq		344,821		177,215		167,606		0
9300018	Maintenance of Video Equipment		62		62		0		0
9300019	Maint of Gen Plant-SCADA Eqp		169		169		0		0
9300024	Maint of O&M Comm Equip		9,512		9,512		32		17
			<b>1,714,347</b>		<b>1,222,257</b>		<b>251,624</b>		<b>687</b>
	<b>Administration &amp; General Maintenance</b>								
	<b>All Other Maintenance Expenses</b>		<b>45,742,582</b>		<b>28,930,877</b>		<b>14,769,171</b>		<b>2,042,434</b>
	<b>Maintenance Expenses</b>		<b>104,190,352</b>		<b>72,276,882</b>		<b>48,774,843</b>		<b>6,414,591</b>
	<b>Total Operational and Maintenance Expenses</b>								
4040001	Amount of Plant		1,751,870		1,003,485		325,204		423,181
4050001	Amount of Pr Acq Acq		25,744		0		0		25,744
4070000	<b>DDA Amortization</b>		<b>1,777,614</b>		<b>1,003,485</b>		<b>325,204</b>		<b>448,925</b>
4070014	Regulatory Debit - BSRR		91,495		0		0		91,495
4080001	DDA Regulatory Debits		1,557,829		0		1,557,829		0
4080034	DDA Regulatory Credits		1,649,324		-		1,649,324		0
4080001	<b>Amortization</b>		<b>3,426,938</b>		<b>1,003,485</b>		<b>1,883,033</b>		<b>540,420</b>
4080001	Depreciation Exp		52,764,037		18,867,134		23,896,782		10,088,111
4080001	DDA Depreciation		52,764,037		18,867,134		23,896,782		10,088,111
4080001	DDA STP Nuclear Decommissioning		151,372		0		151,372		0
4080001	DDA Asset Retirement Oblig		181,372		0		181,372		0
4080001	DDA Asset Retirement Obligation		181,372		0		181,372		0
4080001	<b>DDA Removal Costs</b>		<b>332,744</b>		<b>0</b>		<b>332,744</b>		<b>0</b>
4080001	<b>Depreciation and Amortization</b>		<b>53,915,410</b>		<b>18,867,134</b>		<b>25,980,164</b>		<b>10,088,111</b>
4080001	Franchise Taxes		18,487		0		(8,487)		0
4080001	State Gross Receipts Tax		23,533		0		23,533		0
4080001	Revenue-AMWhr Taxes		16,048		16,048		0		0
4080001	FICA		2,048,378		1,134,896		910,071		3,411
4080001	Federal Unemployment Tax		8,128		6,641		2,455		32
4080001	Fringe Benefits Loading - FICA		40,578		23,435		17,041		103
4080001	Fringe Benefits Loading - FUTA		(695,313)		(490,846)		(173,787)		(702)
4080001	Fringe Benefits Loading - SUTA		(4,514)		(3,399)		(1,114)		(1)
4080001	Payroll Taxes		1,413,949		(8,813)		(4,490)		(6)
4080001	State Business Occup Taxes		2,641,740		660,914		760,197		2,837
4080001	Capacity Taxes		2,641,740		0		2,641,740		0
4080001	Real Personal Property Taxes		979,058		(155,004)		1,227,364		(93,302)
4080001	Real Personal Property Taxes		8,766,753		5,100,258		800,809		2,865,688
4080001	Real-Pers Prop Tax-Cap Levies		190,254		154,867		6,845		28,751
4080001	Real-Pers Prop Tax-Cap Levies		161,638		126,054		8,899		26,576
4080001	Real Pers Prop Tax-Cap Levies		17,000		17,000		0		0
4080001	Real Personal Property Taxes		1,736		1,736		0		0
4080001	State Public Serv Comm Tax-Fees		10,125,088		5,244,919		2,043,817		2,836,353
4080001	State Public Serv Comm Tax-Fees		566,102		566,102		0		0
4080001	State Public Serv Comm Tax-Fees		187,800		187,800		0		0
4080001	Regulatory Fees		753,901		753,901		0		0
4080001	Federal Excise Taxes		900		0		900		0
4080001	Federal Excise Taxes		3,580		0		3,580		0
4080001	Production Taxes		4,480		0		4,480		0
4080001	State Lic-Regulation Tax-Fees		132		132		0		0
4080001	State Sales and Use Taxes		791		791		0		0
4080001	State Sales and Use Taxes		6,319		6,319		0		0
4080001	Municipal License Fees		620		620		0		0
4080001	Miscellaneous Taxes		7,892		7,892		0		0
4080001	Other Non-income Taxes		12,341		7,862		4,480		0

American Electric Power

INCOME STATEMENT

GLS8016 YTD Aug 2016 09/09/2016 15:14	Account: GL ACCT SEC Business Units - SEGMENT - COIS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Aug 2016	110 Actual	YTD Aug 2016	117 Actual	YTD Aug 2016	180 Actual	YTD Aug 2016
		14,962,066	6,567,697		5,455,280		2,839,190		
	Taxes Other Than Income Taxes	175,484,768	88,815,097		80,072,621		19,862,312		
	<b>TOTAL OPERATING EXPENSES</b>	345,695,248	360,293,973		260,261,647		19,869,767		
	MEMO: SEC Total Operating Expenses								
	<b>OPERATING INCOME</b>	81,914,697	21,158,518		26,631,100		44,127,079		
<b>NON-OPERATING INCOME / (EXPENSES)</b>									
419002Z	Int & Dividend Inc - Non Assoc	5,632	9,494		(3,149)		(513)		
419005E	Interest & Dividend NonAffiliated	9,332	9,484		(3,149)		(613)		
	Interest Income - Assoc CBP	7,723	(15,059)		(45,649)		68,471		
	Interest & Dividend Affiliated	7,723	(15,059)		(45,649)		68,471		
4210039	Total Interest & Dividend Income	13,664	(5,575)		(48,799)		67,958		
	Carrying Charges	(629,684)	1,321		(655,799)		25,784		
	Interest & Dividend Carrying Charge	(628,684)	1,321		(656,799)		25,794		
4191000	MEMO: Total Interest & Dividend Income w/ Carrying	(615,130)	(4,255)		(704,598)		93,752		
	Allow On Firm Used Dng Clear	692,861	147,967		462,968		81,827		
	AFUDC	692,861	147,967		462,968		81,827		
	Gain on Disposition of Equity Investments								
4270002	Interest LTD FMB								
	Int on LTD - Ideal Pur Contr	129,503							
	Interest LTD IPC	129,503							
4270005	Interest LTD Notes Payable - Affiliated								
	Interest LTD Notes Payable - NonAffiliated								
4300003	Interest LTD Debentures								
	Int on LTD - Sen Unsec Notes	28,319,138	8,359,420		13,692,844		6,066,773		
	Interest LTD Senior Unsecured	28,319,138	8,359,420		13,692,844		6,066,773		
4270005	Interest LTD Other - Affil								
	Int on LTD - Other LTD	1,074,632	317,269		527,094		230,249		
	Interest LTD Other - NonAffil	1,074,632	317,269		527,094		230,249		
4300003	Interest on Long-Term Debt								
	Int to Assoc Co - CBP	29,623,272	8,606,212		14,620,938		6,297,023		
	Interest STD - Affil	65,090	320,051		320,051		(382,461)		
	Interest STD - NonAffil	66,090	320,051		320,051		(382,461)		
4290002	Amort of Debt Disc. Prem & Exp	760,892	159,616		575,394		25,891		
4290005	Amort Loss on Recquired Debt	760,892	159,616		575,394		25,891		
4291004	Amort Gain on Recquired Debt	826,983	297,117		895,445		26,881		
	Other Interest - Fuel Recovery	21,311	0		21,311		0		
4310001	Interest on Short Term Debt	80,591	28,151		43,462		18,978		
4290003	Amort of Debt Disc. Prem & Exp	373,448	110,237		183,209		80,003		
4290005	Amort Loss on Recquired Debt	483,361	136,388		247,981		99,862		
4291004	Amort Gain on Recquired Debt	22,434	6,622		11,006		4,809		
4310002	Other Interest - Fuel Recovery	22,434	6,622		11,006		4,809		
4310002	Interest on Customer Deposits	38,736	0		33,178		6,557		
4310023	Interest Expense - State Tax	65,270	85,270		(84,401)		0		
	Other Interest - NonAffil	(81,354)	2,749		(81,354)		298		
	Other Interest Expense - Affil	23,662	69,019		(61,222)		5,566		
420000	AFUDC-Borrowed Funds								
	Int Rate Hedge Unrealized (Gain)/Loss	(497,985)	(108,705)		(327,918)		(61,362)		
	AFUDC-Borrowed Funds	(497,985)	(108,705)		(327,918)		(61,362)		
	Total Interest Charges	30,380,727	9,205,652		15,195,330		5,979,725		
	<b>INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS</b>	61,611,722	12,094,649		11,194,140		38,323,033		
<b>INCOME TAXES AND EQUITY EARNINGS</b>									
4091001	Income Taxes, UOI - Federal	1,042,897	(3,547,434)		(4,347,295)		8,937,726		
4092001	Inc Tax - Other Fed-Federal	(89,649)	(151,152)		53,798		7,705		
4101001	Federal Current Income Tax	953,348	(3,698,586)		(4,293,497)		8,945,431		
4102001	Prov Del UT On Inc-Paid	58,373,593	7,705,761		47,91,238		2,876,564		
4102001	Prov Del UT On Inc-160 - Federal	2,160,775	0		2,157,638		2,937		
4112001	Prov Del UT-Cr On Inc-Fed	(37,536,814)	(4,740,658)		(32,131,473)		(664,683)		
4112001	Prov Del UT-Cr On Inc-Fed	(2,236,220)	(2,236,220)		(2,236,220)		0		
4114001	Federal Deferred Income Tax	20,761,334	2,965,103		16,581,383		2,214,848		
	ITC Adj. Usay Oper - Fed	(1,752)	(768)		(808)		(176)		
	Federal Investment Tax Credits	(1,752)	(768)		(808)		(176)		
408100219	Income Taxes UOI - State	21,712,930	(734,281)		11,287,078		11,160,102		
	Income Taxes UOI - State	(941,224)	54,448		(2,936,230)		1,940,558		

American Electric Power

INCOME STATEMENT

GLS8016  
 YTD Aug 2016  
 08/08/2016 15:14

		Layout: GLS8016		Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
Account: EL_ACCT_SEC Business Unit: SEGMENT_CONS		YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016
		GLS8016 Actual	110 Actual	117 Actual	180 Actual						
409200216	Inc Tax On Inc Def - State	(15,245)	(25,703)								1,310
4101002	State Current Income Tax	(866,489)	28,745	(2,927,082)	9,148						1,941,869
4111002	Prov Def (UT) Op Inc-State	5,106,820	4,844,539	282,081							0
	Prv Def (FC) Util/Inc-State	(5,913,380)	0	(5,913,380)							0
	State Deferred Income Tax	(806,760)	4,844,539	(5,651,299)							
	State Investment Tax Credits	(1,763,229)	4,873,284	(9,578,361)							
	Local Current Income Tax										
	Local Deferred Income Tax										
	Local Investment Tax Credits										
	Local Income Taxes										
	Foreign Current Income Tax										
	Foreign Deferred Income Tax										
	Foreign Investment Tax Credits										
	Foreign Income Taxes										
	Total Income Taxes	19,949,701	4,139,033	2,708,687							13,101,871
	Equity Earnings of Subs	41,862,021	7,955,516	8,485,443							26,221,052
	<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>										
	Discontinued Operations (Net of Taxes)										
	Cumulative Effect of Accounting Changes										
	Extraordinary Income / (Expenses)										
	<b>NET INCOME</b>	41,862,021	7,955,516	8,485,443							26,221,052
	Minority Interest										
	Preferred Stock Dividend Subs										
	Earnings to Common Shareholders	41,862,021	7,955,516	8,485,443							26,221,052
	<b>NET INCOME (LOSS) NODE before PS</b>	41,862,021	7,955,516	8,485,443							26,221,052
	Double Check on Net Income Node after PS										

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Aug 2016  
09/12/2016 13:27

09B V2016-08-  
Layer : GLS8216  
Account: GL\_ACCT\_SEC Business Unit SEGMENT\_CONS

	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	Kentucky Power Company - 180
<b>ASSETS</b>					
Cash and Cash Equivalents	641,977	641,977	0	0	0
Other Cash Deposits	10,849	5,786	5,063	0	0
Customers	9,337,018	5,979,478	2,730,702	626,838	626,838
Accrued Unbilled Revenues	10,170,900	10,170,900	0	0	0
Miscellaneous Accounts Receivable	28,721,738	4,798,070	75,822,786	9,165,195	9,165,195
Allowances for Uncollectible Accounts	(94,312)	(85,738)	0	0	(8,574)
Accounts Receivable	48,136,345	20,862,710	78,553,488	9,783,459	9,783,459
Advances to Affiliates	0	0	0	0	0
Fuel, Materials and Supplies	47,209,231	2,132,876	44,863,915	412,440	412,440
Risk Management Contracts - Current	755,603	0	755,603	0	0
Margin Deposits	841,400	27,562	813,838	0	0
Unrecovered Fuel - Current	2,943,087	0	2,944,338	0	0
Other Current Regulatory Assets	0	0	0	0	0
Prepayments and Other Current Assets	3,026,144	2,100,968	827,557	97,618	97,618
<b>TOTAL CURRENT ASSETS</b>	<b>103,563,635</b>	<b>25,771,880</b>	<b>128,563,801</b>	<b>10,293,517</b>	<b>10,293,517</b>
Electric Production	1,179,802,132	821,947,873	1,196,665,357	670,569,114	670,569,114
Electric Transmission	574,244,981	0	0	0	0
Electric Distribution	774,250,309	0	0	0	0
General Property, Plant and Equipment	63,727,174	189,571	1,461,903	1,160,479	1,160,479
Construction Work-in-Progress	18,709,420	9,395,908	2,763,838	6,549,874	6,549,874
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,610,733,717</b>	<b>831,543,352</b>	<b>1,200,880,898</b>	<b>578,299,487</b>	<b>578,299,487</b>
less: Accumulated Depreciation and Amortization	(867,560,611)	(264,376,280)	(414,298,672)	(188,886,679)	(188,886,679)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,743,173,106</b>	<b>567,167,072</b>	<b>786,582,226</b>	<b>389,412,788</b>	<b>389,412,788</b>
Net Regulatory Assets	536,213,917	117,186,904	361,233,425	57,793,688	57,793,688
Securitized Transition Assets and Other	0	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0	0
Goodwill	0	0	0	0	0
Long-Term Risk Management Assets	77,555	2,506	75,049	0	0
Employee Benefits and Pension Assets	8,146,283	3,308,372	4,807,804	229,487	229,487
Other Non Current Assets	7,707,782	3,261,805	2,995,480	1,450,517	1,450,517
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>862,145,617</b>	<b>123,760,087</b>	<b>368,911,738</b>	<b>59,473,692</b>	<b>59,473,692</b>
<b>TOTAL ASSETS</b>	<b>2,398,882,259</b>	<b>716,700,059</b>	<b>1,284,067,766</b>	<b>458,179,997</b>	<b>458,179,997</b>
<b>LIABILITIES</b>					
Accounts Payable	88,309,384	69,694,616	57,150,343	4,626,737	4,626,737
Advances from Affiliates	1,720,423	5,697,874	85,387,483	(89,344,934)	(89,344,934)
Short-Term Debt	0	0	0	0	0
Other Current Regulatory Liabilities	0	0	65,000,000	0	0
Long-Term Debt Due Within One Year - Non-Affiliated	65,000,000	0	0	0	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0	0
Risk Management Liabilities	1,609,364	26,792	1,582,572	0	0
Accrued Taxes	6,985,093	9,007,932	(16,262,656)	14,239,817	14,239,817
Memo: Property Taxes	15,546,193	8,680,035	2,043,825	4,822,333	4,822,333
Accrued Interest	15,009,075	4,509,331	7,283,847	3,216,897	3,216,897
Risk Management Collateral	98,290	0	98,290	0	0
Utility Customer Deposits	26,595,770	26,345,770	250,000	0	0
Deposits - Customer and Collateral	26,694,060	26,345,770	348,290	0	0
Over-Recovered Fuel Costs - Current	0	0	1,251	0	0
Dividends Declared	0	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0	0
Obligations under Capital Leases - Current	961,430	473,611	463,584	24,235	24,235
Tax Collections Payable	2,315,328	2,235,719	79,485	125	125
Revenue Refunds - Accrued	1,513,135	0	265,977	1,247,157	1,247,157
Accrued Rents - Rockport	0	0	0	0	0
Accrued - Payroll	2,123,941	922,336	1,198,605	3,000	3,000
Accrued Rents	393	393	0	0	0



AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GL58216  
 YTD Aug 2016  
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Account	Kentucky Power Int Consol GL58216		Kentucky Power Company - 110		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016	YTD Aug 2016
09B V2016-08-	Layout : GL58216 Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS							
2300002	Accrued ICP	2,766,284	1,280,021	1,485,055	3,208			
2420081	Accrued Vacations	4,844,232	2,226,591	2,610,488	7,163			
2420088	Misc Employee Benefits	1,046,390	364,242	654,259	27,849			
2420512	Payroll Deductions	149,807	72,871	76,845	91			
2420542	Severance / SEI	940,049	0	940,049	0			
242059216	Accrued Workers Compensation	235,258	64,918	161,285	9,055			
2420643	Customer Advances Receipts	1,494,571	1,494,571	0	0			
2420656	Customer Advance	1,494,571	1,494,571	0	0			
2530050	Control Cash Disburse Account	718,496	718,496	0	0			
2530124	Control Cash Disbursement Account	718,496	718,496	0	0			
2530177	JMG Liability	0	0	0	0			
	ARO - Current	16,622,761	0	16,622,761	0			
	Environment Remediation Accru	(53)	0	(53)	0			
	Econ Development Fund Curt	321,328	405,976	(64,650)	0			
	Unclaimed Funds	63,024	63,024	0	0			
	Acc Cash Franchise Req	53,877	53,877	0	0			
	Sales Use Tax - Leased Equip	101	0	68	34			
	Accrued Audit Fees	73,127	22,538	36,686	13,903			
	Federal Mitigation Accru (NSR)	554,326	0	554,326	0			
	Deferred Rev - Pole Attachments	269,426	269,426	0	0			
	Contr In Aid of Constr Advance	63,870	63,870	0	0			
	Deferred Rev-Bonus Lease Curt	431,564	0	431,564	0			
	Misc Current and Accrued Liabilities	18,453,350	878,711	17,580,702	13,937			
	Current Other and Accrued Liabilities	36,603,236	10,258,859	25,032,790	1,311,586			
	Other Current Liabilities	37,584,666	10,732,470	25,496,375	1,335,821			
	<b>TOTAL CURRENT LIABILITIES</b>	<b>223,892,064</b>	<b>125,014,785</b>	<b>225,967,504</b>	<b>(66,024,662)</b>			
2440002	Long-Term Debt - Affiliated	0	0	0	0			
2440022	Long-Term Debt - Non Affiliated	802,088,947	239,356,414	389,697,222	173,035,310			
	Long-Term Debt - Premiums and Discounts Unamort	(166,726)	(49,074)	(81,072)	(35,939)			
	Memo - LTD Non-Affiliated and Premiums	801,922,222	239,306,700	389,616,150	172,999,371			
	Long-Term Risk Management Liabilities - Hedge	0	0	0	0			
	LT Unreal Losses - Non Affil	58,603	1,877	56,726	0			
	L/T Liability MTM Collateral	(283)	0	(283)	0			
	Long-Term Risk Management Liabilities - MTM	58,320	1,594	56,726	0			
	Long-Term Risk Management Liabilities	58,320	1,894	56,726	0			
	Deferred Income Taxes	689,453,474	191,354,401	336,382,657	132,716,616			
	Deferred Investment Tax Credits	2,298	972	982	335			
	Regulatory Liabilities and Deferred Credits	(28,065,913)	(24,706,611)	(1,494,612)	(1,864,289)			
	Memo - Reg Liab and Def ITC	(28,063,215)	(24,705,639)	(1,493,621)	(1,863,955)			
	Asset Retirement Obligation	82,969,060	71,017	52,898,043	0			
	Nuclear Decommissioning	0	0	0	0			
	Employee Benefits and Pension Obligations	11,654,333	10,217,136	(481,712)	1,788,909			
	Trust Preferred Securities	0	0	0	0			
	Cumulative Preferred Stocks - Mandatory Rede	0	0	0	0			
	Obligations Under Capital Leases	1,850,233	841,279	985,093	23,861			
	Def Credits - Income Tax	622,639	276,401	292,995	53,243			
	Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0			
2530114	Def Credits - NSR	1,110,644	160,912	1,110,644	0			
	Customer Advances for Construction	160,912	0	0	0			
	Def Gain on Sale/Leaseback	0	0	0	0			
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0			
	Def Gain on Disp of Utility Plant	0	0	0	0			
	IPP - System Upgrade Credits	293,380	0	0	289,380			
	Fbr Opt Lns-In Kind Sv-Dfd Gns	137,559	137,559	0	0			
	Fbr Opt Lns-Sold-Dafd Rev	67,025	0	0	67,025			
	Deferred Rev-Bonus Lease NC	719,274	0	719,274	0			
	Def Credits - Other	1,217,237	137,559	719,274	360,405			
	Total Other Deferred Credits	1,378,149	298,471	719,274	360,405			
	Accumulated Provisions - Rate Refund	0	0	0	0			
	Accumulated Provisions - Misc	349,500	0	349,500	0			
	Other Non-Current Liabilities	5,311,165	1,416,161	3,457,506	437,508			

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
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09B V2016-08-		Kentucky Power Int Consol GLS8216		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
YTD Aug 2016		YTD Aug 2016		YTD Aug 2016		YTD Aug 2016	
TOTAL NON-CURRENT LIABILITIES							
TOTAL LIABILITIES		1,503,205,359		779,455,650		306,088,350	
Cumulative Pref Stocks of Subs - Not subject Mand Redem		1,727,097,423		1,005,423,154		240,063,688	
Minority Interest - Deferred Credits		0		0		0	
<b>COMMON SHAREHOLDERS' EQUITY</b>							
Common Stock		60,450,000		10,287,803		17,768,348	
Paid in Capital		527,309,077		337,243,870		84,039,836	
Premium on Capital Stock		0		0		0	
Retained Earnings		95,622,295		(67,321,366)		117,331,150	
Accumulated Other Comprehensive Income (Loss)		(1,596,636)		(1,566,495)		(13,026)	
TOTAL SHAREHOLDERS' EQUITY		671,784,838		278,644,612		219,116,309	
Memo: Total Equity		671,784,836		278,644,612		219,116,309	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,398,882,259		1,284,067,766		459,179,997	
		(0)		0		(0)	
		out-of-balance		0		0	

Notes/Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Aug 2015  
09/10/2015 12:48

09B V2015-08-  
Account: GL\_Acct\_SEC Business Unit: SECURMENT\_CONS Layout: GLS8216

YTD Aug 2015 YTD Aug 2015 YTD Aug 2015

	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
<b>ASSETS</b>				
Cash and Cash Equivalents	846,436	0	0	0
Other Cash Deposits	0	0	0	0
Customers	14,297,463	9,047,905	4,792,145	457,413
Accrued Unbilled Revenues	3,003,779	2,492,747	511,032	0
Miscellaneous Accounts Receivable	24,890,160	3,963,349	66,125,576	9,737,164
Allowances for Uncollectible Accounts	(309,669)	(195,666)	(105,449)	(8,574)
Accounts Receivable	41,881,713	14,908,335	71,323,303	10,186,003
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	42,503,103	2,169,173	39,560,060	773,870
Risk Management Contracts - Current	4,753,025	0	4,753,025	0
Margin Deposits	1,046,183	46,972	1,001,211	0
Unrecovered Fuel - Current	419,313	0	419,313	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,666,247	2,109,995	887,381	870,871
<b>TOTAL CURRENT ASSETS</b>	<b>95,120,020</b>	<b>20,080,912</b>	<b>117,744,294</b>	<b>11,830,743</b>
Electric Production	1,157,887,647	785,554,428	1,186,642,183	557,898,249
Electric Transmission	561,152,688	0	0	0
Electric Distribution	747,056,185	0	0	0
General Property, Plant and Equipment	68,840,291	199,571	1,461,903	1,160,479
Construction Work-in-Progress	59,575,768	10,761,772	40,670,291	8,143,705
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,602,492,980</b>	<b>806,916,772</b>	<b>1,228,774,376</b>	<b>567,202,433</b>
less: Accumulated Depreciation and Amortization	(877,737,531)	(383,856,616)	(433,493,016)	(180,587,699)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,724,755,049</b>	<b>542,858,956</b>	<b>795,281,360</b>	<b>386,614,734</b>
Net Regulatory Assets	483,556,265	107,329,465	299,281,175	58,946,625
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	426,532	0	426,532	0
Employee Benefits and Pension Assets	14,279,022	5,810,066	7,902,622	566,334
Other Non Current Assets	10,370,894	3,634,461	4,779,842	1,956,591
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>488,632,713</b>	<b>116,773,992</b>	<b>312,390,172</b>	<b>59,468,550</b>
<b>TOTAL ASSETS</b>	<b>2,308,507,782</b>	<b>675,713,859</b>	<b>1,225,415,825</b>	<b>457,914,027</b>

	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
<b>LIABILITIES</b>				
Accounts Payable	72,804,211	70,523,616	53,335,973	3,480,551
Advances from Affiliates	21,018,731	(2,988,976)	113,370,907	(89,363,200)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	1,949,009	59,269	1,889,740	0
Accrued Taxes	(27,171,925)	941,938	(45,972,305)	17,856,442
Memo: Property Taxes	13,199,005	6,864,284	2,222,282	4,112,440
Accrued Interest	14,921,628	4,343,455	7,269,498	3,308,675
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,909,860	26,543,790	366,070	0
Deposits - Customer and Collateral	26,909,860	26,543,790	366,070	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	956,376	500,150	442,774	23,451
Tax Collections Payable	2,086,847	1,990,512	96,163	172
Revenue Refunds - Accrued	13,090,447	11,918,470	52,381	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,752,831	769,784	980,714	2,333
Accrued Rents	(1,027)	(1,027)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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Account	GL_Acct_SEC	Business Unit	REQUIREMENT_CODE	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
05B V2015-08-				YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
2530022				3,699,839	1,651,861	2,044,754	3,224
2420088				4,702,528	2,179,174	2,517,510	5,844
2420512				1,409,567	561,439	821,840	26,287
2420542				154,910	78,672	76,115	123
24205211				2,136,138	0	2,136,138	0
2420643				266,315	77,573	180,836	7,906
2420655				2,489,193	2,489,193	0	0
2420654				2,489,193	2,489,193	0	0
2530050				774,257	774,257	0	0
2530112				774,257	774,257	0	0
2530124				11,469,997	0	11,469,997	0
2530177				116,500	0	116,500	0
				51,813	51,813	0	0
				57,103	57,103	0	0
				131	0	97	34
				73,730	22,062	37,362	14,266
				554,326	0	554,326	0
				19,300	0	19,300	0
				318,236	318,236	0	0
				221,818	0	221,818	0
				109,388	109,388	0	0
				431,564	0	431,564	0
				13,423,504	558,422	12,850,762	14,320
				45,985,349	23,048,329	21,757,214	1,179,806
				48,951,725	23,648,480	22,189,988	1,203,257
				222,393,240	122,971,673	217,459,872	(63,512,276)
				0	0	0	0
				780,000,000	226,402,800	380,406,000	173,191,200
				(333,460)	(96,787)	(162,623)	(74,039)
				779,666,550	226,306,013	380,243,377	173,117,161
				0	0	0	0
				244,355	6,344	236,011	0
				(4,042)	(3,705)	(337)	0
				240,313	4,639	235,674	0
				240,313	4,639	235,674	0
				615,188,876	184,103,540	300,092,902	130,980,434
				12,602	4,173	6,105	2,325
				(39,475,975)	(35,140,085)	1,784,087	(6,119,647)
				(39,463,373)	(35,136,212)	1,790,162	(6,117,322)
				81,015,363	87,068	60,946,304	0
				0	0	0	0
				11,824,552	9,572,162	1,324,616	927,776
				0	0	0	0
				0	0	0	0
				2,276,026	967,592	1,260,770	47,663
				84,201	43,549	12,298	28,354
				1,110,644	0	1,110,644	0
				1,110,644	0	1,110,644	0
				163,305	163,305	0	0
				0	0	0	0
				0	0	0	0
				0	0	0	0
				263,763	145,575	0	283,763
				145,575	145,575	0	0
				80,581	0	0	80,581
				1,150,638	0	1,150,638	0
				1,660,756	145,575	1,150,838	364,343
				1,824,061	308,880	1,150,838	364,343
				0	0	0	0
				582,500	0	582,500	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
09B V2015-08-					
GLS8216					
YTD Aug 2015					
08/10/2015 12:48					
Layout: GLS8216					
Account: GL_AECT_SEC Business Unit: SEGMENT_COSTS					
	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015	YTD Aug 2015
Other Non-Current Liabilities	5,877,431	1,320,021	4,117,049	440,381	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,434,347,713</b>	<b>386,237,221</b>	<b>748,752,083</b>	<b>299,358,409</b>	
<b>TOTAL LIABILITIES</b>	<b>1,656,730,953</b>	<b>509,208,794</b>	<b>966,211,954</b>	<b>235,848,134</b>	
Cumulative Pref Stocks of Subs - Not subject Mand Reditr	0	0	0	0	0
Minority Interest - Deferred Credits	0	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	50,450,000	22,404,049	10,287,603	17,768,348	
Paid In Capital	517,459,463	106,025,371	327,394,246	84,039,836	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	85,956,149	42,110,721	(76,451,113)	120,296,542	
Accumulated Other Comprehensive Income (Loss)	(2,088,773)	(35,076)	(2,026,865)	(26,833)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>651,776,829</b>	<b>170,505,066</b>	<b>259,203,871</b>	<b>222,067,893</b>	
Memo: Total Equity	651,776,829	170,505,066	259,203,871	222,067,893	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,308,507,782</b>	<b>679,713,859</b>	<b>1,225,416,826</b>	<b>467,914,027</b>	
out-of-balance	(0)	0	0	0	(0)

Reserved Section

KENTUCKY POWER COMPANY  
 DETAIL OF ELECTRIC UTILITY PROPERTY  
 YEAR TO DATE - August, 2016

GLR7210V 09/12/16 11:26

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,124,272,407.54	77,184,325.64	(14,378,046.79)	0.00	0.00	1,187,078,686.39
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>77,184,325.64</b>	<b>(14,378,046.79)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,187,078,686.39</b>
101/106 TRANSMISSION	564,356,984.53	6,681,171.62	(910,896.77)	0.00	0.00	570,127,259.38
101/106 DISTRIBUTION	798,264,586.59	28,790,772.48	(6,278,435.63)	0.00	0.00	818,776,923.44
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>110,656,269.74</b>	<b>(21,567,379.19)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,575,982,869.21</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	210,442.76	0.00	5,468,874.25
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>110,656,269.74</b>	<b>(21,567,379.19)</b>	<b>210,442.76</b>	<b>0.00</b>	<b>2,581,451,743.46</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		67,765,875.24				
107000X TRANSFERS		(108,407,231.22)				
107000X END BAL.		(40,641,555.98)				18,709,420.07
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>70,014,713.76</b>	<b>(21,567,379.19)</b>	<b>210,442.76</b>	<b>0.00</b>	<b>2,607,911,764.49</b>

**NONUTILITY PLANT**

1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52

GLR7410V	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/SALV COST	TRANSFER/ADJUSTMENTS	ENDING BALANCE
<b>UTILITY PLANT</b>						
NUCLEAR						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
					0.00	
TOTAL NUCLEAR						
1080001/11 PRODUCTION	403,108,517.50	23,532,664.13	(14,378,046.79)	(2,233,225.49)	0.00	410,029,908.35
1080001/11 TRANSMISSION	176,427,961.28	10,088,111.32	(910,896.77)	(75,817.02)	0.00	185,529,358.81
1080001/11 DISTRIBUTION	222,789,410.10	18,870,888.89	(6,275,973.26)	(2,186,059.37)	0.00	233,198,266.34
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(176,789.98)	(2,135,044.68)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(6,419.41)	(51,791.56)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(2,909,940.33)	4,495,601.88	(505,243.30)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>52,491,664.34</b>	<b>(21,564,916.84)</b>	<b>(7,405,042.21)</b>	<b>4,312,392.49</b>	<b>826,065,454.97</b>
NUCLEAR						
1110001 PRODUCTION	295,177.16	349,258.95	0.00	0.00	0.00	2,488,466.83
1110001 TRANSMISSION	1,430,933.85	431,071.48	0.00	0.00	(3,277.67)	1,858,727.66
1110001 DISTRIBUTION	5,080,066.43	1,023,454.24	(2,462.35)	(500.00)	(11,938.48)	6,088,619.84
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>1,803,784.67</b>	<b>(2,462.35)</b>	<b>(500.00)</b>	<b>1,828,814.57</b>	<b>10,435,814.33</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	302,622.93	2,657,211.73
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>54,295,449.01</b>	<b>(21,567,379.19)</b>	<b>(7,405,542.21)</b>	<b>6,443,829.99</b>	<b>839,158,481.03</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	4,446.48	0.00	0.00	0.00	232,741.67
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>4,446.48</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>232,760.54</b>

Preparer - PSnVision Report GLR7410V  
 Reviewer - Debbi Doyle - Prop Accg Canton  
 Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

October 21, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed September 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads "Jerri L Ruggiero".

Jerri L Ruggiero  
Manager –Regulated Accounting



**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Sep 2016  
 10/20/2016 13:59

Account: GL_ACOCT_SEC Business Units: SEGMENT_CONS		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
Layout: GLS8016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
		Actual	110	Actual	117	Actual	180	Actual	180
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>REVENUES</b>									
4400001	Residential Sales-V6Space 1Hz	99,530,932	99,530,932	0	0	0	0	0	0
4400002	Residential Sales-V60 Space Ht	47,606,652	47,606,652	0	0	0	0	0	0
4400005	Residential Fuel Rev	44,070,675	44,070,675	0	0	0	0	0	0
A	<b>Revenue - Residential Sales</b>	<b>191,208,259</b>	<b>191,208,259</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4420001	Commercial Sales	65,653,480	65,653,480	0	0	0	0	0	0
4420008	Sales to Pub Auth - Schools	11,237,731	11,237,731	0	0	0	0	0	0
4420007	Sales to Pub Auth - Ex Schools	12,461,526	12,461,526	0	0	0	0	0	0
4420013	Commercial Fuel Rev	27,048,421	27,048,421	0	0	0	0	0	0
A	<b>Revenue - Commercial Sales</b>	<b>116,401,158</b>	<b>116,401,158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	<b>Revenue - Industrial Sales - Affiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4420002	Industrial Sales (Excl Moves)	51,060,280	51,060,280	0	0	0	0	0	0
4420004	Ind Sales-NonAffiliated Moves	17,630,289	17,630,289	0	0	0	0	0	0
4420016	Industrial Fuel Rev	48,495,958	48,495,958	0	0	0	0	0	0
A	<b>Revenue - Industrial Sales - NonAffiliated</b>	<b>117,186,537</b>	<b>117,186,537</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	<b>Revenue - Gas Products Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A	<b>Revenue - Gas Transportation &amp; Storage Sales - Affiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	<b>Revenue - Other Retail Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A	<b>Revenue - Other Retail Sales - Affiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B	<b>Revenue - Retail Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4560043	Oil Elec Rv-Trn-AM-Trf Price	426,265,628	426,265,628	0	0	0	0	0	0
4561023	PJM NTS Revenue - Affiliated	37,837,376	37,837,376	0	0	0	0	25,183,649	25,183,649
4561034	PJM TO Adm. Serv Rev - Aff	602,536	602,536	0	0	0	0	37,837,376	37,837,376
4561035	PJM Affiliated Trans NTS Cost	(32,996,743)	(32,996,743)	0	0	(32,996,743)	0	602,536	602,536
4561036	PJM Affiliated Trans TO Cost	(446,898)	(446,898)	0	0	(446,898)	0	0	0
4561059	AM PJM Trans Enhancement Rev	620,737	620,737	0	0	0	0	620,737	620,737
4561060	AM PJM Trans Enhancement Cost	(544,925)	(544,925)	0	0	(544,925)	0	0	0
4561062	PROVISION RTO Cost - Aff	0	0	0	0	613,465	0	0	0
4561063	PROVISION RTO Rev Affiliated	0	0	0	0	0	0	(613,465)	(613,465)
4470150	<b>Revenue - Transmission-Affiliated</b>	<b>5,112,083</b>	<b>5,112,083</b>	<b>0</b>	<b>0</b>	<b>(33,336,100)</b>	<b>0</b>	<b>63,630,833</b>	<b>63,630,833</b>
4470206	Transn. Rev-Dedic. WheelMun	51,070	51,070	0	0	(914,414)	0	965,434	965,434
4470209	PJM Trans loan credits-OSS	166,885	166,885	0	0	166,885	0	0	0
4561062	PJM Trans loan credits-OSS	(1,030,555)	(1,030,555)	0	0	(1,030,555)	0	0	0
4561005	RTO Formation Cost Recovery	(42,853)	(42,853)	0	0	(152,489)	0	109,636	109,636
4561006	PJM Point to Point Trans Svc	425,516	425,516	0	0	425,516	0	0	0
4561007	PJM Trans Owner Admin Rev	103,045	103,045	0	0	0	0	103,045	103,045
4561019	PJM Network Integ Trans Svc	4,426,426	4,426,426	0	0	0	0	4,426,426	4,426,426
4561028	Oil Elec Rev Trans Non Aff	42,045	42,045	0	0	0	0	42,045	42,045
4561029	PJM Pow Fac-Cie Rev V60 Cx-NA	4,733	4,733	0	0	0	0	4,733	4,733
4561030	PJM NTS Revenue Wht Cse-NAF	1,825,785	1,825,785	0	0	0	0	1,825,785	1,825,785
4561031	PJM TO Serv Rev Wht Cse-NAF	36,437	36,437	0	0	0	0	36,437	36,437
4561032	NonAM PJM Trans Enhncmt Rev	1,064,772	1,064,772	0	0	0	0	1,064,772	1,064,772
4561001	NAF PJM RTEP Rev for Wht-PR	29,953	29,953	0	0	0	0	29,953	29,953
4561064	PROVISION RTO Rev WhtCse-NA	(29,906)	(29,906)	0	0	0	0	(29,906)	(29,906)
4561065	PROVISION RTO Rev - NonAff	(77,567)	(77,567)	0	0	0	0	(77,567)	(77,567)
A	<b>Revenue - Transmission-NonAffiliated</b>	<b>6,995,736</b>	<b>6,995,736</b>	<b>0</b>	<b>0</b>	<b>(1,606,067)</b>	<b>0</b>	<b>8,600,792</b>	<b>8,600,792</b>
4470001	<b>Revenue - Transmission</b>	<b>12,107,819</b>	<b>12,107,819</b>	<b>0</b>	<b>0</b>	<b>(34,940,167)</b>	<b>0</b>	<b>72,131,625</b>	<b>72,131,625</b>
4470151	Sales for Resale - Assoc Cos	339,404	339,404	0	0	1,330,384	0	0	0
4470006	Trading Auction Sales Affl	1,330,384	1,330,384	0	0	1,689,787	0	0	0
4470010	Sales for Resale-Bookout Sales	9,434,062	9,434,062	0	0	9,434,062	0	0	0
4470027	Sales for Resale-Bookout Purct	(7,442,185)	(7,442,185)	0	0	(7,442,185)	0	0	0
4470033	WheelMun/Prb Auth Fuel Rev	1,764,118	1,764,118	0	0	1,764,118	0	0	0
4470061	WheelMun/Prb Auth Base Rev	2,056,563	2,056,563	0	0	2,056,563	0	0	0
4470062	Financial Spark Gas - Realized	(12,285)	(12,285)	0	0	(12,285)	0	0	0
4470068	PJM Energy Sales Mgrt	4,787,618	4,787,618	0	0	(2,191,609)	0	0	0
4470069	PJM Oper Reserve Rev-OSS	(56,570)	(56,570)	0	0	4,787,618	0	0	0
4470088	Capacity Cr. Net Sales	1,365,172	1,365,172	0	0	1,365,172	0	0	0
4470103	PJM FTR Revenue-OSS	123,413	123,413	0	0	123,413	0	0	0
4470107	PJM Energy Sales Cost	21,417,963	21,417,963	0	0	21,417,963	0	0	0
4470110	PJM TO Adm. Exp -NonAff	(13,862)	(13,862)	0	0	(13,862)	0	0	0
4470112	Non-Trading Bookout Sales-OSS	1,959,077	1,959,077	0	0	1,959,077	0	0	0

INCOME STATEMENT

GLS8016  
YTD Sep 2016  
10/25/2016 13:59

Account	GLS8016 Actual	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
		Actual	110	Actual	117	Actual	160		
069 V2016-05-30	Layout: GLS8016 Business Units: SEGMENT_CONS								
4470115	PJM Meter Connections-OSS	(4,719)	0	0	0	(4,719)	0	0	0
4470118	PJM Meter Connections-SE	80,756	0	0	0	80,756	0	0	0
4470128	PJM Incremental Imp Cong-OSS	(551,937)	0	0	0	(551,937)	0	0	0
4470131	Non-Trading Bookout Purch-OSS	(2,027,940)	0	0	0	(2,027,940)	0	0	0
4470143	Federal Hedge Realized	888,895	0	0	0	888,895	0	0	0
4470168	Interest Rate Swap-Power	(105)	0	0	0	(105)	0	0	0
4470170	Non-ECR Auction Sales-OSS	(6,549)	0	0	0	(6,549)	0	0	0
4470175	OSS Shoring Revenues - Retail	(4,965,840)	0	0	0	(4,965,840)	0	0	0
4470178	OSS Shoring Revenues-Reduction	4,965,840	0	0	0	4,965,840	0	0	0
4470214	PJM 30m Supp Reserve CR OSS	84,264	0	0	0	84,264	0	0	0
4470215	PJM 30m Supp Reserve CH OSS	(28,352)	0	0	0	(28,352)	0	0	0
4470220	PJM Regulation - OSS	49,540	0	0	0	49,540	0	0	0
4470221	PJM Spinning Reserve - OSS	8,005	0	0	0	8,005	0	0	0
4470222	PJM Reactive - OSS	247,033	0	0	0	247,033	0	0	0
5550080	PJM Hourly Net Purch-FERC	(6,012,565)	0	0	0	(6,012,565)	0	0	0
		<b>25,927,799</b>				<b>25,927,799</b>			
A	Revenue - Resale-NonAffiliated								
A	Revenue - Resale-Realized								
A	Revenue - Resale-Risk Mgmt MTM								
A	Revenue - Resale-Risk Mgmt Activities								
	Revenue - Sales for Resale								
	Sale for Resale-MI-Tot Price	27,597,597	0	0	0	27,597,597	0	0	0
	Rent From Elect Property - AF	0	0	0	0	0	0	0	0
4470074	On Elect Rev - Affiliated	338,839	622,555	622,555	0	338,839	67,942	67,942	0
4540001	Furnished Discounts	31,360	0	0	0	31,360	0	0	0
4500000	Revenue - Other Ele-Affiliated	370,199	622,555	622,555	0	370,199	67,942	67,942	0
4510001	Misc Service Rev - NonAffil	3,031,918	3,031,918	3,031,918	0	3,031,918	0	0	0
4540002	Rent From Elect Property-AMC	563,344	553,177	553,177	0	563,344	10,167	10,167	0
4540005	Rent from Elec Prop-Pole Attach	1,600	1,600	1,600	0	1,600	0	0	0
4500007	On Elect Rev - DSM Program	4,392,976	4,392,976	4,392,976	0	4,392,976	0	0	0
5010040	Gas Procurement Sales Net	7,643,754	7,643,754	7,643,754	0	7,643,754	0	0	0
	Revenue - Other Ele-NonAffiliated	(3,100)	(3,100)	(3,100)	0	(3,100)	0	0	0
	Revenue - Gas	15,623,625	15,623,625	15,623,625	0	15,623,625	0	0	0
	Comp Allow Gains Title IV SO2	76	76	76	0	76	0	0	0
4118002	CSAPR SO2 Gains	2,573	0	0	0	2,573	0	0	0
4118006	Comp Allow Gain CSAPR Sulfur NOx	235,500	0	0	0	235,500	0	0	0
4118009	Comp Allow Gains CSAPR Air NOx	152,625	0	0	0	152,625	0	0	0
4118010	Emission Allow KY Env Surch	114,989	0	0	0	114,989	0	0	0
	Gain/(Loss) on Allowances	605,773	605,773	605,773	0	605,773	0	0	0
A	Revenue - Other Ele-NonAffiliated	16,203,703	15,823,625	15,823,625	0	16,203,703	16,017	16,017	0
D	Revenue Merchandising & Contract Work	16,573,502	16,246,181	16,246,181	0	16,573,502	310,092,138	310,092,138	83,969
C	Revenues Non-Utility Operations - Affiliated								
C	Revenues Non-Utility Operations - NonAffiliated								
C	Revenues from Non-Utility Operations								
C	Non-Operating Rental Income - Affiliated								
C	Non-Operating Rental Income - NonAffiliated								
C	Non-Operating Rental Income - Affiliated								
C	Non-Operating Rental Income - NonAffiliated								
C	Misc Non-Op Inc-NonAff-Resale	24,625	23,500	23,500	0	24,625	1,125	1,125	0
C	Misc Non-Op Inc-NonAff-Timber	(2,302)	(2,302)	(2,302)	0	(2,302)	0	0	0
C	Misc Non-Op Inc-NonAff-Other	(5,002)	0	0	0	(5,002)	0	0	0
C	Non-Operating Rental Income - Affiliated	17,321	23,800	23,800	0	17,321	(1,177)	(1,177)	(5,002)
C	Non-Operating Rental Income - NonAffiliated	17,321	23,800	23,800	0	17,321	(1,177)	(1,177)	(5,002)
C	Misc Non-Op Inc-NonAff-Resale	1,623	497	497	0	1,623	628	628	499
C	Misc Non-Op Inc-NonAff-Timber	7,870	0	0	0	7,870	0	0	0
C	Misc Non-Op Inc-NonAff-Other	324,365	511	511	0	324,365	323,874	323,874	0
C	Non-Operating Misc Income - Affiliated	333,878	1,008	1,008	0	333,878	332,372	332,372	499
C	Non-Operating Misc Income - NonAffiliated	333,878	1,008	1,008	0	333,878	332,372	332,372	499
C	Rent From Elect Prop-ABD-Nonaf	92,809	92,809	92,809	0	92,809	0	0	0
C	Other Electric Revenues - ABD	241,327	216,327	216,327	0	241,327	0	0	0
C	Associated Business Development Income	334,136	309,136	309,136	0	334,136	25,000	25,000	25,000
C	Revenue - Other Opr - Other	885,335	333,643	333,643	0	885,335	331,195	331,195	26,487
(C)	Revenue - Other Operating	685,335	333,643	333,643	0	685,335	331,195	331,195	26,487
(D)	Revenue - Other Operating	17,259,237	16,573,502	16,573,502	0	17,259,237	310,423,333	310,423,333	104,466
	Prov Rate Refund-Nonaffiliated	(33,529)	0	0	0	(33,529)	0	0	(33,529)
	Prov Rate Refund - Retail	(61,276)	0	0	0	(61,276)	0	0	(61,276)
A	Provision for Rate Refund - NonAffiliated	(114,805)	0	0	0	(114,805)	0	0	(114,805)
B	Provision for Rate Refund - Affiliated	(694,854)	0	0	0	(694,854)	0	0	(694,854)
B	Provision for Rate Refund - Affiliated	(894,854)	0	0	0	(894,854)	0	0	(894,854)

**INCOME STATEMENT**

American Electric Power

GLS016  
 YTD Sep 2016  
 10/20/2016 13:58

Layout: GLS016		Account: CL_ACT, SEC Business Units: SEGMENT, COME		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
		Actual		Actual		Actual		Actual		Actual	
4210032	Provision for Rate Refund	(809,660)	-	-	-	-	-	-	-	-	(809,660)
	Pwr Purch Outside Svc Termini	(745)	-	-	-	-	-	-	-	-	0
	<b>A Revenue - Power Sales</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>(745)</b>	<b>0</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>482,409,864</b>	<b>442,835,452</b>	<b>442,835,452</b>	<b>303,180,017</b>	<b>303,180,017</b>	<b>303,180,017</b>	<b>303,180,017</b>	<b>303,180,017</b>	<b>71,426,421</b>	<b>71,426,421</b>
	Memo: GTTD Revenue										
	Memo: Other Affiliated Revenue	475,267,314	441,879,252	441,879,252	24,986,058	24,986,058	24,986,058	24,986,058	24,986,058	8,402,003	8,402,003
	Memo: Revenue-Oth Opr-Oth Aff	6,457,216	622,556	622,556	277,862,764	277,862,764	277,862,764	277,862,764	277,862,764	63,003,921	63,003,921
	Memo: Revenue-Oth Opr-Oth Non	-	-	-	-	-	-	-	-	-	-
	Memo: Total Operating Revenues	482,409,864	442,835,452	442,835,452	303,180,017	303,180,017	303,180,017	303,180,017	303,180,017	20,497	20,497
	Memo: Affiliated Revenue	475,267,314	441,879,252	441,879,252	24,986,058	24,986,058	24,986,058	24,986,058	24,986,058	8,402,003	8,402,003
	Memo: Non-Affiliated Revenue	6,457,216	622,556	622,556	277,862,764	277,862,764	277,862,764	277,862,764	277,862,764	63,003,921	63,003,921
	Memo: Total Operating Revenues	482,409,864	442,835,452	442,835,452	303,180,017	303,180,017	303,180,017	303,180,017	303,180,017	71,426,421	71,426,421

**FUEL EXPENSES**

5010030	Fuel	1,994,921	12	1,994,901	7	1,994,901	7	1,994,901	7	1,994,901	7
5010031	Fuel Consumed	69,626,087	0	69,626,087	0	69,626,087	0	69,626,087	0	69,626,087	0
5010033	Fuel - Procure Unload & Handle	2,530,018	0	2,530,018	0	2,530,018	0	2,530,018	0	2,530,018	0
5010013	Fuel Sundry Activity	381,233	0	381,233	0	381,233	0	381,233	0	381,233	0
5010019	Fuel Oil Consumed	976,093	0	976,093	0	976,093	0	976,093	0	976,093	0
5010022	Nat Gas Consumed Steam	9,451,308	0	9,451,308	0	9,451,308	0	9,451,308	0	9,451,308	0
5010027	Crystalline handling/disposal costs	283,715	0	283,715	0	283,715	0	283,715	0	283,715	0
5010028	Crystalline Sulfur Processed	(388,205)	0	(388,205)	0	(388,205)	0	(388,205)	0	(388,205)	0
5010034	Gas Temp Rise Free-Stream	2,160,504	0	2,160,504	0	2,160,504	0	2,160,504	0	2,160,504	0
5010035	Fuel Expense Total	87,016,873	12	87,016,864	7	87,016,864	7	87,016,864	7	87,016,864	7
	Fuel - Delivered	(6,916,819)	-	(6,916,819)	-	(6,916,819)	-	(6,916,819)	-	(6,916,819)	-
	Deferred Fuel Expense Over Under Fuel Expense	81,098,854	12	81,098,835	7	81,098,835	7	81,098,835	7	81,098,835	7
5000030	Fuel from Affiliates for Electric Generation	-	-	-	-	-	-	-	-	-	-
5000009	Allow Consum Tils IV SO2	437,027	0	437,027	0	437,027	0	437,027	0	437,027	0
5000014	Allow Consumt CSAPR SO2	28,712	0	28,712	0	28,712	0	28,712	0	28,712	0
	Environmental Over/Under O&M E	(40,791)	0	(40,791)	0	(40,791)	0	(40,791)	0	(40,791)	0
	Allowances - Consumption	434,948	-	434,948	-	434,948	-	434,948	-	434,948	-
5020027	Utah Expense	962,505	0	962,505	0	962,505	0	962,505	0	962,505	0
5020033	Transit Expense	273,257	0	273,257	0	273,257	0	273,257	0	273,257	0
5020004	Limestone Expense	6,446	0	6,446	0	6,446	0	6,446	0	6,446	0
5020006	Polymer expense	12,735	0	12,735	0	12,735	0	12,735	0	12,735	0
5020007	Utah Hydrate Expense	(124,439)	0	(124,439)	0	(124,439)	0	(124,439)	0	(124,439)	0
5020015	Environmental Over/Under Chem	3,843,088	0	3,843,088	0	3,843,088	0	3,843,088	0	3,843,088	0
	Emissions Control - Chemicals	85,366,869	12	85,366,840	7	85,366,840	7	85,366,840	7	85,366,840	7
	Total Fuel for Electric Generation	39,037,059	0	39,037,059	0	39,037,059	0	39,037,059	0	39,037,059	0
	Memo: Non-Air Fuel/Allow/Emissions	0	0	0	0	0	0	0	0	0	0
5550027	Purch Pwr Non-Fuel Position-Air	32,079,743	0	32,079,743	0	32,079,743	0	32,079,743	0	32,079,743	0
5550028	Purch Power-Asso-Trade Price	71,116,802	0	71,116,802	0	71,116,802	0	71,116,802	0	71,116,802	0
5550046	Purch Power-Fuel Position-Air	7	0	7	0	7	0	7	0	7	0
	Purchased Electricity from AEP - Affiliates	23,252,689	0	23,252,689	0	23,252,689	0	23,252,689	0	23,252,689	0
	Purchased Power	25,748	0	25,748	0	25,748	0	25,748	0	25,748	0
5550000	Purch Power-Capacity-NA	(17)	0	(17)	0	(17)	0	(17)	0	(17)	0
5550011	Gas-Conversion-Nona Plant	(5,340)	0	(5,340)	0	(5,340)	0	(5,340)	0	(5,340)	0
5550032	PJM (assembled Mtr Res-OSS	(11,903)	0	(11,903)	0	(11,903)	0	(11,903)	0	(11,903)	0
5550040	PJM (assembled Mtr Res-LSE	0	0	0	0	0	0	0	0	0	0
5550041	PJM Ancillary Serv - Sync	0	0	0	0	0	0	0	0	0	0
5550074	PJM Reactive-Charge	1,901,295	0	1,901,295	0	1,901,295	0	1,901,295	0	1,901,295	0
5550075	PJM Reactive-Credit	(828,124)	0	(828,124)	0	(828,124)	0	(828,124)	0	(828,124)	0
5550076	PJM Block Start-Charge	812,592	0	812,592	0	812,592	0	812,592	0	812,592	0
5550078	PJM Regulation-Charge	512,310	0	512,310	0	512,310	0	512,310	0	512,310	0
5550079	PJM Regulation-Credit	(69,695)	0	(69,695)	0	(69,695)	0	(69,695)	0	(69,695)	0
5550083	PJM Spinning Reserve-Charge	258,490	0	258,490	0	258,490	0	258,490	0	258,490	0
5550084	PJM Spinning Reserve-Credit	(56,435)	0	(56,435)	0	(56,435)	0	(56,435)	0	(56,435)	0
5550090	PJM 30m Supp Rery Charge LSE	195,497	0	195,497	0	195,497	0	195,497	0	195,497	0
5550098	PJM Purchase-non-ECR Auction	1,448	0	1,448	0	1,448	0	1,448	0	1,448	0
5550100	Capacity Purchase-Auction	2,925	0	2,925	0	2,925	0	2,925	0	2,925	0
5550123	PJM OpRes-LSE-Charge	555,230	0	555,230	0	555,230	0	555,230	0	555,230	0
5550124	PJM Impct Congestion-LSE	980,382	0	980,382	0	980,382	0	980,382	0	980,382	0
5550132	PJM FTR Revenue-LSE	(1,901,474)	0	(1,901,474)	0	(1,901,474)	0	(1,901,474)	0	(1,901,474)	0
5550137	PJM OpRes-LSE-Credit	(155,314)	0	(155,314)	0	(155,314)	0	(155,314)	0	(155,314)	0

