

**DIRECT TESTIMONY OF
KAREN M. JOHNSTON
ON BEHALF OF KINGSPORT POWER COMPANY
D/B/A AEP APPALACHIAN POWER
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
DOCKET NO. 21-00107**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

2 A. My name is Karen M. Johnston. My business address is 1 Riverside Plaza,
3 Columbus, Ohio 43215. I am employed by AEPSC as a Regulatory Consultant
4 Principal, Regulatory Pricing & Analysis, in the Regulatory Services Department.
5 AEPSC is a wholly-owned subsidiary of AEP, the parent Company of Kingsport.

6 **Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY AS A
7 REGULATORY CONSULTANT PRINCIPAL?**

8 A. My responsibilities include preparing cost-of-service studies for regulatory filings
9 and providing regulatory support and analysis for pricing matters associated with
10 Kingsport and other AEP electric-utility operating companies.

11 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND
12 EMPLOYMENT HISTORY.**

13 A. I received a Bachelor of Science degree in Accounting from the University of
14 Phoenix in 2005. I have been a Registered Certified Public Accountant (CPA) in
15 Ohio since 2010. I joined AEPSC in 2017 as a Financial Reporting Accountant
16 Sr. in the Corporate Financial Reporting Department. My responsibilities
17 included assisting with the preparation of the AEP registrant financial statements
18 and footnotes for the 10-K and 10-Q's filed with the SEC. I was also responsible
19 for preparing footnotes to FERC filings for certain AEP subsidiary companies. In

1 May 2021, I transferred to the Regulated Pricing and Analysis Department as a
2 Regulatory Consultant Principal.

3 Prior to joining AEPSC, I held positions as Controller for two small
4 community banks. My responsibilities included financial, regulatory and board
5 reporting and managing the month-end accounting close process and external
6 audits. Additionally, I have held various accounting roles primarily within the
7 banking and insurance industries. I also worked for a regional public accounting
8 firm where my responsibilities included auditing and financial statement
9 compilation.

10 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

11 A. The purpose of my testimony is to support how the Company's JCOS study was
12 developed. The purpose of the JCOS is to determine distribution costs to be
13 reflected in base rates.

14 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

15 A. Yes, I am sponsoring the following exhibits:

- 16 • Exhibit No. 1-a (KMJ) – Kingsport Summary of Revenue Deficiency;
- 17 • Exhibit No. 1-b (KMJ) – Kingsport Summary of Jurisdictional Income
- 18 Statement, Rate Base and Proposed Increase;
- 19 • Exhibit No. 2-a (KMJ) – Kingsport JCOS Calculations;
- 20 • Exhibit No. 2-b (KMJ) – Kingsport Allocators for JCOS Calculations;
- 21 • Exhibit No. 2-c (KMJ) – Kingsport Adjustments to the JCOS Study.

22 **Q. ARE YOU SPONSORING ANY MFRs?**

23 A. Yes, I am sponsoring MFR 59 and MFR 60.

1 **Q. WERE THE EXHIBITS YOU ARE SPONSORING, PREPARED OR**
2 **ASSEMBLED BY YOU OR UNDER YOUR DIRECTION?**

3 A. Yes.

4 **Q. PLEASE EXPLAIN THE PURPOSE OF A JURISDICTIONAL COST-OF-**
5 **SERVICE STUDY.**

6 A. The purpose of a JCOS study is to determine the Company's cost of providing
7 service to a regulatory jurisdiction in which new rates are being proposed. This is
8 accomplished by comparing the Company's revenue requirement associated with
9 the cost of serving the customers in a regulatory jurisdiction to the revenues
10 received from that jurisdiction. In order to accomplish this comparison, the costs
11 associated with providing service to customers are functionalized into production,
12 transmission, and distribution functions. Costs are directly assigned or allocated
13 on the basis of an appropriate methodology to the jurisdiction.

14 **Q. WHAT IS THE SOURCE OF THE DATA USED IN THE COMPANY'S**
15 **JURISDICTIONAL COST-OF-SERVICE STUDY?**

16 A. The Company follows the Uniform System of Accounts (USOA) as prescribed by
17 the FERC. The USOA sets the guidelines for recording assets, liabilities, income
18 and expenses into various accounts. The costs recorded in each FERC account
19 are examined to verify compliance with these guidelines. The Company used a 12
20 months ended June 30, 2021 test year, which included rate base balances as of
21 June 30, 2021.

1 **Q. HOW IS THE INFORMATION USED TO DETERMINE THE COST**
2 **ALLOCATION TO KINGSPORT RETAIL CUSTOMERS?**

3 A. The costs recorded by FERC account are per book amounts pertaining to electric
4 utility operations of the Company for service supplied to all customers.

5 **Q. PLEASE DESCRIBE HOW THE RETAIL JURISDICTIONS WERE**
6 **DETERMINED FOR KINGSPORT.**

7 A. For Kingsport, all customers and amounts are retail, and the allocation of the
8 distribution-related amounts for all accounts was 100%. The Transmission
9 function cost-of-service accounts were removed from this study since Kingsport is
10 charged for transmission service through its purchased power agreement with
11 APCo. The purchased power related revenue and expense are removed through
12 an adjustment by Company witness Walsh. Accounts that are not directly
13 assigned to either Distribution or Transmission were allocated based on the nature
14 of the account, using either the payroll allocator or the appropriate plant accounts.

15 **Q. PLEASE EXPLAIN HOW REVENUES WERE DEVELOPED.**

16 A. Revenues from retail sales were derived from the Company's books and records
17 and directly assigned.

18 **Q. PLEASE OUTLINE THE MEANS BY WHICH TAXES OTHER THAN**
19 **FEDERAL INCOME TAXES WERE ASSIGNED.**

20 A. Taxes Other than Income Taxes were classified as relating to payroll and
21 property, and allocated accordingly, or directly assigned.

1 **Q. PLEASE EXPLAIN HOW ADJUSTMENTS FOR KINGSPORT WERE**
2 **INCORPORATED INTO THE STUDY.**

3 A. Adjustments to test year revenues and operating expenses were provided to me by
4 various Company witnesses based on their expertise. These adjustments were
5 added to the Kingsport retail per books cost-of-service amounts to arrive at the
6 going-level Kingsport JCOS study.

