

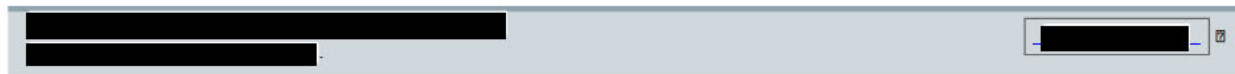
From: [PSC Public Comment](#)
To: [Stephanie Dunaway](#)
Subject: RE: PUBLIC COMMENT SUBMISSION Kentucky Public Service Commission Case No. 2026-00103 In the Matter of: Kentucky Power Company Notice of Intent — New In-State Generation Resource
Date: Wednesday, July 1, 2026 3:18:00 PM

Case No. 2026-00103

Thank you for your comments on the application of Kentucky Power Company. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2026-00103 in any further correspondence. The documents in this case are available at [View Case Filings for: 2026-00103 \(ky.gov\)](#).

Thank you for your interest in this matter.

From: Stephanie Dunaway [REDACTED]
Sent: Wednesday, July 1, 2026 3:07 PM
To: PSC Public Comment <PSC.Comment@ky.gov>
Subject: PUBLIC COMMENT SUBMISSION Kentucky Public Service Commission Case No. 2026-00103 In the Matter of: Kentucky Power Company Notice of Intent — New In-State Generation Resource



Here is the PSC public comment submission:

Submitted by: Stephanie Dunaway **Address:** [REDACTED], Ashland, Kentucky 41102 **Date:** July 2026
Prior PSC participation: Case 2025-00257 (Boyd County outage complaint)

I. PURPOSE

I am submitting this comment as a residential ratepayer in Kentucky Power's service territory to raise concerns about the cumulative ratepayer impact of Kentucky Power's proposed new generation resource in connection with the TeraWulf/Muskie Data Campus at EastPark Industrial Park, and to request that the Commission conduct an integrated analysis before approving any certificate of public convenience and necessity.

II. CURRENT RATEPAYER BURDEN — DOCUMENTED

My current residential bill for billing period May 5, 2026 through June 5, 2026 reflects the following:

- Rate Billing (base): \$206.35
- Fuel Adjustment @ \$0.01348/kWh: \$17.85
- Securitized Surcharge Rider 5.7929%: \$13.31
- Environmental Adjustment 3.3689%: \$7.74
- School Tax: \$7.53
- Generation Rider: \$6.30
- DSM Adjustment: \$0.78
- Purchased Power Adjustment: \$0.29
- Residential Energy Assistance: \$0.40
- Decommissioning Rider: \$0.02
- Credits: -\$2.16
- **Total: \$279.88**

Riders, surcharges, and adjustments above base rate total approximately **\$73.53 — roughly 26% of my total bill.**

I note that I have 16 rooftop solar panels partially offsetting my consumption. Kentucky law prohibits storage of excess generation; it returns to Kentucky Power's grid. Despite this personal investment in clean energy generation,

riders and surcharges are assessed on gross usage regardless of solar generation, providing no relief from cost recovery mechanisms.

This is the baseline ratepayer burden in Boyd County **before** any new capital investment enters the rate base.

III. THE GENERATION RIDER IS THE CRITICAL LINE ITEM

The Generation Rider — currently \$6.30 on my bill — is the mechanism through which Kentucky Power recovers capital investment costs from ratepayers. Every new generation asset approved and placed into service increases this rider for every residential customer in Kentucky Power’s territory.

The Commission is asked to note that:

The Securitized Surcharge Rider (\$13.31) reflects bonds issued to refinance costs from the retirement of the Big Sandy plant — debt ratepayers are still repaying from a facility already closed.

The Environmental Adjustment (\$7.74) reflects ongoing compliance costs for aging generation infrastructure.

The Generation Rider (\$6.30) will increase directly if a new gas generation facility at Louisa is approved and enters the rate base.

These are not hypothetical projections. They are current line items on a current residential bill that will grow with each new capital approval.