**INCOME STATEMENT**

American Electric Power

GLS0016  
 YTD Sep 2016  
 10/02/2016 13:38

Account	Kentucky Power Inf Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS0016 Actual	YTD Sep 2016 Actual	110 Actual	YTD Sep 2016 Actual	117 Actual	YTD Sep 2016 Actual	180 Actual	YTD Sep 2016 Actual
Layout: GLS0016								
Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS								
5550141	81,647	0	0	0	0	0	0	0
5550142	186,692	0	0	0	0	0	0	0
5550143	2,616,561	0	0	0	0	0	0	0
5550326	6,057,134	0	0	0	0	0	0	0
5550327	(1,239,011)	0	0	0	0	0	0	0
	33,184,636	-	-	-	-	-	-	11,437
<b>Purchased Electricity for Resale - NonAffiliated</b>								
<b>Purchased Gas for Resale - Affiliated</b>								
<b>Purchased Gas for Resale - NonAffiliated</b>								
<b>Total Purchased Power</b>	<b>104,301,437</b>	<b>309,496,717</b>	<b>309,496,717</b>	<b>104,290,000</b>	<b>104,290,000</b>	<b>11,437</b>	<b>11,437</b>	<b>11,437</b>
<b>GROSS MARGIN</b>	<b>282,741,687</b>	<b>133,338,723</b>	<b>133,338,723</b>	<b>113,623,177</b>	<b>113,623,177</b>	<b>71,414,977</b>	<b>71,414,977</b>	<b>71,414,977</b>
<b>OPERATING EXPENSES</b>								
5000000	2,357,012	12,528	12,528	2,339,532	2,339,532	4,952	4,952	4,952
5000001	35,728	0	0	35,728	35,728	0	0	0
5020000	951,727	0	0	951,727	951,727	0	0	0
5050000	173,692	0	0	173,692	173,692	6	6	6
5060000	5,614,741	817	817	5,613,414	5,613,414	510	510	510
5060002	36,311	0	0	36,311	36,311	0	0	0
5060003	(18)	(4)	(4)	(11)	(11)	(3)	(3)	(3)
5060012	(160,333)	0	0	(160,333)	(160,333)	0	0	0
5060013	279,477	0	0	279,477	279,477	0	0	0
	9,288,337	13,341	13,341	9,289,632	9,289,632	5,464	5,464	5,464
<b>Steam Generation Op Exp</b>								
<b>Nuclear Generation Op Exp</b>								
<b>Hydro Generation Op Exp</b>								
5090000	344,370	0	0	344,370	344,370	0	0	0
5090001	1,091,497	0	0	1,091,497	1,091,497	0	0	0
5090007	52,019	52,019	52,019	0	0	0	0	0
5090008	18	18	18	0	0	0	0	0
5090009	94,437	0	0	94,437	94,437	0	0	0
5090010	658,270	0	0	658,270	658,270	0	0	0
5090011	2,240,610	62,035	62,035	2,188,575	2,188,575	0	0	0
5090012	925,534	2,348	2,348	5,574	5,574	817,611	817,611	817,611
5090013	6,412	0	0	6,412	6,412	0	0	0
5090014	621,161	121	121	272	272	620,767	620,767	620,767
5090015	105,385	0	0	105,385	105,385	0	0	0
5090016	758,011	0	0	758,011	758,011	0	0	0
5090017	81,266	3,093	3,093	7,379	7,379	70,796	70,796	70,796
5090018	26,326	0	0	26,326	26,326	0	0	0
5090019	202,080	0	0	202,080	202,080	0	0	0
5090020	189,418	0	0	189,418	189,418	0	0	0
5090021	74,276	0	0	74,276	74,276	0	0	0
5090022	92,638	0	0	92,638	92,638	0	0	0
5090023	0	25,163,649	25,163,649	0	0	0	0	0
5090024	4,270,380	0	0	4,270,380	4,270,380	0	0	0
5090025	11,511,259	0	0	11,511,259	11,511,259	0	0	0
5090026	2,430,514	0	0	2,430,514	2,430,514	0	0	0
5090027	1,031,421	0	0	1,031,421	1,031,421	0	0	0
5090028	1,028,551	6,824	6,824	12,865	12,865	1,008,862	1,008,862	1,008,862
5090029	10	2	2	8	8	1	1	1
5090030	1	0	0	0	0	0	0	0
5090031	33,334,642	25,196,024	25,196,024	20,454,110	20,454,110	351,659	351,659	351,659
5090032	377,034	329,240	329,240	33,787	33,787	14,007	14,007	14,007
5090033	2,181	2,201	2,201	0	0	(20)	(20)	(20)
5090034	136,890	136,905	136,905	0	0	(15)	(15)	(15)
5090035	505,674	505,251	505,251	0	0	423	423	423
5090036	85,408	85,408	85,408	0	0	0	0	0
5090037	134,474	134,474	134,474	0	0	0	0	0
5090038	591,995	590,840	590,840	656	656	499	499	499
5090039	122,777	122,777	122,777	0	0	0	0	0
5090040	2,752,172	2,707,260	2,707,260	29,211	29,211	15,702	15,702	15,702
5090041	1,223,153	1,223,153	1,223,153	0	0	0	0	0
5090042	47,921	47,921	47,921	0	0	0	0	0
5090043	5,979,681	5,885,431	5,885,431	63,864	63,864	30,086	30,086	30,086
5090044	156,978	156,903	156,903	18	18	58	58	58
5090045	(7,989)	(8,674)	(8,674)	694	694	192	192	192
5090046	267,905	267,905	267,905	0	0	0	0	0
5090047	40,008	40,008	40,008	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power

GL58016  
 YTD Sep 2016  
 10/09/2016 13:58

Account GL	YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
	Actual		Actual		Actual		Actual	
	GL58016	110	117	180	110	117	180	
9030000	236,869	236,098		(61)			2,832	
9030001	1,790,843	1,789,142		1,401			299	
9030002	16,432	15,813		3			618	
9030003	525,066	525,066		0			0	
9030004	92,910	83,026		(84)			(32)	
9030005	45,554	45,554		0			0	
9030006	734,348	734,343		5			0	
9030007	219,758	219,758		0			0	
9030008	128,501	128,501		0			0	
9030009	(133,688)	(133,719)		30			1	
9030010	13,365	13,365		0			0	
9030011	78,007	78,006		0			0	
9030012	27	29		(1)			(0)	
9030013	615,738	615,725		10			4	
9030014	(3)	(3)		1			1	
9030015	3,882,681	3,882,681		1			0	
9030016	34,793	17,482		13,769			3,532	
9030017	57,827	41,961		12,981			2,085	
9030018	79	19		48			11	
9030019	8,798,012	8,766,768		28,866			10,368	
9030020	23	23		0			0	
9030021	27,380	27,380		0			0	
9030022	4,859	4,828		224			7	
9030023	25,000	25,000		0			0	
9030024	87,041	87,041		224			7	
9030025	2,229,697	1,004,588		1,038,729			165,411	
9030026	6,754,559	2,883,291		2,863,458			1,007,811	
9030027	448,380	245,604		145,663			55,113	
9030028	(0)	(0)		0			(0)	
9030029	(560,505)	(560,505)		0			0	
9030030	(482,983)	(482,983)		0			0	
9030031	(12)	(12)		0			0	
9030032	1,416,488	478,148		681,832			258,518	
9030033	17,484	14,562		(12,964)			15,896	
9030034	550,477	133,464		304,682			112,331	
9030035	1,029,630	615,970		393,299			20,360	
9030036	2,432	2,432		0			0	
9030037	5,618	4,020		1,583			15	
9030038	548,272	386,440		108,821			53,012	
9030039	251,792	6,213		245,574			6	
9030040	(158,524)	(143,981)		(14,231)			(312)	
9030041	13,009	2,699		10,309			0	
9030042	16,156	5,668		7,576			2,914	
9030043	20,862	9,654		10,969			299	
9030044	1,831,707	1,200,295		553,352			78,019	
9030045	110,834	60,627		49,457			750	
9030046	3,570,292	2,144,829		1,411,983			13,701	
9030047	117,382	68,607		43,638			5,137	
9030048	164,977	98,684		65,256			1,037	
9030049	1,331	525		730			76	
9030050	2,010	1,460		487			63	
9030051	6,233	1,175		4,526			532	
9030052	(1,900,644)	(999,821)		(740,798)			(160,025)	
9030053	1,297,922	723,551		572,362			2,010	
9030054	3,442	3,442		0			0	
9030055	(318,877)	1,933		(321,109)			298	
9030056	(729,748)	(612,187)		(116,518)			(1,034)	
9030057	(1,498,174)	(1,154,921)		(341,567)			(1,686)	
9030058	(432,745)	(321,757)		(110,503)			(484)	
9030059	580,972	454,071		126,139			761	
9030060	(297,395)	(221,234)		(76,137)			(24)	
9030061	12,054	(3,501)		15,789			(194)	
9030062	162,465	97,186		53,405			11,874	
9030063	104,488	104,498		0			0	
9030064	28	9		13			7	
9030065	170	0		0			170	
9030066	52,798	7,673		39,748			5,364	
9030067	290	290		0			0	

INCOME STATEMENT

GLS8016  
YTD Sep 2016  
10/20/2016 13:56

	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD Sep 2016	Actual	YTD Sep 2016	Actual	YTD Sep 2016	Actual	YTD Sep 2016
Account: GL_ACDT_SEC Business Units: SEGMENT_CONS Layout: GLS8016								
9301001	25,582	8,348	25,582	8,348	14,020	3,215	14,020	3,215
9301003	5,253	1,245	5,253	1,245	3,257	742	3,257	742
9301010	426	101	426	101	265	61	265	61
9301012	39,848	7,545	39,848	7,545	21	5	21	5
9301015	16,352	41,631	16,352	41,631	7,011	1,796	7,011	1,796
9302000	189,141	10,168	189,141	10,168	91,810	35,489	91,810	35,489
9302003	259	259	259	259	0	1,008	0	1,008
9302004	86,176	86,176	86,176	86,176	0	0	0	0
9310001	203,753	143,778	203,753	143,778	51,638	8,339	51,638	8,339
9310002	13,287,275	5,687,194	13,287,275	5,687,194	6,149,103	1,630,978	6,149,103	1,630,978
4111005	516,432	0	516,432	0	516,432	0	516,432	0
4110000	518,432	0	518,432	0	0	0	0	0
9302006	(3,899)	(3,899)	(3,899)	(3,899)	0	0	0	0
9302007	17,118	17,118	17,118	17,118	0	0	0	0
	65,975	46,082	65,975	46,082	641	19,252	641	19,252
	83,094	63,200	83,094	63,200	841	19,262	841	19,262
<b>Associated Business Development Expenses</b>								
<b>Gain on Disposition of Property</b>								
<b>Loss on Disposition of Property</b>								
<b>Loss(Gain) of Sale of Property</b>								
4010001	0	0	0	0	0	0	0	0
4265008	818,134	818,134	818,134	818,134	0	0	0	0
4265010	1,306,286	1,306,286	1,306,286	1,306,286	0	0	0	0
	2,124,420	2,124,420	2,124,420	2,124,420	0	0	0	0
4265004	63,653	33,339	63,653	33,339	21,411	8,903	21,411	8,903
4265007	10,078	2,459	10,078	2,459	6,135	1,482	6,135	1,482
	73,739	35,798	73,739	35,798	27,546	10,385	27,546	10,385
4210006	3,052	1,784	3,052	1,784	182	1,086	182	1,086
4281000	472,390	426,822	472,390	426,822	37,787	7,752	37,787	7,752
4283001	472,390	426,822	472,390	426,822	37,787	7,752	37,787	7,752
	1,004	82	1,004	82	822	100	822	100
	1,004	82	1,004	82	822	100	822	100
4264000	371,265	96,653	371,265	96,653	219,142	55,459	219,142	55,459
4285002	371,265	371,265	371,265	371,265	219,142	55,469	219,142	55,469
	71,500	41,413	71,500	41,413	29,499	588	29,499	588
	71,600	41,413	71,600	41,413	29,499	688	29,499	688
<b>Shutdown Coal Company Expenses</b>								
<b>All Other Operational Expenses</b>								
5100000	3,117,329	2,726,882	3,117,329	2,726,882	314,977	76,370	314,977	76,370
5110000	66,680,764	48,336,158	66,680,764	48,336,158	36,988,104	4,891,831	36,988,104	4,891,831
5120000	1,773,795	382	1,773,795	382	1,773,220	193	1,773,220	193
5120004	1,826,651	0	1,826,651	0	1,826,651	0	1,826,651	0
5120034	10,775,190	0	10,775,190	0	10,775,190	0	10,775,190	0
5120035	(101,303)	0	(101,303)	0	(101,303)	0	(101,303)	0
5130000	(1,303,052)	0	(1,303,052)	0	(1,303,052)	0	(1,303,052)	0
5140000	3,590,355	0	3,590,355	0	3,590,355	0	3,590,355	0
	1,270,365	(523)	1,270,365	(523)	1,270,889	0	1,270,889	0
	17,621,941	(141)	17,621,941	(141)	17,621,800	193	17,621,800	193
5680000	22,982	1	22,982	1	208	22,773	22,982	22,773
5690000	19,286	0	19,286	0	0	19,286	0	19,286
5691000	914	0	914	0	4	910	4	910
5692000	85,447	5,901	85,447	5,901	2,905	76,641	2,905	76,641
5693000	1,673	0	1,673	0	0	1,673	0	1,673
5700000	379,090	1,068	379,090	1,068	107	377,907	107	377,907
5710000	1,422,727	(551)	1,422,727	(551)	(734)	1,424,021	(734)	1,424,021
5730000	14	0	14	0	0	14	0	14
	229,384	43	229,384	43	65	229,275	65	229,275
5900000	2,161,707	6,451	2,161,707	6,451	2,564	2,162,701	2,564	2,162,701
5910000	1,714	1,701	1,714	1,701	0	13	0	13
5920000	18,117	8,495	18,117	8,495	0	10,623	0	10,623
5930000	351,849	350,370	351,849	350,370	13	1,465	13	1,465
	26,347,245	26,333,487	26,347,245	26,333,487	(12)	13,760	(12)	13,760

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Sep 2016  
 10/26/2016 12:59

Account GL ACCT_SEC	Layout: GLS8016		Business Units: SEGMENT_CONS		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
	GLS8016	Actual	GLS8016	Actual	GLS8016	Actual	GLS8016	Actual	GLS8016	Actual
5930001	505,540	0	505,540	0	0	0	0	0	0	0
5930010	1,821,900	0	1,821,900	0	0	0	0	0	0	0
5940000	74,598	0	74,598	0	0	0	0	0	0	0
5950000	34,893	0	34,893	0	0	0	0	0	0	0
5960000	35,126	0	35,126	0	0	0	0	0	0	0
5970000	55,125	0	52,739	0	0	0	0	0	0	0
5980000	50,832	0	50,366	0	0	0	0	0	0	0
	<b>31,297,739</b>	<b>2</b>	<b>31,269,024</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>28,713</b>	<b>466</b>
9350001	237,262	(1)	236,723	(1)	0	0	0	0	0	0
9350002	45,101	0	45,101	0	0	0	0	0	0	0
9350012	116,867	0	83,026	0	0	0	0	0	0	0
9350013	840,302	0	787,151	0	0	0	0	0	0	0
9350015	371,799	0	191,963	0	0	0	0	0	0	0
9350019	62	0	62	0	0	0	0	0	0	0
9350024	227	0	227	0	0	0	0	0	0	0
	<b>1,621,689</b>	<b>13</b>	<b>1,354,310</b>	<b>13</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>848</b>	<b>848</b>
	<b>32,629,844</b>	<b>-</b>	<b>32,629,844</b>	<b>-</b>	<b>17,991,287</b>	<b>17,991,287</b>	<b>17,991,287</b>	<b>17,991,287</b>	<b>2,182,156</b>	<b>2,182,156</b>
	<b>115,383,870</b>	<b>-</b>	<b>80,986,802</b>	<b>-</b>	<b>56,879,391</b>	<b>56,879,391</b>	<b>56,879,391</b>	<b>56,879,391</b>	<b>7,073,988</b>	<b>7,073,988</b>
4030001	2,027,219	0	1,142,727	0	405,087	405,087	405,087	405,087	479,405	479,405
4060001	28,962	0	28,962	0	0	0	0	0	28,962	28,962
4072000	2,066,181	0	1,142,727	0	405,087	405,087	405,087	405,087	606,367	606,367
4073014	102,932	0	102,932	0	0	0	0	0	102,932	102,932
	1,575,855	0	0	0	1,575,855	1,575,855	1,575,855	1,575,855	0	0
	<b>1,678,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,575,855</b>	<b>1,575,855</b>	<b>1,575,855</b>	<b>1,575,855</b>	<b>102,932</b>	<b>102,932</b>
4030001	3,734,987	0	1,142,727	0	1,980,942	1,980,942	1,980,942	1,980,942	811,299	811,299
4031001	58,124,729	0	21,281,737	0	25,476,597	25,476,597	25,476,597	25,476,597	11,386,395	11,386,395
	<b>58,124,729</b>	<b>-</b>	<b>21,281,737</b>	<b>-</b>	<b>26,478,597</b>	<b>26,478,597</b>	<b>26,478,597</b>	<b>26,478,597</b>	<b>11,386,395</b>	<b>11,386,395</b>
	<b>83,029,890</b>	<b>-</b>	<b>22,404,463</b>	<b>-</b>	<b>28,627,832</b>	<b>28,627,832</b>	<b>28,627,832</b>	<b>28,627,832</b>	<b>11,997,684</b>	<b>11,997,684</b>
428100515	(8,487)	0	(8,487)	0	0	0	0	0	0	0
428100516	26,533	0	26,533	0	0	0	0	0	0	0
	<b>18,046</b>	<b>-</b>	<b>18,046</b>	<b>-</b>	<b>18,046</b>	<b>18,046</b>	<b>18,046</b>	<b>18,046</b>	<b>0</b>	<b>0</b>
4281002	2,285,580	0	1,277,225	0	1,004,488	1,004,488	1,004,488	1,004,488	3,867	3,867
4281003	9,212	0	6,746	0	2,434	2,434	2,434	2,434	32	32
4281007	40,892	0	23,554	0	17,238	17,238	17,238	17,238	103	103
4281033	(787,026)	0	(584,911)	0	(201,214)	(201,214)	(201,214)	(201,214)	(901)	(901)
4281034	(5,329)	0	(4,040)	0	(1,289)	(1,289)	(1,289)	(1,289)	(1)	(1)
4281035	(17,293)	0	(12,057)	0	(5,215)	(5,215)	(5,215)	(5,215)	(11)	(11)
	<b>1,626,048</b>	<b>0</b>	<b>706,616</b>	<b>0</b>	<b>816,441</b>	<b>816,441</b>	<b>816,441</b>	<b>816,441</b>	<b>3,088</b>	<b>3,088</b>
428102016	2,971,958	0	2,971,958	0	2,971,958	2,971,958	2,971,958	2,971,958	0	0
428102014	898,417	0	(178,868)	0	1,224,551	1,224,551	1,224,551	1,224,551	(107,667)	(107,667)
428102015	9,046,017	0	5,316,115	0	742,982	742,982	742,982	742,982	2,896,974	2,896,974
428102915	191,328	0	134,954	0	15,875	15,875	15,875	15,875	40,699	40,699
428102916	184,686	0	144,915	0	9,873	9,873	9,873	9,873	29,898	29,898
428102915	(2,540)	0	(2,540)	0	0	0	0	0	0	0
428102916	19,125	0	18,125	0	0	0	0	0	0	0
428102915	11,673	0	1,953	0	0	0	0	0	9,720	9,720
	<b>10,388,769</b>	<b>0</b>	<b>6,435,665</b>	<b>0</b>	<b>1,993,481</b>	<b>1,993,481</b>	<b>1,993,481</b>	<b>1,993,481</b>	<b>2,869,624</b>	<b>2,869,624</b>
428101615	566,102	0	566,102	0	0	0	0	0	0	0
428101616	281,700	0	281,700	0	0	0	0	0	0	0
	<b>847,801</b>	<b>0</b>	<b>847,801</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
428101415	900	0	900	0	900	900	900	900	0	0
428101416	3,580	0	3,580	0	3,580	3,580	3,580	3,580	0	0
	<b>4,480</b>	<b>0</b>	<b>4,480</b>	<b>0</b>	<b>4,480</b>	<b>4,480</b>	<b>4,480</b>	<b>4,480</b>	<b>0</b>	<b>0</b>
428101716	132	0	132	0	0	0	0	0	0	0
428101915	791	0	791	0	0	0	0	0	0	0
428101916	7,153	0	7,153	0	0	0	0	0	0	0
428102216	620	0	620	0	0	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power  
 GLS8016  
 YTD Sep 2016  
 10/26/2016 13:59

Account	GLS8016		GLS8016		GLS8016		GLS8016		GLS8016	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
088 Y2016-09-30	Layout: GLS8016									
	Account: GLS8016 - Business Unit: SEGMENT_CONS									
	Miscellaneous Taxes									
		8,696	8,696							
	Other Non-Income Taxes									
		13,175	8,696	4,480						
		15,765,785	6,989,667	5,804,405						
	<b>TOTAL OPERATING EXPENSES</b>									
		181,179,645	110,368,932	91,311,828						
	Memo: SEC Total Operating Expenses									
		387,847,941	419,866,681	280,668,468						
	<b>OPERATING INCOME</b>									
		94,561,923	22,959,780	22,211,648						
<b>NON-OPERATING INCOME/EXPENSES</b>										
419002	Int & Dividend Inc - NonAssoc									
		7,487	11,128	(3,148)						
419005	Interest & Dividend NonAffiliated									
		7,487	11,128	(3,148)						
	Interest Income - Assoc CBP									
		9,669	(21,272)	(55,371)						
	Interest & Dividend Affiliated									
		9,669	(21,272)	(55,371)						
421000	Total Interest & Dividend Income									
		17,137	(10,144)	(58,619)						
	Carrying Charges									
		(284,059)	1,513	(314,329)						
	Interest & Dividend Carrying Charge									
		(284,059)	1,513	(314,329)						
419100	Memo: Total Interest & Dividend Income w/ Carrying									
		(286,922)	(6,631)	(372,849)						
	Asw On Frst Lnd Dmg Crdg									
		742,995	171,707	468,607						
	AFUDC									
		742,995	171,707	468,607						
Gain on Disposition of Equity Investments										
427002	Interest LTD FMB									
		167,905	167,905	0						
	Int on LTD - Invtl Pu Contr									
		167,905	167,905	0						
	Interest LTD IPC									
	Interest LTD Notes Payable - Affiliated									
	Interest LTD Notes Payable - NonAffiliated									
	Interest LTD Debitbear									
	Int on LTD - Sen Unsec Notes									
	Interest LTD Senior Unsecured									
	Interest LTD Other - Affl									
	Int on LTD - Other LTD									
	Interest LTD Other - NonAffl									
	Interest on Long-Term Debt									
	Int on Assoc Co - CBP									
	Interest STD - Affl									
	Line of Credit									
	Interest STD - NonAffl									
	Interest on Short Term Debt									
	Amtc Debt Debit/Exp-Invt Pu									
	Amtc Debt Debit/Exp-Inv									
	Amtc Debit/Exp-Inv Notes									
	Amort of Debt Disc. Prem & Exp									
	Amort Loss on Recquired Debt									
	Amort Gain on Recquired Debt									
	Other Interest - Fuel Recovery									
	Other Interest Expense									
	Interest on Customer Deposits									
	Interest Expense - State Tax									
	Other Interest - NonAffl									
	Other Interest Expense - Affl									
	Interest Rate Hedge Unrealized (Gain)/Loss									
	AFUDC-Borrowed Funds									
	Total Interest Charges									
	<b>INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS</b>									
		80,829,870	12,754,487	5,388,788						
<b>INCOME TAXES AND EQUITY EARNINGS</b>										
4081001	Income Taxes, UD - Federal									
		(294,655)	(3,188,003)	(8,028,441)						
4082001	Inc Tax, On Indef-Federal									
		(117,659)	(117,662)	43,062						
4101001	Federal Current Income Tax									
		(412,613)	(3,368,885)	(7,988,378)						
4102001	Prov Del UT On Op Inc-Fed									
		83,472,787	8,498,824	51,715,533						
4110001	Prov Del UT On MD - Federal									
		2,468,359	0	2,465,055						
4111001	Prov Del UT-Cr On Op Inc-Fed									
		(40,183,654)	(5,264,478)	(34,145,722)						
4112001	Prov Del UT-Cr On Ind-Fed									
		(2,389,053)	0	(2,389,053)						
4113001	Federal Deferred Income Tax									
		23,388,439	3,234,347	17,646,814						
	ITC Ag, Utility Oper - Fed									
		(1,971)	(864)	(909)						
4114001	Federal Investment Tax Credits									
		(1,871)	(864)	(909)						



American Electric Power

**INCOME STATEMENT**

GLS8016  
 YTD Sep 2016  
 10/09/2016 13:59

		Layout: GLS8016		Account: GL_ACCT_SEC - Business Units - SEGMENT_CONS		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016		YTD Sep 2016	
		GLS8016	110	117	180	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
		Actual	Actual	Actual	Actual								
089 V2016-05-30		22,973,968	(126,403)	9,558,628	13,439,833								
40810221Z	Federal Income Taxes	22,973,968	(126,403)	9,558,628	13,439,833								
40810221Z	Income Taxes UOI - State	22,973,968	(126,403)	9,558,628	13,439,833								
40810221Z	Income Taxes UOI - State	22,973,968	(126,403)	9,558,628	13,439,833								
409200219	Inc Tax Oth Inc Dnd - State	(1,425,478)	81,728	(15,692)	36,976								
4101002	State Current Income Tax	(20,008)	(29,398)	(3,625,542)	2,118,338								
4111002	Prov Del JT LM Op Inc-State	(1,422,886)	53,634	(3,633,912)	2,068								
	Prov Del JT LM Op Inc-State	5,286,401	4,844,539	441,862	2,167,382								
	State Deferred Income Tax	(6,082,452)	0	(6,082,452)	0								
	State Investment Tax Credits	(788,061)	4,844,539	(6,840,680)	0								
	State Income Taxes	(2,216,947)	4,898,173	(9,274,602)	2,167,382								
	Local Current Income Tax												
	Local Deferred Income Tax												
	Local Investment Tax Credits												
	Local Income Taxes												
	Foreign Current Income Tax												
	Foreign Deferred Income Tax												
	Foreign Investment Tax Credits												
	Foreign Income Taxes												
	Total Income Taxes	20,756,009	4,772,770	386,024	16,697,216								
	Equity Earnings of Subs	40,174,861	7,981,717	4,921,686	27,271,469								
	<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>40,174,861</b>	<b>7,981,717</b>	<b>4,921,686</b>	<b>27,271,469</b>								
	Discontinued Operations (Net of Taxes)												
	Cumulative Effect of Accounting Changes												
	Extraordinary Income / (Expenses)												
	<b>NET INCOME</b>	<b>40,174,861</b>	<b>7,981,717</b>	<b>4,921,686</b>	<b>27,271,469</b>								
	Minority Interest												
	Preferred Stock Dividend Subs												
	Earnings to Common Shareholders	40,174,861	7,981,717	4,921,686	27,271,469								
	<b>NET INCOME (LOSS) NODE before PS</b>	<b>40,174,861</b>	<b>7,981,717</b>	<b>4,921,686</b>	<b>27,271,469</b>								
	Double Check on Net Income Node after PS	(0)		0									

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Sep 2016  
10/10/2016 09:54

09B V2016-09-  
Layout: GLS8216  
Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONG

	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	912,549	912,549	0	0
Other Cash Deposits	10,849	5,786	5,063	0
Customers	7,927,293	5,930,876	1,462,914	533,502
Accrued Unbilled Revenues	646,509	646,509	0	0
Miscellaneous Accounts Receivable	25,456,514	13,267,502	61,094,257	8,022,086
Allowances for Uncollectible Accounts	(7,335)	(62,761)	0	(8,574)
Accounts Receivable	33,959,981	19,782,126	62,557,171	8,547,015
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	39,535,427	2,019,091	37,087,359	428,977
Risk Management Contracts - Current	639,897	7,184	632,613	0
Margin Deposits	964,303	32,057	932,246	0
Unrecovered Fuel - Current	4,271,780	0	4,271,780	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,177,018	2,118,050	979,561	81,405
<b>TOTAL CURRENT ASSETS</b>	<b>83,470,602</b>	<b>24,874,843</b>	<b>106,466,693</b>	<b>9,057,397</b>
Electric Production	1,180,451,129	824,285,518	1,197,410,549	571,329,780
Electric Transmission	574,927,144	0	0	0
Electric Distribution	776,461,803	0	0	0
General Property, Plant and Equipment	64,007,724	199,571	1,461,903	1,160,479
Construction Work-in-Progress	19,167,762	9,881,431	2,591,994	6,694,337
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,815,015,562</b>	<b>834,366,521</b>	<b>1,201,464,446</b>	<b>579,184,596</b>
less: Accumulated Depreciation and Amortization	(871,460,246)	(285,154,978)	(416,423,058)	(189,882,199)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,743,555,317</b>	<b>549,211,542</b>	<b>785,041,377</b>	<b>389,302,397</b>
Net Regulatory Assets	537,945,407	117,119,585	363,061,484	57,764,339
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	34,676	4,039	30,637	0
Employee Benefits and Pension Assets	8,060,676	3,231,850	4,823,765	205,061
Other Non Current Assets	15,231,848	2,458,541	11,764,343	1,008,865
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>561,272,808</b>	<b>122,814,114</b>	<b>379,480,229</b>	<b>58,978,264</b>
<b>TOTAL ASSETS</b>	<b>2,388,296,526</b>	<b>716,900,499</b>	<b>1,270,987,299</b>	<b>457,338,058</b>
<b>LIABILITIES</b>				
Accounts Payable	60,868,916	54,674,843	58,827,163	6,382,241
Advances from Affiliates	11,383,796	21,185,028	79,972,175	(89,773,407)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	390,000,000	96,908,500	223,034,500	70,057,000
Long-Term Debt Due Within One Year - Affiliated	1,160,401	0	1,160,401	0
Risk Management Liabilities	2,174,929	8,723,732	(16,883,236)	10,334,433
Accrued Taxes	13,446,295	7,413,842	1,953,415	4,079,036
Memo: Property Taxes	6,444,276	1,957,284	3,121,317	1,365,896
Accrued Interest	98,290	0	98,290	0
Risk Management Collateral	26,679,995	26,429,995	250,000	0
Utility Customer Deposits	28,778,284	26,429,995	348,290	0
Deposits - Customer and Collateral	0	0	0	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/in 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	961,086	468,442	464,441	28,202
Tax Collections Payable	2,940,718	2,582,101	357,830	787
Revenue Refunds - Accrued	1,495,058	0	260,657	1,234,401
Accrued Rents - Rockport	820,343	0	0	0
Accrued - Payroll	0	358,635	460,554	1,154
Accrued Rents	0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Sep 2016  
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Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

09B V2018-09-  
Account: GL\_ACC\_T\_SEC Business Unit: SEGMENT\_CONS

	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016
Accrued ICP	3,780,631	1,844,305	1,932,192	4,134
Accrued Vacations	4,753,074	2,196,597	2,551,451	5,026
Misc Employee Benefits	1,057,355	348,936	680,671	27,749
Payroll Deductions	5,566	2,697	2,862	7
Severance / SEI	861,759	0	861,759	0
Accrued Workers Compensation	262,652	93,548	148,171	20,933
Customer Advance Receipts	1,612,598	1,612,598	0	0
Customer Advance	1,612,598	1,612,598	0	0
Control Cash Disburse Account	1,077,185	1,077,185	0	0
Control Cash Disbursement Account	1,077,185	1,077,185	0	0
JMG Liability	0	0	0	0
ARO - Current	16,622,761	0	16,622,761	0
Econ. Development Fund Curr	456,535	456,535	0	0
Unclaimed Funds	59,807	59,807	0	0
Acc Cash Franchise Req	84,802	84,802	0	0
Sales Use Tax - Leased Equip	268	0	234	34
Accrued Audit Fees	108,743	33,515	54,553	20,675
Federal Mitigation Accru (NSR)	554,326	0	554,326	0
Deferred Rev - Pole Attachments	222,869	222,869	0	0
Other Deferred Credits-Curr	105,294	0	105,294	0
Contrib in Aid of Constr Advance	65,502	65,502	0	0
Deferred Rev-Bonus Lease Curr	431,564	0	431,564	0
Misc Current and Accrued Liabilities	18,692,491	903,050	17,768,732	20,708
Current Other and Accrued Liabilities	37,359,432	11,019,653	25,024,880	1,314,898
Other Current Liabilities	38,320,517	11,488,096	25,489,321	1,343,101
<b>TOTAL CURRENT LIABILITIES</b>	<b>537,119,120</b>	<b>221,267,457</b>	<b>373,069,932</b>	<b>(290,937)</b>
Long-Term Debt - Affiliated	0	0	0	0
Long-Term Debt - Non Affiliated	477,135,044	142,460,853	231,886,527	102,987,664
Long-Term Debt - Premiums and Discounts Unamort	(152,831)	(45,571)	(74,316)	(32,944)
Memo - LTD, Non-Affiliated and Premiums	476,982,213	142,415,282	231,812,211	102,954,720
Long-Term Risk Management Liabilities - Hedge	0	0	0	0
LT Unreal Losses - Non Aff	60,635	0	60,635	0
Long-Term Risk Management Liabilities - MTM	60,635	0	60,635	0
Long-Term Risk Management Liabilities	60,635	0	60,635	0
Deferred Income Taxes	662,666,624	191,853,755	337,736,023	132,966,846
Deferred Investment Tax Credits	2,079	876	891	313
Regulatory Liabilities and Deferred Credits	(26,402,747)	(23,918,040)	(794,828)	(1,689,880)
Memo - Reg Liab and Def ITC	(26,400,668)	(23,917,164)	(793,937)	(1,689,567)
Asset Retirement Obligation	51,888,510	71,357	51,816,152	0
Nuclear Decommissioning	0	0	0	0
Employee Benefits and Pension Obligations	10,748,211	9,769,817	(802,066)	1,778,460
Trust Preferred Securities	0	0	0	0
Cumulative Preferred Stocks - Mandatory Rede	0	0	0	0
Obligations Under Capital Leases	1,798,617	814,514	946,703	37,400
Def Credits - Income Tax	623,029	276,560	293,212	53,257
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0
Def Credits - NSR	1,110,644	0	1,110,644	0
Customer Advances for Construction	160,320	160,320	0	0
Def Gain on Sale/Leaseback	0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0
Def Gain on Disp of Utility Plant	0	0	0	0
IPP - System Upgrade Credits	294,163	0	0	294,163
Fbr Opt Lns-in Kund Sv-Old Gas	136,853	136,853	0	0
MACSS Unidentified EDI Cash	120	120	0	0
Fbr Opt Lns-Sub-Delta Rev	65,895	0	0	65,895
Deferred Rev-Bonus Lease NC	683,310	0	683,310	0
Def Credits - Other	1,180,381	136,983	683,310	360,088
Total Other Deferred Credits	1,340,702	297,303	683,310	360,088
Accumulated Provisions - Rate Refund	0	0	0	0
Accumulated Provisions - Misc	164,850	0	164,850	0
Other Non-Current Liabilities	5,037,842	1,386,378	3,199,719	450,745

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Sep 2016  
10/10/2016 09:54

Account	GL ACCT_BEC	Business Unit	SEGMENT	CONS	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016	YTD Sep 2016
Layout: GLS8216								
TOTAL NON-CURRENT LIABILITIES								
Kentucky Power Int Consol GLS8216					1,180,872,366	321,561,425	622,829,737	236,461,204
Kentucky Power Company - Generation					0	0	995,899,659	236,170,268
Kentucky Power Company - 110					0	0	0	0
Kentucky Power Company - 117					0	0	0	0
Kentucky Power Company - 180					0	0	0	0
TOTAL LIABILITIES								
Cumulative Pref Stocks of Subs - Not subject Mand Redit					0	0	0	0
Minority Interest - Deferred Credits					0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>								
Common Stock					50,450,000	22,404,049	10,287,603	17,768,348
Paid in Capital					527,309,077	106,025,371	337,243,870	84,039,836
Premium on Capital Stock					0	0	0	0
Retained Earnings					94,135,135	45,638,713	(70,885,125)	119,381,547
Accumulated Other Comprehensive Income (Loss)					(1,587,173)	(16,515)	(1,558,718)	(11,939)
TOTAL SHAREHOLDERS' EQUITY					670,307,039	174,051,618	275,087,630	221,167,791
Memo: Total Equity					670,307,039	174,051,618	275,087,630	221,167,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								
out-of-balance					(0)	0	0	(0)

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Sep 2015  
 10/14/2015 10:52

Kentucky Power Int Consol GLS8216  
 Kentucky Power Company - 110  
 Kentucky Power Company - Generation 117  
 Kentucky Power Company - 180

Account	GL	ACT	SEC	Business Unit	SEGMENT	CONS	YTD Sep 2015	YTD Sep 2015	YTD Sep 2015
<b>ASSETS</b>									
Cash and Cash Equivalents							540,817	0	0
Other Cash Deposits							0	0	0
Customers							9,743,816	3,270,911	521,140
Accrued Unbilled Revenues							1,266,829	755,797	0
Miscellaneous Accounts Receivable							26,809,987	62,876,847	10,235,493
Allowances for Uncollectible Accounts							(285,885)	(96,984)	(8,574)
Accounts Receivable							41,326,798	66,561,806	10,748,058
Advances to Affiliates							0	0	0
Fuel, Materials and Supplies							43,773,834	40,920,487	770,266
Risk Management Contracts - Current							4,423,322	4,423,322	0
Margin Deposits							900,376	860,475	0
Unrecovered Fuel - Current							0	40,047	0
Other Current Regulatory Assets							0	0	0
Prepayments and Other Current Assets							3,754,242	1,978,725	891,868
<b>TOTAL CURRENT ASSETS</b>							<b>94,719,389</b>	<b>113,698,068</b>	<b>12,401,973</b>
Electric Production							1,173,829,178	798,257,608	1,192,718,868
Electric Transmission							561,732,042	0	0
Electric Distribution							749,625,528	0	0
General Property, Plant and Equipment							67,182,358	198,571	1,461,903
Construction Work-In-Progress							55,208,246	10,445,951	36,657,846
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>							<b>2,607,577,350</b>	<b>808,903,130</b>	<b>567,835,602</b>
less: Accumulated Depreciation and Amortization							(884,630,377)	(264,649,571)	(181,685,795)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>							<b>1,722,946,973</b>	<b>544,253,559</b>	<b>386,149,807</b>
Net Regulatory Assets							473,629,377	106,992,909	307,718,454
Securitized Transition Assets and Other							0	0	0
Spent Nuclear Fuel and Decommissioning Trusts							0	0	0
Investments in Power and Distribution Projects							0	0	0
Goodwill							0	0	0
Long-Term Risk Management Assets							414,623	0	414,623
Employee Benefits and Pension Assets							14,125,548	5,710,459	7,874,637
Other Non Current Assets							9,298,206	3,156,613	4,466,973
<b>TOTAL OTHER NON-CURRENT ASSETS</b>							<b>497,467,754</b>	<b>320,474,687</b>	<b>59,133,086</b>
<b>TOTAL ASSETS</b>							<b>2,315,134,116</b>	<b>1,226,716,299</b>	<b>457,684,866</b>
<b>LIABILITIES</b>									
Accounts Payable							69,066,818	60,986,303	61,062,150
Advances from Affiliates							7,085,330	16,979,166	80,265,944
Short-Term Debt							0	0	0
Other Current Regulatory Liabilities							0	0	0
Long-Term Debt Due Within One Year - Non-Affiliated							65,000,000	0	65,000,000
Long-Term Debt Due Within One Year - Affiliated							0	0	0
Risk Management Liabilities							1,799,856	29,218	1,770,638
Accrued Taxes							(3,439,709)	1,032,230	(19,527,101)
Memo: Property Taxes							13,964,506	7,304,616	2,282,127
Accrued Interest							6,159,498	1,802,247	2,994,797
Risk Management Collateral							0	0	0
Utility Customer Deposits							27,071,893	26,718,558	353,335
Deposits - Customer and Collateral							27,071,893	26,718,558	353,335
Over-Recovered Fuel Costs - Current							693,621	0	733,668
Dividends Declared							0	0	0
Preferred Stock due W/IN 1 Yr							0	0	0
Obligations under Capital Leases - Current							952,017	497,384	431,170
Tax Collections Payable							2,131,323	2,050,922	80,285
Revenue Refunds - Accrued							10,105,593	8,938,852	47,144
Accrued Rentals - Rockport							0	0	0
Accrued - Payroll							2,060,664	895,020	1,162,890
Accrued Rentals							0	0	2,753

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Sep 2015  
10/14/2015 10:02

Layout: GLS8216  
Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS

	YTD Sep 2015	YTD Sep 2015	YTD Sep 2015	YTD Sep 2015	YTD Sep 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
09B V2015-09-	5,299,177	2,473,437	2,821,306	4,434	
2530022	4,736,759	2,220,377	2,510,303	6,078	
2420088	1,340,344	560,210	753,883	26,251	
2420542	154,954	77,427	77,405	123	
24205215	2,131,452	0	2,131,452	0	
2420643	286,763	81,604	197,445	7,714	
2420658	3,217,903	3,217,903	0	0	
2420664	1,180,468	1,180,468	0	0	
2530050	1,180,468	1,180,468	0	0	
2530112	0	0	0	0	
2530124	11,469,997	0	11,469,997	0	
2530177	174,750	0	174,750	0	
	52,264	52,264	0	0	
	67,958	67,958	0	0	
	2,239	1,753	124	362	
	110,668	33,145	56,079	21,444	
	554,326	0	554,326	0	
	18,316	0	16,316	0	
	233,969	0	398,427	0	
	398,427	0	398,427	0	
	111,929	111,929	0	0	
	431,584	0	431,584	0	
	13,624,409	501,019	13,101,584	21,806	
	46,269,808	22,197,239	22,883,657	1,188,872	
	47,221,825	22,694,622	23,314,867	1,212,335	
<b>TOTAL CURRENT LIABILITIES</b>	<b>220,659,131</b>	<b>130,242,344</b>	<b>215,968,298</b>	<b>(66,481,854)</b>	
Long-Term Debt - Affiliated	0	0	0	0	
Long-Term Debt - Non Affiliated	780,000,000	226,402,800	380,406,000	173,191,200	
Long-Term Debt - Premiums and Discounts Unamort	(319,556)	(92,754)	(155,847)	(70,954)	
Memo - LTD Non-Affiliated and Premiums	779,680,444	226,310,046	380,250,153	173,120,246	
Long-Term Risk Management Liabilities - Hedge	0	0	0	0	
LT Unhed Losses - Non Affl	236,320	14,929	221,391	0	
L/T Liability MTM Collateral	(36,164)	(11,673)	(24,491)	0	
Long-Term Risk Management Liabilities - MTM	200,156	3,256	196,900	0	
Long-Term Risk Management Liabilities	200,158	3,258	196,900	0	
Deferred Income Taxes	620,341,716	186,767,923	302,410,796	131,162,997	
Deferred Investment Tax Credits	10,464	3,554	5,029	1,872	
Regulatory Liabilities and Deferred Credits	(39,557,654)	(34,291,212)	639,362	(5,905,803)	
Memo - Reg Liab and Def ITC	(39,547,190)	(34,287,648)	644,390	(5,903,931)	
Asset Retirement Obligation	60,775,622	67,379	60,708,242	0	
Nuclear Decommissioning	0	0	0	0	
Employee Benefits and Pension Obligations	11,091,318	9,302,024	870,912	818,381	
Trust Preferred Securities	0	0	0	0	
Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0	
Obligations Under Capital Leases	0	0	0	0	
Def Credits - Income Tax	84,201	43,549	1,228,046	46,145	
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0	
Def Credits - NSR	1,110,644	0	1,110,644	0	
Customer Advances for Construction	162,664	162,664	0	0	
Def Gain on Sale/Leasback	0	0	0	0	
Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0	
Def Gain on Disp of Utility Plant	0	0	0	0	
IPP - System Upgrade Credits	284,482	0	0	284,482	
Flr Opt Lns-in Kind Sw-Old Gas	144,963	144,963	0	0	
Flr Opt Lns-Sold-Old Rev	79,451	0	0	79,451	
Deferred Rev-Bonus Lease NC	1,114,874	0	1,114,874	0	
Def Credits - Other	1,623,780	144,963	1,114,874	363,943	
Total Other Deferred Credits	1,788,444	307,627	1,114,874	363,943	
Accumulated Provisions - Rate Refund	0	0	0	0	
Accumulated Provisions - Misc	524,250	0	524,250	0	

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Sep 2015  
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Account: GL_ACCT_SEC Business Unit: REGMENT_CONS		Layout: GLS8216	
09B V2015-09-	YTD Sep 2015	YTD Sep 2015	YTD Sep 2015
Kentucky Power Int Consol GLS8216	5,719,345	1,290,791	3,990,112
Kentucky Power Company - Generation 117	1,438,261,411	389,453,771	749,071,505
Kentucky Power Company - 110			
Kentucky Power Company - 180			
<b>Other Non-Current Liabilities</b>			438,441
<b>TOTAL NON-CURRENT LIABILITIES</b>			299,736,134
<b>TOTAL LIABILITIES</b>	1,658,920,542	519,696,115	965,039,803
Cumulative Pref Stocks of Subs - Not subject Mand Restr	0	0	0
Minority Interest - Deferred Credits	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>			
Common Stock	50,450,000	22,404,049	10,287,603
Paid in Capital	517,459,453	106,025,371	327,394,246
Premium on Capital Stock	0	0	0
Retained Earnings	90,371,528	41,710,686	(73,987,274)
Accumulated Other Comprehensive Income (Loss)	(2,067,407)	(33,614)	(2,008,078)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	656,213,574	170,106,493	261,676,496
<i>Memo: Total Equity</i>	656,213,574	170,106,493	261,676,496
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,315,134,116	689,802,608	1,226,716,299
out-of-balance	(0)	0	0

Revised Section

GLR7210V 10/08/16 12:00

UTILITY PLANT

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
101/106 GENERATION	1,124,272,407.54	78,186,255.60	(14,634,950.72)	0.00	0.00	1,187,823,712.42
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>78,186,255.60</b>	<b>(14,634,950.72)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,187,823,712.42</b>
101/106 TRANSMISSION	564,356,984.53	7,438,375.86	(946,930.34)	0.00	0.00	570,848,430.05
101/106 DISTRIBUTION	798,264,586.59	29,802,654.73	(6,961,258.40)	0.00	0.00	821,105,982.92
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>115,427,286.19</b>	<b>(22,543,139.46)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,579,778,125.39</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	238,689.75	0.00	5,497,121.24
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>115,427,286.19</b>	<b>(22,543,139.46)</b>	<b>238,689.75</b>	<b>0.00</b>	<b>2,585,275,246.63</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>107000X CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		72,995,033.52				
107000X TRANSFERS		(113,178,247.67)				
107000X END. BAL.		(40,183,214.15)				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>75,244,072.04</b>	<b>(22,543,139.46)</b>	<b>238,689.75</b>	<b>0.00</b>	<b>2,612,193,609.49</b>

NONUTILITY PLANT

1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52.

Preparer - P\$N\$Vision Report GLR7210V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Asset Rpt 1042



GLR7410V 10/08/16 12:01

UTILITY PLANT	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>NUCLEAR</b>						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
<b>TOTAL NUCLEAR</b>					0.00	
1080001/11 PRODUCTION	403,108,517.50	26,582,007.14	(14,588,581.05)	(2,504,903.89)	0.00	412,587,039.70
1080001/11 TRANSMISSION	176,427,961.28	11,386,395.16	(946,930.34)	(75,917.02)	0.00	186,791,609.08
1080001/11 DISTRIBUTION	222,789,410.10	21,265,960.88	(6,949,835.15)	(2,568,913.96)	0.00	234,536,621.87
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(201,517.46)	(2,159,772.16)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(7,229.08)	(52,601.23)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(3,430,277.49)	5,150,134.87	(371,047.47)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>59,234,363.18</b>	<b>(22,495,346.54)</b>	<b>(8,579,912.36)</b>	<b>4,941,388.33</b>	<b>831,331,849.80</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	295,177.16	431,392.33	(36,369.67)	0.00	0.00	2,534,230.54
1110001 TRANSMISSION	1,430,933.85	487,962.92	0.00	0.00	(3,277.67)	1,915,619.10
1110001 DISTRIBUTION	5,080,066.43	1,163,865.48	(11,423.25)	(500.00)	(11,938.48)	6,220,070.18
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>2,183,220.73</b>	<b>(47,792.92)</b>	<b>(500.00)</b>	<b>1,828,814.57</b>	<b>10,669,919.82</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	382,829.51	2,737,418.31
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>61,317,583.91</b>	<b>(22,543,139.46)</b>	<b>(8,580,412.36)</b>	<b>7,153,032.41</b>	<b>844,739,167.93</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Owrd	228,295.19	5,002.29	0.00	0.00	0.00	233,297.48
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>5,002.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>233,316.35</b>

Preparer - P5nVision Report GLR7410V  
Reviewer - Debbi Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



**American Electric Power**  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

November 21, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed October 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads "Jerri Ruggiero".

Jerri L Ruggiero  
Manager –Regulated Accounting

American Electric Power  
**INCOME STATEMENT**

GLS8016 YTD Oct 2016 11/02/2016 15:31	Layout: GLS8016 Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	Kentucky Power Int Console		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Oct 2016 Actual	110 Actual	117 Actual	117 Actual	180 Actual		
<b>REVENUES</b>									
4400001	Residential Sales - WISpace Mfg	107,258,157	107,258,157	0	0	0	0	0	0
4400002	Residential Sales - WQ Space Hs	51,818,928	51,818,928	0	0	0	0	0	0
4400005	Residential Fuel Rev	48,007,934	48,007,934	0	0	0	0	0	0
<b>Revenue - Residential Sales</b>		<b>207,086,019</b>	<b>207,086,019</b>						
4420001	Commercial Sales	72,489,911	72,489,911	0	0	0	0	0	0
4420008	Sales to Pub Auth - Schools	12,455,825	12,455,825	0	0	0	0	0	0
4420007	Sales to Pub Auth - Ex Schools	13,753,731	13,753,731	0	0	0	0	0	0
4420013	Commercial Fuel Rev	30,352,670	30,352,670	0	0	0	0	0	0
<b>Revenue - Commercial Sales</b>		<b>129,052,136</b>	<b>129,052,136</b>						
<b>Revenue - Industrial Sales - Affiliated</b>									
4420002	Industrial Sales (Excl Mines)	56,503,200	56,503,200	0	0	0	0	0	0
4420004	Ind Sales - Non-Affiliated Mines	19,345,357	19,345,357	0	0	0	0	0	0
4420016	Industrial Fuel Rev	54,720,260	54,720,260	0	0	0	0	0	0
<b>Revenue - Industrial Sales - Non-Affiliated</b>		<b>130,568,817</b>	<b>130,568,817</b>						
<b>Revenue - Industrial Sales</b>		<b>130,568,817</b>	<b>130,568,817</b>						
<b>Revenue - Gas Products Sales</b>									
4440000	Revenue - Gas Transportation & Storage Sales	1,394,846	1,394,846	0	0	0	0	0	0
4440002	Revenue - Gas Transportation & Storage Sales - Affiliated	226,533	226,533	0	0	0	0	0	0
<b>Revenue - Other Retail Sales - Affiliated</b>		<b>1,621,379</b>	<b>1,621,379</b>						
<b>Revenue - Retail Sales</b>		<b>468,337,351</b>	<b>468,337,351</b>						
4500043	Qtr Elec Rev - Trm-Aff-Trnf Price	0	0	0	0	0	0	0	0
4501033	PJM NTS Revenue - Affiliated	41,865,970	41,865,970	0	0	0	0	27,620,866	41,865,970
4501034	PJM TO Adm Serv Rev - Aff	636,488	636,488	0	0	0	0	658,466	636,488
4501035	PJM Affiliated Trans NTS Cost	(96,596,914)	(96,596,914)	0	0	0	0	0	0
4501036	PJM Affiliated Trans TO Cost	(487,123)	(487,123)	0	0	0	0	0	0
4501050	ASB PJM Trans Enhancement Rev	715,914	715,914	0	0	0	0	715,914	715,914
4501060	ASB PJM Trans Enhancement Cost	(630,926)	(630,926)	0	0	0	0	0	0
4501062	PROVISION RTD Cost - Aff	0	0	0	0	0	0	613,465	0
4501063	PROVISION RTD Rev - Affiliated	0	0	0	0	0	0	0	(613,465)
<b>Revenue - Transmission-Affiliated</b>		<b>6,625,408</b>	<b>6,625,408</b>					<b>(37,101,488)</b>	<b>70,247,772</b>
4470150	Transm. Rev - Desk, Wholesale	61,752	61,752	0	0	0	0	1,019,884	1,081,535
4470205	PJM Trans loss credit-CSS	182,142	182,142	0	0	0	0	182,142	0
4470209	PJM trans loss credit-CSS	(1,114,738)	(1,114,738)	0	0	0	0	(1,114,738)	0
4501002	RTD Formation Cost Recovery	(43,547)	(43,547)	0	0	0	0	(165,567)	0
4501005	PJM Port to Port Trans Svc	466,047	466,047	0	0	0	0	466,047	0
4501006	PJM Trans Owner Admin Rev	114,432	114,432	0	0	0	0	0	114,432
4501027	PJM Network Inleg Trans Svc	4,897,721	4,897,721	0	0	0	0	4,897,721	4,897,721
4501018	Qtr Elec Rev Trans Non Aff	45,533	45,533	0	0	0	0	45,533	45,533
4501028	PJM Pow Fac Cns Rev West Co-NA	5,468	5,468	0	0	0	0	5,468	5,468
4501029	PJM NTS Revenue West Co-NAF	2,020,178	2,020,178	0	0	0	0	2,020,178	2,020,178
4501030	PJM TO Serv Rev West Co-NAF	40,023	40,023	0	0	0	0	40,023	40,023
4501058	NonAff PJM Trans Enhocost Rev	1,293,491	1,293,491	0	0	0	0	1,293,491	1,293,491
4501061	NMP PJM RTEP Rev for West FR	34,545	34,545	0	0	0	0	34,545	34,545
4501064	PROVISION RTD Rev WestCo-NA	(29,906)	(29,906)	0	0	0	0	(29,906)	(29,906)
4501065	PROVISION RTD Rev - NonAff	7,895,575	7,895,575	0	0	0	0	(1,652,019)	9,547,594
<b>Revenue - Transmission-NonAffiliated</b>		<b>13,420,983</b>	<b>13,420,983</b>					<b>(8,785,617)</b>	<b>78,795,366</b>
<b>Revenue - Transmission</b>		<b>339,404</b>	<b>339,404</b>					<b>339,404</b>	<b>0</b>
4470001	Sales for Resale - Assoc Cos	1,330,384	1,330,384	0	0	0	0	1,330,384	0
4470151	Trading Auction Sales Aff	1,669,787	1,669,787	0	0	0	0	1,669,787	0
<b>Revenue - Resale-Affiliated</b>		<b>10,074,736</b>	<b>10,074,736</b>					<b>10,074,736</b>	<b>0</b>
4470006	Sales for Resale-Bookout Sales	(7,934,632)	(7,934,632)	0	0	0	0	(7,934,632)	0
4470010	Sales for Resale-Bookout Purch	1,909,949	1,909,949	0	0	0	0	1,909,949	0
4470027	Wholesale/Wholesale Fuel Rev	2,269,608	2,269,608	0	0	0	0	2,269,608	0
4470033	Wholesale/Wholesale Base Rev	(12,475)	(12,475)	0	0	0	0	(12,475)	0
4470081	Financial Spark Cost - Realized	(2,248,573)	(2,248,573)	0	0	0	0	(2,248,573)	0
4470082	Financial Electric Realized	5,098,456	5,098,456	0	0	0	0	5,098,456	0
4470089	PJM Energy Sales Margin	(47,191)	(47,191)	0	0	0	0	(47,191)	0
4470098	PJM Oper Revenue Rev-CSS	1,585,861	1,585,861	0	0	0	0	1,585,861	0
4470099	Capacity Cl. Net Sales	131,965	131,965	0	0	0	0	131,965	0
4470100	PJM FTR Revenue-CSS	23,448,152	23,448,152	0	0	0	0	23,448,152	0
4470103	PJM Energy Sales Cost	41,517	41,517	0	0	0	0	41,517	0
4470107	PJM NTS Purch-NonAff	0	0	0	0	0	0	0	0
4470110	PJM TO Admin Exp-NonAff	2,052,015	2,052,015	0	0	0	0	2,052,015	0
4470112	Non-Trading Bookout Sales-CSS	0	0	0	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power