7 **Q. HOW WERE THE RESULTS OF THIS STUDY USED?**

8 A. The jurisdictional costs from the JCOS study, as shown in Exhibit No. 2-a (KMJ)
9 and summarized in Exhibit No. 1-b (KMJ), were then used by Company witness
10 Ward in preparation of the CCOS study.

11 **Q. WHAT WERE THE RESULTS OF THE JURISDICTIONAL COST OF**
12 **SERVICE STUDY?**

13 A. The results of the JCOS reflect the Total Retail Jurisdiction. The Company's
14 revenue deficiency is \$14,375,626, which is the increase to base rates that the
15 Company requests in this proceeding. When considered in conjunction with
16 resetting the TRP & MS rider to zero, as proposed by Company witness Castle,
17 the net increase to rates is approximately \$6,886,565.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes it does.

Exhibit No. 1-a (KMJ)

Kingsport Power Company
Summary Revenue Deficiency
12-Month Period Ending June 30, 2021

	(1)	(2)	(3)
Line			
No.	Description	Source	\$
1			
2	Rate Base	JCOS	147,057,928
3			
4	Adjusted Net Operating Income	JCOS	<u>(1,218,230)</u>
5			
6	Overall Rate of Return	Line 4 / Line 2	-0.83%
7			
8	Rate of Return	JCOS	6.36%
9			
10	Income Requirement	Line 2 x Line 8	<u>9,352,884</u>
11			
12	Income Deficiency	Line 10 - Line 4	10,571,114
13			
14	Revenue Conversion Factor	JCOS	<u>1.359897</u>
15			
16	Total Revenue Requirement	Line 12 x Line 14	14,375,626

Exhibit No. 1-b (KMJ)

KgPCo Jurisdictional Cost of Service Study Summary
12-Month Period Ending June 30, 2021

Line No.	Description	TOTAL COMPANY			
		GOING LEVEL REVENUE AFTER ADJUSTMENTS & ASSIGNMENT	Gross Revenue Conversion Factor Rate	PROFORMA ADJUSTMENTS	AFTER ADJUSTMENTS & ASSIGNMENT PROFORMA ADJUSTED
	(1)	(2)	(3)	(4)	(5) = (2)+(4)
1	Operating Revenues - Sale of Electricity	22,606,637			22,606,637
2	Increase in Operating Revenues			14,375,626	14,375,626
3	Other Electric Operating Revenues	1,065,720	0.001469 (1)	21,118	1,086,838
4	Non-Firm Sales Revenues	-			-
5	Total Operating Revenues	23,672,357		14,396,744	38,069,101
6	Percent Increase in Operating Revenue				63.59%
7	Operation and Maintenance Expenses				
8	Power Production	-			-
9	Transmission	-			-
10	Distribution	7,997,543			7,997,543
11	Customer Accounts	1,313,158	0.002901 (2)	41,765	1,354,923
12	Customer Service & Information	113,355			113,355
13	Sales Expense	5,404			5,404
14	Administrative and General	1,674,020			1,674,020
15	Other O & M	439,467			439,467
16	Total Operation and Maintenance Expense	11,542,946		41,765	11,584,711
17	Depreciation and Amortization Expense	8,191,432			8,191,432
18	Taxes Other than Income	6,643,771	0.004250 (3)	61,009	6,704,780
19	Charitable Contributions	28,703			28,703
20	Other Income / Expense (incl. AFUDC)	229,855			229,855
21	Total Other Expenses	15,093,761		61,009	15,154,770
22	Net Operating Income Before Income Tax	(2,964,351)		14,293,971	11,329,620
23	Total State Income Tax	(229,590)	0.063860 (4)	912,813	683,223
24	Federal Income Tax				
25	Current Federal Income Tax	(309,492)	0.210000 (5)	2,810,043	2,500,551
26	Deferred Federal Income Tax	(1,207,039)			(1,207,039)
27	Deferred Investment Tax Credit	-			-
28	Total Federal Income Taxes	(1,516,530)		2,810,043	1,293,513
29	Net Operating Income	(1,218,230)	1.359897 (6)	10,571,115	9,352,884
30	Electric Plant in Service	236,626,129			236,626,129
31	Accumulated Provision for Depreciation & Amortization	(80,022,393)			(80,022,393)
32	Working Capital Requirement	6,382,813			6,382,813
33	Other Rate Base Offsets	(15,928,621)			(15,928,621)
34	Rate Base	147,057,928		-	147,057,928
35	Rate of Return on Rate Base	-0.83%			6.36%

NOTES: (1) Forfeited Discounts
(2) Uncollectibles
(3) TRA Inspection Fee
(4) State Tax
(5) Federal Tax
(6) Gross Revenue Conversion Factor

Exhibit No. 2-a (KMJ)

**KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021**

Line No.	Description (1)	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT (2)	NON- APPLICABLE (3)	TRANSMISSION OWNER (4)	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS (5)=(2)-(3)-(4)	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS (6)	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT (7)=(5)+(6)	ALLOCATOR (8)	SOURCE (9)	WORKPAPER (10)
Development of Rate Base										
1	Electric Plant in Service (Includes Completed Construction Not Classified)									
2	Intangible Plant	6,439,895	-	814,940	5,624,955	919,881	6,544,836	General Plant		Workpaper 1 pg. 1
3	Production Plant									
4	Production Plant	-	-	-	-	-	-	Demand		
5	Total Production Plant	-	-	-	-	-	-			
6	Transmission Plant									
7	Transmission Plant	45,855,577	-	45,855,577	-	-	-	Direct	BalShit	Workpaper 1 pg. 1
8	Total Transmission Plant	45,855,577	-	45,855,577	-	-	-		BalShit	Workpaper 1 pg. 1
9	Distribution Plant									
10	A360 Land and Land Rights	3,382,635	-	-	3,382,635	244,251	3,626,886	Direct		Workpaper 1 pg. 1
11	A361 Structures and Improvements	6,503,807	-	-	6,503,807	823,344	7,327,151	Direct		Workpaper 1 pg. 1
12	A362 Station Equipment	35,487,344	-	-	35,487,344	1,974,309	37,461,653	Direct		Workpaper 1 pg. 1
13	A363 Storage Battery Equipment	-	-	-	-	-	-	Direct		Workpaper 1 pg. 1
14	A364 Poles, Towers & Fixtures	31,175,153	-	-	31,175,153	931,782	32,106,935	Direct		Workpaper 1 pg. 1
15	A365 O.H. Conductors & Devices	44,832,459	-	-	44,832,459	4,078,925	48,911,384	Direct		Workpaper 1 pg. 1
16	A366 Underground Conduits	7,502,785	-	-	7,502,785	4,658,568	12,161,353	Direct		Workpaper 1 pg. 1
17	A367 U.G. Conductors & Devices	10,329,350	-	-	10,329,350	400,666	10,730,016	Direct		Workpaper 1 pg. 1
18	A368 Line Transformers	29,715,907	-	-	29,715,907	989,566	30,705,473	Direct		Workpaper 1 pg. 1
19	A369 Services	13,630,802	-	-	13,630,802	1,299,186	14,929,988	Direct		Workpaper 1 pg. 1
20	A370 Meters	6,399,848	-	-	6,399,848	191,901	6,591,749	Direct		Workpaper 1 pg. 1
21	A371 Install. on Customer Prem.	2,821,961	-	-	2,821,961	359,061	3,181,022	Direct		Workpaper 1 pg. 1
22	A373 Street Lights	9,019,885	-	-	9,019,885	170,284	9,190,169	Direct		Workpaper 1 pg. 1
23	Total Distribution Plant	200,801,936	-	-	200,801,936	16,121,843	216,923,779		BalShit	Workpaper 1 pg. 1
24	General Plant									
25	General Plant	9,588,602	-	1,213,394	8,375,208	1,115,750	9,490,958	Payroll		Workpaper 1 pg. 1
26	A39919 ARO General Plant	32,875	-	4,160	28,715	-	28,715	Payroll		Workpaper 1 pg. 1
27	Total General Plant	9,621,477	-	1,217,555	8,403,922	1,115,750	9,519,672			Workpaper 1 pg. 1
28	Total Electric Plant in Service	262,718,884	-	47,888,071	214,830,813	18,157,474	232,988,287			Workpaper 1 pg. 1
29	Completed Construction Not Classified (Included in Electric Plant in Service)									
30	Plant Held for Future Use									
31	Production	-	-	-	-	-	-	Production Plant		
32	Transmission	-	-	-	-	-	-	Transmission Plant		
33	Distribution	187,481	-	-	187,481	-	187,481	Distribution Plant	BalShit	Workpaper 1 pg. 2
34	Total Plant Held for Future Use	187,481	-	-	187,481	-	187,481			

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description (1)	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT (2)	NON- APPLICABLE (3)	TRANSMISSION OWNER (4)	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS (5)=(2)-(3)-(4)	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS (6)	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT (7)=(5)+(6)	ALLOCATOR (8)	SOURCE (9)	WORKPAPER (10)
35	Construction Work in Progress									
36	Intangible Plant	64,567	-	8,171	56,396	-	56,396	General Plant		Workpaper 2
37	Production Plant	-	-	-	-	-	-	Production Plant		Workpaper 2
38	Transmission Plant	4,399,327	-	4,399,327	-	-	-	Transmission Plant		Workpaper 2
39	Distribution Plant	2,201,380	-	-	2,201,380	-	2,201,380	Distribution Plant		Workpaper 2
40	General Plant	1,227,619	-	35,035	1,192,584	-	1,192,584	Direct		Workpaper 2
41	Total Construction Work in Progress	7,892,893	-	4,442,533	3,450,361	-	3,450,361		BaSit	Workpaper 2
42	Other	-	-	-	-	-	-			
43	Total Electric Utility Plant	270,799,259	-	52,330,604	218,468,655	18,157,474	236,626,129			
1	Accumulated Provision for Depreciation and Amortization									
2	Production	-	-	-	-	-	-	Production Plant		Workpaper 4 pg. 1
3	Steam	-	-	-	-	-	-	Production Plant		Workpaper 4 pg. 1
4	A317 ARO Steam	-	-	-	-	-	-			
5	Total Production Plant	-	-	-	-	-	-			
6	Transmission	-	-	-	-	-	-	Transmission Plant		Workpaper 4 pg. 1
7	Transmission Plant	(13,075,400)	-	(13,075,400)	-	-	-			
8	Total Transmission Plant	(13,075,400)	-	(13,075,400)	-	-	-			
9	Distribution	-	-	-	-	-	-	Distribution Plant		Workpaper 4 pg. 1
10	Distribution Plant	(70,894,365)	-	-	(70,894,365)	(4,750,410)	(75,644,775)			
11	Total Distribution Plant	(70,894,365)	-	-	(70,894,365)	(4,750,410)	(75,644,775)			
12	General	(1,957,661)	-	(247,733)	(1,709,928)	85,672	(1,624,256)	Payroll		Workpaper 4 pg. 1
13	General ARO	-	-	-	-	-	-	Payroll		
14	Total General Plant	(1,957,661)	-	(247,733)	(1,709,928)	85,672	(1,624,256)			
15	Intangible	(2,608,302)	-	(330,069)	(2,278,233)	(475,129)	(2,753,362)	General Plant		Workpaper 4 pg. 1
16	Total Intangible	(2,608,302)	-	(330,069)	(2,278,233)	(475,129)	(2,753,362)			
17	Total Acc Prov Depreciation and Amortization	(88,535,728)	-	(13,653,202)	(74,882,526)	(5,139,867)	(80,022,393)			Workpaper 4 pg. 1
18	Net Electric Plant in Service	182,263,531	-	38,677,402	143,586,129	13,017,607	156,603,736			
	ties to BS									
1	Working Capital Requirements									
2	O&M; Lead / Lag Study	-	-	-	-	-	-	Direct		
3	Materials & Supplies - Gross Plant Related (154)	404,696	-	78,205	326,491	-	326,491	Gross Plant	BaSit	Workpaper 3