IV. THE NEED FOR INTEGRATED ANALYSIS

Kentucky Power has filed a Notice of Intent to seek a CPCN for a new in-state generation resource (Case 2026-00103). The full application has not yet been filed.

Simultaneously, Kentucky Power is seeking capital recovery for Mitchell Unit 2 cooling tower replacement (Case 2026-00001, formal hearing July 8, 2026) at a project cost of \$191 million, of which Kentucky Power’s share is \$95.5 million after a \$51 million federal grant.

TeraWulf has announced a proposed 1 gigawatt data campus at EastPark Industrial Park in Boyd and Greenup Counties — the largest single industrial load in Kentucky Power’s history.

These proceedings are currently being reviewed **separately**. No integrated analysis of their combined ratepayer impact exists in the public record.

TeraWulf’s own written representations to Boyd County community members, dated June 2026 and signed by TeraWulf representative Eren Kaya, state that TeraWulf has no ownership of and no dedicated entitlement to any new Kentucky Power generation facility. However, if a new gas plant is approved and enters the rate base, its capital costs flow directly into the Generation Rider paid by every residential customer in Kentucky Power’s territory regardless of which customer or load prompted its construction.

V. SPECIFIC REQUESTS TO THE COMMISSION

I respectfully request that the Commission:

- 1. Require Kentucky Power to file an integrated ratepayer impact analysis** connecting the proposed new generation resource in Case 2026-00103, the Mitchell Unit 2 cooling tower capital recovery in Case 2026-00001, and the transmission interconnection infrastructure costs associated with the TeraWulf/EastPark project — as a single cumulative analysis before any CPCN is granted.
- 2. Require Kentucky Power to demonstrate specifically** how residential ratepayer bills will be affected by the Generation Rider increases resulting from all approved and pending capital investments combined — not each project in isolation.
- 3. Require full public disclosure** of the projected cost, size, in-service date, and financing structure of the proposed Louisa generation facility before the CPCN application is accepted as complete, given the scale of its potential ratepayer impact.

VI. ATTACHMENTS

1. Kentucky Power residential bill, Account [REDACTED], billing period 05/05/26–06/05/26
2. TeraWulf written responses to citizen questions, June 2026, signed Eren Kaya (5 pages)
3. PSC Case 2026-00103 Notice of Intent

Respectfully submitted,

Stephanie Dunaway Boyd County Residential Ratepayer Kentucky Power Account [REDACTED] Ashland, Kentucky 41102

**Service Address:**
STEPHANIE J DUNAWAY
[REDACTED]
ASHLAND, KY 41102-8119

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ 234.21
Payment 05/29/26 - Thank You	-234.21
Previous Balance Due	\$.00

Current KPCO Charges	
Tariff 012 - Residential Service 06/05/26	
Rate Billing	\$ 206.35
Fuel Adj @ 0.0134800 Per kWh	17.89
Federal Tax Credit @ 0.0008300- Per kWh	-1.30
GSN Adj @ 0.0005870 Per kWh	.79
Residential Energy Assistance @ \$0.40	.40
Purchased Power Adj \$0.0002200/kWh	.29
Deferred Tax Liability Rider	-1.06
Decommissioning Rider 0.6082000%	.01
Securitized Surcharge Rider 5.7929000%	13.31
Environmental Adj 3.3689000%	7.74
Generation Rider	6.30
School Tax	7.51
Current Balance Due	\$ 258.41

Tariff 014 - Outdoor Light 06/08/26	
Rate Billing 29 kWh Used (Nbr Lights:1)	\$ 18.71
Fuel Adj @ 0.0134800 Per kWh	.39
Federal Tax Credit @ 0.0008300- Per kWh	-.02
Purchased Power Adj \$0.0001000/kWh	.00
Deferred Tax Liability Rider	-.05
Securitized Surcharge Rider 5.7929000%	1.11
Environmental Adj 3.3689000%	.64
Generation Rider	.02
School Tax	.61
Current Balance Due	\$ 21.47
Total Balance Due	\$ 279.88
The Amount Will Be Deducted From Your Bank Account On June 30, 2026.	