GLS8016 YTD Oct 2016 1/06/2016 15:31	Kentucky Power Int Counsel GLS8016 Actual	Kentucky Power Company - Distribution 110 Actual	Kentucky Power Company - Generation 117 Actual	Kentucky Power Company - Transmission 180 Actual	YTD Oct 2016		YTD Oct 2016	
					GLS8016 Actual	YTD Oct 2016	GLS8016 Actual	YTD Oct 2016
Layout: GLS8016 Account: BL_ACTT_SEC Business Units: SEGMENT_CONS								
4470119	PJM Mktar Corrections-OSS				(2,899)			
4470118	PJM Mktar Corrections-LSE				112,521			
4470126	PJM Incremental Imp Cong-OSS				(598,569)			
4470131	Non-Trading Bookend Purch-OSS				(2,133,976)			
4470143	Financial Hedge Realized				886,537			
4470168	Interest Rate Swap-Power				(257)			
4470170	Non-ECR Auction Sales-OSS				(6,549)			
4470175	OSS Shading Realized - Retail				(5,171,320)			
4470178	OSS Shading Realized - Wholesale				5,171,320			
4470214	PJM 30m Supp Reserve CR OSS				84,273			
4470215	PJM 30m Supp Reserve CH OSS				(28,275)			
4470220	PJM Regulation - OSS				53,103			
4470221	PJM Spinning Reserve - OSS				8,280			
4470222	PJM Reserve - OSS				274,481			
5550080	PJM Hourly Net Purch-FERC				(6,338,877)			
	<b>Revenue - Resale-NonAffiliated</b>				<b>28,718,079</b>			
4470074	Sale for Resale-All-Tier Price				30,387,867			
4540001	Rent From Elect Property - AF				0			
4590001	Own Elect Rev - Affiliated				379,165			
	<b>Revenue - Other Ele-Affiliated</b>				<b>379,165</b>			
4285094	Special Allow Loss-Sys Nox				(754)			
4500000	Forfeited Discounts				3,384,052			
4540002	Misc Service Rev - NonAff				640,402			
4540003	Rent From Elect Property-MA				85,139			
4540005	Rent from Elec Prop-Pole Atch				4,853,960			
4560007	Own Elect Rev - DSM Program				8,425,502			
5010040	Gas Procurement Sales Net				(3,100)			
	<b>Revenue - Other Ele-NonAffiliated</b>				<b>17,294,600</b>			
	<b>Revenue - Gas</b>				<b>88,036</b>			
4118002	Comp Allow Game Title TV SOZ				78			
4118003	CSAPR SOZ Game				2,573			
4118009	Comp Allow Game CSAPR Seas Nox				235,500			
4118009	Comp Allow Game CSAPR An Nox				152,625			
4118070	Emission Allow KY Env Surch				56,132			
	<b>Gain/(Loss) on Allowances</b>				<b>446,905</b>			
	<b>Revenue - Other Opr Electric</b>				<b>17,832,137</b>			
	<b>Revenue Merchandising &amp; Contract Work</b>				<b>18,242,682</b>			
	<b>Revenues Non-Utility Operations - Affiliated</b>				<b>-</b>			
	<b>Revenues Non-Utility Operations - NonAffiliated</b>				<b>-</b>			
	<b>Revenues from Non-Jobility Operations</b>				<b>-</b>			
	<b>Non-Operating Rental Income - Affiliated</b>				<b>-</b>			
	<b>Non-Operating Rental Income</b>				<b>26,000</b>			
	<b>Non-Operating Rental Income - NonAffiliated</b>				<b>-</b>			
	<b>Non-Operating Rental Income</b>				<b>26,000</b>			
	<b>Non-Operating Misc Income - Affiliated</b>				<b>-</b>			
	<b>Non-Operating Misc Income</b>				<b>1,750</b>			
	<b>Non-Operating Misc Income - NonAffiliated</b>				<b>-</b>			
	<b>Non-Operating Misc Income</b>				<b>7,870</b>			
	<b>Non-Operating Rental Income</b>				<b>360,424</b>			
	<b>Non-Operating Rental Income - NonAffiliated</b>				<b>-</b>			
	<b>Non-Operating Rental Income</b>				<b>370,044</b>			
	<b>Non-Operating Misc Income</b>				<b>1,117</b>			
	<b>Non-Operating Misc Income - NonAffiliated</b>				<b>-</b>			
	<b>Non-Operating Misc Income</b>				<b>95,650</b>			
	<b>Other Electric Revenues - ASD</b>				<b>243,755</b>			
	<b>Other Electric Revenues - ASD</b>				<b>339,605</b>			
	<b>Revenue - Other Opr - Other</b>				<b>729,038</b>			
	<b>Revenue - Other Opr - Other</b>				<b>729,038</b>			
	<b>Revenue - Other Operating</b>				<b>18,971,700</b>			
	<b>Revenue - Other Operating</b>				<b>18,363,061</b>			
	<b>Revenue - Other Operating</b>				<b>367,343</b>			
	<b>Revenue - Other Operating</b>				<b>367,343</b>			
	<b>Revenue - Other Operating</b>				<b>106,738</b>			
	<b>Revenue - Other Operating</b>				<b>(29,804)</b>			
	<b>Revenue - Other Operating</b>				<b>(72,246)</b>			
	<b>Revenue - Other Operating</b>				<b>(102,048)</b>			
	<b>Revenue - Other Operating</b>				<b>(617,045)</b>			

**INCOME STATEMENT**

American Electric Power

GLS#016 YTD Oct 2016 1/06/2016 15:31	Account: GL ACCT_SEC Business Units: SEGMENT COINS	Layout: GLS#016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
			GLS#016 Actual	YTD Oct 2016	110 Actual	YTD Oct 2016	117 Actual	YTD Oct 2016	180 Actual	YTD Oct 2016
B	Provision for Rate Refund - Affiliated		(617,646)	-	-	-	-	-	-	(617,646)
	Provision for Rate Refund		(719,696)	-	-	-	-	-	-	(719,696)
	Pwr Purch Outside Svc Termy		(745)	0	0	0	(745)	0	0	0
4210032	A. Revenue - Power Sales		(746)	-	-	-	(746)	-	-	-
	<b>TOTAL OPERATING REVENUES</b>		<b>630,397,460</b>	<b>486,690,402</b>	<b>486,690,402</b>	<b>332,703,687</b>	<b>332,703,687</b>	<b>79,181,409</b>	<b>79,181,409</b>	
	Memo: GTTD Revenue		522,680,347	485,631,951	485,631,951	27,570,255	304,766,089	27,570,255	304,766,089	
	Memo: Other Affiliated Revenue		6,988,075	691,729	691,729	-	-	-	-	
	Memo: Revenue-Oth Opr-Oth Aff		-	-	-	-	-	-	-	
	Memo: Revenue-Oth Opr-Oth Non		729,038	366,722	366,722	367,343	-	367,343	-	(5,028)
	Memo: Total Operating Revenues		530,397,460	486,690,402	486,690,402	332,703,687	332,703,687	79,181,409	79,181,409	
	Memo: Affiliated Revenue		6,988,075	691,729	691,729	304,766,089	304,766,089	69,708,295	69,708,295	
	Memo: Non-Affiliated Revenue		523,409,385	485,998,673	485,998,673	27,937,598	27,937,598	8,473,114	8,473,114	
	Memo: Total Operating Revenues		530,397,460	486,690,402	486,690,402	332,703,687	332,703,687	79,181,409	79,181,409	
	<b>FUEL EXPENSES</b>									
5010000	Fuel		2,160,845	12	12	2,180,825	7	2,180,825	7	
5010001	Fuel Consumed		72,379,321	0	0	72,379,321	0	72,379,321	0	
5010003	Fuel - Procture Unleaded & Hends		2,632,565	0	0	2,632,565	0	2,632,565	0	
5010013	Fuel Slurry Activity		381,233	0	0	381,233	0	381,233	0	
5010019	Fuel Oil Consumed		1,083,048	0	0	1,083,048	0	1,083,048	0	
5010020	Nat Gas Consumed Steam		10,387,754	0	0	10,387,754	0	10,387,754	0	
5010027	Gypsum handling/discardal costs		334,820	0	0	334,820	0	334,820	0	
5010028	Gypsum Sales Proceeds		(474,187)	0	0	(474,187)	0	(474,187)	0	
5010034	Gas Tramp Res Fees-Steelm		2,712,312	0	0	2,712,312	0	2,712,312	0	
5010005	Fuel Expense Total		91,607,712	12	12	91,607,692	7	91,607,692	7	
	Fuel - Deferred		(5,483,712)	0	0	(5,483,712)	0	(5,483,712)	0	
	Fuel Expense		(6,483,712)	-	-	(6,483,712)	-	(6,483,712)	-	
	Deferred Fuel Expense		86,114,000	12	12	86,113,980	7	86,113,980	7	
	Over Under Fuel Expense		-	0	0	-	0	-	0	
	Fuel for Electric Generation		460,515	0	0	460,515	0	460,515	0	
	Fuel from Affiliates for Electric Generation		29,118	0	0	29,118	0	29,118	0	
	Allow Consum Ties IV 502		411	0	0	411	0	411	0	
	Allow Consum CSAPR 502		490,044	-	-	490,044	-	490,044	-	
	Environmental Over/Under O&M E		884,564	0	0	884,564	0	884,564	0	
	Allowances - Consumption		282,189	0	0	282,189	0	282,189	0	
	Urea Expense		2,838,046	0	0	2,838,046	0	2,838,046	0	
	Tires Expense		6,446	0	0	6,446	0	6,446	0	
	Lime Expense		12,903	0	0	12,903	0	12,903	0	
	Polymers Expense		(152,705)	0	0	(152,705)	0	(152,705)	0	
	Environmental Over/Under Consu		3,981,442	0	0	3,981,442	0	3,981,442	0	
	Emissions Control - Chemicals		90,585,486	12	12	90,585,466	7	90,585,466	7	
	Total Fuel for Electric Generation		90,585,486	12	12	90,585,466	7	90,585,466	7	
	Memo: Non-Aff Fuel/Allow/Emissions		43,286,405	0	0	43,286,405	0	43,286,405	0	
5550027	Purch Pwr-Non-Fuel Portion-Aff		0	0	0	0	0	0	0	
5550029	Purch Power-Aeroc-Triple Price		36,161,817	0	0	36,161,817	0	36,161,817	0	
5550046	Purch Power-Fuel Portion-Aff		78,448,222	340,166,439	340,166,439	78,448,222	0	78,448,222	0	
5550000	Purchased Power		2	0	0	2	0	2	0	
5550001	Purch Pwr-NonTrading-Nonstate		28,822,503	0	0	28,822,503	0	28,822,503	0	
5550022	Purch Power Capacity-NA		32,281	0	0	32,281	0	32,281	0	
5550032	Gas-Conversion-More Plant		(17)	0	0	(17)	0	(17)	0	
5550038	PJM Interconnect MR Res-CSS		(9,195)	0	0	(9,195)	0	(9,195)	0	
5550040	PJM Interconnect MR Res-LSE		(34,870)	0	0	(34,870)	0	(34,870)	0	
5550041	PJM Ancillary Sert - Sync		0	0	0	0	0	0	0	
5550074	PJM Reactive-Credit		2,113,913	0	0	2,113,913	0	2,113,913	0	
5550075	PJM Reactive-Credit		(921,249)	0	0	(921,249)	0	(921,249)	0	
5550078	PJM Black Start-Charge		893,838	0	0	893,838	0	893,838	0	
5550078	PJM Regulation-Charge		558,982	0	0	558,982	0	558,982	0	
5550078	PJM Regulation-Credit		(73,805)	0	0	(73,805)	0	(73,805)	0	
5550083	PJM Spinning Reserve-Charge		284,234	0	0	284,234	0	284,234	0	
5550084	PJM Spinning Reserve-Credit		(59,531)	0	0	(59,531)	0	(59,531)	0	
5550086	PJM 30m Suppl Reserv Charge LSE		202,307	0	0	202,307	0	202,307	0	
5550088	PJM Purchases-non-ECR-Auction		1,453	0	0	1,453	0	1,453	0	
5550100	Capacity Purchases-Auction		2,825	0	0	2,825	0	2,825	0	
5550123	PJM OpRes-LSE Charge		615,948	0	0	615,948	0	615,948	0	
5550124	PJM Implect Collocation-LSE		1,485,024	0	0	1,485,024	0	1,485,024	0	
5550132	PJM FTR Revenue-LSE		(2,283,354)	0	0	(2,283,354)	0	(2,283,354)	0	

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Oct 2016  
 11/09/2016 15:31

Account	Layout: GLS8016 Business Units: SEGMENT, COINS			
	GLS8016 Actual	110 Actual	117 Actual	180 Actual
PJM OpGas-LSE-Credit	(188,362)	0	0	0
Purchase Power-PPA Deferred	50,676	0	0	0
KY Env Sur - Purchase Power	(31,506)	0	0	0
BSTOR PJM Over/Under Recovery	2,545,749	0	0	0
PJM Trainin Loss Charges - LSE	6,407,294	0	0	0
PJM Trainin Loss Charges-LSE	(1,338,882)	0	0	0
	39,076,257	-	-	21,852
<b>Purchased Electricity for Resale - NonAffiliated</b>				
<b>Purchased Gas for Resale - Affiliated</b>				
<b>Purchased Gas for Resale - NonAffiliated</b>				
<b>Total Purchased Power</b>	<b>118,524,479</b>	<b>340,166,439</b>	<b>118,502,527</b>	<b>21,852</b>
<b>GROSS MARGIN</b>	<b>321,287,485</b>	<b>146,523,961</b>	<b>123,615,593</b>	<b>78,169,649</b>
<b>OPERATING EXPENSES</b>				
Oper Supervision & Engineering	2,570,068	16,312	2,548,695	5,081
Oper Suprt & Eng-PATA-ATB	37,910	0	37,910	0
Steam Expenses	1,037,919	0	1,037,919	0
Electric Expenses	173,744	0	173,744	0
Mac Steam Power Expenses	6,228,387	817	6,228,080	510
Mac Steam Power Exp-Atuoc	41,435	0	41,435	0
Removal Cost Expense - Steam	(13)	7	(26)	5
BSTOR Old Recovery-Oper Costs	33,502	0	33,502	0
Environmental Over/Under O&M E	(149,492)	0	(149,492)	0
<b>Steam Generation Op Exp</b>	<b>9,974,480</b>	<b>17,137</b>	<b>9,951,747</b>	<b>5,678</b>
<b>Nuclear Generation Op Exp</b>				
<b>Hydro Generation Op Exp</b>				
Sys Control & Load Dispatching	396,090	0	396,090	0
Other Expenses	1,222,950	0	1,222,950	0
Other Pwr Exp - Wholesale RECA	53,669	53,669	0	0
Other Pwr Exp - Voluntary RECA	28	28	0	0
PJM Admin-MAAMASC- O&S	101,878	0	101,878	0
PJM Admin-MAAMASC- Internal	712,435	0	712,435	0
<b>Other Generation Op Exp</b>	<b>2,487,048</b>	<b>53,896</b>	<b>2,433,363</b>	<b>-</b>
Oper Supervision & Engineering	1,047,594	2,866	1,047,594	7,407
Lead Dispatch - Reliability	7,483	0	7,483	0
Lead Dispatch -West/Op Trans/Sys	670,802	201	670,802	670,132
PJM Admin-SSCADS-O&S	113,714	0	113,714	0
PJM Admin-SSCADS-Internal	826,304	0	826,304	0
Reliability/Prog/Stat Develop	101,401	3,478	101,401	89,564
PJM Admin-RPASOS-O&S	28,406	0	28,406	0
PJM Admin-RPASOS- Internal	218,428	0	218,428	0
Station Expenses - Nonbasic	185,303	0	185,303	0
Overhead Line Expenses	86,367	0	86,367	0
Transmission Eacby Other-MAC	101,020	0	101,020	0
Tran Eacby Otr-MTm Price	0	27,620,868	0	0
PJM Trans Enhancement Charge	4,730,670	0	4,730,670	0
PJM NTS Expenses - Affiliated	13,222,728	0	13,222,728	0
AM PJM Trans Enhancement Exp	2,775,593	0	2,775,593	0
PROVISION RTD AM Expenses	780,864	0	780,864	0
Mis Transmission Expenses	1,174,178	13,436	1,174,178	1,134,647
SPP FERC Assessment Fee	10	8	0	1
R King Trans Crtr Exp - AM	1	0	0	1
Rents - Associated	0	0	0	0
<b>Transmission Op Exp</b>	<b>26,070,858</b>	<b>27,640,848</b>	<b>22,840,048</b>	<b>3,801,872</b>
Oper Supervision & Engineering	374,477	324,678	34,960	14,841
Lead Dispatching	2,478	2,478	0	(1)
Station Expenses	150,140	150,030	0	110
Overhead Line Expenses	673,673	673,277	0	396
Underground Line Expenses	85,416	85,416	0	0
Street Lighting & Signal Sys E	149,310	149,310	0	0
Misc Expenses	682,355	682,355	652	548
Customer Installations Exp	134,645	134,645	0	0
Miscellaneous Distribution Exp	3,040,619	2,991,065	32,504	17,051
Rents - Nonassociated	1,355,273	1,355,273	0	0
Rents - Associated	53,245	53,245	0	0
<b>Distribution Op Exp</b>	<b>6,722,843</b>	<b>6,821,781</b>	<b>68,118</b>	<b>32,945</b>
Supervision - Customer Accts	169,563	169,487	58	18
Meter Reading Expenses	(8,747)	(8,677)	740	180
Meter Reading - Regular	296,777	296,777	0	0

**INCOME STATEMENT**

GLS8016 YTD Oct 2016 11/02/2016 15:31	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016
088 V2016-10-31	Account: GL_AOCT_SEC Business Units: SEGMENT_CONS							
	Layout: GLSM018							
9200003	Meter Reading - Large Power	44,729	0	44,729	0	0	0	0
9200000	Cart Revenue & Collection Exp	266,005	33	265,005	33	0	0	3,174
9200001	Customer Orders & Inquiries	1,993,872	1,993,872	1,993,872	1,993,872	0	0	334
9200002	Manual Billing	17,958	16	17,958	16	0	0	695
9200003	Package - Customer Bill	604,119	0	604,119	0	0	0	0
9200004	Cash/Email	100,841	134	100,676	134	0	0	30
9200005	Collection Agents Fees & Exp	51,543	0	51,543	0	0	0	0
9200006	Credit & Chk Collection Advt	829,028	5	829,028	5	0	0	0
9200007	Collectors	247,549	0	247,549	0	0	0	0
9200008	Data Processing	144,665	0	144,665	0	0	0	0
9200007	Uncoll Accts - Misc Receivable	(127,766)	30	(127,766)	30	0	0	1
9200006	Misc Customer Accounts Exp	14,498	0	14,498	0	0	0	0
9200000	Supervision - Customer Service	91,115	10	91,115	10	0	0	3
9200000	Supervision - DSM	55	57	57	57	0	0	(0)
9200000	Customer Assistance Expenses	680,205	35	680,159	35	0	0	11
9200004	Cart Assistance Exp - DSM - Ind	(7)	(5)	(5)	(5)	0	0	(0)
9200009	Cart Assistance Exp - DSM - DSM	4,349,983	4,349,984	4,349,984	4,349,984	0	0	(0)
9200000	Information & Intnetv Advt	40,513	18,949	18,949	17,326	0	0	4,336
9100000	Misc Cust Svcs/Informational Ex	82,824	64,678	64,678	14,836	0	0	3,310
9100001	Misc Cust Svcs & Info Exp - RCS	79	19	19	49	0	0	11
	<b>Customer Service and Information Op Exp</b>	<b>9,894,269</b>	<b>34,864</b>	<b>9,847,290</b>	<b>34,864</b>	<b>0</b>	<b>0</b>	<b>12,115</b>
9110002	Supervision - Comm & Ind	23	23	23	0	0	0	0
9120000	Demeritizing & Selling Exp	29,188	0	29,188	0	0	0	0
9130001	Advertising Exp - Residential	6,245	216	6,022	216	0	0	7
9130008	Advertising Exp-Mktg Research	25,000	0	25,000	0	0	0	0
	<b>Sales Expenses</b>	<b>60,468</b>	<b>216</b>	<b>60,233</b>	<b>216</b>	<b>0</b>	<b>0</b>	<b>7</b>
9200000	Memo: Insurance (9248 9250)	2,865,603	1,229,435	1,229,435	1,129,829	0	0	196,248
9210001	Admin Exp - Non-Residential	7,552,947	3,210,467	3,210,467	3,234,127	0	0	1,108,317
9220000	Cellular Phones and Pagers	562,243	308,185	308,185	185,634	0	0	68,424
9220001	Administrative Exp Travel - Cr	(606,935)	(0)	(606,935)	(0)	0	0	(0)
9220001	Admin Exp Travel to Customers	(533,368)	(0)	(533,368)	(0)	0	0	0
9220004	Admin Exp Travel to ABD	(12)	(12)	(12)	0	0	0	0
9230001	Outside Svcs Empl - Non-Res	1,585,034	532,363	532,363	753,461	0	0	279,210
9230003	AFSC Billed to Client Co	205,897	75,449	75,449	65,813	0	0	64,635
9240000	Property Insurance	611,127	146,062	146,062	345,019	0	0	120,025
9250000	Injuries and Damages	1,147,632	687,022	687,022	437,910	0	0	22,700
9250001	Safety Drivers and Awards	2,832	2,832	2,832	0	0	0	0
9250002	Emp Accident/Prevent-Adm Exp	4,117	1,650	1,650	1,650	0	0	15
9250006	Whisk Program Prd/Slm Ins Pw	714,967	547,177	547,177	113,918	0	0	53,873
9250007	Prncal Inj/Dead/Prop Damage-Pub	6,212	247,096	247,096	247,096	0	0	8
9250010	Emp Ben Loading - Workers Comp	(180,153)	(164,007)	(164,007)	(15,773)	0	0	(373)
9260000	Employee Pensions & Benefits	13,942	3,000	3,000	10,942	0	0	0
9260001	Edi & Print Empl Pub-Salaries	17,827	6,323	6,323	8,356	0	0	3,149
9260003	Pension Plan	29,256	13,538	13,538	15,293	0	0	425
9260004	Group Life Insurance Premiums	122,854	1,333,651	1,333,651	614,869	0	0	86,688
9260006	Group Medical Ins Premiums	3,950,984	67,396	67,396	54,670	0	0	788
9260009	Group L1 Disability Ins Prem	142,807	83,778	83,778	1,562,830	0	0	14,836
9260010	Training Administration Exp	182,817	109,273	109,273	53,041	0	0	5,987
9260012	Employee Activities	1,333	553	553	72,397	0	0	1,147
9260014	Educational Assistance Prem	2,159	1,543	1,543	653	0	0	86
9260021	Postretirement Benefits - OPEB	6,650	1,175	1,175	4,528	0	0	67
9260027	Supplemental Pension	(2,113,628)	(1,111,756)	(1,111,756)	(824,024)	0	0	948
9260037	SFAS 112 Postemployment Benefit	1,437,648	904,702	904,702	630,735	0	0	(177,648)
9260040	Fig Ben Loading - Pension	3,824	3,824	3,824	0	0	0	0
9260050	Fig Ben Loading - Cop Ins	(316,539)	(671,642)	(671,642)	(320,913)	0	0	316
9260051	Fig Ben Loading - Savings	(793,777)	(1,284,476)	(1,284,476)	(120,902)	0	0	(1,234)
9260052	Fig Ben Loading - OPEB	(491,866)	(370,345)	(370,345)	(120,969)	0	0	(2,012)
9260055	Interoff/Ingr/Officr - Dwn Use	633,930	495,668	495,668	137,353	0	0	908
9260058	Fig Ben Loading - Accual	(326,174)	(246,286)	(246,286)	(79,864)	0	0	(24)
9260060	Actcr-Post Retirement Benefit	(277)	(13,973)	(13,973)	13,853	0	0	(158)
9270000	Franchise Requirements	180,517	107,984	107,984	59,339	0	0	13,184
9280000	Regulatory Commission Exp	116,361	(2)	(2)	(3)	0	0	0
9280001	Regulatory Commission Exp-Adm	170	0	0	0	0	0	170
9280002	Regulatory Commission Exp-Case	90,066	16,044	16,044	63,166	0	0	10,855

**INCOME STATEMENT**

American Electric Power

GLS0018 YTD Oct 2016 11/02/2016 15:31	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS				Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	YTD Oct 2016		YTD Oct 2016		YTD Oct 2016		YTD Oct 2016		YTD Oct 2016		YTD Oct 2016	
	GLS0016 Actual	110 Actual	117 Actual	180 Actual	110 Actual	117 Actual	180 Actual	110 Actual	117 Actual	180 Actual	110 Actual	117 Actual
0301000	361	361										
0301001	26,211	8,497										
0301003	1,245	5,253										
0301010	551	130										
0301012	56,539	56,513										
0301015	16,790	7,861										
0302000	181,524	41,733										
0302003	19,669	14,251										
0302004	610	610										
0310001	3	2										
0310002	87,973	87,973										
4111005	230,329	160,116										
4118000	16,202,936	6,446,304										
5302008	576,446	0										
6302007	576,446	0										
	(4,332)	(4,332)										
	(4,332)	(4,332)										
	17,118	17,118										
	149,679	54,964										
	166,787	72,082										
	-	-										
	-	-										
	0	0										
	904,815	804,815										
	1,421,948	1,421,948										
	2,326,763	2,326,763										
	65,777	35,395										
	12,534	3,042										
	78,310	36,438										
	3,676	2,051										
	3,876	2,051										
	536,303	479,473										
	636,303	479,473										
	2,098	1,760										
	2,088	235										
	419,797	108,851										
	419,797	108,881										
	72,575	41,750										
	72,575	41,760										
	3,439,522	2,997,571										
	74,691,304	63,752,611										
	1,993,072	523										
	1,714,670	0										
	13,628,966	0										
	(91,152)	0										
	(1,121,152)	0										
	4,246,568	0										
	1,430,653	(523)										
	21,601,636	(6)										
	-	-										
	-	-										
	24,120	(10)										
	21,349	0										
	1,150	13										
	94,201	6,250										
	2,341	0										
	404,734	1,066										
	1,556,446	(481)										
	55	0										
	257,979	54										
	2,361,376	6,892										
	1,845	1,837										
	28,909	11,966										
	-	-										
	-	-										
	-	-										
	208	23,921										
	0	21,349										
	35	1,102										
	3,110	84,841										
	0	2,341										
	107	403,661										
	(714)	1,556,641										
	90	55										
	2,837	257,935										
	0	2,361,646										
	0	16,943										



American Electric Power

INCOME STATEMENT

GLS8016 YTD Oct 2016 11/02/2016 15:31	Kentucky Power Int Contrl		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016
089 V2016-10-31	Account: GL_ACICT_SEC Business Units: SEGMENT_CONS Layout: GLS8016							
5200000		368,406	368,124		42		1,238	
5300000	Maint of Station Equipment	31,467,101	31,453,341		(12)		13,773	
5300001	Maintenance of Overhead Lines	580,323	580,323		0		0	
5300010	Tree and Brush Control	2,024,333	2,024,333		0		0	
5940000	Storm Expense Amortization	84,958	84,958		0		0	
5960000	Maint of Underground Lines	39,485	39,485		0		0	
5970000	Maint of Line Trm, Right-of-Way	37,506	37,506		0		(0)	
5970000	Maint of Stn Lighting & Signa S	57,937	55,585		0		2,352	
5980000	Maintenance of Meters	52,820	52,360		0		440	
5980000	Maint of Misc Distribution PE	34,709,840	34,709,840		30		34,755	
8350001	Distribution Maintenance	284,038	283,464		1		543	
8350001	Maint of Structures - Owned	51,368	51,368		0		0	
8350002	Maint of Structures - Leased	129,619	129,619		0		0	
8350012	Maint of Data Equipment	840,238	840,238		0		0	
8350013	Maint of Communication Eq-Unit	397,981	397,981		0		0	
8350015	Maint of Office Furniture & Eq	62	62		0		0	
8350016	Maintenance of Video Equipment	253	253		0		0	
8350018	Maint of Gen Plant-SCADA Eqp	9,976	9,965		7		4	
8350024	Maint of DA-MK Comm Equip	1,813,607	1,824,488		288,472		647	
	All Other Maintenance	60,721,142	60,241,219		22,092,703		2,387,220	
	All Other Maintenance Expenses	135,312,446	89,993,830		65,378,130		7,952,055	
	Maintenance Expenses							
	Total Operational and Maintenance Expenses							
4040001	Amort of Plant	2,306,961	1,284,356		486,374		536,232	
4060001	Amort of Pk Acq Aq	32,180	0		0		32,180	
4070000	DDA Amortization	2,339,141	1,284,356		486,374		668,412	
4070000	Regulatory Debts	114,369	0		0		114,369	
4070014	Regulatory Debt - BSRR	1,653,347	0		1,653,347		0	
4080001	DDA Regulatory Debts	1,787,718	0		1,683,247		114,369	
4080001	DDA Regulatory Credits	4,106,866	1,284,356		2,139,720		682,781	
4080001	Amortization	65,192,949	23,660,038		28,875,338		12,657,473	
4080001	Depreciation Exp	65,192,949	23,660,038		28,875,338		12,657,473	
4031001	DDA Depreciation	189,215	0		189,215		0	
4031001	DDA STP Nuclear Decommissioning	189,215	0		189,215		0	
4031001	DDA Asset Retirement Obligation	189,215	0		189,215		0	
4031001	DDA Removal Costs	189,215	0		189,215		0	
408100815	Depreciation	86,382,065	23,660,038		29,084,653		12,657,473	
408100815	Depreciation and Amortization	89,488,921	24,944,394		31,204,274		13,340,263	
408100815	Franchise Taxes	(8,487)	0		(8,487)		0	
408100815	State Gross Receipts Tax	29,533	0		29,533		0	
408100815	State Gross Receipts Tax	21,046	0		21,046		0	
4081002	Revenue-W/Tr Taxes	2,540,786	1,427,032		1,109,463		4,280	
4081000	FICA	9,252	6,786		2,432		32	
4081007	Federal Unemployment Tax	41,142	23,773		17,285		103	
4081033	State Unemployment Tax	(894,029)	(672,700)		(220,246)		(1,082)	
4081034	Fringe Benefit Loading - FICA	(5,913)	(4,504)		(1,408)		(1)	
4081034	Fringe Benefit Loading - FUT	(19,063)	(13,372)		(5,676)		(15)	
4081035	Fringe Benefit Loading - SUT	1,672,173	767,016		901,651		3,326	
408100218	Payroll Taxes	3,302,175	0		3,302,175		0	
408100218	State Business Occup Taxes	1,122	1,112		0		10	
408100513	Capacity Taxes	838,417	(178,668)		1,224,951		(107,667)	
408100514	Real Personal Property Taxes	10,260,588	5,808,794		1,094,894		3,318,860	
408100515	Real Personal Property Taxes	191,368	134,954		15,875		40,699	
408102915	Real-Pers Prop Tax-Cap Lease	204,640	160,673		10,747		33,220	
408102916	Real-Pers Prop Tax-Cap Lease	(2,540)	(2,540)		0		0	
408102918	Real Prop Tax-Cap Leases	21,250	21,250		0		0	
408200515	Real Personal Property Taxes	12,970	2,170		0		10,800	
408101815	Property Taxes	11,627,775	6,046,646		2,285,307		3,266,322	
408101815	SI Publ Serv Comm Tax-Fees	566,102	566,102		0		0	
408101819	SI Publ Serv Comm Tax-Fee	375,600	375,600		0		0	
408101415	Regulatory Fees	941,701	941,701		0		0	
408101415	Federal Excise Taxes	900	900		900		0	
408101416	Federal Excise Taxes	5,413	5,413		5,413		0	
408101718	Production Taxes	6,313	6,313		6,313		0	
408101718	SIUS-Regtion Tax-Fees	132	132		0		0	

INCOME STATEMENT

	Kentucky Power Int Conso		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission		
	GLS8016		110		117		180		
	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016	Actual	YTD Oct 2016	
088 V2016-10-31	Account GL ACCT_SEC	Business Units: SEGMENT_CONS							
408101915	State Sales and Use Taxes	791	791	0	0	0	0		
408101916	State Sales and Use Taxes	7,993	7,993	(0)	(0)	0	0		
408102219	Municipal License Fees	645	645	0	0	0	0		
	Miscellaneous Taxes	9,660	9,660	(0)	(0)	0	0		
	Other Non-Income Taxes	15,873	15,873	8,313	8,313	0	0		
	Taxes Other Than Income Taxes	17,530,744	17,530,744	7,763,824	7,763,824	6,617,672	6,617,672		
	TOTAL OPERATING EXPENSES	222,382,047	222,382,047	103,100,076	103,100,076	24,591,655	24,591,655		
	MEMO: SEC Total Operating Expenses	431,492,076	431,492,076	462,868,488	462,868,488	312,613,446	312,613,446		
	OPERATING INCOME	88,905,384	88,905,384	23,821,993	23,821,993	20,515,518	20,515,518		

	NON-OPERATING INCOME / (EXPENSES)	
4190002	Int & Dividend Inc - NonAssoc	9,312
4190006	Interest & Dividend NonAffiliated	12,762
	Interest Income - Assoc CDP	(2,937)
	Interest & Dividend Affiliated	(2,937)
	Total Interest & Dividend Income	(66,967)
4210039	Carrying Charges	(8,918)
	Carrying Charge	1,718
4191000	MEMO: Total Interest & Dividend Income w/ Carrying	321,277
	Allow On Fwd Used Durg Crdr	31,666
	AFUDC	373,713
	Gain on Disposition of Equity Investments	(7,300)
	Interest LTD FMB	189,260
	Interest LTD IPC	782,972
	Interest LTD Notes Payable - Affiliated	189,260
	Interest LTD Notes Payable - NonAffiliated	782,972
	Interest LTD Senior Unsecured	212,014
	Interest LTD Other - Affil	212,014
	Interest LTD - Other LTD	0
	Interest LTD - Other - NonAffil	0
	Interest on Long-Term Debt	10,470,470
	Interest on Assoc Co - CDP	17,335,560
	Interest STD - Affil	17,335,560
	Interest STD - NonAffil	0
	Amort of Debt Disc. Prem & Exp	667,988
	Amort Loss on Recacquired Debt	667,988
	Other Interest - Fuel Recovery	16,003,648
	Other Interest Expense	410,810
	Other Interest Expense - State Tax	(505,062)
	Other Interest Expense - AMTI	410,810
	AFUDC-Borrowed Funds	581,287
	Interest Rate Hedge Unrealized (Gain)/Loss	581,287
	Total Interest Charges	(473,067)
	INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS	2,319,686
	INCOME TAXES AND EQUITY EARNINGS	
4091001	Income Taxes, LOU - Federal	11,936,084
4092001	Inc Tax, Oth Inc'd-Federal	11,022
4101001	Federal Current Income Tax	11,847,066
4102001	Prov Def /T On Inc-Fed	3,614,694
4110001	Prov Def /T On Inc-Fed	3,672
4112001	Prov Def /T-On Op Inc-Fed	(2,614,153)
	INCOME	11,847,066

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Oct 2016  
 1/06/2016 15:31

Account: GL_Acct_SEC Business Units: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Oct 2016	110 Actual	YTD Oct 2016	117 Actual	YTD Oct 2016	180 Actual	YTD Oct 2016
Federal Deferred Income Tax	27,169,441	3,364,908	-	-	-	-	-	-
ITC-Alt. Unity Oper - Fed	(2,190)	(960)	-	-	-	-	-	-
Federal Investment Tax Credits	(2,190)	(860)	-	-	-	-	-	-
Federal Income Taxes	23,917,825	(209,074)	-	-	-	-	-	-
Income Taxes UOI - State	22,590	1,306	-	-	-	-	-	-
Income Taxes UOI - Subs	(1,798,199)	59,539	-	-	-	-	-	-
Inc Tax On Inc Debt - State	(24,282)	(32,350)	-	-	-	-	-	-
State Current Income Tax	(1,797,892)	28,294	-	-	-	-	-	-
Prov Del /T /U /Op /Inc-State	5,286,401	4,844,539	-	-	-	-	-	-
Prov Del /T-C/ UO/Inc-State	(6,251,523)	0	-	-	-	-	-	-
State Deferred Income Tax	(866,122)	4,844,539	-	-	-	-	-	-
State Investment Tax Credits	-	-	-	-	-	-	-	-
State Income Taxes	(2,763,014)	4,872,833	-	-	-	-	-	-
Local Current Income Tax	-	-	-	-	-	-	-	-
Local Deferred Income Tax	-	-	-	-	-	-	-	-
Local Investment Tax Credits	-	-	-	-	-	-	-	-
Local Income Taxes	-	-	-	-	-	-	-	-
Foreign Current Income Tax	-	-	-	-	-	-	-	-
Foreign Deferred Income Tax	-	-	-	-	-	-	-	-
Foreign Investment Tax Credits	-	-	-	-	-	-	-	-
Foreign Income Taxes	-	-	-	-	-	-	-	-
Total Income Taxes	21,154,611	4,663,769	-	-	-	-	-	-
Equity Earnings of Subs	40,944,757	7,771,798	-	-	-	-	-	-
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>40,944,757</b>	<b>7,771,798</b>	<b>4,663,769</b>	<b>7,771,798</b>	<b>(636,940)</b>	<b>2,965,626</b>	<b>(1,010)</b>	<b>2,795,701</b>
Discontinued Operations (Net of Taxes)	-	-	-	-	-	-	-	(220)
Cumulative Effect of Accounting Changes	-	-	-	-	-	-	-	(230)
Extraordinary Income / (Expenses)	-	-	-	-	-	-	-	14,742,688
<b>NET INCOME</b>	<b>40,944,757</b>	<b>7,771,798</b>	<b>4,663,769</b>	<b>7,771,798</b>	<b>2,965,626</b>	<b>2,965,626</b>	<b>(1,010)</b>	<b>17,126,982</b>
Minority Interest	-	-	-	-	-	-	-	-
Preferred Stock Dividend Subs	-	-	-	-	-	-	-	-
Earnings to Common Shareholders	40,944,757	7,771,798	4,663,769	7,771,798	2,965,626	2,965,626	(1,010)	17,126,982
<b>NET INCOME (LOSS) NODE before PS</b>	<b>40,944,757</b>	<b>7,771,798</b>	<b>4,663,769</b>	<b>7,771,798</b>	<b>2,965,626</b>	<b>2,965,626</b>	<b>(1,010)</b>	<b>17,126,982</b>
Double Check on Net Income Node after PS	-	-	-	-	-	-	-	-

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Oct 2016  
11/06/2016 13:05

Kentucky Power  
Int Consol  
GLS8216  
110

Kentucky Power  
Company -  
117

Kentucky Power  
Company -  
180

09B V2016-10- Layout : GLS8216  
ACCOUNT\_GL\_ACT\_SEC BUSINESS UNIT\_SEGMENT\_CODE YTD Oct 2016 YTD Oct 2016 YTD Oct 2016

ASSETS	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016
Cash and Cash Equivalents	934,192	0	0	0
Other Cash Deposits	10,849	5,063	0	0
Customers	10,518,168	7,413,585	2,519,285	585,298
Accrued Unbilled Revenues	1,045,405	0	0	0
Miscellaneous Accounts Receivable	22,228,362	4,195,648	54,254,473	7,852,395
Allowances for Uncollectible Accounts	(77,445)	(68,871)	0	(8,574)
Accounts Receivable	33,714,491	12,685,768	56,773,758	8,429,119
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	48,948,739	1,976,414	46,568,430	403,895
Risk Management Contracts - Current	443,670	10,192	433,378	0
Margin Deposits	2,571,890	30,120	2,541,770	0
Unrecovered Fuel - Current	3,889,844	0	3,889,844	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,170,598	2,190,770	894,200	85,629
<b>TOTAL CURRENT ASSETS</b>	<b>93,684,174</b>	<b>17,733,241</b>	<b>111,106,443</b>	<b>8,918,643</b>
Electric Production	1,181,080,244	826,618,348	1,198,211,467	671,433,121
Electric Transmission	575,020,008	0	0	0
Electric Distribution	778,709,723	0	0	0
General Property, Plant and Equipment	64,274,914	199,571	1,461,903	1,160,479
Construction Work-In-Progress	20,915,730	9,960,738	3,360,115	7,594,877
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,620,000,618</b>	<b>836,778,657</b>	<b>1,203,033,485</b>	<b>580,188,476</b>
less: Accumulated Depreciation and Amortization	(854,130,132)	(265,610,423)	(397,723,422)	(190,786,287)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,765,870,486</b>	<b>571,168,234</b>	<b>805,310,063</b>	<b>389,392,189</b>
Net Regulatory Assets	541,931,715	116,972,393	367,340,313	57,619,009
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	5,541	1,696	3,845	0
Employee Benefits and Pension Assets	8,293,694	3,444,830	4,725,815	222,948
Other Non Current Assets	4,916,728	1,843,703	2,400,260	672,765
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>555,147,578</b>	<b>122,162,622</b>	<b>374,470,234</b>	<b>58,514,722</b>
<b>TOTAL ASSETS</b>	<b>2,414,702,238</b>	<b>711,064,097</b>	<b>1,290,885,740</b>	<b>456,825,554</b>

LIABILITIES	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016
Accounts Payable	62,387,902	51,323,875	51,675,528	3,442,655
Advances from Affiliates	17,177,768	19,292,660	89,504,628	(91,819,420)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	390,000,000	96,908,500	223,034,500	70,057,000
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	546,474	0	546,474	0
Accrued Taxes	(4,584,531)	6,241,428	(21,184,509)	10,358,550
Memo: Property Taxes	9,951,332	5,227,264	1,868,924	2,855,144
Accrued Interest	10,134,018	3,061,953	4,913,239	2,168,828
Risk Management Collateral	98,290	0	98,290	0
Utility Customer Deposits	26,758,722	26,508,722	250,000	0
Deposits - Customer and Collateral	26,857,011	26,508,722	348,290	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	953,414	461,983	464,490	26,940
Tax Collections Payable	1,841,409	1,757,231	84,054	123
Revenue Refunds - Accrued	1,476,981	0	255,336	1,221,645
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	972,789	420,060	551,345	1,385
Accrued Rents	(2,916)	(2,916)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Oct 2016  
11/09/2016 13:25

Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

Account	GL_Acct	SEC	Business Unit	SEGMENT	COMS	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016
Accrued ICP						3,904,954	1,797,773	2,102,430	4,751
Accrued Vacations						4,818,679	2,218,335	2,595,362	4,982
Misc Employee Benefits						1,281,526	454,255	799,292	27,979
Payroll Deductions						148,872	71,875	74,906	91
Severance / SEI						813,439	0	813,439	0
Accrued Workers Compensation						285,244	92,434	167,675	25,135
Customer Advance Receipts						1,616,670	1,616,670	0	0
Customer Advance						1,616,670	0	0	0
Control Cash Disburse Account						763,531	763,531	0	0
JMG Liability						0	0	0	0
ARO - Current						16,622,761	0	16,622,761	0
Econ. Development Fund Curr						406,918	506,918	(100,000)	0
Unclaimed Funds						5,080	5,080	0	0
Acc Cash Franchise Req						57,677	57,677	0	0
Sales Use Tax - Leased Equip						1,403	132	68	1,204
Accrued Audit Fees						(71,477)	(22,032)	(35,857)	(13,588)
Federal Mitigation Accru (NSR)						554,326	0	554,326	0
Deferred Rev - Pole Attachments						176,351	176,351	0	0
Cont In Aid of Constr Advance						70,501	70,501	0	0
Deferred Rev-Bonus Lease Curr						431,564	0	431,564	0
Misc Current and Accrued Liabilities						18,255,203	794,726	17,472,862	(12,385)
Current Other and Accrued Liabilities						36,174,380	9,983,974	24,916,701	1,273,706
Other Current Liabilities						37,127,795	10,445,957	25,381,191	1,300,646
<b>TOTAL CURRENT LIABILITIES</b>						<b>539,626,437</b>	<b>213,782,994</b>	<b>374,219,339</b>	<b>(4,301,742)</b>
Long-Term Debt - Affiliated						0	0	0	0
Long-Term Debt - Non Affiliated						477,181,628	142,473,937	231,710,869	102,997,123
Long-Term Debt - Premiums and Discounts Unamo						(138,938)	(41,428)	(67,560)	(29,949)
Memo - LTD Non-Affiliated and Premiums						477,042,692	142,432,509	231,643,009	102,967,174
Long-Term Risk Management Liabilities - Hedge						0	0	0	0
LT Unreal Losses - Non AMB						122,577	562	122,015	0
LT Liability MTM Collateral						(54,386)	(479)	(53,909)	0
Long-Term Risk Management Liabilities - MTM						68,189	83	68,106	0
Long-Term Risk Management Liabilities						68,189	83	68,106	0
Deferred Income Taxes						666,671,978	192,141,820	341,407,675	133,122,484
Deferred Investment Tax Credits						1,860	780	780	291
Regulatory Liabilities and Deferred Credits						(3,636,654)	(22,859,887)	20,531,294	(1,308,081)
Memo - Reg Liab and Def/ITC						(3,634,793)	(22,859,087)	20,532,084	(1,307,790)
Asset Retirement Obligation						47,484,960	71,699	47,413,260	0
Nuclear Decommissioning						0	0	0	0
Employee Benefits and Pension Obligations						11,427,815	10,290,429	(645,281)	1,762,667
Trust Preferred Securities						0	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Rede						1,732,854	789,464	908,476	34,914
Obligations Under Capital Leases						623,029	276,560	293,212	53,257
Def Credits - Income Tax						1,110,644	0	1,110,644	0
Federal Mitigation Deferral(NSR)						158,139	158,139	0	0
Def Credits - NSR						1,110,644	0	1,110,644	0
Customer Advances for Construction						0	0	0	0
Def Gain on Sale/Leaseback						0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport						0	0	0	0
Def Gain on Disp of Utility Plant						0	0	0	0
IPP - System Upgrade Credits						295,076	0	0	295,076
Fix Opt Lns-In Kind Sw-Old Gns						136,167	136,167	0	0
MACSS Unidentified EDI Cash						120	120	0	0
Fix Opt Lns-Sold-Def Rev						64,766	0	0	64,766
Deferred Rev-Bonus Lease NC						647,346	0	647,346	0
Def Credits - Other						1,143,475	136,287	647,346	359,841
Total Other Deferred Credits						1,301,614	294,426	647,346	359,841
Accumulated Provisions - Rate Refund						0	0	0	0
Accumulated Provisions - Misc						164,850	0	164,850	0
Other Non-Current Liabilities						4,932,990	1,360,450	3,124,528	448,012

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Oct 2016  
11/08/2016 13.05

09B V2016-10- Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS Layout: GLS8216

	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016	YTD Oct 2016
<b>TOTAL NON-CURRENT LIABILITIES</b>	1,203,993,830	323,437,903	643,643,381	237,012,546	
<b>TOTAL LIABILITIES</b>	1,743,620,267	537,220,897	1,017,762,720	232,710,804	
Cumulative Pref Stocks of Subs - Not subject Mand Redemr	0	0	0	0	
Minority Interest - Deferred Credits	0	0	0	0	
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	50,450,000	22,404,049	10,287,803	17,758,348	
Paid in Capital	527,309,077	106,025,371	337,243,870	84,039,836	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	84,905,031	45,428,793	(72,851,183)	122,327,421	
Accumulated Other Comprehensive Income (Loss)	(1,582,137)	(15,014)	(1,556,270)	(10,854)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	671,081,970	173,843,200	273,124,020	224,114,750	
Memo: Total Equity	671,081,970	173,843,200	273,124,020	224,114,750	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,414,702,238	711,064,097	1,290,886,740	456,825,554	
out-of-balance	(0)	0	0	(0)	

Referenced Section

GLS8216  
YTD Oct 2015  
11/10/2015 16:05

098 V2015-10-  
Account: DL\_ACT\_SEC Business Unit: SEGMENT\_CONS

Layout: GLS8216

	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
<b>ASSETS</b>					
Cash and Cash Equivalents	628,461	628,461	0	0	0
Other Cash Deposits	327,300	0	327,300	0	0
Customers	11,785,730	8,967,851	2,403,172	414,707	0
Accrued Unbilled Revenues	(2,591,336)	(3,102,368)	511,032	0	0
Miscellaneous Accounts Receivable	28,112,290	11,371,220	71,537,727	14,911,164	0
Allowances for Uncollectible Accounts	(245,163)	(236,589)	0	(8,574)	0
Accounts Receivable	37,061,522	17,000,114	74,451,932	15,317,297	0
Advances to Affiliates	11,703,114	8,466,717	(89,737,406)	92,973,803	0
Fuel, Materials and Supplies	51,278,872	1,944,372	48,590,471	744,030	0
Risk Management Contracts - Current	4,374,796	0	4,374,796	0	0
Margin Deposits	1,067,732	48,047	1,019,685	0	0
Unrecovered Fuel - Current	0	0	17,059	0	0
Other Current Regulatory Assets	0	0	0	0	0
Prepayments and Other Current Assets	3,340,640	1,825,182	591,956	923,502	0
<b>TOTAL CURRENT ASSETS</b>	<b>109,782,437</b>	<b>29,912,893</b>	<b>39,635,792</b>	<b>109,958,632</b>	
Electric Production	1,174,780,923	800,784,193	1,193,768,870	561,795,519	0
Electric Transmission	564,900,755	0	0	0	0
Electric Distribution	752,044,924	0	0	0	0
General Property, Plant and Equipment	67,443,932	199,571	1,461,903	1,160,479	0
Construction Work-In-Progress	57,778,028	10,868,984	40,457,144	6,451,900	0
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,616,948,563</b>	<b>811,852,748</b>	<b>1,235,687,917</b>	<b>569,407,897</b>	0
less: Accumulated Depreciation and Amortization	(892,100,396)	(265,401,176)	(444,286,552)	(182,412,667)	0
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,724,848,167</b>	<b>546,451,572</b>	<b>791,401,365</b>	<b>386,995,230</b>	0
Net Regulatory Assets	478,968,082	108,943,793	313,155,142	56,868,157	0
Securitized Transition Assets and Other	0	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0	0
Goodwill	0	0	0	0	0
Long-Term Risk Management Assets	309,516	0	309,516	0	0
Employee Benefits and Pension Assets	14,272,517	5,770,895	7,956,859	544,963	0
Other Non Current Assets	4,695,118	1,769,565	2,204,636	721,817	0
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>498,246,243</b>	<b>116,484,353</b>	<b>323,625,953</b>	<b>58,135,937</b>	0
<b>TOTAL ASSETS</b>	<b>2,332,876,847</b>	<b>692,848,818</b>	<b>1,154,663,111</b>	<b>555,089,799</b>	
<b>LIABILITIES</b>					
Accounts Payable	67,522,713	72,140,450	60,721,471	4,368,612	0
Advances from Affiliates	0	0	0	0	0
Short-Term Debt	0	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0	0
Risk Management Liabilities	2,017,716	66,074	1,951,642	0	0
Accrued Taxes	(11,323,998)	(4,091,697)	(22,071,242)	14,838,941	0
Memo: Property Taxes	9,894,413	4,911,340	2,040,915	2,942,157	0
Accrued Interest	9,793,683	2,858,682	4,766,074	2,168,927	0
Risk Management Collateral	0	0	0	0	0
Utility Customer Deposits	27,407,119	27,066,883	340,236	0	0
Deposits - Customer and Collateral	27,407,119	27,066,883	340,236	0	0
Over-Recovered Fuel Costs - Current	460,203	0	477,262	0	0
Dividends Declared	0	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0	0
Obligations under Capital Leases - Current	942,134	495,187	422,380	23,566	0
Tax Collections Payable	2,283,321	1,905,638	376,989	694	0
Revenue Refunds - Accrued	7,120,729	5,959,235	41,898	1,119,596	0
Accrued Rentals - Rockport	0	0	0	0	0
Accrued - Payroll	803,005	348,115	453,830	1,061	0
Accrued Rentals	442	442	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Oct 2015  
11/10/2015 16:05

098 V2015-10-  
Layout: GLS8216  
Account: GL\_KCT\_SEC Business Unit: SEGMENT\_CONS

	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015
	GLS8216	Company - 110	Company - 117	Company - 180	
2530022	5,902,363	2,724,275	3,172,943	5,144	
2420088	4,781,169	2,242,277	2,533,376	5,515	
2420512	1,494,977	651,807	816,910	26,259	
2420542	153,643	77,004	76,515	123	
2420562	2,125,242	0	2,125,242	0	
2420563	280,504	0	197,021	13,813	
2420658	3,598,170	3,598,170	0	0	
2530050	7,663,187	7,663,187	0	0	
2530112	0	0	0	0	
2530124	11,469,997	0	11,469,997	0	
2530177	352,441	177,691	174,750	0	
	4,359	4,359	0	0	
	55,392	55,392	0	0	
	104	70	0	34	
	(71,245)	(21,338)	(36,097)	(13,809)	
	554,326	0	554,326	0	
	16,316	0	16,316	0	
	186,573	186,573	0	0	
	221,616	0	221,616	0	
	121,699	121,699	0	0	
	431,564	0	431,564	0	
	13,343,143	524,376	12,832,542	(13,775)	
	49,549,894	25,764,197	22,627,267	1,158,430	
	50,492,027	26,260,383	23,049,648	1,181,996	
<b>TOTAL CURRENT LIABILITIES</b>	<b>211,369,463</b>	<b>124,300,776</b>	<b>134,235,091</b>	<b>22,558,476</b>	
Long-Term Debt - Affiliated	0	0	0	0	
Long-Term Debt - Non Affiliated	801,726,702	232,897,788	390,669,248	178,159,667	
Long-Term Debt - Premiums and Discounts Unamort	(305,663)	(88,722)	(149,071)	(67,869)	
Memo - LTD Non-Affiliated and Premiums	801,421,040	232,809,066	390,520,176	178,091,797	
Long-Term Risk Management Liabilities - Hedga	0	0	0	0	
LT Unreal Losses - Non All	183,147	6,295	176,852	0	
LT Liability MTM Collateral	(13,585)	(2,360)	(11,205)	0	
Long-Term Risk Management Liabilities - MTM	169,562	3,915	165,647	0	
Long-Term Risk Management Liabilities	169,562	3,915	165,647	0	
Deferred Income Taxes	625,194,294	189,480,708	304,358,490	131,345,096	
Deferred Investment Tax Credits	8,326	2,955	3,953	1,419	
Regulatory Liabilities and Deferred Credits	(39,282,789)	(33,295,040)	(413,184)	(5,574,545)	
Memo - Reg Lab and Del ITC	(39,274,443)	(33,292,085)	(409,232)	(5,573,126)	
Asset Retirement Obligation	60,315,436	67,702	60,247,734	0	
Nuclear Decommissioning	0	0	0	0	
Employee Benefits and Pension Obligations	11,379,916	9,519,288	945,813	914,715	
Trust Preferred Securities	0	0	0	0	
Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0	
Obligations Under Capital Leases	0	0	0	0	
Del Credits - Income Tax	84,201	43,549	1,198,031	44,113	
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0	
Def Credits - NSR	1,110,644	0	1,110,644	0	
Customer Advances for Construction	165,013	165,013	0	0	
Def Gain on Sale/Leaseback	0	0	0	0	
Deferred Gain on Sale and Leaseback - Rookport	0	0	0	0	
Def Gain on Disp of Utility Plant	0	0	0	0	
IPP - System Upgrade Credits	285,288	0	0	285,288	
For Opt Lns-In Kind Sv-Old Gns	144,351	144,351	0	0	
For Opt Lns-Sold-Old Rev	76,321	76,321	0	76,321	
Deferred Rev-Bonus Lease NC	1,078,910	0	1,078,910	0	
Def Credits - Other	1,586,871	144,351	1,078,910	363,610	
Total Other Deferred Credits	1,751,884	309,364	1,078,910	363,610	
Accumulated Provisions - Rate Refund	0	0	0	0	
Accumulated Provisions - Misc	524,250	0	524,250	0	



AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Oct 2015  
11/02/2015 16:05

Account: GL ACCT. SEC	Business Unit: SEGMENT_CONS	Layout: GLS8216	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015	YTD Oct 2015
Kentucky Power Int Consol GLS8216			5,647,241	1,287,030	3,924,134	436,077
Kentucky Power Company - 110			1,464,842,945	399,875,625	759,752,762	305,214,559
Kentucky Power Company - Generation 117						
Kentucky Power Company - 180						
<b>Other Non-Current Liabilities</b>						
<b>TOTAL NON-CURRENT LIABILITIES</b>						
<b>TOTAL LIABILITIES</b>			1,576,212,408	524,176,400	893,987,853	327,773,035
Cumulative Pref Stocks of Subs - Not subject Mand Reden			0	0	0	0
Minority Interest - Deferred Credits			0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>						
Common Stock			50,450,000	22,404,049	10,287,603	17,758,348
Paid In Capital			517,459,453	106,025,371	327,394,246	84,039,836
Premium on Capital Stock			0	0	0	0
Retained Earnings			90,811,914	40,275,150	(75,006,412)	125,543,177
Accumulated Other Comprehensive Income (Loss)			(2,056,926)	(32,153)	(2,000,179)	(24,597)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			656,664,439	168,672,417	260,675,258	227,316,764
Memo: Total Equity			656,664,439	168,672,417	260,675,258	227,316,764
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			2,332,876,847	682,848,818	1,154,663,111	555,089,799
out-of-balance			(0)	0	0	(0)

Reserved Section

KENTUCKY POWER COMPANY  
 DETAIL OF ELECTRIC UTILITY PROPERTY  
 YEAR TO DATE - October, 2016

GLR7210V 11/09/16 10:01

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,124,272,407.54	79,266,163.03	(14,913,952.08)	0.00	0.00	1,188,624,618.49
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>79,266,163.03</b>	<b>(14,913,952.08)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,188,624,618.49</b>
101/106 TRANSMISSION	564,358,984.53	7,570,501.37	(989,923.14)	0.00	0.00	570,957,562.76
101/106 DISTRIBUTION	798,264,586.59	32,998,426.11	(7,830,731.28)	0.00	0.00	823,432,281.42
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>119,835,090.51</b>	<b>(23,714,606.50)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,583,014,462.67</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	239,440.61	0.00	5,497,872.10
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>119,835,090.51</b>	<b>(23,714,606.50)</b>	<b>239,440.61</b>	<b>0.00</b>	<b>2,588,512,334.77</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>107000X CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		79,150,805.76				
107000X TRANSFERS		(117,586,051.98)				
107000X END. BAL.		(38,435,246.23)				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>81,399,844.28</b>	<b>(23,714,606.50)</b>	<b>239,440.61</b>	<b>0.00</b>	<b>2,617,178,665.55</b>
<b>NONUTILITY PLANT</b>						
1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52

Preparer - PSnVision Report GLR7210V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS6216 & PowerPlant Asset Rpt 1042

ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - October, 2016

11/09/16 10:01

GLR7410V

UTILITY PLANT

NUCLEAR  
1080001/11 OTHER  
1080009/10 DECOMMISSIONING COSTS

TOTAL NUCLEAR

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
1080001/11 PRODUCTION	403,108,517.50	29,593,120.88	(14,877,582.41)	18,399,729.89	0.00	436,223,765.86
1080001/11 TRANSMISSION	176,427,961.28	12,657,472.76	(999,923.14)	(104,745.01)	0.00	188,010,765.89
1080001/11 DISTRIBUTION	222,789,410.10	23,664,731.91	(7,819,308.03)	(2,744,277.10)	0.00	235,890,556.88
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(225,845.01)	(2,184,099.71)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(8,040.35)	(53,412.50)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(3,672,246.26)	(15,550,207.78)	(21,513,358.89)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>65,915,325.55</b>	<b>(23,666,813.58)</b>	<b>11,678,461.52</b>	<b>(15,784,093.14)</b>	<b>836,374,237.54</b>

NUCLEAR  
1110001 PRODUCTION  
1110001 TRANSMISSION  
1110001 DISTRIBUTION

TOTAL (111X accounts)

1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	457,012.19	2,811,600.99
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>68,282,694.86</b>	<b>(23,714,606.50)</b>	<b>11,677,961.52</b>	<b>(13,498,266.38)</b>	<b>850,139,906.93</b>

NONUTILITY PLANT

1220001 Depr&Amrt of Nonutil Prop-Ownd  
1240028 Other Property - RETIRE

TOTAL NONUTILITY PLANT

1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	5,558.10	0.00	0.00	0.00	233,853.29
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>5,558.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>233,872.16</b>

Preparer - PSnVision Report GLR7410V  
Reviewer - Debbi Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



**American Electric Power**  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

December 20, 2016

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed November 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri Ruggiero'.