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description	TOTAL COMPANY					TOTAL FOR RATE		TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS	ALLOCATOR	SOURCE	
		PER BOOKS BEFORE ASSIGNMENT	NON-APPLICABLE	TRANSMISSION OWNER	PJM	MAKING BEFORE ADJUSTMENTS	(5)=(2)-(3)-(4)	(6)			(9)	(10)
		(2)	(3)	(4)		(5)=(2)-(3)-(4)			TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT	(8)	(9)	(10)
4	Prepayments-Payroll Related (165)	6,389,458	-	808,557		5,580,901		-	5,580,901	Payroll	BaShit	Workpaper 3
5	Prepayments-Gross Plant Related (165)	66,711	-	12,892		53,819		-	53,819	Gross Plant	BaShit	Workpaper 3
6	Prepayments-Distribution (165)	421,602	-	-		421,602		-	421,602	Direct	BaShit	Workpaper 3
7	Total Working Capital Requirements	7,282,467	-	899,654		6,382,813		-	6,382,813			
8	Other Rate Base Offsets			260 BU								
9	Contr In Aid of Constr Advance (Acct. 2530124)	(130,128)	-	-		(130,128)		-	(130,128)	Direct	BaShit	
10	Customer Deposits (Acct. 235)	(4,270,209)	-	-		(4,270,209)		-	(4,270,209)	Direct	BaShit	
11	Accumulated Deferred FIT (Acct. 190.1/282.1/283.1)	(31,612,359)	-	(8,433,730)		(23,178,629)		11,650,345	(11,528,284)	Direct	BaShit	
12	Accumulated Deferred ITC (Acct. 255)	-	-	-		-		-	-	Direct	BaShit	
13	Total Other Rate Base Offsets	(36,012,696)	-	(8,433,730)		(27,578,966)		11,650,345	(15,928,621)			
14	Total Rate Base	153,533,302	-	31,143,326		122,389,976		24,667,952	147,057,928			
Development of Cost of Service												
Firm Sales Revenue												
1	Sales of Electricity	147,262,034	-	-		147,262,034		(124,655,397)	22,606,637	Direct	IncMStmt	Calc.
3	Unused		-	-		-		-	-	Direct	IncMStmt	Purch Power node on l
4	Franchise Fee Revenue	4,026,094	-	-		4,026,094		(4,026,094)	-	Direct	IncMStmt	Inc Stmt
5	Provision for Rate Refund	(904,344)	-	(904,344)		-		-	-	Direct	IncMStmt	Inc Stmt
6	Total Firm Sales	150,383,785	-	(904,344)		151,288,129		(128,681,492)	22,606,637	-		IS Firm Sales
7	Sales for Resale											
8	Demand Related	-	-	-		-		-	-	Demand		
9	Energy Related	-	-	-		-		-	-	Energy		
10	Total Sales for Resale	-	-	-		-		-	-			
Other Operating Revenues												
11	450-Forfeited Discounts	222,224	-	-		222,224		-	222,224	Direct	IncMStmt	
12	451-Miscellaneous Service Revenues	200,176	-	-		200,176		-	200,176	Direct	IncMStmt	
13	451-Mis. Serv. Rev. - Reconnect Fee Adjustment	-	-	-		-		(174,600)	(174,600)			
14	Rent from Electric Property	-	-	-		-		-	-			
15	4541-Rent-Assoc Cos- Production	-	-	-		-		-	-	Production Plant		
16	4541-Rent-Assoc Cos- Transmission	(28,275)	-	(28,275)		-		-	-	Transmission Plant		
17	4541-Rent-Assoc Cos- Distribution	76,952	-	-		76,952		-	76,952	Distribution Plant		
18	4541-Rent-Non-Assoc Cos- Production	-	-	-		-		-	-	Production Plant		
19	4542-Rent-Non-Assoc Cos- Transmission	6,125	-	6,125		-		-	-	Transmission Plant		
20	4542-Rent-Non-Assoc Cos- Distribution	-	-	-		-		-	-	Distribution Plant		
21	4542-Rent-Non-Assoc Cos- Distribution	-	-	-		-		-	-	Transmission Plant		
22	4544-Rent From Elect Prop-Pole-Nonat Trans	34,392	-	34,392		-		-	-	Distribution Plant		
23	4545-Rent From Elect Prop-Pole Atch Trans	6,304	-	6,304		-		-	-	Transmission Plant		
24	4545-Rent From Elect Prop-Pole Atch Distribution	588,261	-	-		588,261		9,849	598,110	Distribution Plant		
25	Total Rent from Electric Property	683,760	-	18,546		665,214		9,849	675,063		IncMStmt	

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description (1)	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT (2)	NON-APPLICABLE (3)	PJM TRANSMISSION OWNER (4)	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS (5)=(2)-(3)-(4)	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS (6)	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT (7)=(5)+(6)	ALLOCATOR (8)	SOURCE (9)	WORKPAPER (10)
26	Other Electric Revenue									
27	456-Other Electric Production	-	-	-	-	-	-	Production Plant		
28	456-Other Electric Rev. Prod - New - Demand	-	-	-	-	-	-	Demand		
29	456-Other Electric Rev. Prod - New - Energy	-	-	-	-	-	-	Energy		
30	456-Other Electric Transmission	6,098,840	-	6,098,840	-	-	-	Transmission Plant	Workpaper 6	
31	456-Other Electric Distribution	142,857	-	-	142,857	-	142,857	Distribution Plant	Workpaper 6	
32	456-Other Electric Local Facility Charge	-	-	-	-	-	-	Distribution Plant		
33	Total Other Electric Revenues	6,241,697	-	6,098,840	142,857	-	142,857			Workpaper 6
34	Total Other Operating Revenues	7,347,857	-	6,117,386	1,230,471	(164,751)	1,065,720			
35	Total Operating Revenues	157,731,642	-	5,213,042	152,518,600	(128,846,243)	23,672,357			
36	Power Production Expenses									
37	Total Other Production Expense	-	-	-	-	-	-	Production Plant		
38	Other Power Supply Expense									
39	555-Purch Pwr - Generation - Demand	41,800,904	-	-	41,800,904	(41,800,904)	-	Direct		
40	555-Purch Pwr - Generation - Energy	8,663,008	-	-	8,663,008	(8,663,008)	-	Direct		
41	555-Purch Power - Transmission - Demand	29,723,807	-	-	29,723,807	(29,723,807)	-	Direct		
42	555-Purch Power - Transmission - Energy	2,429,241	-	-	2,429,241	(2,429,241)	-	Direct		
43	555-Purch Power - Fuel	32,377,088	-	-	32,377,088	(32,377,088)	-	Direct		
44	5550551 Purch Power - TN Under/Over FPPAR	2,752,402	-	-	2,752,402	(2,752,402)	-	Direct		
45	557- Other Expenses	-	-	-	-	-	-	Production Plant		
46	Total Other Power Supply Expense	117,746,450	-	-	117,746,450	(117,746,450)	-		IncMStmnt	
47	Total Production O&M Expense	117,746,450	-	-	117,746,450	(117,746,450)	-			
48	Transmission Expense									
49	560-Supervision & Engineering	194,290	-	194,290	-	-	-	Transmission Plant	IncMStmnt	Workpaper 7
50	561-Load Dispatching - Company	16,433	-	16,433	-	-	-	Transmission Plant	IncMStmnt	
51	562-Station Equipment	70,150	-	70,150	-	-	-	Transmission Plant	IncMStmnt	
52	563-Overhead Lines	3,261	-	3,261	-	-	-	Transmission Plant	IncMStmnt	
53	564-Underground Lines	-	-	-	-	-	-	Transmission Plant	IncMStmnt	
54	565-Transmission of Electricity by Others	-	-	-	-	-	-	Transmission Plant	IncMStmnt	
55	566-Misc Transmission	184,430	-	184,430	-	-	-	Transmission Plant	IncMStmnt	
56	567-Rents	-	-	-	-	-	-	Transmission Plant	IncMStmnt	
57	575-PJM Regional Market Expenses	-	-	-	-	-	-	Transmission Plant	IncMStmnt	
58	Total Transmission Operation Expense	468,564	-	468,564	-	-	-	Transmission Plant	IncMStmnt	