Usage Details:

Values reflect changes between current month and previous month.

Usage	Avg. Daily Cost	Avg. Temperature
1,324 kWh	\$ 31.44	84°F

Total usage for the past 12 months: 15,160 kWh
Average (Avg.) monthly usage: 1,263 kWh

Meter Read Details:

Meter	Previous	Type	Current	Type	Metered	Usage
49538	Actual	50924	Actual	5386	1,324 kWh Div	
	6071	Actual	6133	Actual	-62	-62 kWh R/cv

Service Period 05/14 - 06/05
Next scheduled read date should be between Jul 7 and Jul 10.

Notes from KPCO:

Your current amount due is \$279.88. If you were on the Average Monthly Payment (AMP) plan, your bill would have been \$237.00. Log in to www.kentuckypower.com or call us to learn more about these programs.

Thank you for being a paperless customer! Sign up for billing and outage alerts to stay informed. You can manage your account by logging in at kentuckypower.com.

Kentucky Power provides online access to customer rate schedules at <http://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.
To avoid unnecessary delays in crediting your electric payment, please **do not paper clip or staple your check to the bill payment stub.**

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.

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[REDACTED]
ASHLAND, KY 41102-8119

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 kentuckypower.com 

**RETIRING AND REPLACING MITCHELL 2 WITH ALTERNATIVE RESOURCES WOULD
OFFER A VARIETY OF BENEFITS IN TERMS OF RISK, RELIABILITY, AND SYSTEM
PERFORMANCE**

Does Kentucky Power's current resource portfolio pose risks for ratepayers?

Yes. Kentucky Power's resource mix is almost entirely composed of aging steam turbine capacity (Table 4). Mitchell 1 and 2 are currently 55 years old and will be 69 years old by their planned retirement in 2040. Big Sandy is 63 years old and will be 78 by its planned retirement in mid-2041.⁷⁸ Data from the U.S. Energy Information Administration suggests that the capacity-weighted average age of U.S. coal plants at retirement is approximately 50 years (Figure 2). All three of Kentucky Power's units have exceeded this age, suggesting that they are likely reaching the end of their useful lives.

Continued reliance on these aging steam units—in particular coal-fired units such as Mitchell 1 and 2—creates risk related to environmental compliance costs, unexpected capital expenditures to maintain plant operations, fuel price escalation, and decreased reliability. Rather than continuing to make capital expenditures at Mitchell 2 to rebuild the cooling tower, it would be in ratepayers' best interest for Kentucky Power to begin transitioning its fleet to more modern generating resources.

⁷⁸Kentucky Power 2022 IRP at 173.

award of the funds, however, makes construction of the new mechanical draft cooling

10:21 tower even more beneficial for customers. Broadly speaking, the awarded funds v 51%

serve to reduce the capital cost of the project and the associated revenue requirement.

Additional detail regarding the impact of the Awarded Funds on the economic analysis in

8 of 12 this case is provided in Company Witness Coon's Rebuttal Testimony.

IV. REBUTTAL

10 Q. SECTION 5 OF MS. METZ'S TESTIMONY IS TITLED "RETIRING AND
11 REPLACING MITCHELL 2 WITH ALTERNATIVE RESOURCES WOULD
12 OFFER A VARIETY OF BENEFITS IN TERMS OF RISK, RELIABILITY, AND
13 SYSTEM PERFORMANCE." IS THAT THE SUBJECT OF THIS PROCEEDING?