Jerri L. Ruggiero  
Manager – Regulated Accounting

American Electric Power

INCOME STATEMENT

GLS8016 YTD Nov 2016 12/02/2016 16:30	Account: GL_ACCCT_SEC_Business Units: SEGMENT_CONS	Layout: GLS8016	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
			GLS8016 Actual	YTD Nov 2016	GLS8016 Actual	YTD Nov 2016	GLS8016 Actual	YTD Nov 2016	GLS8016 Actual	YTD Nov 2016
<b>REVENUES</b>										
440001	Residential Sales-W/Space Hg		117,205,257		117,205,257					
440002	Residential Sales-W/O Space Hg		56,421,017		56,421,017					
440005	Residential Fuel Rev		52,605,423		52,605,423					
A	Revenue - Residential Sales		226,231,697		226,231,697					
442001	Commercial Sales		80,507,823		80,507,823					
442006	Sales to Pub Auth - Schools		13,882,830		13,882,830					
442007	Sales to Pub Auth - Ex Schools		15,310,788		15,310,788					
442013	Commercial Fuel Rev		33,882,959		33,882,959					
A	Revenue - Commercial Sales		143,584,399		143,584,399					
B	Revenue - Industrial Sales - Affiliated									
442002	Industrial Sales (Excl Mines)		63,132,472		63,132,472					
442004	Ind Sales-NonAffiliated (Mines)		21,588,774		21,588,774					
442016	Industrial Fuel Rev		61,400,460		61,400,460					
A	Revenue - Industrial Sales - NonAffiliated		146,121,706		146,121,706					
A	Revenue - Industrial Sales									
A	Revenue - Gas Products Sales									
A	Revenue - Gas Transportation & Storage Sales									
B	Revenue - Gas Transportation & Storage Sales - Affiliated									
441000	Public Street-Highway Lighting									
441002	Public St & Hwy Light Fuel Rev		1,540,533		1,540,533					
			260,514		260,514					
A	Revenue - Other Retail Sales		1,801,047		1,801,047					
B	Revenue - Retail Sales		617,738,849		617,738,849					
450003	On Elec Rv-Trn-Aff-Traf Price									
451033	PJM NTS Revenue - Affiliated		45,764,609		45,764,609					
451034	PJM TO Adm Serv Rev - Aff		716,497		716,497					
451035	PJM Affiliated Trans NTS Cost		(40,119,660)		(40,119,660)					
451036	PJM Affiliated Trans TO Cost		(532,441)		(532,441)					
451059	AMT PJM Trans Enhancement Rev		811,092		811,092					
451060	AMT PJM Trans Enhancement Cost		(716,927)		(716,927)					
451062	PROVISION RTO Cost - Aff									
451063	PROVISION RTO Rev Affiliated									
B	Revenue - Transmission-Affiliated		8,923,171		8,923,171					
447010	Transn. Rev-Overhead-Wholesale		72,080		72,080					
447026	PJM Trans loss credits-OSS		216,029		216,029					
447029	PJM transn loss charges-OSS		(1,375,109)		(1,375,109)					
451002	RTO Formation Cost Recovery		(44,217)		(44,217)					
451005	PJM Point to Point Trans Svc		512,406		512,406					
451006	PJM Trans Overhead Admin Rev		123,796		123,796					
451007	PJM Network Inlet Trans Svc		5,353,815		5,353,815					
451019	On Elec Rev Trans Non Aff		49,803		49,803					
451028	PJM Pow Fac Cst Rev Wind Cst-NA		7,153		7,153					
451029	PJM NTS Revenue Wind Cst-NAH		2,208,301		2,208,301					
451030	PJM TO Serv Rev Wind Cst-NAH		43,528		43,528					
451058	NonAff PJM Trans Enhancement Rev		1,522,210		1,522,210					
451061	NAH PJM RTEP Rev for Wind-FR		38,138		38,138					
451064	PROVISION RTO Rev Wind-Cst-NAH		(29,906)		(29,906)					
451065	PROVISION RTO Rev - NonAff		(77,567)		(77,567)					
A	Revenue - Transmission-NonAffiliated		14,544,632		14,544,632					
447001	Sales for Resale - Assoc Cst		339,404		339,404					
447015	Trading Auction Sales Aff		1,330,384		1,330,384					
447028	Revenue - Resale-Affiliated		1,669,787		1,669,787					
447010	Sales for Resale-Bookout Sales		10,800,146		10,800,146					
447023	Sales for Resale-Bookout Purch		(8,418,565)		(8,418,565)					
447028	Whsat/Mun/Plb Auth Fuel Rev		2,096,569		2,096,569					
447028	PWR Trading Trans Ety-Non-Assoc		2,536,167		2,536,167					
447028	Financial Sprink Gas - Realized		10		10					
447028	Financial Electric Realized		(12,665)		(12,665)					
447028	PJM Energy Sales Margin		(2,388,500)		(2,388,500)					
447028	PJM Oper Revenue Rev-OSS		6,304,521		6,304,521					
447028	Capacity Cz. Net Sales		(82,673)		(82,673)					
447010	PJM FTR Revenue-OSS		1,926,403		1,926,403					
447010	PJM Energy Sales Cost		163,396		163,396					
447017	PJM NTS Purch-NonAff		30,369,586		30,369,586					
447017	Non-Trading Bookout Sales-OSS		41,517		41,517					
			2,644,280		2,644,280					

American Electric Power

INCOME STATEMENT

GLS8016 YTD Nov 2016 12/02/2016 10:30	Account: GL_ACT, SEC_Business Units: SEGMENT CONS	Kentucky Power Int Consol GLS8016 Actual	Kentucky Power Company - Distribution 110 Actual	Kentucky Power Company - Generation 117 Actual	Kentucky Power Company - Transmission 180 Actual	YTD Nov 2018		YTD Nov 2016	
						Actual	Actual	Actual	Actual
008 V2018-11-30	Layout: GLS8016								
4470115	PJM Meter Corrections-OSS	(6,386)	0	0	0	(6,386)	0	0	0
4470116	PJM Meter Corrections-LSE	88,157	0	0	0	88,157	0	0	0
4470126	PJM Incremental Imp Comp-OSS	(460,223)	0	0	0	(460,223)	0	0	0
4470131	Non-Trading Bookout Purch-OSS	(2,630,761)	0	0	0	(2,630,761)	0	0	0
4470143	Financial Hedge Realized	1,410,379	0	0	0	1,410,379	0	0	0
4470168	Interest Rate Swap-Power	(257)	0	0	0	(257)	0	0	0
4470170	Non-ECR Auction Sales-OSS	(6,549)	0	0	0	(6,549)	0	0	0
4470175	OSS Sharing Reduction - Retail	(4,632,978)	0	0	0	(4,632,978)	0	0	0
4470176	OSS Sharing Reduction	4,632,978	0	0	0	4,632,978	0	0	0
4470214	PJM 30m Suppl Reserve CR OSS	84,412	0	0	0	84,412	0	0	0
4470215	PJM 30m Suppl Reserve CR OSS	(28,325)	0	0	0	(28,325)	0	0	0
4470226	PJM Regulation - OSS	88,319	0	0	0	88,319	0	0	0
4470221	PJM Reserve - OSS	8,703	0	0	0	8,703	0	0	0
4470222	PJM Reserve - OSS	301,929	0	0	0	301,929	0	0	0
5550080	PJM Hourly Net Purch-FERC	(7,673,123)	0	0	0	(7,673,123)	0	0	0
	<b>Revenue - Resale-NonAffiliated</b>	<b>37,147,444</b>	-	-	-	<b>37,147,444</b>	-	-	-
	<b>Revenue - Resale-Realized</b>	<b>38,917,232</b>	-	-	-	<b>38,917,232</b>	-	-	-
	<b>Revenue - Resale-Risk Mgmt MTM</b>	<b>0</b>	0	0	0	<b>0</b>	0	0	0
	<b>Revenue - Resale-Risk Mgmt Activities</b>	<b>419,473</b>	760,902	0	0	<b>419,473</b>	760,902	0	88,377
	<b>Revenue - Sales for Resale</b>	<b>452,869</b>	<b>760,902</b>	<b>0</b>	<b>0</b>	<b>452,869</b>	<b>760,902</b>	<b>0</b>	<b>88,377</b>
4470074	Sale for Resale-yd-Tot Price	(754)	0	0	0	(754)	0	0	0
4500001	Rent From Elect Property - Aff	3,638,411	3,638,411	0	0	3,638,411	3,638,411	0	0
4500002	Rent From Elect Property-MAc	705,528	693,102	0	0	705,528	693,102	0	12,428
4500005	Rent From Elect Prop-Pole Atch	2,133	0	0	0	2,133	0	0	21,750
4500007	Rent From Elect Prop-Other	5,315,004	5,315,004	0	0	5,315,004	5,315,004	0	0
5010040	Rent From Elect Prop-Other	9,166,381	8,166,381	0	0	9,166,381	8,166,381	0	0
	<b>Revenue - Other EIS-NonAffiliated</b>	<b>13,982</b>	<b>13,982</b>	<b>0</b>	<b>0</b>	<b>13,982</b>	<b>13,982</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Gas</b>	<b>18,924,824</b>	<b>18,815,031</b>	<b>0</b>	<b>0</b>	<b>18,924,824</b>	<b>18,815,031</b>	<b>0</b>	<b>34,176</b>
4118002	Comp Allow Gas Title IV SO2	76	0	0	0	76	0	0	0
4118008	CSAPR SO2 Gains	2,573	0	0	0	2,573	0	0	0
4118028	Comp Allow Gas CSAPR SO2 NOx	235,500	0	0	0	235,500	0	0	0
4118070	Comp Allow Gas CSAPR An NOx	152,625	0	0	0	152,625	0	0	0
	<b>Revenue - Other EIS-Electric</b>	<b>460,143</b>	<b>460,143</b>	<b>0</b>	<b>0</b>	<b>460,143</b>	<b>460,143</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Other EIS-NonAffiliated</b>	<b>19,384,967</b>	<b>18,815,031</b>	<b>0</b>	<b>0</b>	<b>19,384,967</b>	<b>18,815,031</b>	<b>0</b>	<b>34,176</b>
	<b>Revenue Merchandising &amp; Contract Work</b>	<b>19,837,638</b>	<b>19,875,933</b>	<b>0</b>	<b>0</b>	<b>19,837,638</b>	<b>19,875,933</b>	<b>0</b>	<b>122,663</b>
	<b>Revenue Non-Utility Operations - Affiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Revenue Non-Utility Operations - NonAffiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Revenue from Non-Utility Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income - Affiliated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income</b>	<b>29,875</b>	<b>29,875</b>	<b>0</b>	<b>0</b>	<b>29,875</b>	<b>29,875</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income - NonAffiliated</b>	<b>(2,303)</b>	<b>(2,303)</b>	<b>0</b>	<b>0</b>	<b>(2,303)</b>	<b>(2,303)</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income - Other</b>	<b>21,488</b>	<b>21,488</b>	<b>0</b>	<b>0</b>	<b>21,488</b>	<b>21,488</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income - Affiliated</b>	<b>21,488</b>	<b>21,488</b>	<b>0</b>	<b>0</b>	<b>21,488</b>	<b>21,488</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Misc Income - Affiliated</b>	<b>1,878</b>	<b>603</b>	<b>0</b>	<b>0</b>	<b>1,878</b>	<b>603</b>	<b>0</b>	<b>562</b>
	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>10,543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,543</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Misc Income - Other</b>	<b>396,462</b>	<b>623</b>	<b>0</b>	<b>0</b>	<b>396,462</b>	<b>623</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Misc Income - Affiliated</b>	<b>408,883</b>	<b>1,226</b>	<b>0</b>	<b>0</b>	<b>408,883</b>	<b>1,226</b>	<b>0</b>	<b>562</b>
	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>408,883</b>	<b>1,226</b>	<b>0</b>	<b>0</b>	<b>408,883</b>	<b>1,226</b>	<b>0</b>	<b>562</b>
	<b>Non-Operating Misc Income - Other</b>	<b>96,892</b>	<b>96,892</b>	<b>0</b>	<b>0</b>	<b>96,892</b>	<b>96,892</b>	<b>0</b>	<b>0</b>
	<b>Other Electric Revenue - ASD</b>	<b>546,672</b>	<b>352,672</b>	<b>0</b>	<b>0</b>	<b>546,672</b>	<b>352,672</b>	<b>0</b>	<b>194,000</b>
	<b>Associated Business Development Income</b>	<b>646,664</b>	<b>481,864</b>	<b>0</b>	<b>0</b>	<b>646,664</b>	<b>481,864</b>	<b>0</b>	<b>184,000</b>
	<b>Revenue - Other</b>	<b>1,075,904</b>	<b>481,290</b>	<b>0</b>	<b>0</b>	<b>1,075,904</b>	<b>481,290</b>	<b>0</b>	<b>186,448</b>
	<b>Revenue - Other Operating</b>	<b>1,075,904</b>	<b>481,290</b>	<b>0</b>	<b>0</b>	<b>1,075,904</b>	<b>481,290</b>	<b>0</b>	<b>186,448</b>
	<b>Revenue - Other</b>	<b>20,913,640</b>	<b>20,913,640</b>	<b>0</b>	<b>0</b>	<b>20,913,640</b>	<b>20,913,640</b>	<b>0</b>	<b>311,001</b>
	<b>Provision for Rate Refund - NonAffiliated</b>	<b>(26,078)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26,078)</b>	<b>0</b>	<b>0</b>	<b>(26,078)</b>
	<b>Provision for Rate Refund - Retail</b>	<b>(63,215)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(63,215)</b>	<b>0</b>	<b>0</b>	<b>(63,215)</b>
	<b>Provision for Rate Refund - NonAffiliated</b>	<b>(89,283)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(89,283)</b>	<b>0</b>	<b>0</b>	<b>(89,283)</b>
	<b>Provision for Rate Refund - Affiliated</b>	<b>(540,440)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(540,440)</b>	<b>0</b>	<b>0</b>	<b>(540,440)</b>

American Electric Power

INCOME STATEMENT

GLS8016 YTD Nov 2016 12/01/2016 18:50	Account: GL ACCT_SEC Business Unit: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Nov 2016	110 Actual	YTD Nov 2016	117 Actual	YTD Nov 2016	188 Actual	YTD Nov 2016
018 V2016-11-30	Layout: GLS8016								
	Provision for Rate Refund - Affiliated	(540,440)	-						(540,440)
	Provision for Rate Refund	(829,733)	-						(829,733)
4210032	Pwr Purch Outside Svc Termly	(745)	0						(745)
	Revenue - Power Sales	(745)	-						(745)
	<b>TOTAL OPERATING REVENUES</b>	<b>591,383,774</b>	<b>537,798,072</b>	<b>537,798,072</b>	<b>373,324,175</b>	<b>373,324,175</b>	<b>373,324,175</b>	<b>373,324,175</b>	<b>87,386,002</b>
(A)	Memo: G/T/D Revenue	582,802,663	536,553,860	536,553,860	35,734,293	35,734,293	35,734,293	35,734,293	10,514,510
(B)	Memo: Other Affiliated Revenue	7,505,187	760,902	760,902	337,183,716	337,183,716	337,183,716	337,183,716	76,683,044
(C)	Memo: Revenue-OTH Opr-OTH Aff								
(D)	Memo: Revenue-OTH Opr-OTH Non	1,075,904	481,290	481,290	406,166	406,166	406,166	406,166	188,448
(E)-(B)+(C)	Memo: Total Operating Revenues	591,383,774	537,798,072	537,798,072	373,324,175	373,324,175	373,324,175	373,324,175	87,386,002
(F)-(D)+(A)	Memo: Non-Affiliated Revenues	583,878,587	537,035,170	537,035,170	36,140,458	36,140,458	36,140,458	36,140,458	10,702,958
	Memo: Total Operating Revenues	591,383,774	537,798,072	537,798,072	373,324,175	373,324,175	373,324,175	373,324,175	87,386,002
	<b>FUEL EXPENSES</b>								
5010000	Fuel	2,258,168	20	20	2,258,134	2,258,134	2,258,134	2,258,134	12
5010001	Fuel Consumed	83,010,587	0	0	83,010,587	83,010,587	83,010,587	83,010,587	0
5010003	Fuel - Propane Used & Handle	3,021,170	0	0	3,021,170	3,021,170	3,021,170	3,021,170	0
5010013	Fuel Surplus Activity	381,233	0	0	381,233	381,233	381,233	381,233	0
5010019	Fuel Oil Consumed	1,142,379	0	0	1,142,379	1,142,379	1,142,379	1,142,379	0
5010020	Nat Gas Consumed Steam	12,973,863	0	0	12,973,863	12,973,863	12,973,863	12,973,863	0
5010027	Gypsum handling/disposal costs	374,304	0	0	374,304	374,304	374,304	374,304	0
5010028	Gypsum Sales Proceeds	(482,075)	0	0	(482,075)	(482,075)	(482,075)	(482,075)	0
5010034	Gas Trngm Res Fee-Stream	3,243,240	0	0	3,243,240	3,243,240	3,243,240	3,243,240	0
5010035	Fuel - Delivered	106,912,866	20	20	106,912,835	106,912,835	106,912,835	106,912,835	12
5010005	Deferred Fuel Expense	(3,547,487)	-	-	(3,547,487)	(3,547,487)	(3,547,487)	(3,547,487)	-
	Over Under Fuel Expense	102,385,378	20	20	102,385,348	102,385,348	102,385,348	102,385,348	12
5000000	Fuel for Electric Generation	489,969	0	0	489,969	489,969	489,969	489,969	0
5000009	Fuel from Affiliates for Electric Generation	29,802	0	0	29,802	29,802	29,802	29,802	0
5000014	Allow Consun Tils IV SOC	2,249	0	0	2,249	2,249	2,249	2,249	0
	Allow Consun CSAPR SOC	832,939	-	-	832,939	832,939	832,939	832,939	-
5020002	Allowments - Consumption	1,150,728	0	0	1,150,728	1,150,728	1,150,728	1,150,728	0
5020003	Urea Expense	311,111	0	0	311,111	311,111	311,111	311,111	0
5020004	Limestone Expense	3,209,351	0	0	3,209,351	3,209,351	3,209,351	3,209,351	0
5020005	Polymer expense	119,297	0	0	119,297	119,297	119,297	119,297	0
5020007	Urea Hydrate Expense	14,814	0	0	14,814	14,814	14,814	14,814	0
5020015	Environmental Over/Under Consu	(106,457)	0	0	(106,457)	(106,457)	(106,457)	(106,457)	0
	Environmental Control - Chemicals	4,688,843	-	-	4,688,843	4,688,843	4,688,843	4,688,843	0
	Total Fuel for Electric Generation	107,596,262	20	20	107,596,231	107,596,231	107,596,231	107,596,231	12
5550027	Purch Pwr-Non-Fuel Portion-Aff	47,554,808	0	0	47,554,808	47,554,808	47,554,808	47,554,808	0
5550028	Purch Power-Asso:Trans Price	0	0	0	0	0	0	0	0
5550046	Purch Power-Fuel Portion-Aff	40,388,421	0	0	40,388,421	40,388,421	40,388,421	40,388,421	0
5550001	Purchased Electricity from AEP - Affiliates	87,943,228	378,236,295	378,236,295	87,943,228	87,943,228	87,943,228	87,943,228	0
5550023	Purch Pwr-NonTrading-Nonasoc	29,214,681	0	0	29,214,681	29,214,681	29,214,681	29,214,681	0
5550024	Purch Power Capacity -NA	36,603	0	0	36,603	36,603	36,603	36,603	0
5550002	Gas-Comman-Mona Plant	(12)	0	0	(12)	(12)	(12)	(12)	0
5550003	PJM Inadvertent Mtr Res-OGS	(13,850)	0	0	(13,850)	(13,850)	(13,850)	(13,850)	0
5550004	PJM Inadvertent Mtr Res-LSE	(42,777)	0	0	(42,777)	(42,777)	(42,777)	(42,777)	0
5550001	PJM Ancillary Srv - Sync	5	0	0	5	5	5	5	0
5550074	PJM Reactive-Charge	2,327,754	0	0	2,327,754	2,327,754	2,327,754	2,327,754	0
5550075	PJM Reactive-Credit	(1,013,374)	0	0	(1,013,374)	(1,013,374)	(1,013,374)	(1,013,374)	0
5550076	PJM Back Start-Charge	975,479	0	0	975,479	975,479	975,479	975,479	0
5550078	PJM Regulation-Charge	585,853	0	0	585,853	585,853	585,853	585,853	0
5550079	PJM Regulation-Credit	(87,042)	0	0	(87,042)	(87,042)	(87,042)	(87,042)	0
5550083	PJM Spinning Reserve-Charge	301,614	0	0	301,614	301,614	301,614	301,614	0
5550084	PJM Spinning Reserve-Credit	(61,849)	0	0	(61,849)	(61,849)	(61,849)	(61,849)	0
5550090	PJM 30m Suppl Reserv Charge LSE	203,405	0	0	203,405	203,405	203,405	203,405	0
5550099	PJM Purchase-run-ECR-Auction	590	0	0	590	590	590	590	0
5550100	Capacity Purchase-Auction	2,975	0	0	2,975	2,975	2,975	2,975	0
5550123	PJM OpRes-LSE-Charge	660,587	0	0	660,587	660,587	660,587	660,587	24,512
5550124	PJM Impact Congestion-LSE	1,882,367	0	0	1,882,367	1,882,367	1,882,367	1,882,367	0
5550122	PJM FTR Revenue-LSE	(2,510,366)	0	0	(2,510,366)	(2,510,366)	(2,510,366)	(2,510,366)	0
5580137	PJM OpRes-LSE-Credit	(188,719)	0	0	(188,719)	(188,719)	(188,719)	(188,719)	0

**INCOME STATEMENT**

American Electric Power

Account	Kentucky Power Int Counsel		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Nov 2016	110 Actual	YTD Nov 2016	117 Actual	YTD Nov 2016	180 Actual	YTD Nov 2016
GLS8016								
YTD Nov 2016								
12/31/2016 16:50								
088 V2016-11-30	Layout: GLS8016							
	Account: GL_ACTCT_SEC Business Units: SEGMENT_CONS							
5500141	Purchase Power-PPA Deferred	144,516	0	0	0	144,516	0	0
5500142	KY Env Sel - Purchase Power	(276,802)	0	0	0	(276,802)	0	0
5500143	BS1QR PJM Over/Under Recovery	2,487,193	0	0	0	2,487,193	0	0
5500206	PJM Transm Loss Charges - LSE	6,967,218	0	0	0	6,967,218	0	0
5500207	PJM Transm Loss Credits-LSE	(1,415,152)	0	0	0	(1,415,152)	0	0
	Purchased Electricity for Resale - NonAffiliated	40,002,765	-	-	-	39,978,252	-	24,612
	Purchased Gas for Resale - Affiliated	-	-	-	-	-	-	-
	Purchased Gas for Resale - NonAffiliated	-	-	-	-	-	-	-
	<b>Total Purchased Power</b>	<b>127,945,934</b>	<b>376,236,295</b>	<b>161,658,757</b>	<b>127,921,481</b>	<b>137,806,463</b>	<b>24,612</b>	<b>87,261,478</b>
	<b>GROSS MARGIN</b>	<b>355,841,619</b>						
<b>OPERATING EXPENSES</b>								
5000000	Oper Supervision & Engineering	2,845,267	20,981	0	0	2,819,011	0	5,275
5000001	Oper Suppl & Eng-RATA-ARI	38,246	0	0	0	38,246	0	0
5000002	Steam Expenses	1,133,813	0	0	0	1,133,813	0	0
5000003	Electric Expenses	178,787	0	0	0	178,787	0	0
5000004	Misc Steam Power Expenses	6,715,611	817	0	0	6,714,284	510	0
5000005	Misc Steam Power Exp-Assoc	46,191	0	0	0	46,191	0	0
5000006	Removal Cost Expense - Steam	1,632	5	0	0	1,920	8	0
5000007	BS1QR O&U Recovery-Oper Costs	903,881	0	0	0	903,881	0	0
5000008	Environmental Over/Under O&M E	(286,274)	0	0	0	(286,274)	0	0
5000009	Steam Generation Op Exp	11,567,486	21,803	0	0	11,539,869	0	6,792
5000010	Nuclear Generation Op Exp	-	-	-	-	-	-	-
5000011	Hydro Generation Op Exp	448,563	0	0	0	448,563	0	0
5000012	Sys Control & Load Dispatching	1,324,020	0	0	0	1,324,020	0	0
5000013	Other Expenses	53,713	53,713	0	0	53,713	0	0
5000014	Other Per Exp - Wholesale RECs	34	34	0	0	34	0	0
5000015	Other Per Exp - Voluntary RECs	0	0	0	0	0	0	0
5000016	PJM Adm-MA-MASC- OIS	131,160	0	0	0	131,160	0	0
5000017	PJM Adm-MA-MASC- Internal	772,881	0	0	0	772,881	0	0
5000018	Other Generation Op Exp	2,730,371	63,747	0	0	2,678,624	0	0
5000019	Oper Supervision & Engineering	1,169,598	2,926	0	0	1,158,515	0	8,157
5000020	Load Dispatch - Reliability	8,105	0	0	0	8,105	0	0
5000021	Load Dispatch-Mit&Op TransSys	727,054	217	0	0	726,329	0	0
5000022	PJM Adm-SSC&OS- OIS	142,871	0	0	0	142,871	0	0
5000023	PJM Adm-SSC&OS- Internal	898,984	0	0	0	898,984	0	0
5000024	RTO Adm-Default LSE	(138)	0	0	0	(138)	0	(95)
5000025	Reliability,Prog&Stat Develop	108,368	3,968	0	0	9,547	0	94,853
5000026	PJM Adm-RPL&OS- OIS	35,881	0	0	0	35,881	0	0
5000027	PJM Adm-RPL&OS- Internal	233,075	0	0	0	233,075	0	0
5000028	Station Expenses - Nonassoc	200,058	0	0	0	200,058	0	0
5000029	Overhead Line Expenses	115,308	11	0	0	115,267	0	0
5000030	Transmission Exp by Others-MAC	110,857	0	0	0	110,857	0	0
5000031	Trans Elec by Oth-PP&Tm Price	30,458,374	0	0	0	30,458,374	0	0
5000032	PJM Trans Enhancement Charge	5,181,436	0	0	0	5,181,436	0	0
5000033	PJM NITS Expense - Affiliated	14,878,988	0	0	0	14,878,988	0	0
5000034	ARI PJM Trans Enhancement Exp	3,120,873	0	0	0	3,120,873	0	0
5000035	PROVISION RTO All Expense	529,008	0	0	0	529,008	0	0
5000036	Misc Transmission Expenses	1,251,020	11,126	0	0	1,220,632	0	19,263
5000037	SPP FERC Assessment Fees	10	2	0	0	6	0	1
5000038	R King Trans Cost Exp - ARI	1	0	0	0	0	0	1
5000039	Rents - Associated	28,709,165	30,474,823	0	0	26,187,241	0	429,806
5000040	Oper Supervision & Engineering	489,857	434,132	0	0	47,265	0	18,439
5000041	Load Dispatching	2,664	2,739	0	0	0	0	(55)
5000042	Station Expenses	222,602	222,589	0	0	0	0	13
5000043	Overhead Line Expenses	755,360	754,969	1	0	1	0	411
5000044	Underground Line Expenses	109,061	109,061	0	0	0	0	0
5000045	Street Lighting & Signal Sys E	160,874	160,874	0	0	0	0	0
5000046	Meter Expenses	764,022	762,838	0	0	652	0	531
5000047	Customer Installations Exp	142,899	142,899	0	0	0	0	0
5000048	Miscellaneous Distribution Exp	3,361,421	3,306,636	0	0	35,848	0	18,936
5000049	Rents - Nonassociated	1,487,972	1,487,972	0	0	0	0	0
5000050	Rents - Associated	58,570	58,570	0	0	0	0	0
5000051	Supervisors - Customer Accts	7,965,142	7,443,279	0	0	83,987	0	38,276
5000052	Meter Reading Expenses	182,135	182,060	0	0	58	0	18
5000053	Meter Reading - Regular	(6,329)	(7,300)	0	0	773	0	188
5000054	Meter Reading - Regular	321,382	321,382	0	0	0	0	0



INCOME STATEMENT

GLS8016  
YTD Nov 2016  
12/09/2016 16:50

OSB V2016-11-30  
Layout: GLS8016  
Account: GL\_ACT\_SEC Business Unit: SEGMENT\_CONS

	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Nov 2016	110 Actual	YTD Nov 2016	117 Actual	YTD Nov 2016	180 Actual	YTD Nov 2016
9200003		49,087		49,087		0		0
9200004		295,280		291,787		61		3,432
9200005		2,189,711		2,187,662		1,679		370
9200006		20,361		19,572		16		772
9200007		663,441		663,441		0		0
9200008		107,763		107,646		101		16
9200009		71,284		71,284		0		0
9200010		915,302		915,297		5		0
9200011		272,469		272,469		0		0
9200012		155,170		155,170		0		0
9200013		(142,882)		(142,882)		30		1
9200014		16,457		16,457		0		0
9200015		98,624		98,624		0		0
9200016		57		57		(0)		(0)
9200017		739,937		739,869		52		17
9200018		(7)		(5)		(2)		(1)
9200019		4,773,474		4,773,477		(2)		(1)
9200020		19,137		19,137		17,662		4,414
9200021		90,500		72,504		14,745		3,281
9200022		762		701		49		11
9200023		10,845,422		10,807,688		35,237		12,629
9200024		110		110		0		0
9200025		33,078		33,078		0		0
9200026		8,819		8,596		216		7
9200027		25,000		25,000		0		0
9200028		87,007		86,784		216		7
9200029		2,706,412		2,706,412		1,237,672		208,392
9200030		8,226,900		3,508,461		3,512,268		1,205,151
9200031		696,108		385,607		253,217		77,284
9200032		(1)		(1)		(0)		(0)
9200033		(663,957)		(663,957)		0		0
9200034		(575,308)		(575,308)		0		0
9200035		(12)		(12)		0		0
9200036		1,709,694		562,806		819,321		307,767
9200037		248,854		88,000		83,970		74,893
9200038		672,352		168,701		365,932		127,720
9200039		1,286,516		763,102		486,370		27,044
9200040		4,036		4,036		0		0
9200041		6,019		4,257		1,747		15
9200042		673,625		508,477		110,134		54,015
9200043		6,212		260,959		8		8
9200044		(203,314)		(165,336)		(17,569)		(409)
9200045		3,291		3,291		12,488		0
9200046		19,488		6,972		8,132		3,384
9200047		38,000		17,595		19,877		558
9200048		2,238,714		1,467,009		676,348		95,356
9200049		135,141		74,276		60,040		825
9200050		4,330,054		2,602,695		1,711,402		15,957
9200051		166,390		86,905		82,735		6,850
9200052		201,133		120,479		79,397		1,258
9200053		1,424		620		716		88
9200054		5,710		3,094		2,585		82
9200055		6,572		1,175		4,526		871
9200056		(2,325,856)		(1,223,331)		(908,874)		(185,650)
9200057		1,564,691		875,659		686,623		2,409
9200058		4,207		4,207		0		0
9200059		(316,125)		2,210		(320,673)		338
9200060		(862,336)		(734,974)		(126,010)		(1,354)
9200061		(1,831,649)		(1,422,502)		(406,939)		(2,209)
9200062		(543,154)		(409,368)		(133,146)		(638)
9200063		691,390		539,677		150,415		997
9200064		(360,289)		(275,818)		(84,252)		(99)
9200065		(873)		(14,425)		13,599		(48)
9200066		199,568		118,783		65,273		14,513
9200067		128,308		128,308		0		0
9200068		(23)		(7)		(10)		(5)
9200069		170		170		0		170
9200070		238,121		51,770		152,152		34,188

American Electric Power  
**INCOME STATEMENT**

GLS8016 YTD Nov 2016 12/06/2016 16:50	Kentucky Power Int Counsel		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Nov 2016	110 Actual	YTD Nov 2016	117 Actual	YTD Nov 2016	180 Actual	YTD Nov 2016
098 V2016-11-30	Account: GL_ACCT_3EC Business Units: SEGMENT_CONS Layout: GLS8016							
9260005	Reg Com Exp-FERC Trans Costs	6,412	161	230	6,021			
9301000	General Advertising Expenses	361	0	0	0			
9301001	Newspaper Advertising Spots	28,211	8,497	14,410	3,203			
9301003	TV Station Advertising Time	1,245	5,253	3,267	742			
9301010	Publity	551	130	342	78			
9301012	Public Opinion Surveys	61,480	61,434	21	5			
9301015	Other Corporate Comm Exp	19,183	10,054	7,274	1,855			
9302000	Misc General Expenses	191,859	41,438	111,867	38,754			
9302003	Corporate & Fiscal Expenses	21,738	14,938	5,387	1,413			
9302004	Research, Develop&Demos&tr Exp	804	904	0	0			
9310000	Rents	3	2	1	0			
9310001	Rents - Real Property	107,770	107,770	0	0			
9310002	Rents - Personal Property	263,895	186,643	63,274	13,977			
4111005	Administration & General	16,784,082	7,066,042	7,821,876	1,817,474			
4110000	Accretion	634,402	0	634,402	0			
4110000	Gain From Disposition of Plant	(4,765)	(4,765)	0	0			
4110000	Loss/(Gain) on Utility Plant	(4,766)	(4,766)	0	0			
9302000	Assoc Bus Dev - M&M&S Sold	18,531	18,531	0	0			
9302007	Assoc Business Development Exp	224,032	120,377	4,039	99,615			
4210000	Associated Business Development Expenses	242,663	138,908	4,039	99,615			
4210000	Gain on Disposition of Property	-	-	-	-			
4210000	Loss on Disposition of Property	-	-	-	-			
4210000	Loss/(Gain) of Sale of Property	-	-	-	-			
4260001	Operation Exp - Nonmanufactured	0	0	0	0			
4260009	Factored Coal Exp - All	1,006,743	1,006,743	0	0			
4260010	Fact Coal AR-Bad Debts-All	1,534,148	1,534,148	0	0			
4260000	Oper Exp and Factored A/R	2,540,891	2,540,891	0	0			
4260004	Water Wastors	73,797	43,405	21,471	8,921			
4260007	Social & Service Club Dues	12,534	3,042	7,663	1,929			
4210006	Regulatory Expenses	86,311	46,448	29,134	16,749			
4260000	Expense of Non-Utility Operation	3,654	2,120	244	1,290			
4260000	Misc Non-Op Exp - Non-Assoc	3,654	2,120	244	1,290			
4260000	Donations	673,901	603,946	58,170	11,785			
4260001	Donation Contributions	673,901	603,946	58,170	11,785			
4260000	Penalties	2,098	235	1,760	103			
4260000	Provision for Penalties	2,098	235	1,760	103			
4260000	Civic & Political Activities	441,669	114,120	261,715	65,834			
4260002	Civic & Political Activities	441,669	114,120	261,715	65,834			
4260000	Other Deductions - Nonassoc	73,131	41,928	30,305	897			
4260000	Other Deductions	73,131	41,928	30,305	897			
5100000	All Other Operational Expenses	3,821,675	3,249,688	381,328	90,658			
5100000	Maint Supp & Engineering	82,982,521	69,408,776	48,344,098	6,117,828			
5100000	Maintenance of Structures	2,185,119	639	2,184,165	315			
5100000	Maintenance of Boiler Plant	1,721,535	0	1,721,535	0			
5100034	BS&R O&U Recovery-Misc Costs	14,574,281	0	14,574,281	0			
5100035	BS&R O&U Recovery-Misc Costs	(92,491)	0	(92,491)	0			
5100000	Maintenance of Electric Plant	(895,933)	0	(895,933)	0			
5100000	Maintenance of Misc Steam Pt	4,562,318	0	4,562,318	0			
5100000	Maintenance of Misc Steam Pt	1,556,461	(523)	1,556,984	0			
5100000	Steam Generation Maintenance	23,511,288	116	23,510,857	315			
5100000	Nuclear Generation Maintenance	-	-	-	-			
5100000	Hydro Generation Maintenance	-	-	-	-			
5100000	Other Generation Maintenance	-	-	-	-			
5600000	Maint Supp & Engineering	25,395	(17)	208	25,203			
5600000	Maintenance of Structures	21,749	0	21,749	0			
5601000	Maint of Computer Hardware	1,268	4	13	1,251			
5602000	Maint of Computer Software	100,812	6,446	3,311	91,055			
5603000	Maint of Communication Equip	6,230	0	6,230	0			
5700000	Maint of Station Equipment	1,068	1,068	112	443,156			
5700000	Maintenance of Overhead Lines	1,626,561	(561)	(662)	1,627,804			
5700000	Maint of Underground Lines	24	0	0	24			
5700000	Maint of Misc Transmission Pt	309,393	44	67	309,282			
5900000	Transmission Maintenance	2,536,769	6,985	3,028	2,526,765			
5900000	Maint Supp & Engineering	2,042	2,030	0	12			

American Electric Power  
**INCOME STATEMENT**

GLS8016 YTD Nov 2016 12/05/2016 19:50	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Nov 2016 Actual	110 Actual	YTD Nov 2016 Actual	117 Actual	YTD Nov 2016 Actual	180 Actual	YTD Nov 2016 Actual
081 V2016-11-30	Layout: GLS8016 Account: GL_ACTT_SEC Business Units: SEGMENT COND							
5810000	Maintenance of Structures	29,305	12,428			0		16,877
5820000	Maint of Station Equipment	417,027	415,562			24		1,421
5830000	Maintenance of Overhead Lines	33,740,665	33,740,665			(12)		25,068
5830001	Trees and Brush Control	622,117	622,117			0		0
5830010	Storm Expense Amortization	2,226,787	2,226,787			0		0
5840000	Maint of Underground Lines	82,740	82,738			2		1
5850000	Maint of Line Trm Right-of-Way	43,405	43,405			0		0
5860000	Maint of Str Lighting & Signal S	39,840	39,840			0		(0)
5870000	Maintenance of Motors	62,894	60,543			0		2,351
5880000	Maint of Misc Distribution Pt	43,852	43,411			0		441
	<b>Distribution Maintenance</b>	<b>37,334,710</b>	<b>37,268,627</b>			<b>13</b>		<b>46,171</b>
8350001	Maint of Structures - Owned	389,932	388,937			3		542
8350002	Maint of Structures - Leased	69,210	69,210			0		0
8350012	Maint of Data Equipment	156,359	156,793			49,568		0
8350013	Maint of Communication Equip	1,023,330	960,989			62,361		0
8350015	Maint of Office Furniture & Eq	437,469	224,368			213,101		0
8350016	Maintenance of Video Equipment	266	266			0		0
8350019	Maint of Gen Plant SCADA Eqs	295	295			0		0
8350024	Maint of DA-AM Comm Equip	10,872	10,649			14		8
	<b>Administration &amp; General Maintenance</b>	<b>2,085,945</b>	<b>1,760,389</b>			<b>325,048</b>		<b>650</b>
	<b>All Other Maintenance Expenses</b>	<b>85,467,782</b>	<b>38,056,016</b>			<b>23,838,946</b>		<b>2,672,760</b>
	<b>Maintenance Expenses</b>	<b>149,490,273</b>	<b>99,482,799</b>			<b>73,193,045</b>		<b>8,680,816</b>
	<b>Total Operational and Maintenance Expenses</b>							
4040001	Amort of Plant	2,592,129	1,427,923			570,499		563,707
4060001	Amort of Pk Acq Aq	35,398	0			0		35,398
4070000	DDA Amortization	2,627,627	1,427,923			570,499		829,106
4073014	Regulatory Debit	125,806	0			0		125,806
	<b>DDA Regulatory Debits</b>	<b>1,907,542</b>	<b>0</b>			<b>1,907,542</b>		<b>0</b>
	<b>DDA Regulatory Credits</b>	<b>2,033,347</b>	<b>-</b>			<b>-</b>		<b>126,806</b>
	<b>Amortization</b>	<b>4,660,074</b>	<b>1,427,923</b>			<b>2,478,040</b>		<b>764,910</b>
4030001	Depreciation Exp	71,828,078	26,064,741			31,834,696		13,928,641
4031001	DDA STP Nuclear Decommissioning	71,828,078	26,064,741			-		13,828,641
	<b>DDA Asset Retirement Oblig</b>	<b>208,137</b>	<b>0</b>			<b>208,137</b>		<b>0</b>
	<b>DDA Removal Costs</b>	<b>208,137</b>	<b>-</b>			<b>208,137</b>		<b>-</b>
	<b>Depreciation and Amortization</b>	<b>76,697,069</b>	<b>27,492,664</b>			<b>32,042,833</b>		<b>14,683,652</b>
	<b>Franchise Taxes</b>	<b>(78,776)</b>	<b>0</b>			<b>(78,776)</b>		<b>0</b>
405100009	State Gross Receipts Tax	(8,487)	0			(8,487)		0
405100015	State Gross Receipts Tax	32,826	0			32,826		0
405100018	State Gross Receipts Tax	(64,437)	0			(64,437)		0
	<b>Revenue-W/Tr Taxes</b>	<b>2,753,320</b>	<b>1,544,763</b>			<b>1,203,640</b>		<b>4,717</b>
4081002	FICA	9,367	6,907			2,449		32
4081003	Federal Unemployment Tax	41,341	23,960			17,278		103
4081007	State Unemployment Tax	(987,231)	(743,614)			(242,430)		(1,189)
4081033	Fringe Benefit Loading - FICA	(6,548)	(4,888)			(1,548)		(1)
4081034	Fringe Benefit Loading - RUT	(21,003)	(14,772)			(6,212)		(16)
4081035	Fringe Benefit Loading - SUT	1,789,267	812,246			3,632,363		3,645
	<b>Payroll Taxes</b>	<b>3,632,393</b>	<b>1,112</b>			<b>3,632,393</b>		<b>0</b>
408102015	State Business Occp Taxes	1,122	0			0		10
408102013	Real Personal Property Taxes	638,417	(178,066)			1,224,951		(107,667)
408102014	Real Personal Property Taxes	11,478,160	6,487,473			1,329,941		3,650,746
408102015	Real Personal Property Taxes	191,328	134,954			15,675		40,689
408102016	Real-Pers Prop Tax-Cap Lease	224,594	178,431			11,821		36,542
408102017	Real Prop Tax-Cap Leases	(2,540)	(2,540)			0		0
408102018	Real Prop Tax-Cap Leases	23,375	23,375			0		0
408200015	Real Personal Property Taxes	14,267	2,387			0		11,880
	<b>Property Taxes</b>	<b>12,868,723</b>	<b>6,654,325</b>			<b>2,662,168</b>		<b>3,632,210</b>
408101615	St Pub Serv Comm Tax-Fee	566,102	566,102			0		0
408101815	St Pub Serv Comm Tax-Fee	469,500	469,500			0		0
	<b>Regulatory Fees</b>	<b>1,035,601</b>	<b>1,035,601</b>			<b>-</b>		<b>-</b>
408101415	Federal Excise Taxes	900	900			0		900
408101419	Federal Excise Taxes	5,413	0			5,413		0

**INCOME STATEMENT**

American Electric Power

GLS8016 YTD Nov 2016 12/06/2016 10:50	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Nov 2016 Actual	110 Actual	YTD Nov 2016 Actual	117 Actual	YTD Nov 2016 Actual	180 Actual	YTD Nov 2016 Actual
058 V2016-11-30	Layout: GLSM016 Account: GL_ACCT_SEC Business Unbu: SEGMENT CONS							
408101716	6,313	-	-	-	-	-	-	-
408101915	132	132	0	0	0	0	0	0
408101916	791	791	0	0	0	0	0	0
408102216	8,808	8,808	(0)	(0)	(0)	(0)	(0)	(0)
	645	645	0	0	0	0	0	0
	10,376	10,376	(0)	(0)	-	-	-	-
	16,688	16,688	6,313	6,313	-	-	-	-
	19,288,236	6,612,646	7,139,834	7,139,834	-	-	-	-
	244,435,636	113,843,762	349,361,464	349,361,464	-	-	-	-
	479,977,862	510,704,317	27,081,765	27,081,765	-	-	-	-
	111,436,923	23,982,711	60,351,457	60,351,457	-	-	-	-
	<b>MEMO: SEC Total Operating Expenses</b>							
	<b>OPERATING INCOME</b>							
	<b>NON-OPERATING INCOME /EXPENSES</b>							
4190002	27,698	14,815	-	-	-	-	-	(419)
	27,698	14,815	-	-	-	-	-	(419)
4190006	9,527	(23,649)	-	-	-	-	-	97,129
	9,527	(23,649)	-	-	-	-	-	97,129
4210009	37,228	(9,834)	-	-	-	-	-	96,710
	518,635	1,825	-	-	-	-	-	34,510
	518,635	1,825	-	-	-	-	-	34,510
4191000	656,861	(6,908)	-	-	-	-	-	131,220
	824,209	204,546	-	-	-	-	-	138,589
	824,209	204,546	-	-	-	-	-	138,589
4270002	242,258	242,258	-	-	-	-	-	0
	242,258	242,258	-	-	-	-	-	0
4270006	38,938,814	11,525,985	-	-	-	-	-	8,355,951
	38,938,814	11,525,985	-	-	-	-	-	8,355,951
4270005	1,512,362	447,817	-	-	-	-	-	324,611
	1,512,362	447,817	-	-	-	-	-	324,611
4300003	40,693,464	12,216,070	-	-	-	-	-	8,680,661
	82,699	168,458	-	-	-	-	-	(562,241)
	82,699	168,458	-	-	-	-	-	(562,241)
4310007	901,751	250,732	-	-	-	-	-	34,999
	984,361	439,190	-	-	-	-	-	(627,242)
4260002	29,426	0	-	-	-	-	-	0
4260003	121,870	38,074	-	-	-	-	-	28,152
4260006	513,927	151,965	-	-	-	-	-	110,191
4261004	30,847	9,131	-	-	-	-	-	136,244
	30,847	9,131	-	-	-	-	-	6,619
	30,847	9,131	-	-	-	-	-	6,619
4310001	58,617	0	-	-	-	-	-	9,109
4310002	89,572	89,572	-	-	-	-	-	0
4310023	(80,809)	3,126	-	-	-	-	-	338
	97,780	92,658	-	-	-	-	-	9,447
4220000	(588,529)	(147,689)	-	-	-	-	-	(100,508)
	(588,529)	(147,689)	-	-	-	-	-	(100,508)
	41,863,125	12,797,670	-	-	-	-	-	8,206,121
	76,932,868	14,491,922	-	-	-	-	-	82,416,164
	<b>INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS</b>							
	<b>INCOME TAXES AND EQUITY EARNINGS</b>							
4091001	1,945,898	(808,060)	-	-	-	-	-	16,367,125
4092001	13,265	(59,500)	-	-	-	-	-	948
	1,959,163	(867,560)	-	-	-	-	-	16,368,073
4101001	93,808,570	11,703,502	-	-	-	-	-	4,482,418
4102001	3,101,434	24,174	-	-	-	-	-	8,355

American Electric Power

**INCOME STATEMENT**

GLS8016 YTD Nov 2016 12/02/2016 16:50	Account: GL_ACCT_SEC Business Units: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Nov 2016 Actual	110 Actual	YTD Nov 2016 Actual	117 Actual	YTD Nov 2016 Actual	180 Actual	YTD Nov 2016 Actual
028 V2016-11-30	Layout: GLS8016								
4110001	Prv Del ITC-UI-Op Inc-Fed	(70,322,947)	(8,111,345)						(538,916)
4110001	Prv Del ITC-UI-Op Inc-Fed	(235,555)	(235,555)						(8,441)
4110001	Federal Deferred Income Tax	23,630,187	3,380,777						3,643,416
	ITC Ag. Utility Oper - Fed	(2,409)	(1,056)						(242)
	Federal Investment Tax Credits	(2,409)	(1,056)						(242)
	Federal Income Taxes	25,686,911	2,612,161						19,911,247
409100212	Income Taxes UOI - State	22,590	1,306						36,978
409100213	Income Taxes UOI - State	1,539,890	356,384						(987,229)
409100218	Income Taxes UOI - State	(967,200)	176,589						2,736,048
409100215	Inc Tax On Inc Dev - State	(8,678)	(4,978)						(2,368)
409100216	Inc Tax On Inc Dev - State	14,117	(6,296)						2,818
4101002	State Current Income Tax	600,718	623,005						2,088,244
4111002	Prv Del ITC-UI-Op Inc-State	5,286,401	4,844,539						0
	Prv Del ITC-UI-Op Inc-State	(8,645,135)	0						0
	State Deferred Income Tax	(3,353,734)	4,844,539						(8,293,273)
	State Investment Tax Credits								
	State Income Taxes	(2,768,015)	5,367,644						2,088,244
	Local Current Income Tax								
	Local Deferred Income Tax								
	Local Investment Tax Credits								
	Local Income Taxes								
	Foreign Current Income Tax								
	Foreign Deferred Income Tax								
	Foreign Investment Tax Credits								
	Foreign Income Taxes								
	Total Income Taxes	22,826,886	7,879,706						21,997,491
	Equity Earnings of Subs								
	<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>48,103,971</b>	<b>6,612,217</b>						<b>11,073,090</b>
	Discontinued Operations (Net of Taxes)								
	Cumulative Effect of Accounting Changes								
	Extraordinary Income / (Expenses)								
	<b>NET INCOME</b>	<b>48,103,971</b>	<b>6,612,217</b>						<b>30,418,664</b>
	Minority Interest								
	Preferred Stock Dividend Subs								
	<b>Earnings to Common Shareholders</b>	<b>48,103,971</b>	<b>6,612,217</b>						<b>11,073,090</b>
	<b>NET INCOME (LOSS) NODE before PS</b>	<b>48,103,971</b>	<b>6,612,217</b>						<b>30,418,664</b>
	Double Check on Net Income Node after PS	(0)	0						0

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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098 V2016-11-  
Legend: GLS8216  
Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS

	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016
	Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
<b>ASSETS</b>					
Cash and Cash Equivalents	503,688	603,688	0	0	0
Other Cash Deposits	10,849	5,786	5,063	0	0
Customers	13,985,845	10,272,809	2,892,843	819,953	0
Accrued Unbilled Revenues	7,253,885	7,253,885	0	0	0
Miscellaneous Accounts Receivable	21,555,939	4,212,586	59,826,484	8,050,536	0
Allowances for Uncollectible Accounts	(53,079)	(44,505)	0	(8,574)	0
Accounts Receivable	42,742,389	21,694,775	62,719,327	8,861,955	0
Advances to Affiliates	0	0	0	0	0
Fuel, Materials and Supplies	45,019,726	2,106,938	42,499,471	419,320	0
Risk Management Contracts - Current	889,202	1,378	887,824	0	0
Margin Deposits	4,906,919	41,411	4,865,508	0	0
Unrecovered Fuel - Current	1,849,778	0	1,849,778	0	0
Other Current Regulatory Assets	0	0	0	0	0
Prepayments and Other Current Assets	2,124,171	2,120,013	(69,170)	73,328	0
<b>TOTAL CURRENT ASSETS</b>	<b>98,146,723</b>	<b>26,573,987</b>	<b>112,751,802</b>	<b>9,354,602</b>	<b>0</b>
Electric Production	1,181,590,800	829,487,162	1,199,256,025	570,252,800	0
Electric Transmission	573,722,878	0	0	0	0
Electric Distribution	780,985,965	0	0	0	0
General Property, Plant and Equipment	85,518,295	198,571	1,481,903	1,160,479	0
Construction Work-In-Progress	21,825,611	9,393,351	4,383,203	8,069,056	0
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,623,643,549</b>	<b>839,080,084</b>	<b>1,205,081,131</b>	<b>578,482,334</b>	<b>0</b>
less: Accumulated Depreciation and Amortization	(857,489,135)	(285,915,535)	(401,147,789)	(190,427,801)	0
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,766,154,415</b>	<b>573,164,549</b>	<b>803,933,332</b>	<b>388,054,533</b>	<b>0</b>
Net Regulatory Assets	549,253,710	117,218,666	376,304,132	55,730,912	0
Securitized Transition Assets and Other	0	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0	0
Goodwill	0	0	0	0	0
Long-Term Risk Management Assets	(14,710)	0	(14,710)	0	0
Employee Benefits and Pension Assets	8,526,511	3,457,810	4,927,885	240,836	0
Other Non Current Assets	3,879,687	1,226,689	2,116,271	336,727	0
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>561,445,199</b>	<b>121,903,165</b>	<b>383,233,659</b>	<b>56,308,475</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>2,425,748,336</b>	<b>721,643,701</b>	<b>1,299,918,693</b>	<b>454,717,610</b>	<b>0</b>
<b>LIABILITIES</b>					
Accounts Payable	66,026,484	58,200,797	55,307,503	3,051,852	0
Advances from Affiliates	13,878,008	19,779,648	83,668,030	(89,569,669)	0
Short-Term Debt	0	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0	0
Long-Term Debt Due Within One Year - Affiliated	390,000,000	96,908,600	223,034,500	70,057,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0	0
Risk Management Liabilities	149,549	0	149,549	0	0
Accrued Taxes	3,051,925	9,515,016	(20,984,700)	14,531,808	0
Memo: Property Taxes	9,946,192	5,229,389	1,853,891	2,854,912	0
Accrued Interest	13,362,113	4,033,006	6,473,236	2,855,871	0
Risk Management Collateral	101,104	2,814	98,290	0	0
Utility Customer Deposits	26,489,082	26,489,082	(10)	0	0
Deposits - Customer and Collateral	28,590,186	28,491,905	98,280	0	0
Over-Recovered Fuel Costs - Current	0	0	0	0	0
Dividends Declared	0	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0	0
Obligations under Capital Leases - Current	948,732	457,024	465,245	26,463	0
Tax Collections Payable	1,945,388	1,867,310	77,955	123	0
Revenue Refunds - Accrued	1,458,905	0	250,016	1,208,889	0
Accrued Rents - Rockport	0	0	0	0	0
Accrued - Payroll	1,318,117	579,459	736,812	1,846	0
Accrued Rents	(10,696)	(10,696)	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

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Account	Kentucky Power Int Consol GLS8216		Kentucky Power Company - 110		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016	YTD Nov 2016
098 V2016-11-	Legend : GLS8216 Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS							
2530022	Accrued ICP	4,362,549	2,007,211	2,349,971	5,367			
2420088	Accrued Vacations	4,820,067	2,220,252	2,595,102	4,712			
2420512	Misc Employee Benefits	1,109,598	388,857	692,970	27,771			
2420542	Payroll Deductions	147,163	72,312	74,759	91			
242058218	Severance / SEI	813,439	0	813,439	0			
2420643	Accrued Workers Compensation	270,636	79,228	169,017	22,391			
2420656	Customer Advance Receipts	1,956,029	1,956,029	0	0			
2530050	Customer Advance	1,956,029	1,956,029	0	0			
2530124	Control Cash Disburse Account	819,982	819,982	0	0			
2530177	JMG Liability	0	0	0	0			
	ARO - Current	18,622,781	0	16,622,761	0			
	Econ. Development Fund Curt	507,253	557,253	(50,000)	0			
	Unclaimed Funds	5,090	5,090	0	0			
	Acc Cash Franchise Req	69,624	69,624	0	0			
	Sales Use Tax - Leased Equip	3,714	3,653	27	34			
	Accrued Audit Fees	(35,083)	(10,815)	(17,569)	(6,669)			
	Federal Mitigation Accru (NSR)	554,326	0	554,326	0			
	Deferred Rev - Polls Attachments	129,813	129,813	0	0			
	Contr In Aid of Constr Advance	59,629	59,629	0	0			
	Deferred Rev-Bonus Lease Curr	431,564	0	431,564	0			
	Misc Current and Accrued Liabilities	18,348,692	814,237	17,541,080	(6,635)			
	Current Other and Accrued Liabilities	37,359,857	10,794,181	25,301,120	1,264,556			
	Other Current Liabilities	38,308,588	11,251,205	25,766,365	1,291,018			
	<b>TOTAL CURRENT LIABILITIES</b>	<b>551,388,863</b>	<b>226,180,079</b>	<b>373,602,762</b>	<b>2,217,880</b>			
2440002	Long-Term Debt - Affiliated	0	0	0	0			
2440022	Long-Term Debt - Non Affiliated	477,228,214	142,487,021	231,734,611	103,006,662			
	Long-Term Debt - Premiums and Discounts Unamort	(125,044)	(37,286)	(80,804)	(26,954)			
	Memo - LTD NonAffiliated and Premiums	477,103,170	142,449,736	231,673,607	102,979,628			
	Long-Term Risk Management Liabilities - Hedge	0	0	0	0			
	LT Unreal Losses - Non Aff	537,098	0	537,098	0			
	L/T Liability MTM Collateral	(10,868)	0	(10,868)	0			
	Long-Term Risk Management Liabilities - MTM	526,209	0	526,209	0			
	Long-Term Risk Management Liabilities	526,209	0	526,209	0			
	Deferred Income Taxes	668,416,216	192,269,744	344,160,769	131,995,703			
	Deferred Investment Tax Credits	1,641	684	689	269			
	Regulatory Liabilities and Deferred Credits	(1,774,109)	(21,779,749)	21,012,541	(1,006,901)			
	Memo - Reg Lib and Def/ITC	(1,772,467)	(21,779,065)	21,013,230	(1,006,632)			
	Asset Retirement Obligation	46,410,108	72,043	46,338,065	0			
	Nuclear Decommissioning	0	0	0	0			
	Employee Benefits and Pension Obligations	11,633,612	10,405,808	(666,120)	1,793,924			
	Trust Preferred Securities	0	0	0	0			
	Cumulative Preferred Stocks of Subs - Mandatory Reds	0	0	0	0			
	Obligations Under Capital Leases	1,783,140	878,790	871,510	32,840			
	Def Credits - Income Tax	486,518	247,076	194,121	45,321			
2530114	Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0			
	Def Credits - NSR	1,110,644	0	1,110,644	0			
	Customer Advances for Construction	158,239	158,239	0	0			
	Def Gain on Sale/Leaseback	0	0	0	0			
	Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0			
	Def Gain on Disp of Utility Plant	0	0	0	0			
	Allowances	6,484	0	6,484	0			
2530004	IPP - System Upgrade Credits	295,931	135,471	0	295,931			
2530067	Fir Opt Lns-In Kind Sv-Old Gns	135,471	120	0	0			
2530062	MACSS Unidentified EDI Cash	120	0	0	0			
2530101	Fir Opt Lns-Sold-Old Rev	63,638	0	0	63,638			
2530137	Deferred Rev-Bonus Lease NC	611,383	0	611,383	0			
2530178	Def Credits - Other	1,113,025	135,591	617,867	359,567			
	Total Other Deferred Credits	1,271,264	293,830	617,867	359,567			
	Accumulated Provisions - Rate Refund	0	0	0	0			
	Accumulated Provisions - Misc	164,850	0	164,850	0			