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT	NON-APPLICABLE	TRANSMISSION OWNER	PJM	TOTAL FOR RATE BEFORE ADJUSTMENTS	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT	ALLOCATOR	SOURCE	WORKPAPER
	(1)	(2)	(3)	(4)		(5)=(2)-(3)-(4)	(6)	(7)=(5)+(6)	(8)	(9)	(10)
59	568-Supervision & Engineering	165	-	165		-	-	-	Transmission Plant	IncMStmt	
60	569-Structures	15,291	-	15,291		-	-	-	Transmission Plant	IncMStmt	
61	570-Station Equipment	103,479	-	103,479		-	-	-	Transmission Plant	IncMStmt	
62	571-Overhead Lines	57,934	-	57,934		-	-	-	Transmission Plant	IncMStmt	
63	572-Underground Lines	219	-	219		-	-	-	Transmission Plant	IncMStmt	
64	573-Misc Transmission Expenses	86,002	-	86,002		-	-	-	Transmission Plant	IncMStmt	
65	Total Transmission Maintenance Expense	263,089	-	263,089		-	-	-			
66	Total Transmission O&M Expense	731,653	-	731,653		-	-	-			
67	Distribution Expense										
68	580-Supervision & Engineering	327,000	-	-		327,000	2,749	329,749	Distribution Plant	IncMStmt	
69	581-Load Dispatching	-	-	-		-	-	-	Distribution Plant	IncMStmt	
70	582-Station Equipment	135,870	-	-		135,870	-	135,870	Distribution Plant	IncMStmt	
71	583-Overhead Lines	107,724	-	-		107,724	(14,662)	93,062	Distribution Plant	IncMStmt	
72	584-Underground Lines	49,744	-	-		49,744	(21)	49,722	Distribution Plant	IncMStmt	
73	585-Street & Area Lighting	131,708	-	-		131,708	70	131,778	Distribution Plant	IncMStmt	
74	586-Meters	85,036	-	-		85,036	(1,169)	83,867	Distribution Plant	IncMStmt	
75	587-Customer Installations	47,322	-	-		47,322	799	48,121	Distribution Plant	IncMStmt	
76	588-Misc Distribution	674,886	-	-		674,886	12,124	687,010	Distribution Plant	IncMStmt	
77	589-Rents	467,382	-	-		467,382	(228,990)	238,393	Distribution Plant	IncMStmt	
78	Total Distribution Operation	2,026,671	-	-		2,026,671	(229,099)	1,797,572			
79	590-Supervision & Engineering	2,308	-	-		2,308	165	2,473	Distribution Plant	IncMStmt	
80	591-Structures	6,850	-	-		6,850	-	6,850	Distribution Plant	IncMStmt	
81	592-Station Equipment	46,999	-	-		46,999	-	46,999	Distribution Plant	IncMStmt	
82	593-Overhead Lines includes 5933426 TRP &MS O/U Recover	7,176,616	-	-		7,176,616	(1,384,513)	5,792,103	Distribution Plant	IncMStmt	
83	594-Underground Lines	43,923	-	-		43,923	(376)	43,547	Distribution Plant	IncMStmt	
84	595-Line Transformers	12,966	-	-		12,966	638	13,604	Distribution Plant	IncMStmt	
85	596-Street & Area Lighting	47,742	-	-		47,742	152	47,894	Distribution Plant	IncMStmt	
86	597-Meters	14,465	-	-		14,465	528	14,993	Distribution Plant	IncMStmt	
87	598-Misc Distribution Plant	223,227	-	-		223,227	8,281	231,508	Distribution Plant	IncMStmt	
88	Total Distribution Maintenance	7,575,096	-	-		7,575,096	(1,375,124)	6,199,971			
89	Total Distribution Expense	9,601,767	-	-		9,601,767	(1,604,224)	7,997,543			
90	Customer Accounts Expense										
91	901-Supervision & Engineering	19,226	-	-		19,226	-	19,226	No. of Customers	IncMStmt	
92	902-Meter Reading	45,244	-	-		45,244	5,603	50,847	No. of Customers	IncMStmt	
93	903-Customer Records & Collection Expense	1,220,773	-	-		1,220,773	8,026	1,228,799	No. of Customers	IncMStmt	
94	904-Uncollectible Accounts	2,548	-	-		2,548	-	2,548	No. of Customers	IncMStmt	
95	905-Misc Customer Accounts	11,738	-	-		11,738	-	11,738	No. of Customers	IncMStmt	
96	Total Customer Accounts	1,299,530	-	-		1,299,530	13,629	1,313,158			