AMERICAN ELECTRIC POWER COMPANY  
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09B V2016-11-		Kentucky Power Int Consol GLS8216		Kentucky Power Company - 110		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
YTD Nov 2016		YTD Nov 2016		YTD Nov 2016		YTD Nov 2016		YTD Nov 2016	
Layout: GLS8216 Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS									
Other Non-Current Liabilities									
		4,816,415	1,419,696	2,958,991	437,728				
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,207,133,263</b>	<b>324,837,961</b>	<b>646,094,950</b>	<b>236,200,351</b>				
<b>TOTAL LIABILITIES</b>									
Cumulative Pref Stocks of Subs - Not subject Mand Redem		1,758,500,116	551,018,040	1,019,597,713	238,418,031				
Minority Interest - Deferred Credits		0	0	0	0				
<b>COMMON SHAREHOLDERS' EQUITY</b>									
Common Stock		50,450,000	22,404,049	10,287,803	17,768,348				
Paid in Capital		527,309,077	106,025,371	337,243,870	84,039,836				
Premium on Capital Stock		0	0	0	0				
Retained Earnings		91,064,245	42,208,753	(65,656,872)	114,511,164				
Accumulated Other Comprehensive Income (Loss)		(1,577,102)	(13,612)	(1,553,821)	(9,769)				
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>667,246,220</b>	<b>170,625,661</b>	<b>280,320,980</b>	<b>216,299,579</b>				
Memo: Total Equity		667,246,220	170,625,661	280,320,980	216,299,579				
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,425,746,336</b>	<b>721,643,701</b>	<b>1,299,918,663</b>	<b>454,717,610</b>				
out-of-balance		(0)	0	0	(0)				

Retained Section



AMERICAN ELECTRIC POWER COMPANY  
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	Kentucky Power Int Consol GLS8216		Kentucky Power Company - 110		Kentucky Power Company - Generation 117		Kentucky Power Company - 180	
	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015
<b>ASSETS</b>								
Cash and Cash Equivalents	546,155	0	546,155	0	0	0	0	0
Other Cash Deposits	0	0	0	0	0	0	0	0
Customers	15,674,811	12,809,814	12,809,814	2,423,357	0	0	441,641	0
Accrued Unbilled Revenues	1,037,880	526,847	526,847	511,032	0	0	0	0
Miscellaneous Accounts Receivable	20,440,787	4,411,501	4,411,501	56,177,454	0	0	9,808,600	0
Allowances for Uncollectible Accounts	(250,699)	(242,125)	(242,125)	0	0	0	(8,574)	0
Accounts Receivable	36,902,788	17,506,038	17,506,038	59,111,843	0	0	10,241,667	0
Advances to Affiliates	0	0	0	0	0	0	0	0
Fuel, Materials and Supplies	49,482,814	2,066,862	2,066,862	46,675,586	0	0	750,366	0
Risk Management Contracts - Current	3,787,343	0	3,787,343	0	0	0	0	0
Margin Deposits	2,146,713	41,016	41,016	2,105,697	0	0	0	0
Unrecovered Fuel - Current	592,578	0	592,578	0	0	0	0	0
Other Current Regulatory Assets	0	0	0	0	0	0	0	0
Prepayments and Other Current Assets	3,207,834	1,637,660	1,637,660	629,537	0	0	940,637	0
<b>TOTAL CURRENT ASSETS</b>	<b>96,676,225</b>	<b>21,797,731</b>	<b>21,797,731</b>	<b>112,902,583</b>	<b>0</b>	<b>0</b>	<b>11,932,670</b>	<b>0</b>
Electric Production	1,115,864,911	801,219,099	801,219,099	1,134,347,369	0	0	562,656,622	0
Electric Transmission	565,893,863	0	0	0	0	0	0	0
Electric Distribution	753,660,950	0	0	0	0	0	0	0
General Property, Plant and Equipment	65,625,317	199,571	199,571	1,461,903	0	0	1,160,479	0
Construction Work-In-Progress	56,496,881	12,005,462	12,005,462	37,572,151	0	0	6,919,268	0
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,557,541,923</b>	<b>813,424,132</b>	<b>813,424,132</b>	<b>1,173,381,423</b>	<b>0</b>	<b>0</b>	<b>570,736,368</b>	<b>0</b>
less: Accumulated Depreciation and Amortization	(857,330,756)	(264,653,971)	(264,653,971)	(409,548,513)	0	0	(183,028,272)	0
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,700,211,167</b>	<b>548,770,161</b>	<b>548,770,161</b>	<b>763,732,910</b>	<b>0</b>	<b>0</b>	<b>387,708,096</b>	<b>0</b>
Net Regulatory Assets	505,886,257	109,583,751	109,583,751	339,814,281	0	0	56,488,225	0
Securitized Transition Assets and Other	0	0	0	0	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0	0	0
Long-Term Risk Management Assets	169,774	0	0	169,774	0	0	0	0
Employee Benefits and Pension Assets	14,419,487	5,831,331	5,831,331	8,038,680	0	0	549,475	0
Other Non Current Assets	3,394,103	1,123,100	1,123,100	1,899,846	0	0	361,157	0
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>523,859,620</b>	<b>116,538,181</b>	<b>116,538,181</b>	<b>349,922,581</b>	<b>0</b>	<b>0</b>	<b>57,398,857</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>2,320,747,012</b>	<b>687,106,073</b>	<b>687,106,073</b>	<b>1,226,558,074</b>	<b>0</b>	<b>0</b>	<b>457,039,623</b>	<b>0</b>
<b>LIABILITIES</b>								
Accounts Payable	58,343,599	58,315,544	58,315,544	45,312,965	0	0	4,671,848	0
Advances from Affiliates	13,110,422	14,146,220	14,146,220	92,528,884	0	0	(93,584,881)	0
Short-Term Debt	0	0	0	0	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	65,000,000	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	0	0	0	0	0	0
Long-Term Debt Due Within One Year - Affiliated	1,724,702	90,588	90,588	1,634,134	0	0	0	0
Risk Management Liabilities	(31,147,590)	(8,940,452)	(8,940,452)	(41,858,170)	0	0	19,651,032	0
Accrued Taxes	9,867,414	4,911,280	4,911,280	2,035,561	0	0	2,940,574	0
Memo: Property Taxes	13,326,223	3,885,185	3,885,185	6,487,975	0	0	2,953,063	0
Accrued Interest	0	0	0	0	0	0	0	0
Risk Management Collateral	26,932,716	26,605,215	26,605,215	327,501	0	0	0	0
Utility Customer Deposits	26,932,716	26,605,215	26,605,215	327,501	0	0	0	0
Deposits - Customer and Collateral	0	0	0	0	0	0	0	0
Over-Recovered Fuel Costs - Current	0	0	0	0	0	0	0	0
Dividends Declared	0	0	0	0	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0	0	0	0	0
Obligations under Capital Leases - Current	906,348	472,191	472,191	410,524	0	0	23,632	0
Tax Collections Payable	1,763,946	2,979,617	1,763,946	36,668	0	0	1,119,596	0
Revenue Refunds - Accrued	4,135,879	0	0	0	0	0	0	0
Accrued Rents - Rookport	0	0	0	0	0	0	0	0
Accrued - Payroll	965,780	419,893	419,893	544,614	0	0	1,273	0
Accrued Rents	(4,788)	(4,788)	(4,788)	0	0	0	0	0

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YTD Nov 2015  
12/30/2015 13:24

Kentucky Power  
Int Consol  
GLS8216

Kentucky Power  
Company -  
110

Kentucky Power  
Company - Generation  
117

Kentucky Power  
Company -  
180

Account	GL ACCT	SEC	Business Unit	SEGMENT	CONS	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015
09B V2015-11-									
Layers : GLS8216									
Accrued ICP						6,716,175	3,111,107	3,599,215	5,853
Accrued Vacations						4,827,031	2,233,205	2,586,525	5,300
Misc Employee Benefits						1,425,297	594,379	804,983	25,934
Payroll Deductions						151,481	78,038	73,330	123
Saverano / SEI						2,121,470	0	2,121,470	0
Accrued Workers Compensation						280,111	77,489	184,727	17,895
Customer Advance Receipts						4,732,608	4,732,608	0	0
Customer Advance						4,732,608	4,732,608	0	0
Control Cash Disburse Account						1,949,574	1,949,574	0	0
JMG Liability						0	0	0	0
ARO - Current						11,469,997	0	11,469,997	0
Econ. Development Fund Curr						403,170	228,420	174,750	0
Unclaimed Funds						4,359	4,359	0	0
Acc Cash Franchise Req						66,338	66,338	0	0
Sales Use Tax - Leased Equip						536	108	398	34
Accrued Audit Fees						(36,174)	(10,535)	(17,820)	(6,819)
Federal Mitigation Accru (NSR)						554,326	0	554,326	0
ST State Mitigation Def (NSR)						4,862	0	4,862	0
Deferred Raw - Pole Attachments						139,177	139,177	0	0
Other Deferred Credits-Curr						221,616	0	221,616	0
Contr in Aid of Constr Advance						114,285	114,285	0	0
Deferred Rev-Bonus Lease Curr						431,564	0	431,564	0
Misc Current and Accrued Liabilities						13,375,058	542,151	12,839,692	(6,785)
Current Other and Accrued Liabilities						42,439,632	18,390,059	22,880,271	1,169,301
Other Current Liabilities						43,345,980	18,862,251	23,290,796	1,192,933
<b>TOTAL CURRENT LIABILITIES</b>						<b>190,636,052</b>	<b>112,964,531</b>	<b>192,724,085</b>	<b>(65,095,805)</b>
Long-Term Debt - Affiliated						0	0	0	0
Long-Term Debt - Non Affiliated						801,772,748	232,910,394	390,653,063	178,169,302
Long-Term Debt - Premiums and Discounts Unamort						(291,769)	(84,688)	(142,295)	(64,785)
Memo - LTD Non-Affiliated and Premiums						801,480,980	232,825,695	390,550,769	178,104,517
Long-Term Risk Management Liabilities - Hedge						0	0	0	0
LT Unreal Losses - Non Affil						118,058	0	116,059	0
LT Liability MTM Collateral						(4,985)	0	(4,985)	0
Long-Term Risk Management Liabilities - MTM						111,214	0	111,214	0
Long-Term Risk Management Liabilities						111,214	0	111,214	0
Deferred Income Taxes						637,081,004	191,751,579	315,922,629	129,406,796
Deferred Investment Tax Credits						6,188	2,346	2,977	956
Regulatory Liabilities and Deferred Credits						(37,489,190)	(31,431,305)	(886,433)	(5,171,452)
Memo - Reg Lab and Def ITC						(37,489,190)	(31,428,959)	(883,557)	(5,170,486)
Asset Retirement Obligation						59,573,055	68,027	59,505,028	0
Nuclear Decommissioning						0	0	0	0
Employee Benefits and Pension Obligations						11,458,262	9,594,930	949,747	913,585
Trust Preferred Securities						0	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Rede						0	0	0	0
Obligations Under Capital Leases						2,066,674	859,404	1,165,156	42,113
Def Credits - Income Tax						84,201	43,549	12,298	28,354
Federal Mitigation Deferral(NSR)						1,110,644	0	1,110,644	0
Def Credits - NSR						1,110,644	0	1,110,644	0
Customer Advances for Construction						164,963	164,963	0	0
Def Gain on Sale/Leaseback						0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport						0	0	0	0
Def Gain on Disp of Utility Plant						0	0	0	0
IPP - System Upgrade Credits						286,059	0	286,059	0
For Opt Line-In Kind Sv-Old Gns						143,739	143,739	0	0
For Opt Line-Sold-Old Rev						77,192	0	77,192	0
Deferred Rev-Bonus Lease NC						1,042,947	0	1,042,947	0
Def Credits - Other						1,549,936	143,739	1,042,947	363,250
Total Other Deferred Credits						1,714,899	308,702	1,042,947	363,250
Accumulated Provisions - Rate Refund						0	0	0	0
Accumulated Provisions - Misc						524,250	0	524,250	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Nov 2015  
 12/06/2015 13:24

Layout: GLS8216		Account: GL_ACT_SEC Business Unit: SEGMENT_CDMS			
	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015	YTD Nov 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180	
Other Non-Current Liabilities	5,500,668	1,211,655	3,655,295	433,718	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,477,722,180</b>	<b>404,022,927</b>	<b>770,011,123</b>	<b>303,688,130</b>	
<b>TOTAL LIABILITIES</b>	<b>1,668,358,232</b>	<b>516,987,458</b>	<b>962,735,208</b>	<b>238,592,324</b>	
Cumulative Pref Stocks of Subs - Not subject Mand Redem	0	0	0	0	
Minority Interest - Deferred Credits	0	0	0	0	
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	50,450,000	22,404,049	10,287,603	17,758,348	
Paid in Capital	517,459,453	106,025,371	327,394,246	84,039,636	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	86,525,777	41,719,886	(71,866,702)	116,672,594	
Accumulated Other Comprehensive Income (Loss)	(2,046,450)	(30,691)	(1,992,280)	(23,479)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>652,388,780</b>	<b>170,118,615</b>	<b>263,822,866</b>	<b>218,447,299</b>	
<i>Memo: Total Equity</i>	652,388,780	170,118,615	263,822,866	218,447,299	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,320,747,012</b>	<b>687,106,073</b>	<b>1,226,558,074</b>	<b>457,039,623</b>	
out-of-balance	(0)	0	0	(0)	

Reserved Section

KENTUCKY POWER COMPANY  
 DETAIL OF ELECTRIC UTILITY PROPERTY  
 YEAR TO DATE - November, 2016

GLR7210V 12/09/16 13:35

	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,124,272,407.54	80,532,231.61	(15,137,566.34)	0.00	0.00	1,189,667,072.81
<b>TOTAL PRODUCTION</b>	<b>1,124,272,407.54</b>	<b>80,532,231.61</b>	<b>(15,137,566.34)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,189,667,072.81</b>
101/106 TRANSMISSION	584,356,984.53	7,779,417.79	(2,358,385.25)	0.00	0.00	589,778,017.07
101/106 DISTRIBUTION	798,264,586.59	36,756,411.98	(8,829,032.91)	0.00	0.00	826,191,965.66
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,486,893,978.66</b>	<b>125,068,061.38</b>	<b>(26,324,984.50)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,585,637,055.54</b>
1011001/12 CAPITAL LEASES	5,258,431.49	0.00	0.00	349,898.01	0.00	5,608,329.50
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,492,152,410.15</b>	<b>125,068,061.38</b>	<b>(26,324,984.50)</b>	<b>349,898.01</b>	<b>0.00</b>	<b>2,591,245,385.04</b>
1050001 PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	0.00	0.00	0.00	7,750,600.96
<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	59,350,976.05					
107000X ADDITIONS		85,293,657.44				
107000X TRANSFERS		(122,819,022.86)				
107000X END. BAL.		(37,525,365.42)				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,559,253,987.16</b>	<b>87,542,895.96</b>	<b>(26,324,984.50)</b>	<b>349,898.01</b>	<b>0.00</b>	<b>2,620,821,596.63</b>

**NONUTILITY PLANT**

1210001 NONUTILITY PROPERTY-OWNED	895,120.00	0.00	0.00	0.00	0.00	895,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions in February - \$2,249,038.52.

GLR7410V	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>UTILITY PLANT</b>						
NUCLEAR						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
TOTAL NUCLEAR						
1080001/11 PRODUCTION	403,108,517.50	32,606,150.21	(15,101,196.67)	17,334,789.95	0.00	437,948,260.99
1080001/11 TRANSMISSION	176,427,961.28	13,928,641.29	(2,358,385.25)	(214,346.87)	0.00	187,783,870.45
1080001/11 DISTRIBUTION	222,789,410.10	26,069,903.67	(8,817,609.66)	(2,960,390.67)	0.00	237,081,313.44
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(249,358.93)	(2,207,613.63)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(8,653.27)	(54,025.42)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(4,245,755.34)	(14,159,552.41)	(20,496,212.60)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>72,604,695.17</b>	<b>(26,277,191.58)</b>	<b>9,914,297.07</b>	<b>(14,417,764.61)</b>	<b>840,055,393.24</b>
NUCLEAR						
1110001 PRODUCTION	295,177.16	801,724.32	(36,369.67)	0.00	0.00	2,704,562.53
1110001 TRANSMISSION	1,430,933.85	803,690.41	0.00	0.00	(3,277.67)	2,031,346.59
1110001 DISTRIBUTION	5,080,066.43	1,451,570.24	(11,423.25)	(500.00)	(11,938.48)	6,507,774.94
<b>TOTAL (111X accounts)</b>	<b>6,806,177.44</b>	<b>2,656,984.97</b>	<b>(47,792.92)</b>	<b>(500.00)</b>	<b>1,828,814.57</b>	<b>11,243,684.06</b>
1011006 CAPITAL LEASES	2,354,588.80	0.00	0.00	0.00	521,869.51	2,876,458.31
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>807,392,123.43</b>	<b>75,261,680.14</b>	<b>(26,324,984.50)</b>	<b>9,913,797.07</b>	<b>(12,067,060.53)</b>	<b>854,175,535.61</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	228,295.19	6,113.91	0.00	0.00	0.00	234,409.10
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>228,314.06</b>	<b>6,113.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>234,427.97</b>



**American Electric Power**  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

January 23, 2017

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed December 2016 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in black ink that reads 'Jerri L. Ruggiero'. The signature is written in a cursive style with a large, prominent 'J' and 'R'.

Jerri L Ruggiero  
Manager –Regulated Accounting

INCOME STATEMENT

GLS8016  
YTD Dec 2016  
01/29/2017 18:24

098 YD016-12-31 Layoff GLS8016  
Account: GL\_ACCT\_SEC Business Unit- SEGMENT\_CONS

	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Dec 2016	110 Actual	YTD Dec 2016	117 Actual	YTD Dec 2016	180 Actual	YTD Dec 2016
<b>REVENUES</b>								
4400001	132,239,592	132,239,592						
4400002	62,123,222	62,123,222						
4400005	59,697,084	59,697,084						
<b>A</b>	<b>254,059,898</b>	<b>254,059,898</b>						
4420001	87,634,284	87,634,284						
4420006	15,147,051	15,147,051						
4420007	16,664,170	16,664,170						
4420013	37,096,617	37,096,617						
<b>A</b>	<b>156,542,122</b>	<b>156,542,122</b>						
<b>B</b>								
4420002	68,807,923	68,807,923						
4420004	23,523,861	23,523,861						
4420016	67,902,164	67,902,164						
<b>A</b>	<b>160,233,948</b>	<b>160,233,948</b>						
<b>B</b>	<b>160,233,948</b>	<b>160,233,948</b>						
4440000								
4440002	1,679,152	1,679,152						
	295,657	295,657						
	1,974,809	1,974,809						
<b>A</b>	<b>672,810,778</b>	<b>672,810,778</b>						
<b>B</b>								
4560043								
4561033	49,793,203	49,793,203						
4561034	785,462	785,462						
4561035	(43,759,831)	(43,759,831)						
4561036	(598,030)	(598,030)						
4561058	906,270	906,270						
4561060	(802,928)	(802,928)						
4561062								
4561063								
470150	6,334,145	6,334,145						
470206	82,922	82,922						
470209	240,986	240,986						
4561002	(1,600,025)	(1,600,025)						
4561005	(44,488)	(44,488)						
4561006	556,049	556,049						
4561007	137,240	137,240						
4561019	5,825,110	5,825,110						
4561026	55,353	55,353						
4561028	8,248	8,248						
4561030	2,402,695	2,402,695						
4561036	47,387	47,387						
4561056	1,750,930	1,750,930						
4561061	43,731	43,731						
4561064	(29,906)	(29,906)						
4561065	(77,567)	(77,567)						
<b>A</b>	<b>9,399,684</b>	<b>9,399,684</b>						
<b>B</b>	<b>16,732,809</b>	<b>16,732,809</b>						
4470001	339,404	339,404						
4470151	1,330,384	1,330,384						
	1,669,787	1,669,787						
4470006	11,606,215	11,606,215						
4470010	(9,087,847)	(9,087,847)						
4470027	2,348,935	2,348,935						
4470033	2,873,447	2,873,447						
4470008	10	10						
4470081	(12,665)	(12,665)						
4470082	(2,487,918)	(2,487,918)						
4470089	7,567,090	7,567,090						
4470098	(69,695)	(69,695)						
4470099	2,166,639	2,166,639						
4470100	169,332	169,332						
4470103	34,310,327	34,310,327						
4470107	41,517	41,517						
4470110	(0)	(0)						
	(2,223,089)	(2,223,089)						
	(46,760,393)	(46,760,393)						
	339,404	339,404						
	1,330,384	1,330,384						
	1,669,787	1,669,787						
	11,606,215	11,606,215						
	(9,087,847)	(9,087,847)						
	2,348,935	2,348,935						
	2,873,447	2,873,447						
	10	10						
	(12,665)	(12,665)						
	(2,487,918)	(2,487,918)						
	7,567,090	7,567,090						
	(69,695)	(69,695)						
	2,166,639	2,166,639						
	169,332	169,332						
	34,310,327	34,310,327						
	41,517	41,517						
	(0)	(0)						
	(84,342,446)	(84,342,446)						
	1,312,063	1,312,063						
	146,449	146,449						
	137,240	137,240						
	5,825,110	5,825,110						
	55,353	55,353						
	8,248	8,248						
	2,402,695	2,402,695						
	47,387	47,387						
	1,750,930	1,750,930						
	43,731	43,731						
	(29,906)	(29,906)						
	(77,567)	(77,567)						
	(2,223,089)	(2,223,089)						
	(46,760,393)	(46,760,393)						
	339,404	339,404						
	1,330,384	1,330,384						
	1,669,787	1,669,787						
	11,606,215	11,606,215						
	(9,087,847)	(9,087,847)						
	2,348,935	2,348,935						
	2,873,447	2,873,447						
	10	10						
	(12,665)	(12,665)						
	(2,487,918)	(2,487,918)						
	7,567,090	7,567,090						
	(69,695)	(69,695)						
	2,166,639	2,166,639						
	169,332	169,332						
	34,310,327	34,310,327						
	41,517	41,517						
	(0)	(0)						

**INCOME STATEMENT**

American Electric Power

Account GL_Acct_Sec Business Unit - SEGMENT CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		110		117		180	
	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016
4470112	2,884,562	0	0	0	2,884,562	0	0	0
4470115	19,418	0	0	0	19,418	0	0	0
4470116	132,780	0	0	0	132,780	0	0	0
4470126	(604,189)	0	0	0	(604,189)	0	0	0
4470131	(2,822,665)	0	0	0	(2,822,665)	0	0	0
4470143	1,355,376	0	0	0	1,355,376	0	0	0
4470168	(105)	0	0	0	(105)	0	0	0
4470170	(6,548)	0	0	0	(6,548)	0	0	0
4470175	(5,571,101)	0	0	0	(5,571,101)	0	0	0
4470178	5,571,101	0	0	0	5,571,101	0	0	0
4470214	84,423	0	0	0	84,423	0	0	0
4470215	(28,328)	0	0	0	(28,328)	0	0	0
4470220	91,942	0	0	0	91,942	0	0	0
4470221	8,908	0	0	0	8,908	0	0	0
4470222	329,377	0	0	0	329,377	0	0	0
5500090	(8,053,104)	0	0	0	(8,053,104)	0	0	0
	<b>42,789,234</b>				<b>42,789,234</b>			
A	<b>44,459,021</b>				<b>44,459,021</b>			
A	Revenue - Resale-NonAffiliated	0	0	0	0	0	0	0
A	Revenue - Resale-Realized	697,608	830,075	830,075	0	336,413	0	336,413
A	Revenue - Resale-Risk Mgmt MTM	47,220	0	0	47,220	0	0	0
A	Revenue - Resale-Risk Mgmt Activities	744,328	830,075	830,075	416,964,950	336,413	0	336,413
B	Revenue - Sales for Resale	(754)	0	0	(754)	0	0	0
	Sale for Resale-Alt-Trf Price	3,928,057	3,928,057	3,928,057	0	0	0	0
	Rent From Elec Property - Alt	745,580	733,024	733,024	0	0	0	0
	City Elec Rev - Affiliated	87,372	2,283	2,283	62,889	13,555	0	13,555
	Special Allow Loss-Size NCh	5,776,018	5,776,018	5,776,018	0	22,200	0	22,200
	Portered Discounts	10,129,246	10,129,246	10,129,246	0	0	0	0
	Misc Service Rev - Nonaff	13,982	13,982	13,982	0	0	0	0
	Rent From Elec Property-NAC	20,660,629	20,660,629	20,660,629	0	0	0	0
	Rent from Elec Prop-Pak Atch	76,117	76,117	76,117	0	0	0	0
	City Elec Rev - DSM Program	0	0	0	0	0	0	0
	Gas Procurement Sales Net	0	0	0	0	0	0	0
	Revenue - Other Ele-NonAffiliated	0	0	0	0	0	0	0
	Revenue - Gas	76	76	76	0	0	0	0
	Comp Allow Gains Title IV 502	2,573	2,573	2,573	0	0	0	0
	CSAPR 502 Gains	235,500	235,500	235,500	0	0	0	0
	Comp Allow Gain CSAPR Sales NCh	157,725	157,725	157,725	0	0	0	0
	Comp Allow Gains CSAPR An NCh	69,389	69,389	69,389	0	0	0	0
	Emission Allow KY Ems Surch	466,243	466,243	466,243	0	0	0	0
	Gain/(Loss) on Allowances	21,145,744	21,145,744	21,145,744	35,766	35,766	0	35,766
	Revenue - Other Opr Electric	21,899,573	21,398,704	21,398,704	417,587,309	372,169	0	372,169
A	Revenue - Other Opr Electric	21,899,573	21,398,704	21,398,704	417,587,309	372,169	0	372,169
D	Revenue Merchandising & Contract Work	0	0	0	0	0	0	0
C	Revenues Non-Utility Operations - Affiliated	141,740	141,740	141,740	0	0	0	0
	Rev from Non-Util Oper NonAff	141,740	141,740	141,740	0	0	0	0
D	Revenues from Non-Utility Operations - NonAffiliated	141,740	141,740	141,740	0	0	0	0
C	Non-Operating Rental Income - Affiliated	32,500	31,000	31,000	1,500	0	0	0
	Non-Operating Rental Income	(2,690)	0	0	(2,690)	0	0	0
	Non-Operating Rental Inc-Mant	(6,670)	0	0	0	0	0	0
	Non-Operating Rental Inc-Depr	23,140	31,000	31,000	(1,190)	(6,670)	(6,670)	(6,670)
D	Non-Operating Rental Income - NonAffiliated	23,140	31,000	31,000	(1,190)	(6,670)	(6,670)	(6,670)
C	Non-Operating Misc Income - Affiliated	2,005	656	656	755	594	0	594
	Misc Non-Op Inc-NonAff-Rent	10,543	0	0	10,543	0	0	0
	Misc Non-Op Inc-NonAff-Timber	432,501	679	679	431,822	0	0	0
	Misc Non-Op Inc-NonAff- Oth	445,048	1,335	1,335	443,119	684	0	684
	Non-Operating Misc Income - NonAffiliated	445,048	1,335	1,335	443,119	684	0	684
D	Non-Operating Misc Income	117,204	117,204	117,204	0	0	0	0
	Rent From Elec Prop-ABD-Nonaff	336,449	241,449	241,449	0	0	0	0
	Other Electric Revenues - ASD	455,653	358,653	358,653	0	0	0	0
D	Associated Business Development Income	1,065,582	532,728	532,728	441,930	90,924	0	90,924
	Revenue - Other Opr - Other	1,065,582	532,728	532,728	441,930	90,924	0	90,924
(C)	Memo: Revenue-Oth Opr-Oth Aff	1,065,582	532,728	532,728	441,930	90,924	0	90,924
(D)	Memo: Revenue-Oth Opr-Oth Non	22,956,188	21,931,432	21,931,432	417,949,238	483,093	0	483,093
	Revenue - Other Operating	(411,054)	0	0	0	0	0	0
	Proc Rate Return-NonAffiliated	(54,164)	0	0	0	0	0	0
	Proc Rate Return - Resale	0	0	0	0	0	0	0



American Electric Power

INCOME STATEMENT

		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual		110 Actual		117 Actual		180 Actual	
		YTD Dec 2016		YTD Dec 2016		YTD Dec 2016		YTD Dec 2016	
<p>Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS</p> <p>Layoffs GLS8016</p>									
A	Provision for Rate Refund - Non-Affiliated	(465,238)	-	-	-	-	-	-	(465,238)
	Provision for Rate Refund - Affiliated	(463,234)	0	0	0	0	0	0	(463,234)
B	Provision for Rate Refund - Affiliated	(463,234)	-	-	-	-	-	-	(463,234)
	Provision for Rate Refund	(928,472)	-	-	-	-	-	-	(928,472)
4210032	Pay Purch Outside Sec Tenity	(745)	0	0	0	0	0	0	0
	Revenue - Power Sales	(745)	-	-	-	(745)	-	-	0
	TOTAL OPERATING REVENUES	655,029,546	594,742,210	594,742,210	415,647,121	415,647,121	415,647,121	95,498,799	-
	MEMO: GTTD Revenue	645,678,437	593,379,407	593,379,407	410,667,779	410,667,779	410,667,779	11,192,251	-
	MEMO: Other Affiliated Revenue	8,285,527	830,075	830,075	374,098,413	374,098,413	374,098,413	84,215,624	-
	MEMO: Revenue-Oth Opr-Oth Aff	-	-	-	-	-	-	-	-
	MEMO: Revenue-Oth Opr-Oth Non	1,065,582	532,728	532,728	441,930	441,930	441,930	90,924	-
	MEMO: Total Operating Revenues	655,029,546	594,742,210	594,742,210	415,647,121	415,647,121	415,647,121	95,498,799	-
	MEMO: Affiliated Revenue	8,285,527	830,075	830,075	374,098,413	374,098,413	374,098,413	84,215,624	-
	MEMO: Non-Affiliated Revenue	646,744,019	593,912,135	593,912,135	41,548,708	41,548,708	41,548,708	11,283,175	-
	MEMO: Total Operating Revenues	655,029,546	594,742,210	594,742,210	415,647,121	415,647,121	415,647,121	95,498,799	-
<b>FUEL EXPENSES</b>									
5010000	Fuel	2,649,267	25	25	2,649,226	2,649,226	2,649,226	15	0
5010001	Fuel Consumed	92,703,017	0	0	92,703,017	92,703,017	92,703,017	0	0
5010003	Fuel - Precise Unload & Handle	3,389,556	0	0	3,389,556	3,389,556	3,389,556	0	0
5010013	Fuel Surplus Activity	381,233	0	0	381,233	381,233	381,233	0	0
5010019	Fuel Oil Consumed	1,214,415	0	0	1,214,415	1,214,415	1,214,415	0	0
5010020	Nat Gas Consumed Steam	14,094,485	0	0	14,094,485	14,094,485	14,094,485	0	0
5010027	Gypsum handling/disposal costs	423,087	0	0	423,087	423,087	423,087	0	0
5010028	Gypsum Sales Proceeds	(492,075)	0	0	(492,075)	(492,075)	(492,075)	0	0
5010028	Gas Transp Ret Fees-Steam	3,795,048	0	0	3,795,048	3,795,048	3,795,048	0	0
5010034	Fuel Expense Total	118,168,043	25	25	118,168,003	118,168,003	118,168,003	15	0
	Fuel - Deferred	(3,708,892)	0	0	(3,708,892)	(3,708,892)	(3,708,892)	0	0
5010005	Deferred Fuel Expense	(3,708,892)	-	-	(3,708,892)	(3,708,892)	(3,708,892)	0	0
5000000	Over Under Fuel Expense	114,448,161	25	25	114,448,110	114,448,110	114,448,110	15	0
5000009	Fuel for Electric Generation	542,477	0	0	542,477	542,477	542,477	0	0
5000014	Fuel from Affiliates for Electric Generation	30,537	0	0	30,537	30,537	30,537	0	0
	Allowances - Consumption	(25,894)	-	-	(25,894)	(25,894)	(25,894)	0	0
5020002	Environmental Over/Under O&M E	647,130	0	0	647,130	647,130	647,130	0	0
5020003	Urea Expense	1,269,115	0	0	1,269,115	1,269,115	1,269,115	0	0
5020004	Tons Expense	335,277	0	0	335,277	335,277	335,277	0	0
5020005	Limestone Expense	3,484,855	0	0	3,484,855	3,484,855	3,484,855	0	0
5020007	Polymer expense	119,498	0	0	119,498	119,498	119,498	0	0
5020015	Urea Hydrate Expense	19,973	0	0	19,973	19,973	19,973	0	0
	Emissions Control - Chemicals	(541,288)	0	0	(541,288)	(541,288)	(541,288)	0	0
	Total Fuel for Electric Generation	4,697,420	-	-	4,697,420	4,697,420	4,697,420	0	0
5500007	Purch Power-Non-Fuel Portion-Aff	119,693,701	25	25	119,693,660	119,693,660	119,693,660	15	0
5500008	Purch Power-Asso:Trade Price	119,693,701	25	25	119,693,701	119,693,701	119,693,701	15	0
5500048	Purch Power-Fuel Portion-Aff	52,167,414	0	0	52,167,414	52,167,414	52,167,414	0	0
5500001	Purchased Electricity from AEP - Affiliates	45,773,198	0	0	45,773,198	45,773,198	45,773,198	0	0
5500002	Purch Power-Fuel Portion-Aff	97,940,612	0	0	97,940,612	97,940,612	97,940,612	0	0
5500003	Purch Power-NonTrading-Nonassoc	31,550,023	0	0	31,550,023	31,550,023	31,550,023	0	0
5500004	Purch Power Capacity -NA	45,135	0	0	45,135	45,135	45,135	0	0
5500005	Gas-Commission-Move Plant	(5)	0	0	(5)	(5)	(5)	0	0
5500006	PJM Incentives Mtr Res-OSS	(16,538)	0	0	(16,538)	(16,538)	(16,538)	0	0
5500007	PJM Incentives Mtr Res-LSE	(54,490)	0	0	(54,490)	(54,490)	(54,490)	0	0
5500008	PJM Ancillary Serv - Sync	0	0	0	0	0	0	0	0
5500009	PJM Reserve-Charge	2,541,900	0	0	2,541,900	2,541,900	2,541,900	0	0
5500010	PJM Reserve-Credit	(1,105,489)	0	0	(1,105,489)	(1,105,489)	(1,105,489)	0	0
5500011	PJM Black Start-Charge	1,057,239	0	0	1,057,239	1,057,239	1,057,239	0	0
5500012	PJM Regulation-Charge	623,950	0	0	623,950	623,950	623,950	0	0
5500013	PJM Regulation-Credit	(95,438)	0	0	(95,438)	(95,438)	(95,438)	0	0
5500014	PJM Spinning Reserve-Charge	324,014	0	0	324,014	324,014	324,014	0	0
5500015	PJM Spinning Reserve-Credit	(65,247)	0	0	(65,247)	(65,247)	(65,247)	0	0
5500016	PJM 30m Suppl Resv Charge LSE	203,702	0	0	203,702	203,702	203,702	0	0
5500017	PJM Purchases-Non-ECR-Auction	596	0	0	596	596	596	0	0
5500018	Capacity Purchase-Auction	2,925	0	0	2,925	2,925	2,925	0	0
5500019	PJM OpRts-LSE-Charge	729,751	0	0	729,751	729,751	729,751	0	0
5500020	PJM Impact Generation-LSE	2,069,588	0	0	2,069,588	2,069,588	2,069,588	0	0

**INCOME STATEMENT**

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Account: GL_ACCT_SEC	Business Units: SEGMENT_CONS		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission		
	GLS8016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	
098 V0016-12-31	Layoff: GLS8016										
5500132	PJM FTR Revenue-LSE	(2,815,235)	0	0	(2,815,235)	0	0	0	0	0	
5500137	PJM Optima-LSE-Credit	(179,283)	0	0	(179,283)	0	0	0	0	0	
5500141	Purchase Power-PPA Deferred	200,396	0	0	200,396	0	0	0	0	0	
5500142	KY Env Sur - Purchase Power	(16,421)	0	0	(16,421)	0	0	0	0	0	
5500143	BSIOR PJM Overhead Recovery	2,248,754	0	0	2,248,754	0	0	0	0	0	
5500206	PJM Transm Loss Charges - LSE	7,958,350	0	0	7,958,350	0	0	0	0	0	
5500207	PJM Transm Loss Credits-LSE	(1,533,973)	0	0	(1,533,973)	0	0	0	0	0	
		43,671,186	-	-	43,646,672	-	-	-	-	24,612	
	<b>Purchased Electricity for Resale - NonAffiliated</b>										
	<b>Purchased Gas for Resale - Affiliated</b>										
	<b>Purchased Gas for Resale - NonAffiliated</b>										
	<b>Total Purchased Power</b>	141,611,797	416,918,730	141,687,284	416,918,730	141,687,284	416,918,730	141,687,284	416,918,730	24,612	
	<b>GROSS MARGIN</b>	393,724,048	177,833,466	184,366,177	177,833,466	184,366,177	177,833,466	184,366,177	177,833,466	96,474,272	
	<b>OPERATING EXPENSES</b>										
5500000	Oper Supervision & Engineering	3,206,254	26,631	0	3,174,236	0	0	0	0	5,387	
5500001	Oper Supv & Eng-RATA-ANI	44,558	0	0	44,558	0	0	0	0	0	
5500002	Station Expenses	1,082,547	0	0	1,082,547	0	0	0	0	0	
5500003	Electric Expenses	180,062	0	0	180,062	0	0	0	0	0	
5500004	Misc Steam Power Expenses	8,604,419	817	0	8,603,052	0	0	0	0	510	
5500005	Misc Steam Power Exp-Auxic	50,797	0	0	50,797	0	0	0	0	0	
5500006	Rational Cost Expense - Steam	325	12	0	303	0	0	0	0	9	
5500012	BSIOR O&M Recovery-Oper Costs	1,080,421	0	0	1,080,421	0	0	0	0	0	
5500013	Environmental Over/Under O&M E	66,127	0	0	66,127	0	0	0	0	0	
5500017	IPP Oper. Training/Travel	19	11	0	8	0	0	0	0	0	
	<b>Steam Generation Op Exp</b>	14,326,648	27,471	-	14,292,171	-	-	-	-	6,968	
5500020	Other Expenses	515,588	0	0	515,588	0	0	0	0	0	
5500021	Other Pwr Exp - Wholesale RECA	1,459,969	0	0	1,459,969	0	0	0	0	0	
5500026	Other Pwr Exp - Voluntary RECA	57,072	0	0	57,072	0	0	0	0	0	
5500028	PJM Admin-MAMASC-OSS	42	42	0	0	0	0	0	0	0	
5500029	PJM Admin-MAMASC-Internal	149,341	0	0	149,341	0	0	0	0	0	
5500031	Other Generation Op Exp	847,378	0	0	847,378	0	0	0	0	0	
	<b>Other Generation Op Exp</b>	3,028,390	57,114	0	2,971,276	0	0	0	0	0	
5500030	Oper Supervision & Engineering	1,371,905	3,287	0	1,368,618	0	0	0	0	1,358,933	
5500031	Lead Dispatch - Reliability	778,887	278	0	778,609	0	0	0	0	8,547	
5500032	Lead Dispatch - Nuts&Op TransSys	163,062	0	0	163,062	0	0	0	0	777,950	
5500033	PJM Admin-SSCADS-OSS	965,674	0	0	965,674	0	0	0	0	0	
5500034	PJM Admin-SSCADS-Internal	138	0	0	138	0	0	0	0	(95)	
5500035	Reliability Phg&SOS Develop	116,663	4,168	0	112,495	0	0	0	0	102,454	
5500036	PJM Admin-RPASOS-OSS	40,689	0	0	40,689	0	0	0	0	0	
5500037	PJM Admin-RPASOS-Internal	252,722	0	0	252,722	0	0	0	0	0	
5500038	Station Expenses - Nonassoc	228,138	0	0	228,138	0	0	0	0	228,138	
5500039	Overhead Line Expenses	117,014	12	0	116,992	0	0	0	0	116,972	
5500040	Transmission Elec by Others-NAC	124,942	0	0	124,942	0	0	0	0	0	
5500041	Train Elec by Oth-Wh-Tm Price	0	0	0	0	0	0	0	0	0	
5500042	PJM Trans Enhancement Charge	5,651,726	0	0	5,651,726	0	0	0	0	0	
5500043	PJM NTS Expense - Affiliated	16,666,617	0	0	16,666,617	0	0	0	0	0	
5500044	All PJM Trans Enhancement Exp	3,465,752	0	0	3,465,752	0	0	0	0	0	
5500045	PROVISION RTO All Expense	259,833	0	0	259,833	0	0	0	0	0	
5500046	Misc Transmission Expenses	1,484,725	13,048	0	1,471,677	0	0	0	0	1,449,438	
5500047	SPY FERC Assessment Fees	1	2	0	1	0	0	0	0	1	
5500048	R King Trans Cost Exp - A&S	1	0	0	1	0	0	0	0	1	
5500049	Rents - Associated	170,159	0	0	170,159	0	0	0	0	839,038	
	<b>Transmission Op Exp</b>	31,887,928	33,491,770	0	27,833,636	0	0	0	0	4,882,376	
5500050	Oper Supervision & Engineering	555,752	476,636	0	57,489	0	0	0	0	21,627	
5500051	Lead Dispatching	3,134	3,123	0	11	0	0	0	0	11	
5500052	Station Expenses	238,129	237,808	0	0	0	0	0	0	321	
5500053	Overhead Line Expenses	1,121,334	1,120,918	(0)	(0)	0	0	0	0	416	
5500054	Underground Line Expenses	115,357	115,357	0	0	0	0	0	0	0	
5500055	Street Lighting & Signal Sys E	181,462	181,462	0	0	0	0	0	0	0	
5500056	Meter Expenses	910,321	909,027	0	659	0	0	0	0	635	
5500057	Customer Installation Exp	157,706	157,706	0	0	0	0	0	0	0	
5500058	Miscellaneous Distribution Exp	4,180,377	4,119,288	0	36,985	0	0	0	0	22,094	
5500059	Rents - Nonassociated	1,620,660	1,620,660	0	0	0	0	0	0	0	
5500060	Rents - Associated	63,894	63,894	0	0	0	0	0	0	0	
	<b>Distribution Op Exp</b>	9,148,125	9,006,888	0	97,133	0	0	0	0	46,104	

INCOME STATEMENT

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Account: GL_ACCT_SEC Business Units - SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Dec 2016	110 Actual	YTD Dec 2016	117 Actual	YTD Dec 2016	180 Actual	YTD Dec 2016
Supervision - Customer Accts	206,587	206,512		58		18		
Meter Reading Expenses	(23,054)	(23,086)		823		209		
Meter Reading - Regular	353,465	353,465		0		0		
Meter Reading - Large Power	55,393	55,393		0		0		
Card Records & Collection Exp	331,019	327,030		92		3,896		
Customer Orders & Inquiries	2,475,501	2,473,372		1,754		376		
Manual Billing	23,155	22,239		41		875		
Postage - Customer Bills	727,638	727,638		0		0		
Callcenter	117,738	117,265		377		96		
Collection Agents Fees & Exp	76,753	76,753		0		0		
Credit & Oth Collection Actn	992,430	992,422		8		0		
Collectors	306,918	306,918		0		0		
Data Processing	176,545	176,545		0		0		
Uncoll Accts - Misc Receivable	(131,730)	(131,761)		30		1		
Misc Customer Accounts Exp	17,884	17,884		0		0		
Supervision - Customer Service	110,066	110,066		0		0		
Supervision - DSM	58	58		1		0		
Customer Assistance Expenses	806,657	806,588		52		16		
Card Assistance Exp - DSM - Ind	(7)	(5)		(2)		0		
Card Assistance Expense - DSM	5,437,671	5,437,671		(2)		(1)		
Information & Instruct Advts	41,693	19,617		17,662		4,414		
Misc Card Swed/Informational Ex	146,507	125,993		16,768		3,746		
Misc Card Svc & Info Exp - RCS	1,003	943		49		11		
Customer Service and Information Op Exp	12,250,668	12,199,600		37,711		13,668		
Supervision - Comm & Ind	110	110		0		0		
Democratizing & Selling Exp	60,056	59,367		605		84		
Advertising Exp - Residential	8,884	8,861		216		7		
Advertising Exp - Retail/Instal	25,000	25,000		0		0		
Advertising Exp-Info Research	84,080	93,138		820		91		
Sales Expenses	2,890,121	1,347,128		1,305,281		147,714		
Memo: Insurance (9240 9250)	9,367,015	4,026,275		3,965,916		1,354,824		
Off Suid & Exp - Nonassociated	710,380	363,347		242,071		84,962		
Cellular Phones and Pagers	(1)	(1)		(0)		(0)		
Administrative Exp Travel - Cr	(842,035)	(842,035)		0		0		
Admin Exp Travel to Construction	(598,230)	(598,230)		0		0		
Admin Exp Travel to ASD	(1,120)	(1,120)		0		0		
Outside Svcl Engr - Nonassoc	1,900,844	648,413		912,346		340,065		
AEPSC Billed to Client Co	243,501	86,970		67,494		89,037		
Property Insurance	733,002	171,319		426,269		135,414		
Injuries and Damages	1,404,515	834,154		540,980		29,361		
Safety Drinkers and Awards	4,276	4,276		0		0		
Emp Accident Provision-Actn Exp	6,868	4,759		2,085		13		
Wilcox Coughlin PRAISE/ Ins Pny	604,302	530,615		90,376		(16,680)		
Prudential/Prud Damage-Pub	270,804	6,208		264,691		5		
Group Life Insurance Premiums	(223,744)	(204,205)		(19,131)		(409)		
Group Medical Ins Premiums	16,842	3,579		13,263		0		
Group L-T Disability/ Ins Plan	21,542	7,826		10,076		3,640		
Edt & Print Engr Pub-Salario	41,819	19,372		21,838		609		
Pension & Group Ins Admin	2,442,214	1,600,365		737,825		104,025		
Pension Plan	147,412	81,247		65,302		863		
Group Life Insurance Premiums	4,709,054	2,832,690		1,859,290		17,073		
Group Medical Ins Premiums	184,897	106,728		70,607		7,552		
Group L-T Disability/ Ins Plan	219,215	131,484		86,363		1,368		
Group Dental Insurance Plan	1,986	868		980		108		
Training Administration Exp	8,152	4,372		3,677		103		
Employee Activities	6,748	1,175		1,044		1,353		
Educational Assistance Prnts	(2,538,553)	(1,335,130)		(989,058)		(213,485)		
Postretirement Benefits - OPEB	1,767,397	963,715		770,987		2,695		
Savings Plan Contributions	27,323	27,323		0		0		
Deferred Compensation	4,589	4,589		0		0		
Supplemental Pension	(317,712)	2,363		(320,434)		360		
SFAS 112 Postemployment Benefit	(922,802)	(790,996)		(130,451)		(1,354)		
Fig Ben Loading - Pension	(1,984,333)	(1,544,600)		(437,524)		(2,209)		
Fig Ben Loading - Cap/Ins	(617,102)	(484,851)		(151,601)		(650)		
Fig Ben Loading - Savings	741,942	579,171		161,773		997		
Fig Ben Loading - OPEB	(394,231)	(301,377)		(92,755)		(99)		
Intercof/Ingr/Offet/ Don't Use	(21,104)	(30,033)		8,929		0		
Fig Ben Loading - Actual	216,620	129,581		71,207		15,832		
Asset-Past Retirement Benefit								

**INCOME STATEMENT**

GLS0016  
YTD Dec 2016  
01/08/2017 10:24

Account	GLS0016				GLS0016				GLS0016			
	Actual		Actual		Actual		Actual		Actual		Actual	
	YTD	Dec 2016	YTD	Dec 2016	YTD	Dec 2016	YTD	Dec 2016	YTD	Dec 2016	YTD	Dec 2016
098 Y2016-12-31	Layout: GLS0016											
098 Y2016-12-31	Account: GL_Acct_SEC Business Units: SEGMENT_CONS											
8270000	Franchise Requirements	140,317	(23)	140,317	(7)	0	0	0	0	0	0	0
9200000	Regulatory Commission Exp	170	0	170	0	0	(10)	0	(5)	0	0	0
9200001	Regulatory Commission Exp-Adm	486,513	0	486,513	0	0	0	0	170	0	0	0
9200002	Regulatory Commission Exp-Clear	10,875	93	10,968	93	301,031	133	301,031	73,502	10,849	10,849	10,849
9301000	Reg Com Exp-FERC Trans Costs	799	0	799	0	0	0	0	0	0	0	0
9301001	General Advertising Expenses	31,311	9,707	41,018	9,707	17,592	4,022	17,592	4,022	0	0	0
9301003	Newspaper Advertising Space	5,253	1,245	6,498	1,245	3,267	742	3,267	742	0	0	0
9301010	TV Station Advertising Time	2,425	575	3,000	575	1,507	343	1,507	343	0	0	0
9301012	Publicity	77,201	77,176	154,377	77,176	21	5	21	5	0	0	0
9301014	Video Communications	954	0	954	0	0	0	0	0	0	0	0
9301015	Other Corporate Comm Exp	20,842	0	20,842	0	7,692	1,950	7,692	1,950	0	0	0
9302000	Misc General Expenses	231,713	49,505	281,218	49,505	135,862	46,346	135,862	46,346	0	0	0
9302003	Corporate & Fiscal Expenses	23,425	5,731	29,156	5,731	0	1,519	0	1,519	0	0	0
9302004	Research, Develop, & Concept Exp	870	0	870	0	0	0	0	0	0	0	0
9310000	Rents	3	2	5	2	1	0	1	0	0	0	0
9310001	Rents - Real Property	114,123	0	114,123	0	0	0	0	0	0	0	0
9310002	Rents - Personal Property	263,693	200,778	464,471	200,778	68,139	14,776	68,139	14,776	0	0	0
4111005	Administration & General	18,772,644	7,846,730	26,619,374	7,846,730	8,817,884	2,109,131	8,817,884	2,109,131	0	0	0
4111006	Accretion	885,012	0	885,012	0	885,012	0	885,012	0	0	0	0
4118000	Gain From Disposition of Plant	(1,007,058)	(5,198)	(1,012,256)	(5,198)	(1,001,860)	0	(1,001,860)	0	0	0	0
9302006	Loss(Gain) on Utility Plant	(1,007,058)	(6,188)	(1,013,246)	(6,188)	(1,001,860)	0	(1,001,860)	0	0	0	0
9302007	Assoc Bus Dev - Mktng Sold	18,671	0	18,671	0	0	0	0	0	0	0	0
9302007	Assoc Business Development Exp	215,076	110,595	325,671	110,595	5,317	99,164	5,317	99,164	0	0	0
4112000	Associated Business Development Expenses	233,747	129,266	363,013	129,266	5,317	99,164	5,317	99,164	0	0	0
4010001	Gain on Disposition of Property	-	-	-	-	-	-	-	-	-	-	-
4200000	Loss on Disposition of Property	-	-	-	-	-	-	-	-	-	-	-
4200001	Loss(Gain) of Sale of Property	-	-	-	-	-	-	-	-	-	-	-
4200002	Operation Exp - NonAssoc	0	0	0	0	0	0	0	0	0	0	0
4200003	Federated Cust AR Exp - AR	1,145,614	0	1,145,614	0	0	0	0	0	0	0	0
4200004	Fact Cust AR-Bad Debt-AR	1,692,555	0	1,692,555	0	0	0	0	0	0	0	0
4200005	Oper Exp and Factored AR	2,828,169	0	2,828,169	0	0	0	0	0	0	0	0
4171001	Water Heaters	28,088	0	28,088	0	0	0	0	0	0	0	0
4200006	Exp of Non-Util Oper - NonAssoc	76,185	44,388	120,573	44,388	22,472	9,314	22,472	9,314	0	0	0
4200007	Social & Service Club Dues	15,027	3,634	18,661	3,634	9,213	2,160	9,213	2,160	0	0	0
4210009	Expense of Non-Utility Operation	119,300	76,120	195,420	76,120	31,685	11,484	31,685	11,484	0	0	0
4200008	Misc Non-Op Exp - NonAssoc	4,025	2,353	6,378	2,353	243	1,428	243	1,428	0	0	0
4200009	Misc NonOp Expenses - NonAssoc	4,025	2,353	6,378	2,353	243	1,428	243	1,428	0	0	0
4200010	Donations	3,640,978	1,364,021	5,004,999	1,364,021	1,857,482	419,475	1,857,482	419,475	0	0	0
4200011	Donation Contributions	5,098	3,235	8,333	3,235	1,760	419,475	1,760	419,475	0	0	0
4200012	Penalties - Quality of Service	22,662	0	22,662	0	8,626	103	8,626	103	0	0	0
4200013	Provision for Penalties	27,760	3,235	30,995	3,235	10,386	14,138	10,386	14,138	0	0	0
4200014	Civic & Political Activities	484,698	125,464	610,162	125,464	286,976	72,258	286,976	72,258	0	0	0
4200015	Other Deductions - NonAssoc	484,698	125,464	610,162	125,464	286,976	72,258	286,976	72,258	0	0	0
4200016	Other Deductions	73,071	41,909	114,980	41,909	30,279	863	30,279	863	0	0	0
4200017	Shutdown Coal Company Expenses	73,071	41,909	114,980	41,909	30,279	863	30,279	863	0	0	0
4200018	All Other Operational Expenses	7,176,000	4,441,272	11,617,272	4,441,272	2,217,061	619,677	2,217,061	619,677	0	0	0
5100000	Operational Expenses	96,777,462	87,285,862	184,063,324	87,285,862	66,956,248	7,475,108	66,956,248	7,475,108	0	0	0
5100001	Maint Equip & Engineering	2,474,313	652	2,474,965	652	2,473,340	322	2,473,340	322	0	0	0
5100002	Maintenance of Structures	1,956,240	0	1,956,240	0	1,956,240	0	1,956,240	0	0	0	0
5100003	Maintenance of Boiler Plant	15,908,039	0	15,908,039	0	15,908,039	0	15,908,039	0	0	0	0
5100004	BSRR O&M Recovery-Maint Costs	(96,456)	0	(96,456)	0	(96,456)	0	(96,456)	0	0	0	0
5100005	BSRR O&M Recovery-Maint Costs	(957,909)	0	(957,909)	0	(957,909)	0	(957,909)	0	0	0	0
5100006	Maintenance of Electric Plant	4,874,112	0	4,874,112	0	4,874,112	0	4,874,112	0	0	0	0
5100007	Maintenance of Misc Steam Pl	1,805,152	(523)	1,804,629	(523)	1,805,675	0	1,805,675	0	0	0	0
5100008	Maintenance of Misc Steam Pl	25,963,491	128	25,963,619	128	25,963,041	322	25,963,041	322	0	0	0
5600000	Nuclear Generation Maintenance	-	-	-	-	-	-	-	-	-	-	-
5600001	Hydro Generation Maintenance	-	-	-	-	-	-	-	-	-	-	-
5600002	Other Generation Maintenance	-	-	-	-	-	-	-	-	-	-	-
5600003	Maint Equip & Engineering	27,386	(9)	27,377	(9)	208	27,197	208	27,197	0	0	0
5600004	Maintenance of Structures	21,759	0	21,759	0	0	21,759	0	21,759	0	0	0
5600005	Maint of Computer Hardware	1,650	2	1,652	2	8	1,640	8	1,640	0	0	0
5600006	Maint of Computer Software	107,394	6,615	114,009	6,615	3,341	97,438	3,341	97,438	0	0	0

INCOME STATEMENT

GLS9016  
YTD Dec 2016  
01/05/2017 18.24

Account: GL\_ACCT\_SEC Business Units - SEGMENT\_COAS  
Layout: GLS9016

	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS9016 Actual	YTD Dec 2016	110 Actual	YTD Dec 2016	117 Actual	YTD Dec 2016	188 Actual	YTD Dec 2016
5683000	6,347	6,347	0	0	0	0	0	6,347
5700000	678,388	1,068	1,068	1,068	112	112	677,208	1,832,395
5710000	1,831,232	(451)	(451)	(451)	(713)	(713)	1,832,395	42
5720000	0	0	0	0	0	0	0	384,664
5730000	384,784	48	48	48	72	72	3,048,891	4
5900000	3,058,993	7,274	7,274	7,274	3,028	3,028	16,877	7,764
5910000	2,472	12,776	12,776	12,776	0	0	27,525	0
5920000	28,653	467,438	467,438	467,438	17	17	0	0
5930000	475,219	36,358,822	36,358,822	36,358,822	(12)	(12)	0	0
5940000	692,581	2,429,200	2,429,200	2,429,200	0	0	0	0
5950000	94,505	50,399	50,399	50,399	0	0	0	0
5960000	50,399	41,144	41,144	41,144	0	0	0	0
5970000	76,484	76,484	76,484	76,484	0	0	2,357	505
5980000	60,914	80,409	80,409	80,409	0	0	56,032	541
9350001	40,346,808	580,033	580,033	580,033	2	2	0	0
9350002	124,297	124,297	124,297	124,297	0	0	0	0
9350012	187,817	134,691	134,691	134,691	53,126	53,126	0	0
9350013	1,121,291	1,054,108	1,054,108	1,054,108	67,183	67,183	0	0
9350015	678,856	398,380	398,380	398,380	280,476	280,476	0	0
9350018	266	266	266	266	0	0	0	0
9350019	337	337	337	337	0	0	0	0
9350024	10,631	10,631	10,631	10,631	28	28	15	15
	2,704,114	2,302,743	2,302,743	2,302,743	400,814	400,814	657	657
	72,887,504	42,696,014	42,696,014	42,696,014	26,366,886	26,366,886	3,104,602	3,104,602
	169,644,956	109,881,966	109,881,966	109,881,966	82,323,137	82,323,137	10,579,708	10,579,708
	2,695,282	1,578,881	1,578,881	1,578,881	663,258	663,258	653,144	653,144
	36,616	0	0	0	0	0	36,616	36,616
	2,933,898	1,678,881	1,678,881	1,678,881	663,258	663,258	691,760	691,760
	137,242	0	0	0	0	0	137,242	137,242
	2,430,383	0	0	0	2,430,383	2,430,383	0	0
	2,667,626	0	0	0	2,430,383	2,430,383	137,242	137,242
	5,601,623	1,678,881	1,678,881	1,678,881	3,093,640	3,093,640	829,002	829,002
	79,130,335	28,480,692	28,480,692	28,480,692	35,450,196	35,450,196	15,199,445	15,199,445
	78,130,335	28,480,692	28,480,692	28,480,692	35,450,196	35,450,196	15,199,445	15,199,445
	227,059	0	0	0	227,059	227,059	0	0
	227,059	0	0	0	227,059	227,059	0	0
	79,367,394	30,089,673	30,089,673	30,089,673	36,577,267	36,577,267	16,199,445	16,199,445
	84,864,917	0	0	0	38,770,697	38,770,697	16,028,447	16,028,447
	(76,776)	0	0	0	(76,776)	(76,776)	0	0
	(8,487)	0	0	0	(8,487)	(8,487)	0	0
	35,826	0	0	0	35,826	35,826	0	0
	(61,437)	1,768,057	1,768,057	1,768,057	(61,437)	(61,437)	5,325	5,325
	3,144,914	11,870	11,870	11,870	8,959	8,959	46	46
	20,874	29,459	29,459	29,459	33,042	33,042	117	117
	62,618	(843,553)	(843,553)	(843,553)	(275,902)	(275,902)	(1,208)	(1,208)
	(1,120,663)	(5,435)	(5,435)	(5,435)	(1,669)	(1,669)	(1)	(1)
	(7,106)	(16,011)	(16,011)	(16,011)	1,129,283	1,129,283	(18)	(18)
	(22,709)	944,266	944,266	944,266	3,961,843	3,961,843	4,260	4,260
	2,077,928	3,961,843	3,961,843	3,961,843	3,861,843	3,861,843	0	0
	3,961,843	1,112	1,112	1,112	1,225,403	1,225,403	10	10
	1,122	(135,789)	(135,789)	(135,789)	1,640,563	1,640,563	3,982,623	3,982,623
	981,119	12,711,347	12,711,347	12,711,347	146,241	146,241	0	0
	202,815	244,549	244,549	244,549	192,186	192,186	39,868	39,868
	(2,223)	(2,223)	(2,223)	(2,223)	25,500	25,500	0	0
	-25,500	-25,500	-25,500	-25,500	0	0	0	0

**INCOME STATEMENT**

GLS9016  
YTD Dec 2016  
01/09/2017 18:24

Account GL_ACCT_SEC	Business Units - SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS9016		110		117		190	
		Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016
008 V0016-12-31	Layout: GLS9016								
40200515	Real Personal Property Taxes	15,564	2,599					0	12,965
40200516	Real Personal Property Taxes	234	0			234			0
	<b>Property Taxes</b>	<b>14,179,827</b>	<b>7,317,787</b>			<b>2,894,370</b>			<b>3,967,670</b>
408101815	SI Paid Serv Comm Tax-Fees	566,102						0	0
408101816	SI Paid Serv Comm Tax-Fees	563,400						0	0
	<b>Regulatory Fees</b>	<b>1,129,501</b>	<b>1,129,501</b>						
408101415	Federal Excise Taxes	800	0					800	0
408101416	Federal Excise Taxes	5,413	0					5,413	0
	<b>Production Taxes</b>	<b>6,313</b>				<b>6,313</b>			
408101716	SI Lic-Regtion Tax-Fees	132						0	0
408101915	State Sales and Use Taxes	791						0	0
408101916	State Sales and Use Taxes	9,787						0	0
408102218	Municipal License Fees	645						0	0
408102217	Municipal License Fees	300						0	0
	<b>Miscellaneous Taxes</b>	<b>11,654</b>	<b>11,654</b>						
	<b>Other Non-Income Taxes</b>	<b>21,316,629</b>	<b>9,403,329</b>			<b>7,940,371</b>			<b>3,971,929</b>
	<b>TOTAL OPERATING EXPENSES</b>	<b>275,013,602</b>	<b>149,344,888</b>			<b>129,834,466</b>			<b>30,580,084</b>
	Memo: SEC Total Operating Expenses	636,325,000	666,263,623			390,316,349			30,504,612
	<b>OPERATING INCOME</b>	<b>118,704,546</b>	<b>28,478,687</b>			<b>25,331,772</b>			<b>64,894,188</b>
<b>NON-OPERATING INCOME /EXPENSES</b>									
4180002	Int & Dividend Inc - NonAssoc	30,074	16,448			14,044			(419)
4180005	Interest & Dividend Non-Affiliated	30,074	16,448			14,044			(419)
	Interest Income - Assoc CBP	8,478	(23,648)			(65,002)			97,129
	<b>Interest &amp; Dividend Affiliated</b>	<b>38,552</b>	<b>(7,200)</b>			<b>(50,958)</b>			<b>96,710</b>
4210038	Carrying Charges	23,415	2,139			(16,020)			37,296
	<b>Interest &amp; Dividend Carrying Charge</b>	<b>23,415</b>	<b>2,139</b>			<b>(16,020)</b>			<b>37,296</b>
4191000	Memo: Total Interest & Dividend Income w/ Carrying	61,967	(5,061)			(6,976)			134,005
	Allow On Frnds Ltd Dng Crdb	852,463	215,748			487,853			149,064
	<b>AFUDC</b>	<b>852,463</b>	<b>215,748</b>			<b>487,853</b>			<b>149,064</b>
4270002	Gain on Disposition of Equity Investments	278,488	278,488						
	Interest LTD FMB	278,488	278,488						
	Interest LTD IPC	278,488	278,488						
	<b>Interest LTD Notes Payable - Affiliated</b>								
	<b>Interest LTD Notes Payable - Non-Affiliated</b>								
4270026	Interest LTD Debt	42,478,706	12,561,520			20,778,176			9,119,010
	Interest LTD Senior Unsecured	42,478,706	12,561,520			20,778,176			9,119,010
4270025	Interest LTD Other - AFFIL	1,666,738	493,842			815,011			357,883
	Interest LTD Other - NonAFFIL	1,666,738	493,842			815,011			357,883
4300003	Interest on Long-Term Debt	44,423,930	13,363,860			21,593,187			9,476,893
	Interest to Assoc Co - CBP	69,431	210,910			512,104			(633,583)
	<b>Interest STD - AFFIL</b>	<b>89,431</b>	<b>210,910</b>			<b>512,104</b>			<b>(633,583)</b>
4310007	Lines of Credit	973,974	264,215			671,855			37,903
	Interest STD - NonAFFIL	973,974	264,215			671,855			37,903
4250002	Interest on Short Term Debt	1,063,404	475,125			1,183,958			(696,860)
4260003	Amort Debt Decret-Exp-Inst Pur	32,130	0			32,130			0
4260006	Amort Debt Decret-Exp-NP	132,962	39,381			65,037			28,543
	Amort of Debt Disc. Prem & Exp	560,608	165,915			274,439			120,254
4281004	Amort Loss on Reacquired Debt	725,700	205,296			371,607			148,797
	Amort Gain on Reacquired Debt	33,651	9,967			16,450			7,224
	<b>Other Interest - Fuel Recovery</b>	<b>31,651</b>	<b>9,967</b>			<b>16,450</b>			<b>7,224</b>
4310001	Other Interest Expense	78,264	0			65,879			12,415
4310002	Interest on Customer Deposits	97,609	97,609			0			0
4310023	Interest Expense - State Tax	6,779	3,510			2,890			379
	<b>Other Interest - NonAFFIL</b>	<b>182,682</b>	<b>101,119</b>			<b>88,789</b>			<b>12,784</b>
4320000	Interest Rate Hedge Unrealized (Gain)/Loss	(614,110)	(157,667)			(346,393)			(110,040)

**INCOME STATEMENT**

GLS8016  
YTD Dec 2016  
01/05/2017 18:24

Account: GL_ACCT_SEC Business Units: SEGMEN_T_CONS	Kentucky Power Int Conso		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual	YTD Dec 2016	Actual
AFUDC-Borrowed Funds	(814,110)		(157,687)		(346,383)		(110,040)	
Total Interest Charges	45,815,257		13,887,670		22,887,598		8,939,989	
<b>INCOME BEFORE INCOME TAXES and EQUITY EARNINGS</b>	<b>73,803,319</b>		<b>14,701,862</b>		<b>2,864,849</b>		<b>50,237,288</b>	
<b>INCOME TAXES and EQUITY EARNINGS</b>								
Income Taxes UOI - Federal	4,714,323		761,986		(13,862,205)		17,814,542	
Inc Tax Cr Inc/Ded-Federal	(178,103)		(22,453)		205,757		(5,191)	
<b>Federal Current Income Tax</b>	<b>4,892,425</b>		<b>739,533</b>		<b>(13,656,448)</b>		<b>17,809,351</b>	
Prov Del JT-Us Op Inc-Fed	109,227,411		12,998,933		91,329,208		4,899,271	
Prov Del JT-Us Op Inc-Fed	3,295,937		24,174		3,264,032		8,722	
Prov Del JT-Cr Inc Op Inc-Fed	(86,860,056)		(10,886,863)		(74,865,338)		(1,257,853)	
Prov Del JT-Cr Inc Op Inc-Fed	(4,496,888)		(501,561)		(3,844,175)		(151,132)	
<b>Federal Deferred Income Tax</b>	<b>21,667,415</b>		<b>1,624,662</b>		<b>15,843,728</b>		<b>3,499,027</b>	
ITC Ag. Lumpy Cost - Fed	(2,630)		(1,153)		(1,210)		(267)	
<b>Federal Investment Tax Credits</b>	<b>(2,630)</b>		<b>(1,153)</b>		<b>(1,210)</b>		<b>(267)</b>	
<b>Federal Income Taxes</b>	<b>25,867,211</b>		<b>2,383,032</b>		<b>2,286,088</b>		<b>21,308,110</b>	
Income Taxes UOI - State	22,590		1,306		(15,692)		36,976	
Income Taxes UOI - State	1,539,890		356,364		1,870,734		(687,225)	
Income Taxes UOI - State	(1,466,019)		309,839		(4,561,163)		2,785,304	
Inc Tax Cr Inc/Ded-State	(8,678)		(4,978)		(1,332)		(2,368)	
Inc Tax Cr Inc/Ded-State	43,462		288		41,439		1,725	
<b>State Current Income Tax</b>	<b>131,248</b>		<b>662,660</b>		<b>(2,555,013)</b>		<b>2,134,408</b>	
Prov Del JT-Us Op Inc-State	6,319,134		4,844,533		1,474,595		0	
Prov Del JT-Cr Inc Op Inc-State	(8,814,205)		0		(8,814,205)		0	
<b>State Deferred Income Tax</b>	<b>(2,495,072)</b>		<b>4,844,539</b>		<b>(7,339,611)</b>		<b>-</b>	
<b>State Investment Tax Credits</b>	<b>(2,365,827)</b>		<b>5,607,368</b>		<b>(10,005,625)</b>		<b>2,134,408</b>	
<b>Local Current Income Tax</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
<b>Local Deferred Income Tax</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
<b>Local Investment Tax Credits</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
<b>Local Income Taxes</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
Foreign Current Income Tax	-		-		-		-	
Foreign Deferred Income Tax	-		-		-		-	
Foreign Investment Tax Credits	-		-		-		-	
<b>Foreign Income Taxes</b>	<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
<b>Total Income Taxes</b>	<b>23,693,384</b>		<b>7,870,421</b>		<b>(7,719,557)</b>		<b>23,442,520</b>	
Equity Earnings of Subs	60,210,335		6,831,181		10,584,405		32,794,748	
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>60,210,335</b>		<b>6,831,181</b>		<b>10,584,405</b>		<b>32,794,748</b>	
Discontinued Operations (Net of Taxes)	-		-		-		-	
Cumulative Effect of Accounting Changes	-		-		-		-	
Extraordinary Income / (Expenses)	-		-		-		-	
<b>NET INCOME</b>	<b>60,210,335</b>		<b>6,831,181</b>		<b>10,584,405</b>		<b>32,794,748</b>	
Minority Interest	-		-		-		-	
Preferred Stock Dividend Subs	-		-		-		-	
<b>Earnings to Common Shareholders</b>	<b>60,210,335</b>		<b>6,831,181</b>		<b>10,584,405</b>		<b>32,794,748</b>	
<b>NET INCOME (LOSS) NODE before PS</b>	<b>60,210,335</b>		<b>6,831,181</b>		<b>10,584,405</b>		<b>32,794,748</b>	
Double Check on Net Income Node after PS	(0)		(0)		0		-	

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
**BALANCE SHEET**

GLS8216  
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Kentucky Power  
 Int Consol  
 GLS8216

Kentucky Power  
 Company -  
 110

Kentucky Power  
 Company - Generation  
 117

Kentucky Power  
 Company -  
 180

	YTD Dec 2016	YTD Dec 2016	YTD Dec 2016	YTD Dec 2016
<b>ASSETS</b>				
Cash and Cash Equivalents	859,326	859,326	0	0
Other Cash Deposits	8,943	4,769	4,173	0
Customers	14,608,136	12,319,889	1,768,373	519,873
Accrued Unbilled Revenues	4,542,082	4,542,082	0	0
Miscellaneous Accounts Receivable	29,899,883	12,065,443	83,973,655	9,014,505
Allowances for Uncollectible Accounts	(66,756)	(58,182)	0	(8,574)
Accounts Receivable	48,983,345	28,869,232	85,742,028	9,525,804
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	36,363,831	2,175,898	33,825,353	362,680
Risk Management Contracts - Current	466,860	48,804	408,056	0
Margin Deposits	4,229,382	40,967	4,188,415	0
Unrecovered Fuel - Current	1,955,304	0	1,955,304	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	2,151,947	1,549,474	538,122	64,351
<b>TOTAL CURRENT ASSETS</b>	<b>96,008,838</b>	<b>33,548,471</b>	<b>126,661,451</b>	<b>9,952,735</b>
Electric Production	1,182,212,302	832,463,764	1,200,540,867	571,619,437
Electric Transmission	574,702,619	0	0	0
Electric Distribution	783,282,899	0	0	0
General Property, Plant and Equipment	67,248,200	199,571	1,461,903	1,160,479
Construction Work-in-Progress	27,379,769	11,054,165	8,121,142	8,204,472
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,634,825,789</b>	<b>843,717,490</b>	<b>1,210,123,911</b>	<b>580,984,388</b>
less: Accumulated Depreciation and Amortization	(879,252,628)	(266,947,168)	(421,098,511)	(181,206,949)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,755,573,161</b>	<b>576,770,322</b>	<b>789,025,400</b>	<b>399,777,439</b>
Net Regulatory Assets	555,184,980	120,326,867	379,077,871	55,780,242
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	(170)	0	(170)	0
Employee Benefits and Pension Assets	5,891,385	2,325,078	3,425,880	140,428
Other Non Current Assets	26,668,957	8,051,253	14,310,560	4,307,123
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>587,745,153</b>	<b>130,703,198</b>	<b>396,814,162</b>	<b>60,227,793</b>
<b>TOTAL ASSETS</b>	<b>2,438,327,251</b>	<b>741,021,990</b>	<b>1,312,501,012</b>	<b>459,957,967</b>
<b>LIABILITIES</b>				
Accounts Payable	81,180,328	77,181,392	70,907,883	8,244,773
Advances from Affiliates	1,807,118	11,872,867	79,116,519	(89,181,268)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	390,000,000	96,908,500	223,034,500	70,057,000
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	52,773	0	52,773	0
Accrued Taxes	27,805,767	14,836,087	797,332	12,172,348
Memo: Property Taxes	25,163,210	12,692,522	5,314,135	7,156,563
Accrued Interest	8,126,943	2,475,099	3,927,288	1,724,556
Risk Management Collateral	98,290	0	98,290	0
Utility Customer Deposits	26,526,906	26,526,906	0	0
Deposits - Customer and Collateral	26,625,196	26,526,906	98,290	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	938,723	448,955	463,870	25,899
Tax Collections Payable	2,602,889	2,518,868	83,894	128
Revenue Refunds - Accrued	1,440,828	0	244,895	1,196,133
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,660,384	724,251	933,825	2,308
Accrued Rents	0	0	0	0



AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

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Kentucky Power  
 Int Consol  
 GLS8216

Kentucky Power  
 Company -  
 110

Kentucky Power  
 Company - Generation  
 117

Kentucky Power  
 Company -  
 180

	YTD Dec 2016	YTD Dec 2016	YTD Dec 2016	YTD Dec 2016
09B V2016-12-	Layout: GLS8216 Account: GL_ACCT_SEC Business Unit: GRCMENT_CONS			
2530022	7,279,983	3,692,521	3,579,074	8,387
2420511	4,639,326	2,098,526	2,535,563	5,237
2300002	1,006,863	376,639	603,491	26,733
2420088	146,360	71,916	74,352	91
2420512	959,439	146,000	813,439	0
2420542	239,022	64,324	167,271	7,427
24205216	1,620,542	1,620,542	0	0
2420643	3,142,377	3,142,377	0	0
2420656	0	0	0	0
2420700	16,336,982	0	16,336,982	0
2530050	547,781	233,668	314,113	0
2530112	5,200	5,200	0	0
2530124	79,528	79,528	0	0
2530177	81	0	27	34
	143	42	73	28
	554,326	0	554,326	0
	8,628	0	8,628	0
	83,275	83,275	0	0
	500,342	0	500,342	0
	76,873	76,873	0	0
	431,564	0	431,564	0
	18,624,683	478,588	18,146,033	62
	43,362,696	14,934,553	27,181,638	1,246,505
	44,301,419	15,383,508	27,845,508	1,272,404
	579,899,546	245,184,559	405,679,093	4,289,813
	0	0	0	0
	477,274,799	142,500,106	231,758,663	103,016,041
	(111,160)	(33,143)	(54,048)	(23,958)
	477,163,649	142,466,963	231,704,605	102,992,081
	0	0	0	0
	316,222	0	316,222	0
	(3,428)	0	(3,428)	0
	312,794	0	312,794	0
	312,794	0	312,794	0
	666,902,390	190,616,976	344,481,091	131,804,323
	1,420	587	590	244
	(20,701,288)	(21,343,240)	1,187,238	(545,286)
	(20,699,869)	(21,342,653)	1,187,828	(545,043)
	46,657,293	72,388	46,584,906	0
	0	0	0	0
	14,515,611	11,909,535	798,620	1,907,455
	0	0	0	0
	0	0	0	0
	1,749,344	879,598	839,332	30,413
	505,649	195,547	272,406	37,696
	1,110,644	0	1,110,644	0
	1,110,644	0	1,110,644	0
	158,189	158,189	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	14,036	0	0	14,036
	984	0	984	0
	296,781	0	0	296,781
	134,775	134,775	0	0
	188	188	0	0
	62,506	0	0	62,506
	575,419	0	575,419	0
	1,084,689	134,963	576,403	373,323
	1,242,878	293,152	576,403	373,323

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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Account GL ACCT_SEC	Business Unit: SEGMENT_CONS	Layout: GLS8216	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
			YTD Dec 2016	YTD Dec 2016	YTD Dec 2016	YTD Dec 2016
Accumulated Provisions - Rate Refund			391,157	0	0	391,157
Accumulated Provisions - Misc			174,737	0	174,737	0
Other Non-Current Liabilities			5,174,409	1,368,297	2,973,522	832,589
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>1,190,026,277</b>	<b>324,991,506</b>	<b>628,043,365</b>	<b>236,991,406</b>
<b>TOTAL LIABILITIES</b>			<b>1,769,925,822</b>	<b>570,175,855</b>	<b>1,033,622,458</b>	<b>241,281,219</b>
Cumulative Pref Stocks of Subs - Not subject Mand Reden			0	0	0	0
Minority Interest - Deferred Credits			0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>						
Common Stock			50,450,000	22,404,049	10,287,603	17,758,348
Paid in Capital			526,136,279	106,025,371	336,070,072	84,039,836
Premium on Capital Stock			0	0	0	0
Retained Earnings			93,170,509	42,428,716	(66,145,355)	116,887,249
Accumulated Other Comprehensive Income (Loss)			(1,354,460)	(12,011)	(1,333,765)	(6,683)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>668,401,429</b>	<b>170,846,126</b>	<b>278,878,554</b>	<b>218,676,749</b>
Memo: Total Equity			668,401,429	170,846,126	278,878,554	218,676,749
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>2,438,327,251</b>	<b>741,021,990</b>	<b>1,312,501,012</b>	<b>459,957,967</b>
			(0)	0	0	(0)
			out-of-balance			

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Dec 2015  
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Account GL ACCT SEC Business Unit SEGMENT COMS	YTD Dec 2015	YTD Dec 2015	YTD Dec 2015	YTD Dec 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	866,903	866,903	0	0
Other Cash Deposits	9,183	4,887	4,276	0
Customers	13,746,636	10,340,940	2,905,277	500,419
Accrued Unbilled Revenues	52,589	(458,443)	511,032	0
Miscellaneous Accounts Receivable	20,482,602	13,349,679	57,347,757	9,441,828
Allowances for Uncollectible Accounts	(242,308)	(233,734)	0	(8,574)
Accounts Receivable	34,039,320	22,898,442	60,764,067	9,933,773
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	48,789,808	2,083,889	45,962,930	742,979
Risk Management Contracts - Current	3,042,483	0	3,042,483	0
Margin Deposits	1,522,648	35,215	1,487,434	0
Unrecovered Fuel - Current	0	0	232,630	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,091,592	1,465,822	692,759	933,010
<b>TOTAL CURRENT ASSETS</b>	<b>91,362,117</b>	<b>27,455,168</b>	<b>112,186,578</b>	<b>11,609,763</b>
Electric Production	1,118,837,146	801,213,890	1,133,870,282	564,818,840
Electric Transmission	568,962,375	0	0	0
Electric Distribution	756,631,439	0	0	0
General Property, Plant and Equipment	58,294,004	199,571	1,461,903	1,160,479
Construction Work-in-Progress	59,350,976	11,202,862	41,882,317	6,265,797
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,562,075,940</b>	<b>812,616,323</b>	<b>1,177,214,501</b>	<b>572,245,115</b>
less: Accumulated Depreciation and Amortization	(847,675,436)	(260,099,264)	(404,663,305)	(182,912,867)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,714,400,504</b>	<b>552,517,059</b>	<b>772,551,197</b>	<b>389,332,248</b>
Net Regulatory Assets	517,900,785	113,291,664	345,868,780	58,740,341
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	12,095	0	12,095	0
Employee Benefits and Pension Assets	6,938,909	2,793,531	3,973,717	171,661
Other Non Current Assets	17,774,120	7,816,240	5,459,611	4,498,269
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>542,625,909</b>	<b>123,901,435</b>	<b>355,314,203</b>	<b>63,410,271</b>
<b>TOTAL ASSETS</b>	<b>2,348,388,529</b>	<b>703,873,662</b>	<b>1,240,051,977</b>	<b>464,352,281</b>
<b>LIABILITIES</b>				
Accounts Payable	62,020,457	60,697,930	53,352,115	7,627,174
Advances from Affiliates	18,692,147	19,129,373	90,713,087	(91,150,313)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	1,002,093	71,592	930,501	0
Accrued Taxes	(20,945,253)	9,665,054	(53,652,626)	23,042,319
Memo: Property Taxes	25,612,049	12,214,359	5,958,848	7,438,843
Accrued Interest	7,928,449	2,345,353	3,897,290	1,685,806
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,915,926	26,601,523	314,402	0
Deposits - Customer and Collateral	26,915,926	26,601,523	314,402	0
Over-Recovered Fuel Costs - Current	1,553,192	0	1,785,822	0
Dividends Declared	0	0	0	0
Preferred Stock due W/in 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	895,590	472,027	399,864	23,698
Tax Collections Payable	2,247,993	2,164,407	83,470	116
Revenue Refunds - Accrued	1,151,031	0	31,435	1,119,596
Accrued Rents - Rollover	0	0	0	0
Accrued - Payroll	1,465,778	630,083	833,786	1,909
Accrued Rents	0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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Account GL_Acct_Sec Business Unit: SEGMENT CONS	YTD Dec 2015	YTD Dec 2015	YTD Dec 2015	YTD Dec 2015
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
089 V2015-12- Layout: GLS8216				
Accrued ICP	6,921,404	3,290,736	3,624,522	6,147
Accrued Vacations	4,532,387	2,072,831	2,455,112	4,443
Misc Employee Benefits	1,166,642	443,520	697,595	25,526
Payroll Deductions	154,547	77,891	76,533	123
Severance / SEI	2,074,002	0	2,074,002	0
Accrued Workers Compensation	253,781	73,197	159,117	21,467
Customer Advance	4,459,000	4,459,000	0	0
Control Cash Disburse Account	4,989,947	4,989,947	0	0
JMG Liability	0	0	0	0
ARO - Current	16,861,479	0	16,861,479	0
Active Med and Dental IBNR	309,064	142,019	166,153	991
Econ. Development Fund Curr	512,260	279,260	233,000	0
Unclaimed Funds	4,359	4,359	0	0
Acc Cash Franchise Req	75,226	75,226	0	0
Sales Use Tax - Leased Equip	115	0	81	34
Accrued Audit Fees	182	54	92	36
Federal Mitigation Accru (NSR)	554,326	0	554,326	0
Deferred Rev - Pole Attachments	91,780	91,780	0	0
Other Deferred Credits-Curr	308,548	0	308,548	0
Contr in Aid of Constr Advance	95,715	95,715	0	0
Deferred Rev-Bonus Lease Curr	431,564	0	431,564	0
Misc Current and Accrued Liabilities	19,244,639	688,435	18,555,243	961
Current Other and Accrued Liabilities	48,661,151	18,890,049	28,590,814	1,180,288
Other Current Liabilities	49,556,741	19,362,076	28,990,679	1,203,986
<b>TOTAL CURRENT LIABILITIES</b>	<b>117,723,751</b>	<b>137,872,901</b>	<b>191,331,270</b>	<b>(57,591,028)</b>
Long-Term Debt - Affiliated	0	0	0	0
Long-Term Debt - Non Affiliated	801,729,261	235,408,421	395,070,221	171,250,619
Long-Term Debt - Premiums and Discounts Unamort	(277,875)	(81,526)	(137,043)	(59,306)
Memo - LTD Non-Affiliated and Premiums	801,451,386	235,326,895	394,933,178	171,191,313
Long-Term Risk Management Liabilities - Hedge	0	0	0	0
LT Unreal Losses - Non ATM	22,094	0	22,094	0
L/T Liability MTM Collateral	(11,430)	0	(11,430)	0
Long-Term Risk Management Liabilities - MTM	10,664	0	10,664	0
Long-Term Risk Management Liabilities	10,664	0	10,664	0
Deferred Income Taxes	636,156,182	181,577,329	323,316,584	131,264,268
Deferred Investment Tax Credits	4,050	1,740	1,800	511
Regulatory Liabilities and Deferred Credits	(38,451,478)	(32,240,279)	(1,327,321)	(4,883,877)
Memo - Reg Liab and Def/ITC	(38,447,428)	(32,238,539)	(1,325,522)	(4,883,367)
Asset Retirement Obligation	55,150,865	66,353	55,082,512	0
Nuclear Decommissioning	0	0	0	0
Employee Benefits and Pension Obligations	13,535,517	11,002,136	785,984	1,747,397
Trust Preferred Securities	0	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Rede	0	0	0	0
Obligations Under Capital Leases	2,008,253	835,279	1,132,866	40,108
Def Credits - Income Tax	471,003	232,251	190,576	48,176
Federal Mitigation Deferral(NSR)	1,110,644	0	1,110,644	0
Def Credits - NSR	1,110,644	0	1,110,644	0
Customer Advances for Construction	162,493	162,493	0	0
Def Gain on Sale/Leaseback	0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport	0	0	0	0
Def Gain on Disp of Utility Plant	286,822	0	0	0
IPF - System Upgrade Credits	143,127	143,127	0	286,822
For Opt Lns-In Kind Sh-Old Gns	327	327	0	0
MACRS Unidentified EDI Cash	76,062	0	0	76,062
For Opt Lns-Sold-Defd Rev	1,006,993	0	0	0
Deferred Rev-Bonus Lease NC	1,513,322	143,454	1,006,983	362,884
Def Credits - Other	1,675,815	305,948	1,006,983	362,884
Total Other Deferred Credits	0	0	0	0
Accumulated Provisions - Rate Refund	466,000	0	466,000	0
Accumulated Provisions - Misc	0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Dec 2015  
 01/14/2016 12:56

Account: GL_ACCT_SEC	Business Unit: REGMENT_CONS	Layer1: GLS8216	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
088 V2015-12-			YTD Dec 2015	YTD Dec 2015	YTD Dec 2015	YTD Dec 2015
<b>Other Non-Current Liabilities</b>						
<b>TOTAL NON-CURRENT LIABILITIES</b>			5,731,714	1,373,478	3,907,069	451,168
<b>TOTAL LIABILITIES</b>			1,473,590,901	397,109,652	776,710,470	259,770,779
Cumulative Pref Stocks of Subs - Not subject Mand Reditn			1,585,314,653	534,982,553	968,041,740	242,179,752
Minority Interest - Deferred Credits			0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>						
Common Stock			50,450,000	22,404,049	10,287,603	17,758,348
Paid In Capital			527,309,077	106,025,371	337,243,870	84,039,836
Premium on Capital Stock			0	0	0	0
Retained Earnings			86,960,274	40,491,234	(73,926,789)	120,395,839
Accumulated Other Comprehensive Income (Loss)			(1,645,475)	(29,545)	(1,594,437)	(21,483)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			663,073,876	168,891,109	272,010,238	222,172,530
<i>Memo: Total Equity</i>			663,073,876	168,891,109	272,010,238	222,172,530
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			2,348,388,529	703,873,662	1,240,051,977	464,352,281
out-of-balance			(0)	0	0	(0)

Reserved Section

GLR7210V 01/10/17 12:44

UTILITY PLANT

BEGINNING BALANCE

ADDITIONS

ORIGINAL COST RETIREMENTS

ADJUSTMENTS

TRANSFERS

ENDING BALANCE

101/106	GENERATION	1,124,272,407.54	83,615,068.81	(15,820,809.36)	0.00	0.00	1,192,066,666.99
	TOTAL PRODUCTION	1,124,272,407.54	83,615,068.81	(15,820,809.36)	0.00	0.00	1,192,066,666.99
101/106	TRANSMISSION	564,356,984.53	9,169,657.23	(2,379,548.12)	0.00	344,642.23	571,491,735.87
101/106	DISTRIBUTION	798,264,586.59	40,569,586.01	(9,618,549.32)	0.00	0.00	829,215,623.28
	TOTAL (ACCOUNTS 101 & 106)	2,486,893,978.66	133,354,312.05	(27,818,906.80)	0.00	344,642.23	2,592,774,026.14

1011001/12	CAPITAL LEASES	5,258,431.49	0.00	0.00	288,106.50	0.00	5,546,537.99
102	ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001	ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL ELECTRIC PLANT IN SERVICE	2,492,152,410.15	133,354,312.05	(27,818,906.80)	288,106.50	344,642.23	2,598,320,564.13

1050001	PLANT HELD FOR FUTURE USE	7,750,600.96	0.00	(1,102,454.98)	0.00	(344,642.23)	6,303,503.75
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107000X CONSTRUCTION WORK IN PROGRESS:

107000X	BEG. BAL.	59,350,976.05					
107000X	ADDITIONS		97,781,038.36				
107000X	TRANSFERS		(129,752,245.72)	1)			
107000X	END. BAL.		(31,971,207.36)				27,379,768.69

TOTAL ELECTRIC UTILITY PLANT 2,559,253,987.16 101,383,104.69 (28,921,361.78) 288,106.50 0.00 2,632,003,836.57

NONUTILITY PLANT

1210001	NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002	NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29	OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
	TOTAL NONUTILITY PLANT	2,821,952.63	0.00	0.00	0.00	0.00	2,821,952.63

1) Transfers out of 107 and additions to 106/101 are not equal due to ARO Additions totaling \$3,602,066.33.

ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - December, 2016

GLR7410V 01/10/17 12:44

UTILITY PLANT

NUCLEAR  
1080001/11 OTHER  
1080009/10 DECOMMISSIONING COSTS

TOTAL NUCLEAR

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
1080001/11 PRODUCTION	403,108,517.50	35,661,005.62	(16,717,748.67)	(1,042,893.27)	1,366,187.47	422,375,068.65
1080001/11 TRANSMISSION	176,427,961.28	15,199,444.50	(2,379,548.12)	(354,900.66)	0.00	188,892,957.00
1080001/11 DISTRIBUTION	222,789,410.10	28,486,324.70	(9,506,720.89)	(3,268,530.24)	0.00	238,500,483.67
1080013 PRODUCTION	(1,958,254.70)	0.00	0.00	0.00	(272,241.91)	(2,230,496.61)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(45,372.15)	0.00	0.00	0.00	(9,667.84)	(55,039.99)
RETIREMENT WORK IN PROGRESS	(2,090,904.85)	0.00	0.00	(6,127,797.85)	4,667,824.17	(3,550,868.53)
<b>TOTAL (108X accounts)</b>	<b>798,231,357.19</b>	<b>79,346,774.82</b>	<b>(28,604,017.68)</b>	<b>(10,794,112.02)</b>	<b>5,752,101.89</b>	<b>843,932,104.20</b>

NUCLEAR

1110001 PRODUCTION	295,177.16	697,055.90	(205,515.67)	0.00	0.00	2,630,748.11
1110001 TRANSMISSION	1,430,933.85	663,866.19	0.00	0.00	(3,277.67)	2,091,522.37
1110001 DISTRIBUTION	5,090,066.43	1,603,824.88	(111,828.43)	(1,500.00)	(11,938.48)	6,558,624.40

TOTAL (111X accounts)

	6,806,177.44	2,964,746.97	(317,344.10)	(1,500.00)	1,828,814.57	11,280,894.88
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1011006 CAPITAL LEASES

	2,354,588.80	0.00	0.00	0.00	503,882.18	2,858,470.98
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1150001 ACQUISITION ADJUSTMENT AMORT

	0.00	0.00	0.00	0.00	0.00	0.00
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TOTAL ACCUM DEPR & AMORT.

	807,392,123.43	82,311,521.79	(28,921,361.79)	(10,795,612.02)	8,084,798.64	858,071,470.06
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NONUTILITY PLANT

1220001 Depr&Amrt of Nonutil Prop-Ownd  
1240028 Other Property - RETIRE

TOTAL NONUTILITY PLANT

	228,295.19	6,669.72	0.00	0.00	0.00	234,964.91
	18.87	0.00	0.00	0.00	0.00	18.87
	228,314.06	6,669.72	0.00	0.00	0.00	234,983.78

Preparer - PSnVision Report GLR7410V  
Reviewer - Debbi Doyle - Prop Acqg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



**American Electric Power**  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

February 21, 2017

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed January 2017 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri L. Ruggiero'.

Jerri L. Ruggiero  
Manager –Regulated Accounting



American Electric Power

INCOME STATEMENT

GLS8016  
 YTD Jan 2017  
 02/06/2017 07:51

		Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Jan 2017	110 Actual	YTD Jan 2017	117 Actual	YTD Jan 2017	180 Actual	YTD Jan 2017
Layout: GLS8016 Account: GL_ACCT_SEC Business Units: SEGMENT_CONS									
<b>REVENUES</b>									
4400001	Residential Sales-Wholesale Pkg	13,952,352		13,952,352		0		0	
4400002	Residential Sales-Wholesale Pkg	5,281,213		5,281,213		0		0	
4400005	Residential Fuel Rev	8,361,767		8,361,767		0		0	
	<b>Revenue - Residential Sales</b>	<b>26,596,332</b>		<b>26,596,332</b>		0		0	
4420001	Commercial Sales	6,701,215		6,701,215		0		0	
4420008	Sales to Pub Auth - Schools	1,151,609		1,151,609		0		0	
4420007	Sales to Pub Auth - Ex Schools	1,295,299		1,295,299		0		0	
4420013	Commercial Fuel Rev	2,932,523		2,932,523		0		0	
	<b>Revenue - Commercial Sales</b>	<b>12,080,646</b>		<b>12,080,646</b>		0		0	
A	<b>Revenue - Industrial Sales - Affiliated</b>								
B	Industrial Sales (Excl Mines)	5,322,974		5,322,974		0		0	
	Ind Sales-NonAffiliated (Mines)	1,833,054		1,833,054		0		0	
	Industrial Fuel Rev	5,802,892		5,802,892		0		0	
	<b>Revenue - Industrial Sales - NonAffiliated</b>	<b>12,958,921</b>		<b>12,958,921</b>		0		0	
A	<b>Revenue - Industrial Sales</b>								
A	<b>Revenue - Gas Products Sales</b>								
A	<b>Revenue - Gas Transportation &amp; Storage Sales</b>								
B	Revenue - Gas Transportation & Storage Sales - Affiliated	133,615		133,615		0		0	
	Public Street/Highway Lighting	31,138		31,138		0		0	
	Public St & Hwy Light Fuel Rev	184,783		184,783		0		0	
A	<b>Revenue - Other Retail Sales - Affiliated</b>								
B	Revenue - Other Retail Sales	60,789,862		60,789,862		0		2,854,641	
	On Elec Rv-Tr-MS-Traf Price	3,639,041		3,639,041		0		3,639,041	
	PJM NTS Revenue - Affiliated	68,534		68,534		0		68,534	
	PJM TO Adm. Serv Rev - Aff	(2,955,887)		(2,955,887)		0		(2,955,887)	
	PJM Affiliated Trans NTS Cost	(53,828)		(53,828)		0		(53,828)	
	PJM Affiliated Trans TO Cost	93,036		93,036		0		93,036	
	ASB PJM Trans Enhancement Rev	(75,566)		(75,566)		0		(75,566)	
	ASB PJM Trans Enhancement Cost	716,631		716,631		0		716,631	
B	<b>Revenue - Transmission-Affiliated</b>							<b>8,656,265</b>	
	Transm. Rev - Dedic Wheel/Mim	8,568		8,568		0		8,568	
	PJM Trans Loss charge-OSS	8,435		8,435		0		8,435	
	PJM Intrans loss charge-OSS	(68,038)		(68,038)		0		(68,038)	
	RTO Formation Cost Recovery	1,354		1,354		0		1,354	
	PJM Post to Post Trans Svc	52,308		52,308		0		52,308	
	PJM Trans Owner Admin Rev	10,802		10,802		0		10,802	
	PJM Network Inaug Trans Svc	427,315		427,315		0		427,315	
	On Elec Rev Trans Non Aff	5,130		5,130		0		5,130	
	PJM Power Fac Crs Rev Wheel Cu-NA	(373)		(373)		0		(373)	
	PJM NTS Revenue Wheel Cu-NAF	212,555		212,555		0		212,555	
	PJM TO Serv Rev With Cu-NAF	3,743		3,743		0		3,743	
	NonAff PJM Trans Enhanc Rev	230,019		230,019		0		230,019	
	NAF PJM RTEP Rev for Wheel-RV	5,434		5,434		0		5,434	
	<b>Revenue - Transmission-NonAffiliated</b>	<b>887,253</b>		<b>887,253</b>		0		<b>888,445</b>	
A	<b>Revenue - Transmission</b>	<b>1,812,784</b>		<b>1,812,784</b>				<b>7,644,888</b>	
B	<b>Revenue - Resale-Affiliated</b>								
	Sales for Resale-Bookout Sales	515,208		515,208		0		0	
	Sales for Resale-Bookout Purch	(368,129)		(368,129)		0		0	
	Wholesale/Ph Ath Fuel Rev	250,030		250,030		0		0	
	Wholesale/Ph Ath Base Rev	324,063		324,063		0		0	
	Financial Electric Resized	(253,687)		(253,687)		0		0	
	PJM Energy Sales Margin	167,774		167,774		0		0	
	PJM Oper Reserve Rev-OSS	(13,811)		(13,811)		0		0	
	Capacity Cr. Nat Sales	242,202		242,202		0		0	
	PJM FTR Revenue-OSS	41,052		41,052		0		0	
	PJM Energy Sales Cost	1,689,606		1,689,606		0		0	
	PJM NTS Purch-NonAff	(0)		(0)		0		(0)	
	PJM TO Admin. Exp-NonAff	(0)		(0)		0		(0)	
	Non-Trading Bookout Sales-OSS	87,020		87,020		0		0	
	PJM Meter Connections-LSE	14,335		14,335		0		0	
	PJM Meter Connections-LSE	61,819		61,819		0		0	
	PJM Incremental Imp Capx-OSS	(87,637)		(87,637)		0		0	
	Non-Trading Bookout Purch-OSS	(67,710)		(67,710)		0		0	
	Financial Hedge Realized	133,249		133,249		0		0	
	OSS Sharing Realizes - Retail	(1,239,256)		(1,239,256)		0		0	
	OSS Sharing Realizes-Retail	1,239,256		1,239,256		0		0	

American Electric Power  
 INCOME STATEMENT

GLS8016 YTD Jan 2017 02/28/2017 07:51	Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual		110 Actual		117 Actual		180 Actual	
		YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
4470214	PJM 30m Suppl Reserve CR OSS	(48,394)	0	0	(48,394)	0	0	0	0
4470220	PJM Regulation - OSS	(20,889)	0	0	(20,889)	0	0	0	0
4470221	PJM Spinning Reserve - OSS	(3,594)	0	0	(3,594)	0	0	0	0
4470222	PJM Reserve - OSS	(329,377)	0	0	(329,377)	0	0	0	0
5550290	PJM Hourly Net Purch - FERC	(954,412)	0	0	(954,412)	0	0	0	0
	<b>Revenue - Resale-NonAffiliated</b>	<b>1,378,718</b>	-	-	<b>1,378,718</b>	-	-	-	-
	<b>Revenue - Resale-Realized</b>	-	-	-	-	-	-	-	-
	<b>Revenue - Resale-Risk Mgmt MTM</b>	-	-	-	-	-	-	-	-
	<b>Revenue - Resale-Risk Mgmt Activities</b>	-	-	-	-	-	-	-	-
	<b>Revenue - Sales for Resale</b>	-	-	-	-	-	-	-	-
4470074	Sale for Resale-Alt Trd Price	1,378,718	-	-	1,378,718	-	-	-	-
4540001	Rent From Elect Property - M	61,201	0	70,830	37,352,651	0	0	30,061	0
4580001	Oth Elect Riv - Aff'lied	5,325	0	0	5,325	0	0	0	0
	<b>Revenue - Other Ele-Affiliated</b>	<b>66,526</b>	<b>70,830</b>	<b>70,830</b>	<b>37,357,976</b>	<b>0</b>	<b>0</b>	<b>30,061</b>	<b>0</b>
4500200	Fordford Discounts	446,124	0	446,124	0	0	0	0	0
4510001	Misc Service Rev - Nonaffil	52,111	0	52,111	0	0	0	1,130	0
4540002	Rent From Elect Property-MAC	1,100	150	150	500	0	0	450	0
4540003	Rent from Elec Prop-Plas Atch	418,093	418,093	418,093	0	0	0	0	0
4540006	Oth Elect Riv - DSM Program	1,457,037	1,457,037	1,457,037	0	0	0	0	0
4580007	<b>Revenue - Other Ele-NonAffiliated</b>	<b>2,375,694</b>	<b>2,373,514</b>	<b>2,373,514</b>	<b>600</b>	<b>0</b>	<b>1,590</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Gas</b>	-	-	-	-	-	-	-	-
4118010	Estimation Allow KY Env Surch	(11,109)	0	0	(11,109)	0	0	0	0
	<b>Gain/(Loss) on Allowances</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>	<b>(11,109)</b>
	<b>Revenue - Other Ele-NonAffiliated</b>	<b>2,364,485</b>	<b>2,373,514</b>	<b>2,373,514</b>	<b>(10,609)</b>	<b>0</b>	<b>1,680</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Other Opr Electric</b>	<b>2,431,011</b>	<b>2,444,344</b>	<b>2,444,344</b>	<b>37,347,377</b>	<b>0</b>	<b>31,841</b>	<b>0</b>	<b>0</b>
	<b>Revenue Merchandising &amp; Contract Work</b>	-	-	-	-	-	-	-	-
	<b>Revenues Non-Utility Operations - Affiliated</b>	-	-	-	-	-	-	-	-
4170004	Rev from Non-Util Oper NonAff	16,140	16,140	16,140	0	0	0	0	0
	<b>Revenues Non-Utility Operations - NonAffiliated</b>	<b>16,140</b>	<b>16,140</b>	<b>16,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Revenues from Non-Utility Operations</b>	<b>16,140</b>	<b>16,140</b>	<b>16,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Rental Income - Affiliated</b>	-	-	-	-	-	-	-	-
4180001	Non-Operating Rental Income	2,625	2,500	2,500	125	0	0	0	0
4180003	Non-Operating Rental Income	(887)	0	0	(887)	0	0	0	0
4180005	Non-Operating Rental Income	(556)	0	0	(556)	0	0	0	0
	<b>Non-Operating Rental Income - NonAffiliated</b>	<b>1,172</b>	<b>2,500</b>	<b>2,500</b>	<b>(772)</b>	<b>0</b>	<b>(556)</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Misc Income - Affiliated</b>	-	-	-	-	-	-	-	-
4210002	Misc Non-Op Inc-NonUtil Items	127	54	54	43	0	31	0	0
4210007	Misc Non-Op Inc - NonMac - Oth	38,038	56	56	35,982	0	0	0	0
	<b>Non-Operating Misc Income - NonAffiliated</b>	<b>39,166</b>	<b>110</b>	<b>110</b>	<b>36,025</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>0</b>
	<b>Non-Operating Misc Income</b>	<b>36,166</b>	<b>110</b>	<b>110</b>	<b>36,025</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>0</b>
4540004	Rent From Elect Prop-ASD-Nonaff	3,042	3,042	3,042	0	0	0	0	0
4550015	Other Electric Revenues - ASD	13,356	13,356	13,356	0	0	0	0	0
	<b>Associated Business Development Income</b>	<b>16,398</b>	<b>16,398</b>	<b>16,398</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Other Opr - Other</b>	<b>69,876</b>	<b>35,147</b>	<b>35,147</b>	<b>36,253</b>	<b>0</b>	<b>(625)</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Other Operating</b>	<b>69,875</b>	<b>35,147</b>	<b>35,147</b>	<b>35,253</b>	<b>0</b>	<b>(529)</b>	<b>0</b>	<b>0</b>
4491002	Prov Rate Refund-NonAffiliated	2,600,887	2,679,491	2,679,491	37,362,630	0	31,116	0	0
4491003	Prov Rate Refund - Retail	(182,163)	0	0	(182,163)	0	0	0	0
4491004	Prov Rate Refund - NonAffiliated	(173,132)	0	0	(173,132)	0	0	0	0
	<b>Provision for Rate Refund - Affiliated</b>	<b>77,206</b>	<b>77,206</b>	<b>77,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Provision for Rate Refund - NonAffiliated</b>	<b>77,206</b>	<b>77,206</b>	<b>77,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Revenue - Power Sales</b>	<b>56,196,114</b>	<b>53,278,143</b>	<b>53,278,143</b>	<b>35,687,075</b>	<b>0</b>	<b>7,576,888</b>	<b>0</b>	<b>0</b>
	<b>TOTAL OPERATING REVENUES</b>	<b>56,196,114</b>	<b>53,278,143</b>	<b>53,278,143</b>	<b>35,687,075</b>	<b>0</b>	<b>7,576,888</b>	<b>0</b>	<b>0</b>
	<b>Memo: GT/D Revenue</b>	<b>55,266,976</b>	<b>53,173,167</b>	<b>53,173,167</b>	<b>1,278,916</b>	<b>0</b>	<b>814,893</b>	<b>0</b>	<b>0</b>
	<b>Memo: Other Affiliated Revenue</b>	<b>859,263</b>	<b>70,830</b>	<b>70,830</b>	<b>34,272,906</b>	<b>0</b>	<b>6,762,520</b>	<b>0</b>	<b>0</b>
	<b>Memo: Revenue-Oth Opr-Oth Aff</b>	-	-	-	-	-	-	-	-
	<b>Memo: Revenue-Oth Opr-Oth Non</b>	<b>69,875</b>	<b>35,147</b>	<b>35,147</b>	<b>35,253</b>	<b>0</b>	<b>(529)</b>	<b>0</b>	<b>0</b>
	<b>Memo: Total Operating Revenue</b>	<b>56,196,114</b>	<b>53,278,143</b>	<b>53,278,143</b>	<b>35,687,075</b>	<b>0</b>	<b>7,576,888</b>	<b>0</b>	<b>0</b>
	<b>Memo: Affiliated Revenue</b>	<b>859,263</b>	<b>70,830</b>	<b>70,830</b>	<b>34,272,906</b>	<b>0</b>	<b>6,762,520</b>	<b>0</b>	<b>0</b>
	<b>Memo: Non-Affiliated Revenue</b>	<b>55,336,851</b>	<b>53,208,314</b>	<b>53,208,314</b>	<b>1,314,169</b>	<b>0</b>	<b>814,368</b>	<b>0</b>	<b>0</b>
	<b>Memo: Total Operating Revenues</b>	<b>56,196,114</b>	<b>53,278,143</b>	<b>53,278,143</b>	<b>35,687,075</b>	<b>0</b>	<b>7,576,888</b>	<b>0</b>	<b>0</b>
	<b>FUEL EXPENSES</b>	-	-	-	-	-	-	-	-
5010000	Fuel	314,742	2	2	314,739	1	1	1	1

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Jan 2017  
 02/06/2017 07:51

Account	GLS8016 Actual	Kentucky Power Int Console		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission		
		YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	
088 V2017-01-31	GLS8016 Actual	110 Actual	117 Actual	180 Actual						
5010001	Fuel Consumed	5,123,275	0	0	0	0	0	0	0	
5010003	Fuel - Process Unload & Handle	230,467	0	0	0	0	0	0	0	
5010012	Ash Sales Proceeds	(1,606)	0	0	0	0	0	0	0	
5010019	Fuel Oil Consumed	183,357	0	0	0	0	0	0	0	
5010020	Net Gas Consumed Steam	942,192	0	0	0	0	0	0	0	
5010027	Gypsum handling/ disposal costs	33,602	0	0	0	0	0	0	0	
5010028	Gypsum Sales Proceeds	(114,125)	0	0	0	0	0	0	0	
5010004	Gas Transp Res Fees-Steam	544,660	0	0	0	0	0	0	0	
5010005	Fuel Expense Total	7,266,884	2	2	2	2	2	2	2	
	Fuel - Delivered	(2,063,981)	-	-	-	-	-	-	-	
	Deformed Fuel Expense	6,192,603	2	2	2	2	2	2	2	
	Over Under Fuel Expense	28,763	0	0	0	0	0	0	0	
5090000	Fuel for Electric Generation	28,763	0	0	0	0	0	0	0	
5090009	Fuel from Affiliates for Electric Generation	354	0	0	0	0	0	0	0	
5080014	Allow Costum Title IV SO2	(14,000)	0	0	0	0	0	0	0	
	Allow Consumpt CSAPP SO2	16,147	0	0	0	0	0	0	0	
	Environmental Over/Under O&M E	66,904	0	0	0	0	0	0	0	
5020002	Allowance - Consumption	29,701	0	0	0	0	0	0	0	
5020003	Line Expense	216,852	0	0	0	0	0	0	0	
5020004	Trans Expense	81	0	0	0	0	0	0	0	
5020005	Linezone Expense	339	0	0	0	0	0	0	0	
5020006	Polymer Expense	571,973	0	0	0	0	0	0	0	
5020007	Line Hydrate Expense	885,860	0	0	0	0	0	0	0	
5020015	Environmental Over/Under Consu	6,093,600	2	2	2	2	2	2	2	
	Emislon Control - Chemicals	4,413,878	0	0	0	0	0	0	0	
	Total Fuel for Electric Generation	4,401,446	0	0	0	0	0	0	0	
	Memo: Non-AW Fuel/Allow/Emissions	8,816,324	37,352,661	37,352,661	0	0	0	0	0	
5550027	Purch Per-Non-Fuel Portion-Aff	4,991,864	0	0	0	0	0	0	0	
5550029	Purch Power-Asso-Trait Price	8,111	0	0	0	0	0	0	0	
5550048	Purch Power-Fuel Portion-Aff	(12)	0	0	0	0	0	0	0	
5550001	Purch Per-Non-Trading-Non-Aff	(821)	0	0	0	0	0	0	0	
5550023	Purch Power Capexy -MA	(13,155)	0	0	0	0	0	0	0	
5550032	Gas-Conversion-Moos Plant	142,752	0	0	0	0	0	0	0	
5550039	PJM Inadvertent Mtr Res-CSS	(446,950)	0	0	0	0	0	0	0	
5550040	PJM Inadvertent Mtr Res-LSE	54,530	0	0	0	0	0	0	0	
5550074	PJM Reactivty-Charge	(47,814)	0	0	0	0	0	0	0	
5550075	PJM Reactivty-Credit	29,079	0	0	0	0	0	0	0	
5550076	PJM Black Start-Charge	(7,574)	0	0	0	0	0	0	0	
5550078	PJM Regulation-Charge	66	0	0	0	0	0	0	0	
5550079	PJM Regulation-Credit	73,992	0	0	0	0	0	0	0	
5550083	PJM Spinning Reserve-Charge	218,650	0	0	0	0	0	0	0	
5550084	PJM Spinning Reserve-Credit	(313,845)	0	0	0	0	0	0	0	
5550090	PJM 30m Supp Reary Charge LSE	(52,287)	0	0	0	0	0	0	0	
5550123	PJM Optra-LSE-Charge	(101,696)	0	0	0	0	0	0	0	
5550124	PJM Inpact Congestion-LSE	52,884	0	0	0	0	0	0	0	
5550132	PJM FTR Revenue-LSE	218,407	0	0	0	0	0	0	0	
5550137	PJM Optra-LSE-Credit	742,896	0	0	0	0	0	0	0	
5550141	Purchase Power-PPA Deferred	(115,924)	0	0	0	0	0	0	0	
5550142	NY Emv Svl - Purchase Power	5,491,204	0	0	0	0	0	0	0	
5550143	BS10R PJM Over/Under Recovery	14,306,628	37,352,661	37,352,661	0	0	0	0	0	
5550206	PJM Transm Loss Charge - LSE	35,795,866	15,926,491	15,926,491	0	0	0	0	0	
5550227	PJM Transm Loss Credit-LSE	0	0	0	0	0	0	0	0	
	Purchased Electricity for Resale - Non-Affiliated	0	0	0	0	0	0	0	0	
	Purchased Gas for Resale - Affiliated	0	0	0	0	0	0	0	0	
	Purchased Gas for Resale - Non-Affiliated	0	0	0	0	0	0	0	0	
	Total Purchased Power	14,306,628	37,352,661	37,352,661	0	0	0	0	0	
	GROSS MARGIN	35,795,866	15,926,491	15,926,491	0	0	0	0	0	
	<b>OPERATING-EXPENSES</b>									
5000000	Oper Supervision & Engineering	451,775	980	980	0	0	0	0	0	
5000001	Oper Supr & Eng-RAT-AWB	2,707	0	0	0	0	0	0	0	
5020000	Steam Expense	113,861	0	0	0	0	0	0	0	
5000000	Electric Expense	861	0	0	0	0	0	0	0	
5000000	Misc Steam Power Expense	188,895	6	6	0	0	0	0	0	
5000002	Misc Steam Power Exp-Asoc	5,132	0	0	0	0	0	0	0	
5000003	Removal Cost Expense - Steam	(126)	30	30	0	0	0	0	0	
5000012	BS10R O&M Recovery-Oper Costs	764,768	0	0	0	0	0	0	0	