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description (1)	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT (2)	NON-APPLICABLE (3)	PJM TRANSMISSION OWNER (4)	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS (5)=(2)-(3)-(4)	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS (6)	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT (7)=(5)+(6)	ALLOCATOR (8)	SOURCE (9)	WORKPAPER (10)
97	Customer Service & Information Expense									
98	907-Supervision	11,408	-	-	11,408	-	11,408	No. of Customers	IncMStmt	
99	908-Customer Assistance	97,538	-	-	97,538	(4,351)	93,187	No. of Customers	IncMStmt	
100	908-Customer Assistance - DSM	157	-	-	157	-	157	Direct	IncMStmt	
101	908.1-Customer Assistance - Demand Response	171,122	-	-	171,122	(164,017)	7,105	Direct	IncMStmt	
102	909-Information & Instruction	-	-	-	-	-	-	No. of Customers	IncMStmt	
103	910-Misc Customer Service	1,475	-	-	1,475	23	1,498	Direct	IncMStmt	
104	Total Customer Service & Information	281,701	-	-	281,701	(168,346)	113,355		IncMStmt	
105	Sales Expense									
106	911-Supervision	-	-	-	-	-	-			
107	912-Demo & Selling	5,404	-	-	5,404	-	5,404	Direct	IncMStmt	
107	913-Advertising	-	-	-	-	-	-			
108	916-Misc Sales Expense	-	-	-	-	-	-			
109	Total Sales Expense	5,404	-	-	5,404	-	5,404		IncMStmt	
110	Administrative & General Expense									
111	920-Salaries	1,118,792	-	141,578	977,214	158	977,372	Payroll	IncMStmt	
112	921-Office Supplies	(7,070)	-	(895)	(6,175)	19,660	13,485	Payroll	IncMStmt	
113	922-Administrative Expense Transferred	(314,421)	-	(39,789)	(274,632)	(14,286)	(288,919)	Payroll	IncMStmt	
114	923-Outside Services	58,127	-	7,356	50,771	-	50,771	Payroll	IncMStmt	
115	924-Property Insurance	61,868	-	11,956	49,912	-	49,912	Gross Plant	IncMStmt	
116	925-Injuries & Damages	279,871	-	35,416	244,455	-	244,455	Payroll	IncMStmt	
117	926-Employee Pension & Benefits	(75,517)	-	(9,556)	(65,961)	51,584	(14,377)	Payroll	IncMStmt	
118	928 Reg. Commission Exp-Case	160,260	-	-	160,260	67,279	227,539	Direct	IncMStmt	
119	929-Duplicate Charges	-	-	-	-	-	-	Payroll	IncMStmt	
120	930.1-General Advertising Expense	3,537	-	-	3,537	-	3,537	Direct	IncMStmt	
121	930.2-Misc General Expense	72,375	-	-	72,375	10	72,384	Direct	IncMStmt	
122	931-Rent	36,387	-	4,605	31,783	-	31,783	Payroll	IncMStmt	
123	Total Admin & General Operation	1,394,209	-	150,671	1,243,538	124,405	1,367,943			
124	935-Admin & General Maintenance	346,171	-	43,806	302,365	3,712	306,077	Payroll	IncMStmt	
125	Total Admin & General Expense	1,740,380	-	194,477	1,545,903	128,117	1,674,020			
126	Subtotal Operation & Maint Exp	131,406,884	-	926,130	130,480,754	(119,377,274)	11,103,480			
127	Other O&M Expense									
128	Factoring Expense	439,467	-	-	439,467	-	439,467	Direct	IncMStmt	
129	Other O&M	-	-	-	-	-	-	Direct		
130	Other O&M	-	-	-	-	-	-	Direct		
131	Total Other O&M Exp	439,467	-	-	439,467	-	439,467			
132	Total Operation & Maint Exp	131,846,350	-	926,130	130,920,220	(119,377,274)	11,542,946			

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description	(1)	(2)	(3)	(4)	(5)=(2)-(3)-(4)	(6)	(7)=(5)+(6)	(8)	(9)	(10)
			TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT	NON- APPLICABLE	PJM TRANSMISSION OWNER	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT	ALLOCATOR	SOURCE	WORKPAPER
133	Depreciation Expense										
134	Steam		-	-	-	-	-	-	Production Plant		
135	A317 ARO Steam		-	-	-	-	-	-	Production Plant		
136	Total Production		-	-	-	-	-	-			
137	Transmission		662,141	-	662,141	-	-	-	Transmission Plant	Worksheet 8	
138	Total Transmission		662,141	-	662,141	-	-	-			
139	Distribution		6,898,804	-	-	6,898,804	(118,756)	6,780,048	Distribution Plant	Worksheet 8	
140	Total Distribution		6,898,804	-	-	6,898,804	(118,756)	6,780,048			
141	General		204,727	-	25,907	178,819	(14,979)	163,840	General Plant	Worksheet 8	
142	General ARO		2,180	-	276	1,904	-	1,904	General Plant		
143	Total General		206,906	-	26,183	180,723	(14,979)	165,744			
144	Total Depreciation Expense		7,767,852	-	688,324	7,079,527	(133,735)	6,945,792		IncMStmt	
145	Amortization Expense										
146	Intangible Plant		1,059,587	-	134,086	925,501	251,796	1,177,297	General Plant	Worksheet 8	
147	Cloud Implement - Amort Plant		20,236	-	2,561	17,675	-	17,675	General Plant	Worksheet 8	
148	Total Intangible		1,079,823	-	136,647	943,176	251,796	1,194,972			
149	Production		-	-	-	-	-	-	Production Plant		
150	Total Production		-	-	-	-	-	-			
151	Transmission Plant		-	-	-	-	-	-	Transmission Plant		
152	Total Transmission		-	-	-	-	-	-			
153	Distribution Plant		-	-	-	-	-	-	Distribution Plant		
154	Total Distribution		-	-	-	-	-	-			
155	General Plant		-	-	-	-	-	-	General Plant		
156	Total General		-	-	-	-	-	-			
157	Total Amortization Expense		1,079,823	-	136,647	943,176	251,796	1,194,972		IncMStmt	
158	Amortization of Plant Acquisition Adjustment		-	-	-	-	-	-			
159	Regulatory Debits/Credits										
160	Regulatory Debits 4073000		51,107	-	-	51,107	-	51,107	Direct		
161	Regulatory Credits 4074000		(439)	-	-	(439)	-	(439)	Direct		
	Total Regulatory Debits/Credits		50,668	-	-	50,668	-	50,668		IncMStmt	

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT	NON-APPLICABLE	PJM TRANSMISSION OWNER	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT	ALLOCATOR	SOURCE	WORKPAPER
	(1)	(2)	(3)	(4)	(5)=(2)-(3)-(4)	(6)	(7)=(5)+(6)	(8)	(9)	(10)
162	Total Depreciation & Amortization Expense	8,898,343	-	824,971	8,073,372	118,060	8,191,432			
Other Taxes										
163	Current Payroll Taxes									
164	FICA	175,267	-	22,179	153,088	3,453	156,541	Payroll	IncStmnt	Workpaper 9
165	Fed Unemployment	886	-	112	773	-	773	Payroll	IncStmnt	Workpaper 9
166	State Unemployment	(23)	-	(3)	(20)	-	(20)	Payroll	IncStmnt	Workpaper 9
167	Total Payroll Related Tax	176,130	-	22,288	153,841	3,453	157,295		IncStmnt	
168	Real and Personal Property Tax	1,505,698	-	245,127	1,260,571	115,151	1,375,722	Direct	IncStmnt	
Other										
170	P.S.C.	661,740	-	127,878	533,862	-	533,862	Gross Plant	IncStmnt	Workpaper 9
171	Sales & Use	865	-	-	865	-	865	Direct	IncStmnt	Workpaper 9
172	Bus Franchise	451,342	-	87,220	364,122	-	364,122	Gross Plant	IncStmnt	Workpaper 9
173	Local Privilege-Franchise Tax	4,026,094	-	-	4,026,094	(4,026,094)	-	Direct		Workpaper 9
174	Regis Fee	-	-	-	-	-	-	Gross Plant		Workpaper 9
175	State Gross Receipts Tax	4,211,650	-	-	4,211,650	-	4,211,650	Direct	IncStmnt	Workpaper 9
176	Federal Excise	-	-	-	-	-	-	Production Plant		Workpaper 9
177	Taxes on Capital Leases	324	-	69	255	-	255	Net Plant		Workpaper 9
178	Total Taxes Other Than Income	11,033,842	-	482,581	10,551,261	(3,907,490)	6,643,771			Workpaper 9
Other Income / Expense										
179	Interest on Customer Deposits	247,609	-	-	247,609	-	247,609	Direct	IncStmnt	
181	Accretion Expense	1,582	-	200	1,382	-	1,382	Payroll		
182	ABFUDC (432)	(43,773)	-	(24,638)	(19,135)	-	(19,135)	CWIP	IncStmnt	
183	Total Other Income / Expense	205,418	-	(24,438)	229,855	-	229,855			
State Income Tax										
184	State Income Tax	(35,854)	-	(218,688)	182,834	(412,424)	(229,590)	Direct	IncStmnt	
Current Federal Income Taxes										
185	Current Federal Income Taxes	1,197,279	(88,240)	325,392	960,127	(1,269,619)	(309,492)	Direct	IncStmnt	
186	Deferred Federal Income Tax	(1,464,589)	88,240	132,030	(1,684,859)	477,820	(1,207,039)	Direct		
187	Deferred Investment Tax Credit	-	-	-	-	-	-	Direct		
188	Total Federal Income Taxes	(267,309)	(0.00)	457,422	(724,731)	(791,799)	(1,516,530)			
Charitable Contributions										
189	Charitable Contributions	28,703	-	-	28,703	-	28,703	Direct		
190	Total Charitable Contributions	28,703	-	-	28,703	-	28,703			

KgPCo Jurisdictional Cost of Service Study
Six Months Ending June 30, 2021

Line No.	Description (1)	TOTAL COMPANY PER BOOKS BEFORE ASSIGNMENT (2)	NON- APPLICABLE (3)	TRANSMISSION OWNER (4)	TOTAL FOR RATE MAKING BEFORE ADJUSTMENTS (5)=(2)-(3)-(4)	TOTAL FIXED, KNOWN & MEASURABLE ADJUSTMENTS (6)	TOTAL COMPANY AFTER ADJUSTMENTS & ASSIGNMENT (7)=(5)+(6)	ALLOCATOR (8)	SOURCE (9)	WORKPAPER (10)
Payroll (Note: includes KgPCo + Allocated Service Corp.)										
	Production	-	-	-	-	-	-			
	Demand Related	-	-	-	-	-	-	Demand		
	Energy Related	-	-	-	-	-	-	Energy		
	Total	-	-	-	-	-	-			
	Transmission	420,322	-	420,322	-	-	-	Direct		
	Distribution	2,055,171	-	-	2,055,171	-	2,055,171	Direct		
	Customer Accounts	766,144	-	-	766,144	-	766,144	No. of Customers		
	Cust. Svcs/Info	79,872	-	-	79,872	-	79,872	No. of Customers		
	Subtotal	3,321,509	-	420,322	2,901,187	-	2,901,187			
	A&G	1,068,422	-	135,204	933,218	-	933,218	Subtotal		
	Total Operation and Maintenance Payroll	4,389,931	-	555,526	3,834,405	-	3,834,405			
	Payroll Labor Allocation Factor			0.12655	0.87345					

Exhibit No. 2-b (KMJ)

KgPco Exhibit No. 2-b
Witness: KMJ
Page 1 of 4[illegible]

KgPCo Exhibit No. 2-b
Witness: KMJ
Page 2 of 4

Line	OM-13 QM	OM-14 QM	OM-15 QM	OM-16 QM	OM-17 QM	OM-18 QM	OM-19 QM	OM-20 QM	OM-21 QM	OM-22 QM	OM-23 QM	OM-24 QM
	Normalization of Major Storm Expenses (average of 12 months ended June 30, 2017, 2018, 2019, 2020 and 2021)	Remove FPPAR Expense	Annualize base wages and salaries as of 6/30/21	Provide for wage and salary increases through rate year ending 12/31/22	Increase savings plan expense related to adjustments to wages and salaries and incentives	Decrease SFAS 106 Other Post-Retirement Benefits expense to 2021 level	Increase SFAS 87 pension expense to 2021 level	Decrease group Life insurance expense to pro forma level	Increase group Medical Insurance expense to 2021 level	Increase group Dental Insurance expense to 2021 level	Decrease KGPCo Incentive Compensation Plan expense to 2021 target level over 5 years	Increase test year expenses to Amortize COVID-19 Deferral at 6/30/21 over 5 Years