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Jan 2017  
 02/08/2017 07:51

Account	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Jan 2017	110 Actual	YTD Jan 2017	117 Actual	YTD Jan 2017	180 Actual	YTD Jan 2017
068 V2017-01-31								
Layout: GLS8016								
Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS								
5060013		(247,408)	1,016	0	(247,408)	248	0	
5600000	Environmental O&M/Under O&M E	1,280,804			1,279,340			
5670000	Steam Generation Op Exp							
5670000	Nuclear Generation Op Exp							
5670007	Hydro Generation Op Exp							
5670008	Other Exp - Wholesale RECs	68,012			68,012			
5670009	Other Pwr Exp - Voluntary RECs	137,726			137,726			
5757000	Other Pwr Exp - Voluntary RECs	257		257	0			
5757001	PJM Admin-MAWASC - OSS	8		8	0			
5757001	PJM Admin-MAWASC - Internal	6,988		6,988	0			
5600000	Other Generation Op Exp	95,523		95,523				
5600000	Other Generation Op Exp	308,814		265	308,249			
5600000	Other Generation Op Exp	143,570		327	1,740			
5600000	Other Generation Op Exp	991		0			141,504	
5610000	Lead Dispatch - Reliability	46,245		38	96		991	
5610000	Lead Dispatch-Mkt&Op Trans/Sys	8,339		0	8,339		48,110	
5610000	PJM Admin-SSCADS-OSS	114,826		0	114,826		0	
5610000	PJM Admin-SSCADS-Internal	6,759		220	536		6,002	
5610000	Reliab ty, Prog/State Develop	5,455		0	5,455		0	
5610000	PJM Admin-RTAS/OSS	41,395		0	41,395		0	
5610001	PJM Admin-RTAS/OSS - Internal	13,049		0	0		13,049	
5620000	Station Expenses - Nonwasc	2,052		0	0		2,052	
5620000	Overhead Line Expenses	13,092		0	13,092		0	
5650002	Transmission Elec by Other-AMC	0		2,854,641	0		0	
5650007	Tuan Elec by Other-AMC Price	379,853		0	379,853		0	
5650012	PJM Trans Enhancement Charge	1,389,651		0	1,389,651		0	
5650018	PJM NTS Expense - Affiliated	308,271		0	308,271		0	
5650019	AM PJM Trans Enhancement Exp	(248,686)		0	(248,686)		0	
5650020	PROVISION RTD/AR Expense	(30,800)		764	1,743		(33,307)	
5660000	Misc Transmission Expenses	(127,819)		0	0		(87,829)	
5670002	Rent - Associated	2,069,444		2,855,981	2,016,311		90,473	
5800000	Oper Supervision & Engineering	55,253		53,480	999		774	
5810000	Load Dispatching	(204)		71	0		(275)	
5820000	Station Expenses	16,117		13,690	0		2,427	
5830000	Overhead Line Expenses	52,889		52,802	0		88	
5840000	Underground Line Expenses	12,729		12,729	0		0	
5850000	Street Lighting & Signal Sys E	11,399		11,399	0		0	
5860000	Misc Expenses	86,546		86,452	(3)		98	
5870000	Customer Institutions Exp	9,771		9,771	0		0	
5880000	Mac/Confusion Distribution Exp	(109,677)		(113,551)	2,567		1,287	
5890001	Rent - Nonassociated	130,689		130,689	0		0	
5890002	Rent - Associated	5,590		5,590	0		0	
9010000	Distribution Op Exp	271,104		263,122	3,683		4,388	
9020000	Supervision - Customer Acct	15,434		15,434	0		0	
9020000	Meter Reading Expenses	4,096		4,057	34		8	
9020002	Meter Reading - Regular	31,697		31,697	0		0	
9020003	Meter Reading - Large Power	4,580		4,580	0		0	
9020000	Cost Records & Collection Exp	32,555		31,937	270		348	
9020001	Customer Orders & Inquiries	217,292		217,192	100		0	
9020002	Manual Billing	1,625		1,570	3		52	
9020003	Package - Customer Bills	64,193		64,193	0		0	
9020004	Cashiering	11,512		10,811	672		229	
9020005	Collection Agents Fees & Exp	5,045		5,045	0		0	
9020008	Credit & Ch Collection Acct	72,317		72,317	0		0	
9020008	Collection	20,554		20,554	0		0	
9020008	Data Processing	18,574		18,574	0		0	
9020007	Uncoll Acct - Misc Receivable	(20,090)		(20,090)	0		0	
9020000	Misc Customer Accounts Exp	866		866	0		0	
9070001	Supervision - Customer Service	15,540		15,540	0		0	
9080000	Supervision - DSM	(4)		(1)	(2)		(1)	
9080004	Customer Assistance Expenses	64,866		64,810	42		15	
9080000	Cost Assistance Exp - DSM - Int	108		50	44		14	
9080000	Cost Assistance Expense - DSM	1,135,893		1,135,836	43		14	
9090000	Information & Internal Affairs	7,154		1,738	4,419		997	
9100000	Mac Cust Svc/Informational Ex	(5,399)		3,842	1,237		320	
9100001	Mac Cust Svc & Info Exp - RCS	337		337	0		0	
9110002	Customer Service and Information Op Exp	1,769,667		1,706,710	6,862		1,996	
9120000	Supervision - Comm & Int	16		16	0		0	
9120000	Demarcating & Sealing Exp	498		498	0		0	

**INCOME STATEMENT**

American Electric Power

GLS6016  
 YTD Jan 2017  
 02/06/2017 07:51

Account	Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS6016 Actual	YTD Jan 2017	GLS6016 Actual	YTD Jan 2017	GLS6016 Actual	YTD Jan 2017	GLS6016 Actual	YTD Jan 2017
9130000	800	800	900	900	0	0	0	0
9130001	113	113	113	113	0	0	0	0
9200000	1,628	1,628	1,628	1,628	-	-	-	-
9210001	310,258	310,258	188,438	111,837	111,837	111,837	9,883	9,883
9220000	862,466	862,466	389,646	351,497	351,497	351,497	121,323	121,323
9220001	101,458	101,458	58,482	35,887	35,887	35,887	7,089	7,089
9220002	(112,235)	(112,235)	(112,235)	0	0	0	0	0
9220003	(32,193)	(32,193)	(32,193)	0	0	0	0	0
9220004	(101)	(101)	(101)	0	0	0	0	0
9220005	53,792	53,792	50,469	83,160	83,160	83,160	20,143	20,143
9220006	(20,277)	(20,277)	(20,277)	(19,441)	(19,441)	(19,441)	(13,562)	(13,562)
9220007	60,186	60,186	13,246	39,448	39,448	39,448	7,480	7,480
9220008	111,960	111,960	99,285	40,333	40,333	40,333	2,363	2,363
9220009	1,622	1,622	1,622	0	0	0	0	0
9220010	476	476	231	199	199	199	46	46
9220011	117,721	117,721	117,721	10,087	10,087	10,087	(42)	(42)
9220012	22,708	22,708	35	22,645	22,645	22,645	27	27
9220013	(14,479)	(14,479)	(14,479)	(775)	(775)	(775)	0	0
9220014	469	469	323	146	146	146	0	0
9220015	1,799	1,799	694	818	818	818	288	288
9220016	2,404	2,404	1,112	1,256	1,256	1,256	36	36
9220017	194,408	194,408	129,286	56,598	56,598	56,598	8,522	8,522
9220018	12,313	12,313	6,954	5,321	5,321	5,321	38	38
9220019	465,587	465,587	271,575	192,877	192,877	192,877	1,135	1,135
9220020	22,099	22,099	12,366	8,932	8,932	8,932	601	601
9220021	18,790	18,790	11,449	7,227	7,227	7,227	114	114
9220022	31	31	18	13	13	13	1	1
9220023	2,419	2,419	1,433	959	959	959	16	16
9220024	1,860	1,860	1,745	0	0	0	115	115
9220025	(193,198)	(193,198)	(102,231)	(73,586)	(73,586)	(73,586)	(17,381)	(17,381)
9220026	127,891	127,891	76,231	51,469	51,469	51,469	181	181
9220027	433	433	433	0	0	0	0	0
9220028	(65,163)	(65,163)	(50,542)	(8,641)	(8,641)	(8,641)	0	0
9220029	(129,537)	(129,537)	(104,196)	(25,341)	(25,341)	(25,341)	0	0
9220030	(38,866)	(38,866)	(32,814)	(5,866)	(5,866)	(5,866)	10	10
9220031	46,878	46,878	39,681	7,187	7,187	7,187	0	0
9220032	(32,672)	(32,672)	(24,239)	(8,433)	(8,433)	(8,433)	0	0
9220033	(70,560)	(70,560)	(55,559)	(15,001)	(15,001)	(15,001)	0	0
9220034	18,052	18,052	10,798	5,934	5,934	5,934	1,319	1,319
9220035	11,769	11,769	11,769	0	0	0	0	0
9220036	5	5	1	2	2	2	1	1
9220037	189,280	189,280	51,854	108,732	108,732	108,732	28,694	28,694
9220038	4,302	4,302	283	399	399	399	3,610	3,610
9220039	2,350	2,350	619	1,375	1,375	1,375	355	355
9301001	2	2	0	1	1	1	0	0
9301010	631	631	631	0	0	0	0	0
9301011	(954)	(954)	(954)	0	0	0	0	0
9301012	3,783	3,783	3,454	268	268	268	61	61
9301013	83,689	83,689	25,641	43,716	43,716	43,716	14,333	14,333
9301014	9,979	9,979	3,907	2,196	2,196	2,196	786	786
9301015	26	26	26	0	0	0	0	0
9301016	12,908	12,908	12,908	0	0	0	0	0
9301017	(23,517)	(23,517)	(16,807)	(7,311)	(7,311)	(7,311)	601	601
9310002	1,807,134	1,807,134	804,102	914,609	914,609	914,609	188,523	188,523
4111005	63,490	63,490	63,490	0	0	0	0	0
4111006	63,490	63,490	63,490	0	0	0	0	0
4116000	(498)	(498)	(498)	0	0	0	0	0
9302006	833	833	833	0	0	0	0	0
9302007	9,207	9,207	9,594	(920)	(920)	(920)	433	433
4255009	10,040	10,040	10,527	(920)	(920)	(920)	433	433
4255010	149,169	149,169	149,169	0	0	0	0	0
	153,536	153,536	153,536	0	0	0	0	0
	302,704	302,704	302,704	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power

GLS8016  
YTD Jan 2017  
02/08/2017 07:51

Account	GL ACCT SEC		Business Units		SEGMENT COMS		Kentucky Power Int Control		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016		GLS8016		GLS8016		110		117		180			
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
069 V0017-01-31	Layout: GLS8016													
4171001	Exp of Non-Util Oper - NonAssoc	161												
4252004	Social & Service Club Dues	856												
4210008	Expense of Non-Utility Operation	1,117												
4251000	Misc Non-Op Exp - NonAssoc	920												
4251000	Misc NonOp Expenses - NonAssoc	920												
4251000	Donations	50,828												
4253001	Donation Contributions	60,828												
4253001	Penalties	322												
4254000	Provision for Penalties	322												
4254000	Civic & Political Activities	67,855												
4255002	Civic & Political Activities	20,073												
4255002	Civic & Political Activities	67,855												
4255002	Other Deductions - NonAssoc	327												
4255002	Other Deductions	327												
5100000	Shutdown Coal Company Expenses													
5100000	All Other Operational Expenses	454,076												
5100000	Operational Expenses	8,044,002												
5100000	Maint Supp & Engineering	248,845												
5100000	Maintenance of Structures	142,483												
5100000	Maintenance of Boiler Plant	1,191,900												
5120004	BSRR OJ Recovery-Maint Costs	(17,037)												
5120035	BS10R OJ Recovery-Maint Costs	263,220												
5130000	Maintenance of Electric Plant	290,160												
5140000	Maintenance of Misc Steam Pt	104,750												
5600000	Steam Generation Maintenance	1,000												
5600000	Nuclear Generation Maintenance													
5600000	Hydro Generation Maintenance													
5600000	Other Generation Maintenance													
5600000	Maint Supp & Engineering	1,622												
5600000	Maintenance of Structures	(8)												
5600000	Maint of Compress Hardware	834												
5600000	Maint of Compress Subvtry	28												
5600000	Maint of Communication Equip	23,970												
5600000	Maint of Station Equipment	2,687												
5600000	Maintenance of Overhead Lines	75,459												
5600000	Maint of Underground Lines	155,724												
5600000	Maint of Misc Transmission Pt	210												
5600000	Transmission Maintenance	127,902												
5600000	Maint Supp & Engineering	368,833												
5600000	Maintenance of Structures	1,593												
5600000	Maint of Station Equipment	2,297												
5600000	Maintenance of Overhead Lines	20,075												
5600000	Maintenance of Underground Lines	63												
5600000	Maint of Misc Transmission Pt	3,194,776												
5600000	Storm Expense Association	75,597												
5600000	Maint of Underground Lines	202,433												
5600000	Maint of Station Equipment	11,457												
5600000	Maintenance of Structures	5,388												
5600000	Maint of Station Equipment	89												
5600000	Maint of Station Equipment	89												
5600000	Maintenance of Misc	5,794												
5600000	Maint of Misc Distribution Pt	8,927												
8300001	Distribution Maintenance	3,631,767												
8300002	Maint of Structures - Owned	29,568												
8300012	Maint of Structures - Leased	19,208												
8300013	Maint of Data Equipment	(15,762)												
8300015	Maint of Communication Eq-Used	116,165												
8300016	Maint of Office Furniture & Eq	89,847												
8300018	Maintenance of Video Equipment	21												
8300024	Maint of Gen Plant-SCADA Equip	41												
8300024	Maint of DA-MMI Comm Equip	712												
4040001	Administration & General Maintenance	248,821												
4060001	All Other Maintenance Expenses	162,200												
4073000	Maintenance Expenses	6,394,741												
4073014	Total Operational and Maintenance Expenses	14,439,744												
4073014	Amount of Paid	329,308												
4073014	Amount of PA Acq Adj	3,218												
4073014	DDA Amortization	332,526												
4073014	Regulatory Debit	161,316												
4073014	Regulatory Debit - BSRR	418,998												
4073014	DDA Regulatory Debits	430,435												

**American Electric Power**  
**INCOME STATEMENT**

GLS8016  
YTD Jan 2017  
02/09/2017 07:51

Account	GLS8016 Actual	YTD Jan 2017		YTD Jan 2017		YTD Jan 2017		YTD Jan 2017	
		Actual		Actual		Actual		Actual	
		GLS8016	110	117	180	GLS8016	110	117	180
068 V2017-01-31	Layout: GLS8016								
	Account: GL_ACCT_SEC Business Unit: SEGMENT_CONS								
400001	DDA Regulatory Credits								
	Amortization	782,861	161,316	622,944	76,701				
	Depreciation Exp	6,827,462	2,417,780	3,136,046	1,273,658				
4031001	DDA STP Nuclear Decommissioning	6,827,462	2,417,780	3,136,046	1,273,658				
	Cap - Asset Retirement Oblig		0	18,534	0				
	DDA Asset Retirement Obligation	18,534	0	18,534	0				
	DDA Removal Costs	18,534	0	18,534	0				
	Depreciation	6,845,996	2,417,780	3,154,580	1,273,658				
	Depreciation and Amortization	7,608,957	2,679,076	3,677,624	1,352,317				
408100017	Franchise Taxes								
	State Gross Receipts Tax	2,300	0	2,300	0				
40810002	Revenue-Whvr Taxes	2,300	0	2,300	0				
40810003	FICA	245,760	141,152	104,190	418				
40810007	Federal Unemployment Tax	7,082	5,536	1,495	30				
40810033	Fringe Benefits Loading - FICA	24,534	9,206	15,298	31				
40810034	Fringe Benefits Loading - FUTA	(70,176)	(59,479)	(10,717)	21				
40810035	Fringe Benefits Loading - SUT	(779)	(617)	(162)	0				
	Payroll Taxes	205,075	(988)	206,063	489				
	State Business Occup Taxes	(1)	0	(1)	0				
408102017	State Business Occup Taxes	483,168	0	483,168	0				
	Capacity Taxes	483,167	0	483,167	0				
408100515	Real Personal Property Taxes	272,346	0	272,346	0				
408100516	Real Personal Property Taxes	996,188	613,887	28,104	354,197				
408102017	Real Prop Prop Tax-Clip Lease	19,442	18,308	945	189				
	Real Prop Tax-Cap Leases	2,000	2,000	0	0				
	Real Personal Property Taxes	1,378	232	0	1,147				
408200516	St Publ Serv Conn Tax-Fees	1,291,365	834,427	361,396	365,633				
408101816	Regulatory Fees	93,900	93,900	0	0				
	Fed Excise Taxes	1,191	0	1,191	0				
	Production Taxes	1,191	0	1,191	0				
408101816	State Sales and Use Taxes	1,421	1,421	0	0				
408102217	Municipal License Fees	100	100	0	0				
	Miscellaneous Taxes	1,621	1,621	0	0				
	Other Non-Income Taxes	2,712	1,621	1,191	0				
	Taxes Other Than Income Taxes	2,078,609	824,667	897,819	358,032				
	<b>TOTAL OPERATING EXPENSES</b>	<b>24,126,209</b>	<b>13,092,705</b>	<b>11,530,398</b>	<b>2,397,437</b>				
	Memo: SEC Total Operating Expenses	44,626,337	60,448,368	31,828,976	2,397,946				
	<b>OPERATING INCOME</b>	<b>11,669,777</b>	<b>2,833,776</b>	<b>3,657,100</b>	<b>5,178,901</b>				

**NON-OPERATING INCOME / EXPENSES**

410002	Int & Dividend Inc - Nonassoc	1,936	1,535	401	0				
	Interest & Dividend Non-Affiliated	1,936	1,535	401	0				
410005	Interest Income - Assoc CBP	4,841	(16,588)	(33,584)	54,812				
	Interest & Dividend Affiliated	4,841	(16,588)	(33,584)	54,812				
	Total Interest & Dividend Income	6,777	(15,053)	(33,183)	54,812				
4210039	Carrying Charge	(16,853)	218	(18,795)	2,724				
	Interest & Dividend Carrying Charge	(16,853)	218	(18,795)	2,724				
	Memo: Total Interest & Dividend Income w/ Carrying	(10,077)	(14,835)	(51,978)	57,536				
4191000	Adv Oth Fnd Utd Ong Crst	48,622	22,817	8,692	15,113				
	AFUDC	48,622	22,817	8,692	15,113				
4270002	Gain on Disposition of Equity Investments								
	Interest LTD FMB	39,428	39,428	0	0				
	Int on LTD - Insal Per Contr	39,428	39,428	0	0				
	Interest LTD IPC								
	Interest LTD Notes Payable - Affiliated								
	Interest LTD Notes Payable - Non-Affiliated								
	Interest LTD Debentures								
4270006	Int on LTD - Sen Unsec Notes	3,539,892	1,055,525	1,721,308	763,059				
	Interest LTD Senior Unsecured	3,539,892	1,055,525	1,721,308	763,059				
	Interest LTD Other - Affil	154,354	46,025	75,056	33,273				
4270006	Int on LTD - Other LTD	154,354	46,025	75,056	33,273				
	Interest LTD Other - Non-Affil	154,354	46,025	75,056	33,273				

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD-Jan 2017  
 02/09/2017 07:51

	Account: GLS8016	GLS8016	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
	GLS8016	Actual	Actual	Actual	Actual	Actual	Actual
Interest on Long-Term Debt		3,733,874	1,140,978	1,796,364	796,332		
Int to Assoc Co - CBP		524	4,092	16,242	(19,810)		
Interest STD - AFRI		524	4,092	16,242	(19,810)		
Lines Of Credit		73,611	7,474	81,850	4,287		
Interest on Short Term Debt		74,135	11,566	81,850	4,287		
Amort Debit Debit/Exp-Int Pur		2,705	0	2,705	0		
Amort Debit Debit/Exp-NP		11,093	3,308	5,384	2,391		
Amort Debit/Exp-Sp Unrec Note		13,919	22,689	10,063	10,063		
Amort of Debt Disc. Prem & Exp		60,479	17,227	30,788	12,464		
Amort Loss Required Debt/Int		2,804	836	1,364	604		
Amort Loss on Recacquired Debt		2,804	836	1,364	604		
Amort Gain on Recacquired Debt		-	-	-	-		
Other Interest - Fuel Recovery		-	-	-	-		
Other Interest Expense		1,433	0	0	1,433		
Interest on Customer Deposits		14,766	14,766	0	0		
Other Interest - NonAFRI		16,199	14,766	-	1,433		
Other Interest Expense - AFRI		(34,521)	(16,958)	(6,181)	(11,381)		
Interest Rate Hedge Unrealized (Gain)/Loss		(34,521)	(16,958)	(6,181)	(11,381)		
AFUDC-Borrowed Funds		3,852,770	1,168,416	1,900,436	783,919		
Total Interest Charges		7,852,363	1,873,343	1,712,377	4,487,632		
<b>INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS</b>		<b>1,751,610</b>	<b>573,028</b>	<b>(1,951)</b>	<b>1,080,578</b>		
Income Taxes, UCI - Federal		(16,836)	3,825	3,825	16,198		
Inc Tax, Oh Inc/Ded-Federal		3,187	(16,836)	3,825	16,198		
Federal Current Income Tax		1,764,797	666,189	1,833	1,996,775		
Prov Del/UT Un Op Inc Fed		3,480,039	487,180	2,650,982	341,878		
Prov Del/UT Oh I&D - Federal		43,652	0	43,285	367		
Prov Del/UT-Cr Un Op Inc Fed		(2,806,031)	(680,608)	(1,996,550)	(128,874)		
Prov Del/UT-Cr Oh I&D-Fed		(50,365)	0	(50,365)	0		
Federal Deferred Income Tax		687,294	(193,428)	647,351	213,371		
ITC Ag, Utility Oper - Fed		(85)	(35)	(35)	(15)		
Federal Investment Tax Credits		(86)	(35)	(35)	(16)		
Federal Income Taxes		2,422,007	462,727	549,149	1,310,131		
Income Taxes UCI - State		447,139	115,734	108,001	223,404		
Inc Tax Oh Inc Ded - State		567	(2,989)	691	2,894		
State Current Income Tax		447,707	112,736	108,882	226,288		
Prov Del/UT-Cr Un Op Inc State		(168,944)	0	(168,944)	0		
State Deferred Income Tax		(168,944)	-	(168,944)	-		
State Investment Tax Credits		276,762	112,736	(60,262)	226,288		
Local Current Income Tax		-	-	-	-		
Local Deferred Income Tax		-	-	-	-		
Local Investment Tax Credits		-	-	-	-		
Local Income Taxes		-	-	-	-		
Foreign Current Income Tax		-	-	-	-		
Foreign Deferred Income Tax		-	-	-	-		
Foreign Investment Tax Credits		-	-	-	-		
Foreign Income Taxes		-	-	-	-		
Total Income Taxes		2,700,769	576,463	688,887	1,636,419		
Equity Earnings of Subs		5,162,684	1,097,830	1,123,490	2,931,213		
<b>INCOME AFTER INCOME TAXES AND EQUITY EARNINGS</b>		<b>5,162,684</b>	<b>1,097,830</b>	<b>1,123,490</b>	<b>2,931,213</b>		
Discontinued Operations (Net of Taxes)		-	-	-	-		
Cumulative Effect of Accounting Changes		-	-	-	-		
Extraordinary Income / (Expenses)		-	-	-	-		
<b>NET INCOME</b>		<b>5,162,684</b>	<b>1,097,830</b>	<b>1,123,490</b>	<b>2,931,213</b>		
Minority Interest		-	-	-	-		
Preferred Stock Dividend Subs		-	-	-	-		
Earnings to Common Shareholders		5,162,684	1,097,830	1,123,490	2,931,213		
<b>NET INCOME (LOSS) NODE before PS</b>		<b>5,162,684</b>	<b>1,097,830</b>	<b>1,123,490</b>	<b>2,931,213</b>		
Double Check on Net Income Node in/PS		0	0	0	(0)		



American Electric Power

**INCOME STATEMENT**

GLS6016  
 YTD Jan 2017  
 02/06/2017 07:51

068 V2017-01-31  
 Account: GL\_ACCT\_SEC Business Units: SEGMENT\_CONS  
 Layout: GLS6016

Reserved Section

Kentucky Power Int Consol	Kentucky Power Company - Distribution	Kentucky Power Company - Generation	Kentucky Power Company - Transmission	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
GLS6016 Actual	110 Actual	117 Actual	180 Actual	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jan 2017  
02/19/2017 12:27

09B V2017-01-  
Layout: GLS8216  
Account: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS

	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	816,498	816,498	0	0
Other Cash Deposits	8,943	4,769	4,173	0
Customers	14,993,775	12,661,912	1,752,127	579,736
Accrued Unbilled Revenues	361,923	361,923	0	0
Miscellaneous Accounts Receivable	22,018,741	5,088,357	67,051,011	8,331,880
Allowances for Uncollectible Accounts	(46,666)	(38,092)	0	(8,574)
Accounts Receivable	37,327,772	18,074,099	68,803,138	8,903,041
Advances to Affiliates	1,882,250	(9,581,876)	(77,811,338)	89,276,464
Fuel, Materials and Supplies	44,745,405	2,080,145	42,300,066	365,193
Risk Management Contracts - Current	148,646	(22,119)	170,765	0
Margin Deposits	2,113,383	76,041	2,037,342	0
Unrecovered Fuel - Current	4,120,984	0	4,120,984	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	2,765,306	1,623,369	1,088,452	53,485
<b>TOTAL CURRENT ASSETS</b>	<b>93,929,185</b>	<b>13,070,927</b>	<b>40,713,581</b>	<b>98,697,183</b>
Electric Production	1,184,637,874	834,991,575	1,202,942,112	572,204,667
Electric Transmission	575,191,816	0	0	0
Electric Distribution	796,700,671	0	0	0
General Property, Plant and Equipment	57,429,945	199,571	1,461,903	1,160,479
Construction Work-in-Progress	24,901,400	10,473,820	5,727,180	8,700,399
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,637,861,706</b>	<b>845,664,966</b>	<b>1,210,131,195</b>	<b>582,065,545</b>
less: Accumulated Depreciation and Amortization	(884,765,427)	(267,275,001)	(425,417,869)	(192,072,557)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,753,096,279</b>	<b>578,389,965</b>	<b>784,713,326</b>	<b>389,992,988</b>
Net Regulatory Assets	552,280,385	119,237,630	377,405,365	55,637,488
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	(34,292)	0	(34,292)	0
Employee Benefits and Pension Assets	6,097,525	2,427,309	3,512,408	157,809
Other Non Current Assets	16,387,574	7,483,795	4,992,756	3,911,023
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>574,731,192</b>	<b>129,148,634</b>	<b>385,876,237</b>	<b>59,706,321</b>
<b>TOTAL ASSETS</b>	<b>2,421,756,656</b>	<b>720,609,526</b>	<b>1,211,303,145</b>	<b>548,296,492</b>
<b>LIABILITIES</b>				
Accounts Payable	55,535,093	65,655,106	45,247,888	3,084,506
Advances from Affiliates	0	0	0	0
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	390,000,000	96,908,500	223,034,500	70,057,000
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	70,337	0	70,337	0
Accrued Taxes	26,841,888	13,842,889	930,017	12,068,982
Memor: Property Taxes	21,801,948	10,929,827	5,128,051	5,744,070
Accrued Interest	11,737,630	3,497,786	6,720,626	2,619,218
Risk Management Collateral	141,347	43,057	98,290	0
Utility Customer Deposits	26,743,761	26,743,761	0	0
Deposits - Customer and Collateral	26,885,108	26,786,819	96,290	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	932,874	445,713	461,315	25,845
Tax Collections Payable	2,428,478	2,337,048	91,313	118
Revenue Refunds - Accrued	1,422,751	0	239,377	1,183,377
Accrued Rents - Rookport	0	0	0	0
Accrued - Payroll	1,996,084	878,642	1,116,673	2,769
Accrued Rents	(17,920)	(17,920)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jan 2017  
02/10/2017 12:27

Account GL_Acct_Sec	Business Unit Segment	Company - GLS8216	Company - 110	Company - 117	Company - 180
09B V2017-01-	Legend : GLS8216	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
Accrued ICP		7,276,008	3,585,446	3,681,735	8,827
Accrued Vacations		4,870,938	2,246,332	2,617,000	5,605
Misc Employee Benefits		898,936	291,647	580,482	26,797
Payroll Deductions		159,004	78,885	80,026	93
Severance / SEI		855,160	142,875	712,285	0
Accrued Workers Compensation		241,356	66,053	164,446	8,856
Customer Advance Receipts		1,587,188	1,587,188	0	0
Customer Advance		1,587,188	1,587,188	0	0
Control Cash Disburse Account		3,472,423	3,472,423	0	0
Control Cash Disbursement Account		3,472,423	3,472,423	0	0
JMG Liability		0	0	0	0
ARO - Current		16,336,962	0	16,336,962	0
Econ. Development Fund Curt		817,706	284,176	333,530	0
Unclaimed Funds		5,200	5,200	0	0
Acc Cash Franchise Req		73,474	73,474	0	0
Sales Use Tax - Leased Equip		959	420	505	34
Accrued Audit Fees		36,538	11,260	16,331	6,947
Federal Mitigation Accru (NSR)		554,326	0	554,326	0
Quality of Service		6,626	0	6,626	0
Deferred Rev -Pole Attachments		36,738	36,738	0	0
Contr In Aid of Constr Advance		88,020	88,020	0	0
Deferred Rev-Bonus Lease Curt		431,564	0	431,564	0
Misc Current and Accrued Liabilities		18,180,114	499,289	17,683,844	6,981
Current Other and Accrued Liabilities		43,382,520	15,171,908	26,967,189	1,243,423
Other Current Liabilities		44,315,394	15,617,821	27,428,504	1,269,269
<b>TOTAL CURRENT LIABILITIES</b>		<b>556,385,450</b>	<b>222,308,720</b>	<b>302,530,261</b>	<b>88,998,875</b>
Long-Term Debt - Affiliated		0	0	0	0
Long-Term Debt - Non Affiliated		477,321,384	142,513,190	231,782,695	103,025,499
Long-Term Debt - Premiums and Discounts Unamort		(97,258)	(29,000)	(47,292)	(20,964)
Memo - LTD Non-Affiliated and Premiums		477,224,128	142,484,190	231,735,403	103,004,535
Long-Term Risk Management Liabilities - Hedge		0	0	0	0
LT Unreal Losses - Non Aff		69,249	0	69,249	0
LTT Liability MTM Collateral		(39,405)	0	(39,405)	0
Long-Term Risk Management Liabilities - MTM		29,844	0	29,844	0
Long-Term Risk Management Liabilities		29,844	0	29,844	0
Deferred Income Taxes		667,431,447	190,513,219	345,029,603	131,888,626
Deferred Investment Tax Credits		1,335	552	555	229
Regulatory Liabilities and Deferred Credits		(18,658,666)	(20,258,285)	1,734,831	(135,213)
Memo - Reg Lib and Def/TC		(18,657,331)	(20,257,733)	1,735,386	(134,994)
Asset Retirement Obligation		48,439,789	72,735	46,367,954	0
Nuclear Decommissioning		0	0	0	0
Employee Benefits and Pension Obligations		15,064,597	12,168,263	982,717	1,913,617
Trust Preferred Securities		0	0	0	0
Cumulative Preferred Stocks of Subs - Mandatory Rede		0	0	0	0
Obligations Under Capital Leases		1,718,007	885,622	804,074	28,310
Def Credits - Income Tax		505,649	195,547	272,406	37,696
Federal Mitigation Defere(NSR)		1,110,644	0	1,110,644	0
Def Credits - NSR		1,110,644	0	1,110,644	0
Customer Advances for Construction		159,476	159,476	0	0
Def Gain on Sale/Leaseback		0	0	0	0
Deferred Gain on Sale and Leaseback - Rockport		0	0	0	0
Def Gain on Disp of Utility Plant		0	0	0	0
Other Deferred Credits		14,036	0	14,036	0
Allowances		6,484	0	6,484	0
IPP - System Upgrade Credits		297,672	0	297,672	0
Fbr Opt Lns-In Kind Sv-Dld Gas		133,980	133,980	0	0
Fbr Opt Lns-Sold-Defld Rev		61,377	0	61,377	0
Deferred Rev-Bonus Lease NC		539,455	0	539,455	0
Def Credits - Other		1,053,003	133,980	545,939	373,064
Total Other Deferred Credits		1,212,479	293,456	545,939	373,064
Accumulated Provisions - Rate Refund		577,587	0	577,587	0
Accumulated Provisions - Misc		155,320	0	155,320	0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
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Kentucky Power  
 Int Consol  
 GLS8216

Kentucky Power  
 Company -  
 110

Kentucky Power  
 Company - Generation  
 117

Kentucky Power  
 Company -  
 180

Account GL_ACT_SEC	Business Unit	SEGMENT	CONS	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017	YTD Jan 2017
09B V2017-01-	Legend: GLS8216						
Other Non-Current Liabilities				5,279,686	1,374,625	2,888,384	1,016,677
<b>TOTAL NON-CURRENT LIABILITIES</b>				<b>1,192,612,159</b>	<b>326,365,299</b>	<b>626,768,391</b>	<b>237,688,469</b>
<b>TOTAL LIABILITIES</b>				<b>1,748,197,609</b>	<b>548,664,019</b>	<b>931,298,652</b>	<b>326,667,444</b>
Cumulative Pref Stocks of Subs - Not subject Mand Redem				0	0	0	0
Minority Interest - Deferred Credits				0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>							
Common Stock				50,450,000	22,404,049	10,287,603	17,758,348
Paid in Capital				526,135,279	106,025,371	335,070,072	84,039,836
Premium on Capital Stock				0	0	0	0
Retained Earnings				98,323,193	43,526,595	(65,021,865)	119,818,462
Accumulated Other Comprehensive Income (Loss)				(1,349,425)	(10,510)	(1,331,317)	(7,598)
<b>TOTAL SHAREHOLDERS' EQUITY</b>				<b>673,559,048</b>	<b>171,945,507</b>	<b>280,004,493</b>	<b>221,609,047</b>
Memo: Total Equity				673,559,048	171,945,507	280,004,493	221,609,047
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>				<b>2,421,756,656</b>	<b>720,609,526</b>	<b>1,211,303,145</b>	<b>548,296,492</b>
				(0)	0	0	(0)
				out-of-balance			

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Jan 2016  
02/17/2016 13:44

	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	757,589	757,589	0	0
Other Cash Deposits	9,163	4,887	4,276	0
Customers	18,138,074	15,176,894	2,560,183	400,997
Accrued Unbilled Revenues	9,552,765	9,041,733	511,032	0
Miscellaneous Accounts Receivable	21,863,140	5,337,291	67,240,394	10,142,483
Allowances for Uncollectible Accounts	(234,475)	(225,901)	0	(8,574)
Accounts Receivable	49,319,505	29,330,018	70,311,609	10,534,906
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	47,332,866	2,201,064	44,395,477	736,325
Risk Management Contracts - Current	2,514,039	0	2,514,039	0
Margin Deposits	459,153	29,003	430,149	0
Unrecovered Fuel - Current	2,135,521	0	2,135,521	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,837,472	1,809,766	973,171	1,054,515
<b>TOTAL CURRENT ASSETS</b>	<b>106,365,307</b>	<b>34,132,347</b>	<b>120,764,242</b>	<b>12,325,746</b>
Electric Production	1,119,875,170	802,422,016	1,135,134,405	564,577,100
Electric Transmission	568,659,094	0	0	0
Electric Distribution	757,275,007	0	0	0
General Property, Plant and Equipment	59,146,203	199,571	1,461,903	1,160,479
Construction Work-In-Progress	62,200,665	13,066,991	42,886,388	6,247,286
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,567,156,138</b>	<b>815,688,577</b>	<b>1,179,482,696</b>	<b>571,984,865</b>
less: Accumulated Depreciation and Amortization	(847,823,612)	(260,399,696)	(403,955,051)	(183,468,863)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,719,332,526</b>	<b>555,288,879</b>	<b>775,527,645</b>	<b>388,516,002</b>
Net Regulatory Assets	517,364,932	113,182,536	345,504,193	58,698,204
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	15,246	0	15,246	0
Employee Benefits and Pension Assets	7,171,810	2,908,113	4,074,017	189,680
Other Non-Current Assets	16,508,275	7,268,299	5,114,947	4,125,029
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>541,080,264</b>	<b>123,358,947</b>	<b>354,708,402</b>	<b>63,012,914</b>
<b>TOTAL ASSETS</b>	<b>2,366,778,097</b>	<b>712,790,174</b>	<b>1,251,000,289</b>	<b>463,854,662</b>
<b>LIABILITIES</b>				
Accounts Payable	64,675,265	69,433,439	52,667,130	3,431,723
Advances from Affiliates	21,940,340	17,481,526	96,967,303	(92,508,489)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	1,324,510	115,721	1,208,789	0
Accrued Taxes	(22,403,494)	8,491,394	(53,840,539)	22,945,651
Memo: Property Taxes	20,964,029	9,592,678	5,732,737	5,638,613
Accrued Interest	11,448,983	3,362,241	5,644,691	2,442,031
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,675,104	26,373,801	301,304	0
Deposits - Customer and Collateral	26,675,104	26,373,801	301,304	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	908,610	482,393	402,452	23,765
Tax Collections Payable	2,300,937	2,176,463	124,367	108
Revenue Refunds - Accrued	1,145,795	0	26,199	1,119,596
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,592,063	700,462	889,479	2,121
Accrued Rents	(5,044)	(5,044)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
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Account	GLS8216				GLS8216			
	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016
09B V2016-01-	7,006,800	3,279,306	3,721,046	110	3,279,306	3,721,046	117	5,448
Accrued ICP	4,762,656	2,170,105	2,587,552		2,170,105	2,587,552		4,998
Accrued Vacations	1,003,845	390,803	587,477		390,803	587,477		25,565
Misc Employee Benefits	150,640	76,975	73,626		76,975	73,626		39
Payroll Deductions	1,225,728	0	1,225,728		0	1,225,728		0
Severance / SEI	253,781	73,197	159,117		73,197	159,117		21,467
Accrued Workers Compensation	3,379,612	3,379,612	0		3,379,612	0		0
Customer Advance	2,935,160	2,935,160	0		2,935,160	0		0
Customer Advance Receipts	0	0	0		0	0		0
Control Cash Disburse Account	16,861,479	0	16,861,479		0	16,861,479		0
Control Cash Disbursement Account	368,791	168,394	196,866		168,394	196,866		3,541
JIMG Liability	563,161	330,161	233,000		330,161	233,000		0
ARO - Current	4,359	4,359	0		4,359	0		0
Active Med and Denial IBNR	69,769	69,769	0		69,769	0		0
Econ. Development Fund Curr	1,279	1,279	27		1,279	27		34
Unclaimed Funds	35,808	11,035	17,964		11,035	17,964		6,808
Sales Use Tax - Leased Equip	554,326	0	554,326		0	554,326		0
Accrued Audit Fees	44,384	44,384	0		44,384	0		0
Federal Mitigation Acctn (NSR)	221,616	0	221,616		0	221,616		0
Deferred Rev - Pole Attachments	27,759	27,759	0		27,759	0		0
Other Deferred Credits-Curr	431,564	0	431,564		0	431,564		0
Contr In Aid of Constr Advance	657,069	657,069	18,516,843		657,069	18,516,843		10,383
Deferred Rev-Bonus Lease Curr	19,184,295	15,864,110	27,911,434		15,864,110	27,911,434		1,190,724
Misc Current and Accrued Liabilities	44,936,268	16,316,502	28,313,886		16,316,502	28,313,886		1,214,489
Current Other and Accrued Liabilities	45,844,878	141,574,624	196,262,565		141,574,624	196,262,565		(62,474,595)
Other Current Liabilities	314,505,566	0	0		0	0		0
<b>TOTAL CURRENT LIABILITIES</b>	<b>801,775,774</b>	<b>235,421,289</b>	<b>385,094,504</b>		<b>235,421,289</b>	<b>385,094,504</b>		<b>171,259,980</b>
Long-Term Debt - Affiliated	(263,981)	(77,449)	(130,191)		(77,449)	(130,191)		(56,341)
Long-Term Debt - Non Affiliated	801,511,793	235,343,840	394,964,314		235,343,840	394,964,314		171,203,639
Long-Term Debt - Premiums and Discounts Unamort	0	0	0		0	0		0
Memo - LTD Non-Affiliated and Premiums	12,854	0	12,854		0	12,854		0
Long-Term Risk Management Liabilities - Hedge	(2,487)	0	(2,487)		0	(2,487)		0
LT Unreal Losses - Non Affl	10,367	0	10,367		0	10,367		0
LT Liability MTM Collateral	10,367	0	10,367		0	10,367		0
Long-Term Risk Management Liabilities - MTM	639,642,785	182,058,241	326,091,488		182,058,241	326,091,488		131,493,057
Long-Term Risk Management Liabilities	3,831	1,644	1,699		1,644	1,699		489
Deferred Income Taxes	(38,867,884)	(31,342,882)	(3,029,642)		(31,342,882)	(3,029,642)		(4,495,350)
Deferred Investment Tax Credits	(39,864,053)	(31,341,248)	(4,494,861)		(31,341,248)	(4,494,861)		(4,494,861)
Regulatory Liabilities and Deferred Credits	55,021,735	68,680	54,953,055		68,680	54,953,055		0
Memo - Reg Liab and Def ITC	0	0	0		0	0		0
Asset Retirement Obligation	14,101,435	11,332,478	1,011,431		11,332,478	1,011,431		1,757,526
Nuclear Decommissioning	0	0	0		0	0		0
Employee Benefits and Pension Obligations	0	0	0		0	0		0
Trust Preferred Securities	2,155,574	965,557	1,151,921		965,557	1,151,921		38,097
Cumulative Preferred Stocks of Subs - Mandatory Rede	471,003	232,251	190,576		232,251	190,576		48,176
Obligations Under Capital Leases	1,110,644	0	1,110,644		0	1,110,644		0
Def Credits - Income Tax	161,571	161,571	0		161,571	0		0
Federal Mitigation Defers(NSR)	0	0	0		0	0		0
Def Credits - NSR	287,825	142,431	142,431		142,431	142,431		287,825
Customer Advances for Construction	142,431	74,932	74,932		74,932	74,932		74,932
Def Gain on Sale/Leaseback	0	0	0		0	0		0
Deferred Gain on Sale and Leaseback - Rockport	0	0	0		0	0		0
Def Gain on Dispo of Utility Plant	0	0	0		0	0		0
IPP - System Upgrade Credits	971,019	971,019	971,019		971,019	971,019		971,019
Fbr Opt Line-In Kind Sv-Old On	1,376	1,376	1,376		1,376	1,376		1,376
Fbr Opt Line-Sold-Debt Rev	0	0	0		0	0		0
Fbr Opt Line-Sold-Debt Rev	0	0	0		0	0		0
Deferred Rev-Bonus Lease NC	0	0	0		0	0		0
SPP OIU Acclng of Expenses	1,477,384	142,431	972,395		142,431	972,395		362,558
Def Credits - Other	1,638,955	304,002	972,395		304,002	972,395		362,558
Total Other Deferred Credits	0	0	0		0	0		0
Accumulated Provisions - Rate Refund	466,000	0	466,000		0	466,000		0
Accumulated Provisions - Misc	0	0	0		0	0		0

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Jan 2016  
 02/17/2016 13:44

Account: GL_ACTG_SEC Business Unit: SEGMENT CONS	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016	YTD Jan 2016
09B V2016-01--				
Layout: GLS8216				
Kentucky Power Int Consol GLS8216	5,842,176	1,501,810	3,891,536	448,830
Kentucky Power Company - 110	1,477,266,239	398,963,801	777,894,247	300,408,192
Kentucky Power Company - Generation 117				
Kentucky Power Company - 180				
Other Non-Current Liabilities				
<b>TOTAL NON-CURRENT LIABILITIES</b>				
<b>TOTAL LIABILITIES</b>	1,691,771,805	540,538,425	974,156,812	237,933,597
Cumulative Pref Stocks of Subs - Not subject Mand Roder	0	0	0	0
Minority Interest - Deferred Credits	0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>				
Common Stock	50,450,000	22,404,049	10,287,603	17,758,348
Paid In Capital	527,309,077	106,025,371	337,243,870	84,039,936
Premium on Capital Stock	0	0	0	0
Retained Earnings	88,887,655	43,840,397	(69,096,042)	124,143,300
Accumulated Other Comprehensive Income (Loss)	(1,840,440)	(28,068)	(1,591,954)	(20,418)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	675,006,292	172,241,749	276,843,477	225,921,066
Memo: Total Equity	675,006,292	172,241,749	276,843,477	225,921,066
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,366,778,097	712,780,174	1,251,000,289	463,854,662
out-of-balance	(0)	0	0	(0)

Reserved Section

GLR7210V 02/09/17 12:52

UTILITY PLANT	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
101106 GENERATION	1,192,066,666.99	2,779,708.03	(378,939.98)	0.00	0.00	1,194,467,435.04
<b>TOTAL PRODUCTION</b>	<b>1,192,066,666.99</b>	<b>2,779,708.03</b>	<b>(378,939.98)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,194,467,435.04</b>
101106 TRANSMISSION	571,491,735.87	326,852.01	(68,188.94)	0.00	326,566.32	572,076,965.26
101106 DISTRIBUTION	829,215,623.28	3,632,130.74	(793,523.57)	0.00	(326,566.32)	831,727,664.13
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,592,774,026.14</b>	<b>6,738,690.78</b>	<b>(1,240,652.49)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,598,272,064.43</b>
1011001/12 CAPITAL LEASES	5,546,537.99	0.00	0.00	16,247.61	0.00	5,562,785.60
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,598,320,564.13</b>	<b>6,738,690.78</b>	<b>(1,240,652.49)</b>	<b>16,247.61</b>	<b>0.00</b>	<b>2,603,834,850.03</b>
1050001 PLANT HELD FOR FUTURE USE	6,303,503.75	0.00	0.00	0.00	0.00	6,303,503.75
<b>107000X CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	27,379,768.69					
107000X ADDITIONS		4,260,321.62				
107000X TRANSFERS		(6,738,690.78)				
107000X END. BAL.		(2,478,369.16)				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,632,003,836.57</b>	<b>4,260,321.62</b>	<b>(1,240,652.49)</b>	<b>16,247.61</b>	<b>0.00</b>	<b>2,635,039,753.31</b>
<b>NONUTILITY PLANT</b>						
1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

Preparer - PSnVision Report GLR7210V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GLS8216 & PowerPlant Asset Rpt 1042



ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
YEAR TO DATE - January, 2017

02/09/17 11:01

GLR7410V

UTILITY PLANT	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
<b>NUCLEAR</b>						
1080001/11 OTHER DECOMMISSIONING COSTS					0.00	0.00
1080009/10 DECOMMISSIONING COSTS					0.00	0.00
<b>TOTAL NUCLEAR</b>					0.00	
1080001/11 PRODUCTION	422,375,068.65	3,052,797.90	(378,939.98)	0.00	0.00	425,048,926.57
1080001/11 TRANSMISSION	188,892,957.00	1,273,655.58	(68,188.94)	(1,188.16)	35,406.10	190,132,641.58
1080001/11 DISTRIBUTION	238,500,483.67	2,418,229.78	(793,523.57)	(133,737.60)	(35,406.10)	239,956,046.18
1080013 PRODUCTION	(2,230,496.61)	0.00	0.00	0.00	(23,937.69)	(2,254,434.30)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(55,039.99)	0.00	0.00	0.00	(816.24)	(55,856.23)
RETIREMENT WORK IN PROGRESS	(3,550,868.53)	0.00	0.00	1,591,794.44	134,925.76	(1,824,148.33)
<b>TOTAL (108X accounts)</b>	<b>843,932,104.20</b>	<b>6,744,663.26</b>	<b>(1,240,652.49)</b>	<b>1,456,868.68</b>	<b>110,171.83</b>	<b>851,003,175.48</b>
<b>NUCLEAR</b>						
1110001 PRODUCTION	2,630,748.11	106,592.20	0.00	0.00	0.00	2,737,340.31
1110001 TRANSMISSION	2,091,522.37	64,801.48	0.00	0.00	0.00	2,156,323.85
1110001 DISTRIBUTION	6,558,624.40	162,641.23	0.00	0.00	0.00	6,721,265.63
<b>TOTAL (111X accounts)</b>	<b>11,280,894.88</b>	<b>334,034.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11,614,929.79</b>
1011006 CAPITAL LEASES	2,858,470.98	0.00	0.00	0.00	53,434.06	2,911,905.04
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ACCUM DEPR &amp; AMORT.</b>	<b>858,071,470.06</b>	<b>7,078,718.17</b>	<b>(1,240,652.49)</b>	<b>1,456,868.68</b>	<b>163,605.89</b>	<b>865,530,010.31</b>
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonull Prop-Ownd	234,964.91	555.81	0.00	0.00	0.00	235,520.72
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
<b>TOTAL NONUTILITY PLANT</b>	<b>234,983.78</b>	<b>555.81</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>235,539.59</b>

Preparer - PSnVision Report GLR7410V  
Reviewer - Debbi Doyle - Prop Acctg Canton  
Sources - PS GLS8216 & PowerPlant Depr Rpt 1936



American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215-2373  
AEP.com

March 20, 2017

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Please find enclosed February 2017 Financial Report pages for Kentucky Power Company consisting of the following:

Income Statement:

1-9	Income Statement
1-3	Details of Operating Revenues
4-8	Operating Expenses – Functional Expenses
9	Detail Statement of Taxes

Balance Sheet:

10	Balance Sheet – Assets & Other Debits
10-11	Balance Sheet – Liabilities & Other Credits
11-12	Deferred Credits
12	Statement of Retained Earnings

Utility Property:

13-14	Electric Property & Accum Prov for Depr & Amrtz
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Sincerely,

A handwritten signature in blue ink that reads 'Jerri L. Ruggiero'.