KgPCo Exhibit No. 2-b
Witness: KM
Page 3 of 4

Line	OM-25	OM-26	DE-27	DE-28	OT-29	OT-30	OT-31	OT-32	OT-33	FIT-34-35	FIT-34-35
	Remove Test Year Amortization of RTO Demand Response Regulatory Asset	Remove test year level of on-going RTO Demand Expense since the program is being proposed for termination	Increase depreciation expense based on test year end depreciable plant balances and forecasted plant In 13- current year approved KPPCo depreciation rates	Annualize December 2022 level of estimated depreciation expense using proposed new depreciation rates and balances and forecasted plant In 13- current year approved KPPCo depreciation rates	Increase Social Security tax expense related to the annualization of wages and salaries	Increase Medicare tax related to wages and salaries	Increase Social Security tax expense related to the FICA base increase	Increase Property Taxes for Property Additions	Remove Franchise Fee Tax Expense	Reflect Current FIT impact of adjustments.	Reflect FIT impact of adjustments to interest.

KgPco Jurisdictional Cost of Service Study
Twelve Months Ending June 30, 2021
JCOS Adjustments

Line	Description	Adjusted Totals	FIT-34-35 Reflect FIT Impact of adjustments related to production excess amortization	SIT-36 SIT: Reflect Current SIT impact of adjustments.	EP-37 EP: Forecasted plant in-service capital additions thru 13-month average ending Dec 2022 net of estimated retirements	AD-38 AD: Increase AD provision for the control to the increase in depreciation based on 6/30/21 depreciable plant balances and currently approved KGPCo depreciation rates	AD-39 AD: Increase AD provision for plant additions 7/1/21 thru the 13-month average ending 12/31/22 including forecasted net plant in-service additions using	AD-40 AD: Decrease AD provision for electric plant in service retirements from 7/1/21 thru the 13-month average ending 12/31/22	ADFIT-41 ADFIT: Increase ADFIT (i.e. decrease rate based on electric plant-level adjustments.	ADFIT-42 ADFIT: Decrease ADFIT (i.e. increase rate based on electric plant alone NOLC
No.										
1	Operating Revenues - Sale of Electricity	(128,681,492)	-	-	-	-	-	-	-	-
2	Other Electric Operating Revenues	(164,751)	-	-	-	-	-	-	-	-
3	Non-Firm Sales Revenues	-	-	-	-	-	-	-	-	-
4	Total Operating Revenues	(128,846,243)	-	-	-	-	-	-	-	-
5	Operation and Maintenance Expenses									
6	Power Production	(117,746,450)	-	-	-	-	-	-	-	-
7	Transmission	-	-	-	-	-	-	-	-	-
8	Distribution	(1,604,224)	-	-	-	-	-	-	-	-
9	Customer Accounts	13,629	-	-	-	-	-	-	-	-
10	Customer Service & Information	(168,346)	-	-	-	-	-	-	-	-
11	Sales Expense	-	-	-	-	-	-	-	-	-
12	Administrative and General	128,117	-	-	-	-	-	-	-	-
13	Other O & M	-	-	-	-	-	-	-	-	-
14	Total Operation and Maintenance Expense	(119,377,274)	-	-	-	-	-	-	-	-
15	Depreciation and Amortization Expense	118,060	-	-	-	-	-	-	-	-
16	Taxes Other than Income	(3,907,490)	-	-	-	-	-	-	-	-
17	Charitable Contributions	-	-	-	-	-	-	-	-	-
18	Other Income / Expense (incl. AFUDC)	-	-	-	-	-	-	-	-	-
19	Total Other Expenses	(3,789,429)	-	-	-	-	-	-	-	-
20	Net Operating Income Before Income Tax	(5,679,539)	-	-	-	-	-	-	-	-
21	Total State Income Tax	(412,424)	-	(49,727)	-	-	-	-	-	-
22	Federal Income Tax									
23	Current Federal Income Tax	(1,269,619)	-	10,443	-	-	-	-	-	-
24	Deferred Federal Income Tax	477,820	289,660	-	-	-	-	-	-	-
25	Deferred Investment Tax Credit	-	-	-	-	-	-	-	-	-
26	Total Federal Income Taxes	(791,799)	289,660	10,443	-	-	-	-	-	-
27	Net Operating Income	(4,475,316)	(289,660)	39,284	-	-	-	-	-	-
28	Electric Plant in Service	18,157,474	-	-	18,157,474	-	-	-	-	-
29	Accumulated Provision for Depreciation & Amortization	(5,139,867)	-	-	-	(294,281)	(8,542,701)	3,697,115	-	-
30	Working Capital Requirement	-	-	-	-	-	-	-	-	-
31	Other Rate Base Offsets	11,650,345	-	-	-	-	-	-	(176,453)	11,826,798
32	Rate Base	24,667,952	-	-	18,157,474	(294,281)	(8,542,701)	3,697,115	(176,453)	11,826,798

Exhibit No. 2-c (KMJ)

Kingsport Power Co.
KgPCo Jurisdictional Allocation Factors
Twelve Months Ended June 30, 2021

Line No.	DESCRIPTION	KgPCo	PJM Transmission Owner
1	Demand	1.0000000	0.0000000
2	Energy	1.0000000	0.0000000
3	Number of Customers	1.0000000	0.0000000
4	Production Plant	0.0000000	0.0000000
5	Total Transmission Plant	0.0000000	1.0000000
6	Distribution Plant	1.0000000	0.0000000
7	General Plant	0.8734545	0.1265455
8	CWIP	0.4371478	0.5628522
9	Total Gross Plant	0.8067550	0.1932450
10	Total Net Plant	0.7877941	0.2122059
11	Payroll Labor Factor	0.8734545	0.1265455
12	O&M	0.9929757	0.0070243