Jerri L Ruggiero  
Manager –Regulated Accounting

American Electric Power

INCOME STATEMENT

GLS8016  
 YTD Feb 2017  
 02/08/2017 17:32

Account: GL_ACCT_SEC	Business Unit: SEGMENT_CONS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
		GLS8016 Actual	YTD Feb 2017	110 Actual	YTD Feb 2017	117 Actual	YTD Feb 2017	180 Actual	YTD Feb 2017
<b>REVENUES</b>									
4400001	Residential Sales-MSOpen Hg	24,322,734	24,322,734	0	0	0	0	0	0
4400002	Residential Sales-WO Space Yr	9,447,230	9,447,230	0	0	0	0	0	0
4400005	Residential Fuel Rev	11,026,055	11,026,055	0	0	0	0	0	0
A	Revenue - Residential Sales	44,796,018	44,796,018	0	0	0	0	0	0
4420001	Commercial Sales	12,887,414	12,887,414	0	0	0	0	0	0
4420000	Sales to Pub Auth - Schools	2,267,592	2,267,592	0	0	0	0	0	0
4420007	Sales to Pub Auth - Ex Schools	2,472,194	2,472,194	0	0	0	0	0	0
4420013	Commercial Fuel Rev	5,536,377	5,536,377	0	0	0	0	0	0
A	Revenue - Commercial Sales	23,163,576	23,163,576	0	0	0	0	0	0
B	Revenue - Industrial Sales - Affiliated	10,748,050	10,748,050	0	0	0	0	0	0
4420002	Industrial Sales (Excl Mines)	3,694,140	3,694,140	0	0	0	0	0	0
4420004	Industrial Sales (Excl Mines)	11,357,104	11,357,104	0	0	0	0	0	0
4420018	Industrial Fuel Rev	25,789,294	25,789,294	0	0	0	0	0	0
A	Revenue - Industrial Sales - NonAffiliated	0	0	0	0	0	0	0	0
A	Revenue - Industrial Sales	10,748,050	10,748,050	0	0	0	0	0	0
A	Revenue - Gas Products Sales	0	0	0	0	0	0	0	0
A	Revenue - Gas Transportation & Storage Sales	0	0	0	0	0	0	0	0
B	Revenue - Gas Transportation & Storage Sales - Affiliated	0	0	0	0	0	0	0	0
4460000	Public Street/Highway Lighting	270,078	270,078	0	0	0	0	0	0
4460002	Public St & Hwy Light Fuel Rev	57,214	57,214	0	0	0	0	0	0
A	Revenue - Other Retail Sales	327,292	327,292	0	0	0	0	0	0
B	Revenue - Other Retail Sales - Affiliated	0	0	0	0	0	0	0	0
A	Revenue - Retail Sales	94,076,181	94,076,181	0	0	0	0	0	0
4560000	On Elec Rv-Trn-Aff-Tml Price	0	0	0	0	0	0	0	5,414,400
4561033	PJM NTS Revenue - Affiliated	6,825,818	6,825,818	0	0	0	0	0	6,825,818
4561034	PJM TO Adm Serv Rev - Aff	126,802	126,802	0	0	0	0	0	126,802
4561035	PJM Affiliated Trans NTS Cost	(5,625,340)	(5,625,340)	0	0	0	0	0	0
4561036	PJM Affiliated Trans TO Cost	(88,983)	(88,983)	0	0	0	0	0	0
4561039	Aff PJM Trans Enhancement Rev	191,539	191,539	0	0	0	0	0	191,539
4561050	Aff PJM Trans Enhancement Cost	(155,571)	(155,571)	0	0	0	0	0	0
B	Revenue - Transmission-Affiliated	1,364,166	1,364,166	0	0	0	0	0	12,858,459
4470150	Transm. Rev-Dodr. Wholesale	14,290	14,290	0	0	0	0	0	153,856
4470206	PJM Trans loss credits-OSS	(87,308)	(87,308)	0	0	0	0	0	0
4561002	RTD Formation Cost Recovery	3,371	(20,284)	0	0	0	0	0	23,665
4561005	PJM Point to Point Trans Svc	86,788	86,788	0	0	0	0	0	0
4561006	PJM Trans Owner Adm Rev	22,241	22,241	0	0	0	0	0	22,241
4561007	PJM Network Inrg Trans Svc	813,283	813,283	0	0	0	0	0	813,283
4561019	On Elec Rev Trans Non Aff	9,362	9,362	0	0	0	0	0	9,362
4561028	PJM Pow Fnc Ctr Riv Wth Co-NA	172	172	0	0	0	0	0	172
4561029	PJM NTS Revenue Wtd Cus-NAF	404,540	404,540	0	0	0	0	0	404,540
4561030	PJM TO Serv Rev Wth Cus-NAF	7,049	7,049	0	0	0	0	0	7,049
4561058	NonAff PJM Trans Enhancm Rev	454,253	454,253	0	0	0	0	0	454,253
4561061	NAF PJM RTEP Rev for Vehicl FR	11,188	11,188	0	0	0	0	0	11,188
A	Revenue - Transmission-NonAffiliated	1,764,144	1,764,144	0	0	0	0	0	1,899,808
B	Revenue - Transmission	3,118,308	3,118,308	0	0	0	0	0	14,658,067
4470006	Revenue - Resale-Affiliated	972,028	972,028	0	0	0	0	0	0
4470010	Sales for Resale-Bookout Purch	(654,907)	(654,907)	0	0	0	0	0	0
4470027	Whse/Manuf/PO Ath Fuel Rev	431,165	431,165	0	0	0	0	0	0
4470033	Whse/Manuf/Pub Auth Base Rev	617,655	617,655	0	0	0	0	0	0
4470062	Financial Electric Realized	(506,893)	(506,893)	0	0	0	0	0	0
4470088	PJM Energy Sales Mgrnt	192,440	192,440	0	0	0	0	0	0
4470098	PJM Oper Revenue Rev-OSS	(15,088)	(15,088)	0	0	0	0	0	0
4470099	Capacity Cr Net Sales	461,299	461,299	0	0	0	0	0	0
4470100	PJM FTR Revenue-OSS	43,461	43,461	0	0	0	0	0	0
4470103	PJM Energy Sales Cost	2,401,962	2,401,962	0	0	0	0	0	0
4470107	PJM NTS Purch-NonAff	(0)	(0)	0	0	0	0	0	0
4470110	PJM TO Adm Exp-NonAff	(0)	(0)	0	0	0	0	0	0
4470112	Non-Trading Bookout Sales-OSS	98,494	98,494	0	0	0	0	0	0
4470115	PJM Meter Contractors-OSS	29,388	29,388	0	0	0	0	0	0
4470119	PJM Meter Contractors-LEE	262,548	262,548	0	0	0	0	0	0
4470126	PJM Incremental Imp Comp-OSS	(89,525)	(89,525)	0	0	0	0	0	0
4470131	Non-Trading Bookout Purch-OSS	(75,641)	(75,641)	0	0	0	0	0	0
4470143	Financial Hedge Realized	189,236	189,236	0	0	0	0	0	0
4470175	OSS Sharing Recasts - Retail	(1,993,939)	(1,993,939)	0	0	0	0	0	0
4470176	OSS Sharing Recasts-Reducton	1,993,939	1,993,939	0	0	0	0	0	0

**INCOME STATEMENT**

American Electric Power

GLS8016  
 YTD Feb 2017  
 02/02/2017 17:32

Account GL	ACTY SEC	Business Units - SEGMENT - COGS	Kentucky Power Int Conso		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
			GLS8016 Actual	110 Actual	117 Actual	180 Actual	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
4470214		PJM 30m Supp Reserve CR OSS	(48,393)	0	0	0	(48,393)	0	0	0
4470215		PJM 30m Supp Reserve CH OSS	2,757	0	0	0	2,757	0	0	0
4470220		PJM Regulation - OSS	(19,863)	0	0	0	(19,863)	0	0	0
4470221		PJM Spinning Reserve - OSS	(3,594)	0	0	0	(3,594)	0	0	0
4470222		PJM Reserve - OSS	(301,929)	0	0	0	(301,929)	0	0	0
3550080		PJM Heavy Met Purch-FERC	(1,201,690)	0	0	0	(1,201,690)	0	0	0
		<b>Revenue - Resale-NonAffiliated</b>	<b>2,784,946</b>	-	-	-	<b>2,784,946</b>	-	-	-
		<b>Revenue - Resale-Realized</b>	-	-	-	-	-	-	-	-
		<b>Revenue - Resale-Risk Mgmt MTM</b>	-	-	-	-	-	-	-	-
		<b>Revenue - Resale-Risk Mgmt Activities</b>	-	-	-	-	-	-	-	-
		<b>Revenue - Sales for Resale</b>	-	-	-	-	-	-	-	-
4470074		Sale for Resale-AS-Tier Price	2,784,946	0	0	0	2,784,946	0	0	0
4540001		Rent From Elect Property - Aff	322,432	141,659	0	0	69,428,565	60,153	0	0
4560001		Other Elect Rev - Affiliated	7,044	0	0	0	7,044	0	0	0
		<b>Revenue - Other Ele-Affiliated</b>	<b>329,477</b>	<b>141,659</b>	<b>0</b>	<b>0</b>	<b>69,433,609</b>	<b>60,153</b>	<b>0</b>	<b>0</b>
4500000		Forbidden Discounts	808,564	0	0	0	0	0	0	0
4510001		Mac Services Rev - NonAff	117,148	114,889	0	0	0	2,259	0	0
4510002		Rent From Elect Property-MAC	2,200	300	0	0	1,000	0	0	0
4540005		Rent from Elec Prop-Pole Atch	895,416	835,416	0	0	0	0	0	0
4560007		Other Elect Rev - DSM Program	3,137,551	3,137,551	0	0	0	0	0	0
		<b>Revenue - Other Ele-NonAffiliated</b>	<b>6,000,878</b>	<b>4,896,719</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>3,159</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Gas</b>	-	-	-	-	-	-	-	-
4118010		Emerson Allow KY Env Surch	(6,463)	0	0	0	(6,463)	0	0	0
		<b>Gain/(Loss) on Allowances</b>	<b>(6,463)</b>	<b>(6,463)</b>	<b>0</b>	<b>0</b>	<b>(6,463)</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Other Ele-NonAffiliated</b>	<b>4,994,416</b>	<b>4,890,256</b>	<b>0</b>	<b>0</b>	<b>6,138,148</b>	<b>3,159</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Other Opr Electric</b>	<b>5,123,892</b>	<b>5,123,892</b>	<b>0</b>	<b>0</b>	<b>6,138,148</b>	<b>63,312</b>	<b>0</b>	<b>0</b>
		<b>Revenue Merchandising &amp; Contract Work</b>	-	-	-	-	-	-	-	-
		<b>Revenues Non-Utility Operations - Affiliated</b>	-	-	-	-	-	-	-	-
4170004		Rev from Non-Util Oper-NonAff	31,563	31,563	0	0	0	0	0	0
		<b>Revenues Non-Utility Operations - Non-Affiliated</b>	<b>31,563</b>	<b>31,563</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Revenues from Non-Utility Operations</b>	<b>31,563</b>	<b>31,563</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Non-Operating Rental Income - Affiliated</b>	-	-	-	-	-	-	-	-
4180001		Non-Operating Rental Income	5,250	5,000	0	0	250	0	0	0
4180003		Non-Operating Rental Income	(900)	(900)	0	0	(900)	0	0	0
4180005		Non-Operating Rental Inc-Misc	(1,112)	0	0	0	0	0	0	0
		<b>Non-Operating Rental Income - Non-Affiliated</b>	<b>3,239</b>	<b>3,239</b>	<b>0</b>	<b>0</b>	<b>(650)</b>	<b>(1,112)</b>	<b>0</b>	<b>0</b>
		<b>Non-Operating Misc Income - Affiliated</b>	-	-	-	-	-	-	-	-
4210002		Mac Non-Op Inc-NonAff-Rent	254	107	0	0	85	61	0	0
4210005		Mac Non-Op Inc-NonAff-Timber	3,018	0	0	0	3,018	0	0	0
4210007		Mac Non-Op Inc - NonAff - Oth	72,075	112	0	0	71,963	0	0	0
		<b>Non-Operating Misc Income - Non-Affiliated</b>	<b>75,346</b>	<b>219</b>	<b>0</b>	<b>0</b>	<b>75,066</b>	<b>61</b>	<b>0</b>	<b>0</b>
4540004		Rent From Elect Prop-ASD-Nonaff	6,084	6,084	0	0	0	0	0	0
4580015		Other Electric Revenues - ASD	25,608	25,608	0	0	0	0	0	0
		<b>Associated Business Development Income</b>	<b>31,892</b>	<b>31,892</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Other Opr - Other</b>	<b>141,839</b>	<b>89,474</b>	<b>0</b>	<b>0</b>	<b>74,416</b>	<b>(1,050)</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Other Opr - Other</b>	<b>141,839</b>	<b>89,474</b>	<b>0</b>	<b>0</b>	<b>74,416</b>	<b>(1,050)</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Other Operating</b>	<b>5,265,731</b>	<b>6,206,862</b>	<b>0</b>	<b>0</b>	<b>68,502,552</b>	<b>63,262</b>	<b>0</b>	<b>0</b>
4491002		Prov Rate Refund-NonAffiliated	(349,310)	0	0	0	(349,310)	0	0	0
4491003		Prov Rate Refund - Retail	18,254	0	0	0	18,254	0	0	0
4491004		Prov Rate Refund - Wholesale	(331,067)	0	0	0	(331,067)	0	0	0
		<b>Provision for Rate Refund - Affiliated</b>	<b>167,193</b>	<b>167,193</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Provision for Rate Refund</b>	<b>(173,864)</b>	<b>(173,864)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Revenue - Power Sales</b>	<b>105,071,303</b>	<b>99,283,033</b>	<b>0</b>	<b>0</b>	<b>66,262,150</b>	<b>14,446,466</b>	<b>12,875,805</b>	<b>1,571,711</b>
		<b>TOTAL OPERATING REVENUES</b>	<b>105,071,303</b>	<b>99,283,033</b>	<b>0</b>	<b>0</b>	<b>66,262,150</b>	<b>14,446,466</b>	<b>12,875,805</b>	<b>1,571,711</b>
		<b>Memo: GTTD Revenue</b>	<b>103,276,629</b>	<b>99,072,900</b>	<b>0</b>	<b>0</b>	<b>2,634,019</b>	<b>12,875,805</b>	<b>1,571,711</b>	<b>0</b>
		<b>Memo: Other Affiliated Revenue</b>	<b>1,650,834</b>	<b>141,659</b>	<b>0</b>	<b>0</b>	<b>63,553,716</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Memo: Revenue-Oth Opr-Oth Aff</b>	<b>141,839</b>	<b>89,474</b>	<b>0</b>	<b>0</b>	<b>74,416</b>	<b>(1,050)</b>	<b>0</b>	<b>0</b>
		<b>Memo: Revenue-Oth Opr-Oth Non</b>	<b>105,071,303</b>	<b>99,283,033</b>	<b>0</b>	<b>0</b>	<b>66,262,150</b>	<b>14,446,466</b>	<b>12,875,805</b>	<b>1,571,711</b>
		<b>Memo: Affiliated Revenue</b>	<b>103,420,469</b>	<b>99,141,374</b>	<b>0</b>	<b>0</b>	<b>2,708,435</b>	<b>1,571,711</b>	<b>0</b>	<b>0</b>
		<b>Memo: Total Operating Revenues</b>	<b>105,071,303</b>	<b>99,283,033</b>	<b>0</b>	<b>0</b>	<b>66,262,150</b>	<b>14,446,466</b>	<b>12,875,805</b>	<b>1,571,711</b>

EUEXPENSES

American Electric Power

INCOME STATEMENT

GLS8016 YTD Feb 2017 02/02/2017 17:37	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Feb 2017 Actual	110 Actual	YTD Feb 2017 Actual	117 Actual	YTD Feb 2017 Actual	180 Actual	YTD Feb 2017 Actual
088 V2017-02-28	Layout: GLS8016							
	Accounts: GL_ACT1_SEC Business Units: SEGMENT_CONS							
5010000	Fuel	492,541	2	492,538	1	492,538	1	492,538
5010001	Fuel Consumed	9,440,537	0	9,440,537	0	9,440,537	0	9,440,537
5010003	Fuel - Pricure Unload & Handle	417,751	0	417,751	0	417,751	0	417,751
5010012	Ash Sales Proceeds	(1,606)	0	(1,606)	0	(1,606)	0	(1,606)
5010016	Fuel Oil Consumed	505,254	0	505,254	0	505,254	0	505,254
5010020	Net Gas Consumed Stream	1,466,028	0	1,466,028	0	1,466,028	0	1,466,028
5010027	Gypsum handling/ disposal costs	77,432	0	77,432	0	77,432	0	77,432
5010028	Gypsum Sales Proceeds	(144,366)	0	(144,366)	0	(144,366)	0	(144,366)
5010034	Gas Tramp Fee Fee-Stream	1,036,440	0	1,036,440	0	1,036,440	0	1,036,440
5010035	Fuel Expense Total	13,289,989	2	13,289,989	2	13,289,989	2	13,289,989
	Fuel - Deferred	(1,100,695)	0	(1,100,695)	0	(1,100,695)	0	(1,100,695)
	Fuel from Affiliates for Electric Generation	(1,100,695)	-	(1,100,695)	-	(1,100,695)	-	(1,100,695)
	Over Under Fuel Expense	12,189,293	2	12,189,293	2	12,189,293	2	12,189,293
5060000	Allow Consum Title IV SO2	48,685	0	48,685	0	48,685	0	48,685
5060009	Allow Consumt CSAPR SO2	617	0	617	0	617	0	617
5060014	Environmental OverUnder O&M E	1,209	0	1,209	0	1,209	0	1,209
5020002	Allowances - Consumption	60,611	0	60,611	0	60,611	0	60,611
5020003	Lease Expense	96,261	0	96,261	0	96,261	0	96,261
5020004	Trans Expense	53,538	0	53,538	0	53,538	0	53,538
5020005	Limestone Expense	382,902	0	382,902	0	382,902	0	382,902
5020007	Polymat expense	19,920	0	19,920	0	19,920	0	19,920
5020015	Lime Hydrate Expense	2,024	0	2,024	0	2,024	0	2,024
	Environmental OverUnder Consu	815,577	0	815,577	0	815,577	0	815,577
	Emissions Control - Chemicals	1,370,222	0	1,370,222	0	1,370,222	0	1,370,222
	Total Fuel for Electric Generation	13,610,029	2	13,610,028	2	13,610,028	2	13,610,028
	Memo: NonAff Fuel/allow/Emissions	13,610,029	2	13,610,028	2	13,610,028	2	13,610,028
5550027	Purch Per-Non-Fuel Proton-Aff	8,787,121	0	8,787,121	0	8,787,121	0	8,787,121
5550029	Purch Power-Aesco-Triall Price	0	0	0	0	0	0	0
5550046	Purch Power-Fuel Portion-Aff	7,927,606	0	7,927,606	0	7,927,606	0	7,927,606
	Purchased Electricity from AEP - Affiliates	16,714,727	0	16,714,727	0	16,714,727	0	16,714,727
	Purchased Power	4	0	4	0	4	0	4
5550000	Purch Per-NonTrading Nonnuclear	9,245,083	0	9,245,083	0	9,245,083	0	9,245,083
5550001	Gas-Conversion-Mona Plant	(12)	0	(12)	0	(12)	0	(12)
5550032	PJM Investment Mtr Res-DSS	(904)	0	(904)	0	(904)	0	(904)
5550038	PJM Investment Mtr Res-LSE	(13,428)	0	(13,428)	0	(13,428)	0	(13,428)
5550040	PJM Investment Mtr Res-LSE	287,219	0	287,219	0	287,219	0	287,219
5550074	PJM Reactive-Charge	(541,075)	0	(541,075)	0	(541,075)	0	(541,075)
5550075	PJM Reactive-Credit	109,717	0	109,717	0	109,717	0	109,717
5550076	PJM Short Start-Charge	98,146	0	98,146	0	98,146	0	98,146
5550078	PJM Regulation-Charge	(54,828)	0	(54,828)	0	(54,828)	0	(54,828)
5550079	PJM Regulation-Credit	41,485	0	41,485	0	41,485	0	41,485
5550083	PJM Spinning Reserve-Charge	(8,273)	0	(8,273)	0	(8,273)	0	(8,273)
5550084	PJM Spinning Reserve-Credit	114	0	114	0	114	0	114
5550090	PJM 30th Supp Resv Charge LSE	(3)	0	(3)	0	(3)	0	(3)
5550099	PJM Purchases-Non-ECR-Auction	98,875	0	98,875	0	98,875	0	98,875
5550123	PJM OpRes-LSE-Charge	425,336	0	425,336	0	425,336	0	425,336
5550124	PJM Implicit Congestion-LSE	(529,263)	0	(529,263)	0	(529,263)	0	(529,263)
5550132	PJM FTR Revenue-LSE	(59,483)	0	(59,483)	0	(59,483)	0	(59,483)
5550137	PJM OpRes-LSE-Credit	(51,714)	0	(51,714)	0	(51,714)	0	(51,714)
5550141	Purchase Power-PPA Deferred	186,344	0	186,344	0	186,344	0	186,344
5550142	BY-OR PJM OverUnder Recovery	135,029	0	135,029	0	135,029	0	135,029
5550208	PJM Transmission Loss Charges LSE	1,150,772	0	1,150,772	0	1,150,772	0	1,150,772
5550209	PJM Transmission Loss Credits-LSE	(228,718)	0	(228,718)	0	(228,718)	0	(228,718)
5550227	Purchased Electricity for Resale - Non-Affiliated	9,790,428	0	9,790,428	0	9,790,428	0	9,790,428
	Purchased Gas for Resale - Affiliated	-	-	-	-	-	-	-
	Purchased Gas for Resale - Non-Affiliated	-	-	-	-	-	-	-
	Total Purchased Power	28,505,153	0	28,504,904	0	28,504,904	0	28,504,904
	GROSS MARGIN	64,966,121	0	29,856,466	0	28,147,520	0	14,445,916
<b>OPERATING EXPENSES:</b>								
5000000	Oper Supervision & Engineering	803,853	1,579	807,937	0	807,937	0	807,937
5000001	Oper Super & Eng RATA-Aff	16,646	0	16,646	0	16,646	0	16,646
5020000	Steam Expense	191,442	0	191,442	0	191,442	0	191,442
5050000	Electric Expense	1,879	0	1,879	0	1,879	0	1,879
5060000	Misc Steam Power Expense	860,759	80	860,879	80	860,879	80	860,879
5060002	Misc Steam Power Exp-Aesco	7,468	0	7,468	0	7,468	0	7,468

INCOME STATEMENT

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Account: GL_Acct_Sec - Business Unit: SEGMENT_CONS	Kentucky Power Intl Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Feb 2017	110 Actual	YTD Feb 2017	117 Actual	YTD Feb 2017	180 Actual	YTD Feb 2017
5060003 Removal Cost Expense - Slack	(148)							
5060012 BSIOR OIU Recovery-Oper Costs	1,247,343					(150)		
5060013 Environmental Oversight O&M E	185,710				1,247,343			
Steam Generation Op Exp	3,320,987		1,869		185,710			
Nuclear Generation Op Exp					3,318,964			343
Hydro Generation Op Exp								
Other Expenses								
Other Fuel Exp - Wholesale RECs	115,262							
Other Fuel Exp - Voluntary RECs	223,658							
Other Fuel Exp - Voluntary RECs	298							
PJM Admin-NAEMISC-OSS	18							
PJM Admin-NAEMISC-Internal	11,211							
Other Generation Op Exp	183,674				11,211			
Oper Supervision & Engineering	634,122		318		183,674			
Lead Dispatch - Reliability	285,816		613		634,122			
Lead Dispatch - Min/Max Op Trans/Sys	1,001				285,816			262,538
PJM Admin-SSCADS-Internal	83,820				1,001			1,001
Reliability Prog/Sub Develop	13,008				83,820			83,249
PJM Admin-PP&SOS-OSS	202,183				13,008			
PJM Admin-PP&SOS-Internal	11,960				202,183			
Station Expenses - Non-nuclear	6,572				11,960			10,665
Overhead Line Expenses	90,471				6,572			
Transmission Elec by Other NAC	47,823				90,471			30,471
Train Elec by Ch-Off-Tm Price	22,768				47,823			47,823
PJM Trans Enhancement Charge	826,187				22,768			
PJM NTS Expense - Allocated	2,844,818				826,187			
AB PJM Trans Enhancement Exp	1,338,028				2,844,818			
Misc Transmission Expenses	(611,303)				1,338,028			
Rents - Associated	84,607				(611,303)			
Transmission Op Exp	(127,619)				84,607			89,278
Oper Supervision & Engineering	4,931,708				(127,619)			(48,239)
Lead Dispatching	145,207				4,931,708			496,788
Station Expenses	(239)				145,207			2,869
Underground Line Expenses	27,153				(239)			(310)
Street Lighting & Signal Sys E	54,208				27,153			2,026
Meter Expenses	22,816				54,208			87
Customer Installations Exp	38,381				22,816			
Miscellaneous Distribution Exp	184,088				38,381			
Rents - Nonassociated	18,677				183,652			299
Distribution Op Exp	207,225				18,677			
Supervision - Customer Accts	261,500				207,225			2,569
Meter Reading Expenses	11,180				261,500			
Meter Reading - Regular	30,467				11,180			
Meter Reading - Large Power	3,884				30,467			7,669
Cost Records & Collection Exp	59,439				3,884			
Customer Orders & Inquiries	9,184				59,439			15
Misc Billing	64,131				9,184			
Portage - Customer Bils	448,673				64,131			635
Collection Agency Fees & Exp	3,958				448,673			80
Credit & Oth Collection Actn	97,422				3,958			114
Collectors	20,166				97,422			
Data Processing	170,170				20,166			
Unrec'd Accts - Misc Receivable	33,232				170,170			
Misc Customer Accounts Exp	(1,077)				33,232			
Supervision - Customer Services	2,103				(1,077)			
Supervision - DSM	27,039				2,103			4
Customer Assistance Expenses	(132,787)				27,039			(1)
Customer Appearance Exp - DSM - Ind	(0)				(132,787)			(2)
Customer Appearance Exp - DSM	2,482,590				(0)			(5)
Information & Instruct Admns	11,254				2,482,590			(9)
Misc Cust Svc & Info Exp - RCS	6,981				11,254			(0)
Customer Service and Information Op Exp	599				6,981			1,570
	3,682,623				599			341
					3,649,242			0
					10,397			2,884

**INCOME STATEMENT**

American Electric Power

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Account	Layoff GL5818		Kentucky Power Int Council		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	YTD	Feb 2017	YTD	Feb 2017	YTD	Feb 2017	YTD	Feb 2017	YTD	Feb 2017
9110002	43		43							
9120000	3,227		3,227							
9130001	1,348		1,348							
9130000	900		900							
9130001	113		113							
9200000	5,632		5,632							
9200001	845,778		845,778		185,657		185,657		18,301	
9200002	1,552,010		1,552,010		694,994		644,943		212,073	
9200003	212,864		212,864		109,073		86,038		17,758	
9200004	20		20		12		8		0	
9200005	(162,382)		(162,382)		(162,382)		0		(0)	
9200006	(66,034)		(66,034)		(66,034)		0		0	
9200007	(101)		(101)		(101)		0		0	
9200008	243,437		243,437		81,469		126,254		35,714	
9200009	(198,694)		(198,694)		(72,871)		(75,234)		(50,769)	
9200010	120,372		120,372		26,498		78,898		14,979	
9200011	224,757		224,757		139,115		80,817		4,726	
9200012	1,623		1,623		1,623		0		0	
9200013	711		711		374		295		42	
9200014	309,029		309,029		306,313		4,176		(1,460)	
9200015	23,357		23,357		135		23,204		18	
9200016	(34,121)		(34,121)		(32,285)		(1,832)		(4)	
9200017	1,285		1,285		668		619		0	
9200018	3,748		3,748		1,480		1,711		558	
9200019	2,583		2,583		1,186		1,339		38	
9200020	388,892		388,892		258,611		113,236		17,045	
9200021	24,375		24,375		13,804		10,465		75	
9200022	466,384		466,384		271,575		183,674		1,135	
9200023	41,798		41,798		22,732		17,476		1,590	
9200024	37,278		37,278		22,679		14,371		228	
9200025	117		117		52		52		12	
9200026	4,909		4,909		2,339		2,336		234	
9200027	1,894		1,894		1,745		0		149	
9200028	(379,284)		(379,284)		(201,088)		(143,842)		(34,554)	
9200029	255,086		255,086		152,702		101,988		408	
9200030	866		866		866		0		0	
9200031	142		142		142		0		0	
9200032	(152,451)		(152,451)		(131,927)		(20,421)		20	
9200033	(304,315)		(304,315)		(244,223)		(59,888)		(104)	
9200034	(68,873)		(68,873)		(72,833)		(15,988)		(205)	
9200035	109,853		109,853		92,600		16,985		(42)	
9200036	(78,591)		(78,591)		(58,927)		(19,664)		68	
9200037	(79,689)		(79,689)		(62,900)		(16,558)		0	
9200038	36,103		36,103		21,597		11,868		(231)	
9200039	23,440		23,440		0		0		2,639	
9200040	(1)		(1)		(0)		(0)		(0)	
9200041	459,448		459,448		121,230		267,439		70,780	
9200042	5,312		5,312		45		57		5,209	
9200043	922		922		922		0		0	
9200044	5,100		5,100		1,240		3,149		712	
9200045	20		20		5		12		3	
9200046	5,969		5,969		5,969		0		0	
9200047	(954)		(954)		(954)		0		0	
9200048	4,253		4,253		3,456		288		528	
9200049	97,293		97,293		25,501		54,844		17,149	
9200050	7,285		7,285		4,072		2,378		834	
9200051	39		39		39		0		0	
9200052	25,616		25,616		25,616		0		0	
9200053	(5,072)		(5,072)		(5,072)		(2,759)		1,380	
9200054	3,147,881		3,147,881		1,326,095		1,603,054		318,712	
9200055	127,110		127,110		0		127,110		0	
9200056	127,110		127,110		0		127,110		0	
9200057	(990)		(990)		(990)		0		0	
9200058	(890)		(890)		(890)		0		0	
9200059	833		833		833		0		0	
9200060	12,201		12,201		11,538		(828)		1,482	
9200061	13,034		13,034		12,371		(828)		1,482	





American Electric Power

INCOME STATEMENT

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Account GL	ACTY	SEC	Business Units	SEGMENT	CONTS	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
						GLS9016 Actual	YTD Feb 2017	110 Actual	YTD Feb 2017	117 Actual	YTD Feb 2017	180 Actual	YTD Feb 2017
4960001						559,504	322,871	208,520	128,114				
4960001						6,436	0	0	6,436				
4970000						866,940	322,871	208,520	134,560				
4970014						22,874	0	0	22,874				
4970014						590,803	0	590,803	0				
4970014						813,676	0	890,863	22,874				
4980001						1,279,617	322,871	799,322	167,424				
4980001						13,355,195	4,843,725	5,963,471	2,547,997				
4980001						13,365,195	4,843,725	8,963,471	2,547,997				
4980001						37,068	0	37,068	0				
4980001						37,068	0	37,068	0				
4980001						13,382,253	4,843,725	6,000,539	2,547,997				
4980001						14,871,879	5,166,597	8,799,861	2,705,421				
4980001						(14,498)	0	(14,498)	0				
4980001						4,600	0	4,600	0				
4980001						(8,898)	0	(8,898)	0				
4980001						500,094	298,952	202,280	852				
4980001						6,797	5,732	1,038	28				
4980001						22,477	10,543	11,785	48				
4980001						(161,410)	(132,154)	(29,181)	(75)				
4980001						(1,613)	(1,430)	(382)	(1)				
4980001						(3,123)	(2,320)	(802)	(2)				
4980001						383,021	177,424	184,747	860				
4980001						(1)	0	(1)	0				
4980001						968,335	0	968,335	0				
4980001						988,335	0	988,335	0				
4980001						538,611	0	538,611	0				
4980001						1,992,376	1,227,774	56,208	708,394				
4980001						39,884	36,616	1,860	378				
4980001						4,000	4,000	0	0				
4980001						2,576,628	1,288,864	896,709	711,088				
4980001						187,800	187,800	0	0				
4980001						187,800	187,800	0	0				
4980001						1,191	0	1,191	0				
4980001						1,191	0	1,191	0				
4980001						1,421	1,421	0	0				
4980001						1,608	1,608	0	0				
4980001						200	200	0	0				
4980001						3,229	3,229	0	0				
4980001						4,420	4,420	1,191	711,916				
4980001						4,088,305	1,637,305	1,739,084	711,916				
4980001						48,048,351	25,716,645	22,959,638	4,853,845				
4980001						84,183,633	55,146,212	63,084,268	4,864,398				
4980001						16,907,770	4,137,820	3,177,882	9,562,067				
4980001						3,834	3,161	673	0				
4980001						3,834	3,161	673	0				
4980001						10,015	(30,543)	(60,461)	101,019				
4980001						10,015	(30,543)	(60,461)	101,019				
4980001						279,102	530	273,083	5,489				
4980001						279,102	530	273,083	5,489				
4980001						292,981	(26,861)	213,256	166,507				
4980001						127,783	52,056	29,256	46,469				
4980001						127,783	52,056	29,256	46,469				
4980001						72,747	72,747	0	0				

**INCOME STATEMENT**

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	Kentucky Power Int Consol		Kentucky Power Company - Distribution		Kentucky Power Company - Generation		Kentucky Power Company - Transmission	
	GLS8016 Actual	YTD Feb 2017	110 Actual	YTD Feb 2017	117 Actual	YTD Feb 2017	180 Actual	YTD Feb 2017
Interest LTD IPC		72,747		72,747				
Interest LTD Notes Payable - Affiliated								
Interest LTD Notes Payable - NonAffiliated								
Interest LTD Debentures								
Interest LTD Senior Unsecured		7,079,784		2,111,050		3,442,616		1,526,118
Interest LTD Other - AFR		7,079,784		2,111,050		3,442,616		1,526,118
Interest LTD Other - NonAFRI		257,417		76,757		125,171		55,489
Interest on Long-Term Debt		257,417		76,757		125,171		55,489
Interest on Assoc Co - CIP		7,409,949		2,260,854		3,667,787		1,681,807
Interest STD - AFR		949		11,753		30,944		(41,746)
Interest STD - NonAFRI		949		11,753		30,944		(41,746)
Interest on Short Term Debt		161,644		13,475		140,436		7,733
Amort of Debt Disc. Prem & Exp		161,644		13,475		140,436		7,733
Amort Loss on Recquired Debt		182,994		25,228		171,389		(34,016)
Amort Gain on Recquired Debt		5,410		0		5,410		0
Other Interest Expense		22,185		6,615		10,788		4,782
Other Interest - NonAFRI		83,362		27,639		45,398		20,125
Amort of Debt Disc. Prem & Exp		120,867		34,464		81,586		24,807
Amort Loss on Recquired Debt		5,608		1,672		2,727		1,209
Other Interest - Fuel Recovery		5,608		1,672		2,727		1,209
Other Interest Expense		2,726		0		0		2,726
Interest on Customer Deposits		28,401		28,401		0		0
Other Interest - NonAFRI		31,127		28,401		0		2,726
Other Interest Expense - AFR								
Interest Rate Hedge Unrealized (Gain)/Loss		(87,243)		(35,911)		(19,541)		(31,791)
AFUDC-Borrowed Funds		(87,243)		(35,911)		(19,541)		(31,791)
Total Interest Charges		7,842,991		2,314,398		3,783,960		1,644,646
INCOME BEFORE INCOME TAXES and EQUITY EARNINGS		9,685,613		1,849,630		(383,617)		8,209,399
<b>INCOME TAXES and EQUITY EARNINGS</b>								
Income Taxes, UOI - Federal		2,324,777		962,134		(607,959)		1,940,603
Inc Tax, On Inc/Ded-Federal		(1,295,014)		(572,095)		(605,604)		(117,316)
Federal Current Income Tax		1,029,763		430,039		(1,213,563)		1,823,287
Prov Del/UT Un Op Inc-Fed		6,363,216		1,057,545		4,610,706		694,966
Prov Del/UT On Inc - Federal		1,832,782		573,641		921,817		197,105
Prov Del/UT-CI On Inc-Fed		(5,719,399)		(1,503,195)		(3,958,973)		(257,230)
Federal Deferred Income Tax		2,138,976		128,190		1,413,944		694,841
ITC Ag, Utility Oper - Fed		(170)		(70)		(70)		(30)
Federal Investment Tax Credits		(170)		(70)		(70)		(30)
Federal Income Taxes		3,166,668		648,159		200,311		2,418,098
Income Taxes UOI - State		732,747		189,447		120,393		422,907
Inc Tax On Inc Ded - State		(230,578)		(101,952)		(107,828)		(20,686)
State Current Income Tax		502,169		87,495		12,565		402,019
State Deferred Income Tax		(337,899)		(337,899)		0		0
State Investment Tax Credits		164,280		87,585		(325,324)		402,019
Local Current Income Tax								
Local Deferred Income Tax								
Local Investment Tax Credits								
Local Income Taxes								
Foreign Current Income Tax								
Foreign Deferred Income Tax								
Foreign Investment Tax Credits								
Foreign Income Taxes								
Total Income Taxes		3,330,843		635,744		(125,013)		2,820,117
Equity Earnings of Subs		8,964,666		1,212,886		(238,604)		8,380,282
INCOME AFTER INCOME TAXES and EQUITY EARNINGS		6,354,770		1,212,886		(238,604)		5,380,282
Discontinued Operations (Net of Taxes)								
Cumulative Effect of Accounting Changes								
Extraordinary Income / (Expenses)								
NET INCOME		6,354,770		1,212,886		(238,604)		5,380,282

American Electric Power

**INCOME STATEMENT**

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05812017-02-28 Accounts: GL\_ACCT\_SEC Business Unit: SEGMENT\_CONS Layout: GLS8016

	Kentucky Power Int Const GLS8016 Actual	Kentucky Power Company - Distribution 110 Actual	Kentucky Power Company - Generation 117 Actual	Kentucky Power Company - Transmission 180 Actual	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
Minority Interest	-	-	-	-	-	-	-	-
Preferred Stock Dividend Subs	-	-	-	-	-	-	-	-
Earnings to Common Shareholders	5,354,665	1,212,886	(238,604)	5,380,282	5,354,665	1,212,886	(238,604)	5,380,282
<b>NET INCOME (LOSS) MODE before PS</b>	5,354,665	1,212,886	(238,604)	5,390,282	5,354,665	1,212,886	(238,604)	5,390,282
Double Check on Net Income Mode after PS	0	(0)	0	-	0	(0)	0	-

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Feb 2017  
 03/02/2017 12.37

09B V2017-02- Layout: GLS8216 Account: GL\_Acct\_SEC Business Unit: SEGMENT\_CONS

	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>ASSETS</b>				
Cash and Cash Equivalents	1,142,465	1,142,465	0	0
Other Cash Deposits	8,943	4,769	4,173	0
Customers	16,046,900	14,046,900	1,573,159	564,618
Accrued Unbilled Revenues	(3,563,553)	(3,563,553)	0	0
Miscellaneous Accounts Receivable	20,829,281	8,426,692	56,689,757	7,416,083
Allowances for Uncollectible Accounts	(65,680)	(57,105)	0	(8,574)
Accounts Receivable	33,384,725	18,852,933	58,262,915	7,972,128
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	45,282,869	2,072,862	42,853,062	356,945
Risk Management Contracts - Current	142,831	(53,733)	196,564	0
Margin Deposits	1,635,342	103,547	1,531,795	0
Unrecovered Fuel - Current	3,607,714	0	3,607,714	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	2,165,696	1,352,969	766,529	46,198
<b>TOTAL CURRENT ASSETS</b>	<b>87,370,584</b>	<b>23,475,813</b>	<b>107,222,752</b>	<b>8,375,271</b>
Electric Production	1,184,370,026	837,026,004	1,202,880,028	572,317,292
Electric Transmission	575,197,376	0	0	0
Electric Distribution	787,504,045	0	0	0
General Property, Plant and Equipment	87,983,830	199,571	1,461,903	1,160,479
Construction Work-in-Progress	27,165,803	10,218,174	7,188,018	9,757,611
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,642,221,080</b>	<b>847,444,749</b>	<b>1,211,540,949</b>	<b>583,236,382</b>
less: Accumulated Depreciation and Amortization	(888,733,181)	(268,023,684)	(427,681,604)	(193,027,893)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,753,487,899</b>	<b>579,421,065</b>	<b>783,859,345</b>	<b>390,207,489</b>
Net Regulatory Assets	550,292,114	117,909,928	376,843,804	56,538,384
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	(75,902)	0	(75,902)	0
Employee Benefits and Pension Assets	6,303,665	2,529,540	3,598,936	175,189
Other Non Current Assets	15,154,487	5,888,214	4,712,670	3,555,604
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>571,674,364</b>	<b>127,325,680</b>	<b>385,079,508</b>	<b>59,269,177</b>
<b>TOTAL ASSETS</b>	<b>2,412,532,848</b>	<b>730,222,557</b>	<b>1,276,161,605</b>	<b>457,851,937</b>

	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
	Kentucky Power Int Consol GLS8216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
<b>LIABILITIES</b>				
Accounts Payable	49,165,147	55,511,920	42,430,847	2,925,930
Advances from Affiliates	1,022,872	18,161,180	71,138,810	(88,277,119)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	350,000,000	95,908,500	223,034,500	70,057,000
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	212,642	0	212,642	0
Accrued Taxes	22,973,448	12,449,304	(2,010,258)	12,534,401
Memo: Property Taxes	18,586,046	9,784,490	3,510,911	5,290,644
Accrued Interest	14,983,366	4,469,785	7,281,418	3,212,163
Risk Management Collateral	175,794	77,504	98,290	0
Utility Customer Deposits	26,917,350	26,917,350	0	0
Deposits - Customer and Collateral	27,083,145	26,994,855	88,290	0
Over-Recovered Fuel Costs - Current	0	0	0	0
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	928,898	443,015	460,091	25,792
Tax Collections Payable	2,363,221	2,283,578	79,520	123
Revenue Refunds - Accrued	1,401,554	0	228,251	1,173,402
Accrued Rents - Rockport	0	0	0	0
Accrued - Payroll	1,999,763	874,121	1,122,873	2,769
Accrued Rents	(15,889)	(15,889)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GL58216  
YTD Feb 2017  
03/08/2017 12:37

Account GL_Acct_SEC	Business Unit: SEGMENT_CONS	Layout: GL58216	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
08B V2017-02-			Kentucky Power Int Consol GL58216	Kentucky Power Company - 110	Kentucky Power Company - Generation 117	Kentucky Power Company - 180
2300002	Accrued ICP		7,534,471	3,830,842	3,693,666	9,963
2420088	Accrued Vacations		5,036,092	2,305,313	2,724,896	5,883
2420542	Misc Employee Benefits		998,385	344,660	626,702	27,023
24205217	Payroll Deductions		157,901	77,944	79,951	206
2420643	Severance / SEI		851,650	139,375	712,285	0
2420700	Accrued Workers Compensation		234,157	75,284	148,102	10,771
2530050	Customer Advance Receipts		1,722,175	0	1,722,175	0
2530112	Customer Advance		1,722,175	1,722,175	0	0
2530124	Control Cash Disburse Account		4,129,766	4,129,766	0	0
2530177	Control Cash Disbursement Account		4,129,766	4,129,766	0	0
	JMG Liability		0	0	0	0
2420002	ARO - Current		16,336,962	16,336,962	0	0
2420088	Econ. Development Fund Curr		667,506	334,559	352,947	0
2420512	Unclaimed Funds		5,200	5,200	0	0
2420542	Acc Cash Franchise Req		85,145	85,145	0	0
24205217	Sales Use Tax - Leased Equip		7,946	7,865	27	34
2420643	Accrued Audit Fees		72,633	22,478	36,589	13,866
2420700	Federal Mitigation Accru (NSR)		554,328	0	554,328	0
2530050	Quality of Service		8,628	0	8,628	0
2530112	Deferred Rev - Pole Attachments		(8,059)	(8,059)	0	0
2530124	Other Deferred Credits-Curr		4,131	3,869	462	0
2530177	Cont. In Aid of Const Advance		98,374	98,374	0	0
	Deferred Rev-Bonus Lease Curr		431,564	0	431,564	0
	Misc Current and Accrued Liabilities		18,283,653	548,250	17,721,503	13,900
	Current Other and Accrued Liabilities		16,315,420	16,315,420	27,137,550	1,244,040
	Other Current Liabilities		45,625,909	18,758,436	27,597,641	1,269,832
	<b>TOTAL CURRENT LIABILITIES</b>		<b>551,066,528</b>	<b>231,253,680</b>	<b>389,783,891</b>	<b>1,722,208</b>
2440002	Long-Term Debt - Affiliated		0	0	0	0
2440022	Long-Term Debt - Non Affiliated		477,367,969	142,526,274	231,806,737	103,034,988
	Long-Term Debt - Premiums and Discounts Unamort		(83,363)	(24,957)	(40,638)	(17,969)
	Memo - LTD Non-Affiliated and Premiums		-477,284,606	-142,501,417	-231,766,201	-103,016,989
	Long-Term Risk Management Liabilities - Hedge		0	0	0	0
	LT Unreal Losses - Non ARI		67,892	0	67,892	0
	LT Liability MTM Collateral		(174,011)	0	(174,011)	0
	Long-Term Risk Management Liabilities - MTM		(106,119)	0	(106,119)	0
	Long-Term Risk Management Liabilities		(106,119)	0	(106,119)	0
	Deferred Income Taxes		668,882,008	180,963,842	345,724,166	132,184,001
	Deferred Investment Tax Credits		1,250	517	520	214
	Regulatory Liabilities and Deferred Credits		(17,157,835)	(19,266,903)	1,901,168	206,910
	Memo - Reg Liab and Def ITC		(17,156,585)	(19,265,386)	1,901,677	207,123
	Asset Retirement Obligation		46,106,996	73,084	46,032,913	0
	Nuclear Decommissioning		0	0	0	0
	Employee Benefits and Pension Obligations		15,105,033	12,184,517	998,731	1,921,788
	Trust Preferred Securities		0	0	0	0
	Cumulative Preferred Stocks of Subs - Mandatory Rede		0	0	0	0
	Obligations Under Capital Leases		1,691,595	899,739	771,654	26,201
	Def Credits - Income Tax		505,649	195,547	272,406	37,896
	Def Credits - NSR		1,110,644	0	1,110,644	0
	Federal Mitigation Deferral(NSR)		159,526	159,526	0	0
	Customer Advances for Construction		0	0	0	0
	Def Gain on Sale/Leaseback		0	0	0	0
	Deferred Gain on Sale and Leaseback - Rockport		0	0	0	0
	Def Gain on Disp of Utility Plant		0	0	0	0
	Other Deferred Credits		14,036	0	14,036	0
	Allowances		298,475	0	6,484	298,475
	IPP - System Upgrade Credits		133,189	133,189	0	0
	Fbr Opt Lns-In Kind Sv-Defd Gas		60,247	0	60,247	0
	Fbr Opt Lns-Sold-Defd Rev		503,482	0	503,482	60,247
	Deferred Rev-Bonus Lease NC		1,015,923	133,189	503,482	372,758
	Def Credits - Other		1,175,448	292,715	509,976	372,758
	Total Other Deferred Credits		745,976	0	745,976	745,976
	Accumulated Provisions - Rate Refund		0	0	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GLS8216  
YTD Feb 2017  
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Account: GL_Acct_SEC	Business Unit: REGULSERV_CONS	Layout: GLSM218	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017	YTD Feb 2017
Kentucky Power Int Consol	GLS8216					
Kentucky Power Company - Generation				117		
Kentucky Power Company -				110		
Kentucky Power Company -					180	
Accumulated Provisions - Misc			135,903	0	135,903	0
Other Non-Current Liabilities			5,385,215	1,382,001	2,800,583	1,182,631
<b>TOTAL NON-CURRENT LIABILITIES</b>			<b>1,195,460,166</b>	<b>327,929,474</b>	<b>629,118,152</b>	<b>238,612,530</b>
<b>TOTAL LIABILITIES</b>			<b>1,746,516,684</b>	<b>559,083,154</b>	<b>998,902,043</b>	<b>240,234,739</b>
Cumulative Pref Stocks of Subs - Not subject Mand Reditr			0	0	0	0
Minority Interest - Deferred Credits			0	0	0	0
<b>COMMON SHAREHOLDERS' EQUITY</b>						
Common Stock			80,450,000	22,404,049	10,287,603	17,758,348
Paid in Capital			526,135,279	106,025,371	336,070,072	84,039,838
Premium on Capital Stock			0	0	0	0
Retained Earnings			90,775,274	42,718,991	(67,769,245)	115,826,527
Accumulated Other Comprehensive Income (Loss)			(1,344,390)	(9,008)	(1,328,869)	(6,513)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>666,016,164</b>	<b>171,139,404</b>	<b>277,259,562</b>	<b>217,617,198</b>
Memo: Total Equity			666,016,164	171,139,404	277,259,562	217,617,198
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			<b>2,412,532,848</b>	<b>730,222,557</b>	<b>1,276,161,605</b>	<b>457,851,937</b>
out-of-balance			(0)	0	0	(0)

Reserved Section

AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Feb 2016  
 02/26/2016 14:27

Account: GL_Acct_SEC Business Unit: SECURITIES_COVIS	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016
<b>ASSETS</b>				
Cash and Cash Equivalents	1,406,176	1,406,176	0	0
Other Cash Deposits	10,949	5,766	5,063	0
Customers	16,734,473	13,899,067	2,412,289	423,117
Accrued Unbilled Revenues	5,256,327	4,745,285	511,032	0
Miscellaneous Accounts Receivable	22,980,932	7,012,380	66,086,549	9,315,977
Allowances for Uncollectible Accounts	(272,925)	(264,351)	0	(8,574)
Accounts Receivable	44,698,806	25,392,391	68,009,870	9,730,520
Advances to Affiliates	0	0	0	0
Fuel, Materials and Supplies	43,028,240	2,182,722	40,114,867	730,651
Risk Management Contracts - Current	2,634,823	0	2,634,823	0
Margin Deposits	779,059	32,454	746,604	0
Unrecovered Fuel - Current	849,355	0	849,355	0
Other Current Regulatory Assets	0	0	0	0
Prepayments and Other Current Assets	3,029,229	1,620,688	366,423	1,042,118
<b>TOTAL CURRENT ASSETS</b>	<b>96,436,538</b>	<b>30,640,217</b>	<b>113,727,006</b>	<b>11,503,289</b>
Electric Production	1,122,177,783	805,562,368	1,138,191,588	565,140,447
Electric Transmission	569,104,908	0	0	0
Electric Distribution	759,243,168	0	0	0
General Property, Plant and Equipment	61,190,496	199,571	1,461,903	1,160,479
Construction Work-in-Progress	67,287,276	12,140,308	47,851,504	7,295,466
<b>TOTAL PROPERTY, PLANT and EQUIPMENT</b>	<b>2,579,003,631</b>	<b>817,902,245</b>	<b>1,187,504,995</b>	<b>573,596,391</b>
less: Accumulated Depreciation and Amortization	(854,034,114)	(261,306,450)	(408,359,525)	(184,358,140)
<b>NET PROPERTY, PLANT and EQUIPMENT</b>	<b>1,724,969,517</b>	<b>556,595,796</b>	<b>779,135,470</b>	<b>389,238,252</b>
Net Regulatory Assets	523,363,521	113,712,279	351,323,631	58,327,611
Securitized Transition Assets and Other	0	0	0	0
Spent Nuclear Fuel and Decommissioning Trusts	0	0	0	0
Investments in Power and Distribution Projects	0	0	0	0
Goodwill	0	0	0	0
Long-Term Risk Management Assets	28,212	0	28,212	0
Employee Benefits and Pension Assets	7,404,712	3,022,695	4,174,317	207,700
Other Non Current Assets	15,210,063	6,639,557	4,620,280	3,750,226
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>546,006,507</b>	<b>123,374,531</b>	<b>380,346,440</b>	<b>62,285,537</b>
<b>TOTAL ASSETS</b>	<b>2,367,412,562</b>	<b>710,610,543</b>	<b>1,253,208,915</b>	<b>463,027,077</b>

Account: GL_Acct_SEC Business Unit: SECURITIES_COVIS	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016
<b>LIABILITIES</b>				
Accounts Payable	60,095,477	66,578,874	49,231,112	3,719,464
Advances from Affiliates	25,175,224	17,305,862	96,650,839	(88,781,476)
Short-Term Debt	0	0	0	0
Other Current Regulatory Liabilities	0	0	0	0
Long-Term Debt Due Within One Year Non-Affiliated	65,000,000	0	65,000,000	0
Long-Term Debt Due Within One Year - Affiliated	0	0	0	0
Risk Management Liabilities	2,167,505	157,868	2,009,637	0
Accrued Taxes	(24,800,009)	7,955,415	(56,574,579)	23,619,155
Memo: Property Taxes	17,780,791	8,386,270	4,166,086	5,228,436
Accrued Interest	14,998,715	4,409,020	7,391,680	3,198,015
Risk Management Collateral	0	0	0	0
Utility Customer Deposits	26,681,173	26,392,240	288,932	0
<b>Deposits - Customer and Collateral</b>	<b>26,681,173</b>	<b>26,392,240</b>	<b>288,932</b>	<b>0</b>
<b>Over-Recovered Fuel Costs - Current</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Dividends Declared	0	0	0	0
Preferred Stock due W/IN 1 Yr	0	0	0	0
Obligations under Capital Leases - Current	909,946	482,221	403,863	23,832
Tax Collections Payable	2,562,743	2,481,253	81,378	112
Revenue Refunds - Accrued	1,141,088	0	21,492	1,119,596
Accrued Rents - Hockport	0	0	0	0
Accrued - Payroll	1,741,772	762,553	976,886	2,333
Accrued Rents	(3,086)	(3,086)	0	0

AMERICAN ELECTRIC POWER COMPANY  
BALANCE SHEET

GL58216  
YTD Feb 2016  
03/20/15 14:27

Account	GL_Acct_SEC	Business Unit	SECURMENT_CODE	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016
				GL58216	Company - Int Consol	Company - Generation	Company - 110	Company - 180
098	V2016-02-			7,337,280	3,276,317	4,054,047	6,916	6,916
				4,960,733	2,271,946	2,688,545	5,242	5,242
				1,085,982	422,042	638,151	25,789	25,789
				144,771	71,394	73,338	39	39
				1,220,075	0	1,220,075	0	0
				227,035	33,115	180,580	13,340	13,340
				1,987,742	1,987,742	0	0	0
				1,987,742	1,987,742	0	0	0
				1,253,303	1,253,303	0	0	0
				1,253,303	1,253,303	0	0	0
				0	0	0	0	0
				18,861,479	0	18,861,479	0	0
				521,038	381,038	140,000	0	0
				4,359	4,359	0	0	0
				81,451	81,451	0	0	0
				101	0	68	34	34
				71,434	22,016	35,837	13,581	13,581
				554,326	0	554,326	0	0
				231,578	231,578	0	0	0
				221,816	0	221,816	0	0
				31,538	31,538	0	0	0
				431,564	0	431,564	0	0
				19,010,483	751,978	18,244,889	13,615	13,615
				42,669,921	13,308,558	28,174,381	1,186,983	1,186,983
				43,579,867	13,790,779	28,578,274	1,210,814	1,210,814
				212,897,951	136,590,058	192,575,895	(56,834,028)	(56,834,028)
				0	0	0	0	0
				801,822,272	235,434,153	395,118,780	171,269,338	171,269,338
				(250,088)	(73,339)	(123,339)	(53,376)	(53,376)
				801,572,184	235,360,780	394,995,441	171,215,963	171,215,963
				0	0	0	0	0
				5,143	0	6,143	0	0
				6,143	0	6,143	0	0
				5,143	0	6,143	0	0
				641,893,959	182,594,077	327,819,530	131,480,362	131,480,362
				3,612	1,548	1,598	467	467
				(35,714,578)	(29,810,618)	(1,714,980)	(4,088,879)	(4,088,879)
				(35,710,966)	(29,909,071)	(1,713,382)	(4,088,513)	(4,088,513)
				56,826,756	69,009	56,757,746	0	0
				0	0	0	0	0
				14,457,877	11,431,969	1,249,084	1,776,824	1,776,824
				0	0	0	0	0
				0	0	0	0	0
				2,089,524	935,569	1,117,875	36,080	36,080
				471,003	232,251	180,576	48,176	48,176
				1,110,644	0	1,110,644	0	0
				1,110,644	163,141	1,110,644	0	0
				163,141	0	0	0	0
				0	0	0	0	0
				0	0	0	0	0
				288,373	0	0	288,373	288,373
				141,735	141,735	0	0	0
				73,803	0	0	73,803	73,803
				935,056	0	935,056	0	0
				4,139	0	4,139	0	0
				1,443,106	141,735	939,195	362,176	362,176
				1,606,247	304,876	939,195	362,176	362,176
				0	0	0	0	0
				466,000	0	466,000	0	0
				5,743,418	1,472,696	3,824,290	446,432	446,432



AMERICAN ELECTRIC POWER COMPANY  
 BALANCE SHEET

GLS8216  
 YTD Feb 2016  
 03/09/2016 14:27

	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016	YTD Feb 2016
<b>TOTAL NON-CURRENT LIABILITIES</b>	1,484,789,380	401,019,460	782,938,852	300,831,069	
<b>TOTAL LIABILITIES</b>	1,697,687,332	537,609,518	975,514,747	243,957,040	
Cumulative Pref Stocks of Subs - Not subject Mand Reditr	0	0	0	0	
Minority Interest - Deferred Credits	0	0	0	0	
<b>COMMON SHAREHOLDERS' EQUITY</b>					
Common Stock	50,450,000	22,404,049	10,267,603	17,758,348	
Paid In Capital	527,309,077	106,025,371	337,243,870	84,039,836	
Premium on Capital Stock	0	0	0	0	
Retained Earnings	93,601,558	44,598,195	(68,247,834)	117,251,196	
Accumulated Other Comprehensive Income (Loss)	(1,635,404)	(26,591)	(1,589,470)	(19,343)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	669,725,230	173,001,025	277,694,168	219,030,037	
<i>Memo: Total Equity</i>	669,725,230	173,001,025	277,694,168	219,030,037	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	2,367,412,562	710,610,543	1,253,208,915	463,027,077	
out-of-balance	(0)	0	0	(0)	

Reserved Section

KENTUCKY POWER COMPANY  
 DETAIL OF ELECTRIC UTILITY PROPERTY  
 YEAR TO DATE - February, 2017

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	BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
<b>UTILITY PLANT</b>						
101/106 GENERATION	1,192,066,666.99	3,140,891.43	(797,112.50)	0.00	0.00	1,194,410,445.92
<b>TOTAL PRODUCTION</b>	<b>1,192,066,666.99</b>	<b>3,140,891.43</b>	<b>(797,112.50)</b>	<b>0.00</b>	<b>0.00</b>	<b>1,194,410,445.92</b>
101/106 TRANSMISSION	571,491,735.87	442,537.12	(71,248.37)	0.00	326,566.32	572,189,590.94
101/106 DISTRIBUTION	829,215,623.28	6,289,530.31	(1,460,897.39)	0.00	(326,566.32)	833,717,689.88
<b>TOTAL (ACCOUNTS 101 &amp; 106)</b>	<b>2,592,774,026.14</b>	<b>9,872,958.86</b>	<b>(2,329,258.26)</b>	<b>0.00</b>	<b>0.00</b>	<b>2,605,317,726.74</b>
1011001/12 CAPITAL LEASES	5,546,537.99	0.00	0.00	65,555.87	0.00	5,612,093.86
102 ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001 ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ELECTRIC PLANT IN SERVICE</b>	<b>2,598,320,564.13</b>	<b>9,872,958.86</b>	<b>(2,329,258.26)</b>	<b>65,555.87</b>	<b>0.00</b>	<b>2,605,929,820.60</b>
1050001 PLANT HELD FOR FUTURE USE	6,303,503.75	0.00	0.00	0.00	0.00	6,303,503.75
<b>CONSTRUCTION WORK IN PROGRESS:</b>						
107000X BEG. BAL.	27,379,768.69					
107000X ADDITIONS		9,658,993.37				
107000X TRANSFERS		(9,872,958.86)				
107000X END. BAL.		(213,965.49)				
<b>TOTAL ELECTRIC UTILITY PLANT</b>	<b>2,632,003,836.57</b>	<b>9,658,993.37</b>	<b>(2,329,258.26)</b>	<b>65,555.87</b>	<b>0.00</b>	<b>2,639,399,127.55</b>

**NONUTILITY PLANT**

1210001 NONUTILITY PROPERTY-OWNED	995,120.00	0.00	0.00	0.00	0.00	995,120.00
1210002 NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29 OTHER INVESTMENTS	1,826,832.63	0.00	0.00	0.00	0.00	1,826,832.63
<b>TOTAL NONUTILITY PLANT</b>	<b>2,821,952.63</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,821,952.63</b>

Preparer - PSnVision Report GLR7210V  
 Reviewer - Debbi Doyle - Prop Accg Canton  
 Sources - PS GLS8216 & PowerPlant Asset Rpt 1042

KENTUCKY POWER COMPANY  
 ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION  
 YEAR TO DATE - February, 2017

GLR7410V 03/09/17 12:21

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/SALV COST	TRANSFER/ADJUSTMENTS	ENDING BALANCE
<b>UTILITY PLANT</b>						
NUCLEAR						
1080001/11 OTHER DECOMMISSIONING COSTS					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
TOTAL NUCLEAR					0.00	
1080001/11 PRODUCTION	422,375,068.65	6,111,714.75	(797,112.50)	(165,728.07)	0.00	427,523,942.83
1080001/11 TRANSMISSION	188,892,957.00	2,547,997.24	(71,248.37)	(65,893.85)	35,406.10	191,339,218.12
1080001/11 DISTRIBUTION	238,500,483.67	4,844,664.77	(1,460,897.39)	(298,598.44)	(35,406.10)	241,550,246.51
1080013 PRODUCTION	(2,230,496.61)	0.00	0.00	0.00	(47,794.22)	(2,278,290.83)
1080013 TRANSMISSION	0.00	0.00	0.00	0.00	0.00	0.00
1080013 DISTRIBUTION	(55,039.99)	0.00	0.00	0.00	(1,634.13)	(56,674.12)
RETIREMENT WORK IN PROGRESS	(3,550,868.53)	0.00	0.00	1,140,391.91	530,220.36	(1,880,256.26)
TOTAL (108X accounts)	843,932,104.20	13,504,376.76	(2,329,258.26)	610,171.55	480,792.01	856,198,186.26
NUCLEAR						
1110001 PRODUCTION	2,630,748.11	212,730.64	0.00	0.00	0.00	2,843,478.75
1110001 TRANSMISSION	2,091,522.37	130,256.18	0.00	0.00	0.00	2,221,778.55
1110001 DISTRIBUTION	6,558,624.40	326,096.47	0.00	0.00	0.00	6,884,720.87
TOTAL (111X accounts)	11,280,894.88	669,083.29	0.00	0.00	0.00	11,949,978.17
1011006 CAPITAL LEASES	2,858,470.98	0.00	0.00	0.00	133,129.36	2,991,600.34
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ACCUM DEPR & AMORT.	858,071,470.06	14,173,460.05	(2,329,258.26)	610,171.55	613,921.37	871,139,764.77
<b>NONUTILITY PLANT</b>						
1220001 Depr&Amrt of Nonutil Prop-Ownd	234,964.91	1,111.62	0.00	0.00	0.00	236,076.53
1240028 Other Property - RETIRE	18.87	0.00	0.00	0.00	0.00	18.87
TOTAL NONUTILITY PLANT	234,983.78	1,111.62	0.00	0.00	0.00	236,095.40

Preparer - PSnVision Report GLR7410V  
 Reviewer - Debbi Doyle - Prop Acctg Canton  
 Sources - PS GL58216 & PowerPlant Depr Rpt 1936