14 A. No. Kentucky Power filed its application in this case for the narrow purpose of seeking a
15 certificate of public convenience and necessity ("CPCN") for the construction of a new
16 mechanical draft cooling tower. The new mechanical draft cooling tower is necessary to
17 address the structural needs of the existing Mitchell Unit 2 Cooling Tower. In Case No.
18 2025-00175, the Company sought a CPCN to make the investments necessary to continue
19 to take capacity and energy from the Mitchell Plant after 2028. The Commission approved
20 the Company's application in 2025-00175. The question of whether the Company should
21 retire and replace Mitchell Unit 2 with another resource has already been addressed by the
22 Commission when it concluded, "that the evidence presented in this case established that

8 A. No. The four options evaluated by the Company and presented in this case are not resource
9 alternatives. Instead, the four options represent the reasonable alternatives to address the
10 structural needs of the Mitchell Unit 2 Cooling Tower. Three of these options (Options 1,
11 3, and 4) present the reasonable alternatives for addressing the structural needs of the
12 Mitchell Unit 2 Cooling Tower while maintaining access to the capacity and energy from
13 Mitchell Unit 2 that the Commission concluded was the lowest, reasonable cost alternative
14 for the Company and its customers. Option 2, retiring Mitchell Unit 2 and replacing it with
15 a new-build, natural gas combined cycle facility reflects the alternative to replace the
16 capacity and energy from Mitchell Unit 2 in the event the Company were to address the
17 structural issues of the Unit 2 Cooling Tower in a way that did not allow it to continue to
18 take capacity and energy from Mitchell Unit 2.

[illegible]

IV. REBUTTAL

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21 retire and replace Mitchell Unit 2 with another resource has already been addressed by the
22 Commission when it concluded, "that the evidence presented in this case established that

ELLIOTT - R6

1 making the investments proposed to continue taking capacity and energy from the Mitchell
2 Plant after 2028 is the most reasonable, least cost option for serving customers based on
3 the relative costs of the alternatives, the long-term options Mitchell Plant offers, and the
4 risks of relying heavily on the market in the current environment."¹

5 **Q. MS. METZ REFERS TO THE OPTIONS EVALUATED IN THIS CASE AS**
6 **"RESOURCE ALTERNATIVES." IS THAT AN APPROPRIATE VIEW OF THE**
7 **OPTIONS PRESENTED IN THIS PROCEEDING?**

8 A. No. The four options evaluated by the Company and presented in this case are not resource
9 alternatives. Instead, the four options represent the reasonable alternatives to address the
10 structural needs of the Mitchell Unit 2 Cooling Tower. Three of these options (Options 1,
11 3, and 4) present the reasonable alternatives for addressing the structural needs of the
12 Mitchell Unit 2 Cooling Tower while maintaining access to the capacity and energy from
13 Mitchell Unit 2 that the Commission concluded was the lowest, reasonable cost alternative

¹ Order at 25, *In the Matter Of: Electronic Application Of Kentucky Power Company For Approval Of (1) A Certificate Of Public Convenience And Necessity To Make The Capital Investments Necessary To Continue Taking Capacity And Energy From The Mitchell Generating Plant, (2) Revised Environmental Study, (3) Revised Environmental Compliance Plan, (4) Revised Environmental Monitoring Program, (5) Revised Environmental Impact Statement, (6) Revised Environmental Assessments, (7) Revised Environmental Mitigation Measures, (8) Revised Environmental Management Plans, (9) Revised Environmental Monitoring Procedures, (10) Revised Environmental Reporting Requirements, (11) Revised Environmental Compliance Procedures, (12) Revised Environmental Enforcement Procedures, (13) Revised Environmental Remediation Procedures, (14) Revised Environmental Restoration Procedures, (15) Revised Environmental Reclamation Procedures, (16) Revised Environmental Rehabilitation Procedures, (17) Revised Environmental Conservation Procedures, (18) Revised Environmental Protection Procedures, (19) Revised Environmental Stewardship Procedures, (20) Revised Environmental Governance Procedures, (21) Revised Environmental Accountability Procedures, (22) Revised Environmental Transparency Procedures, (23) Revised Environmental Integrity Procedures, (24) Revised Environmental Sustainability Procedures, (25) Revised Environmental Resilience Procedures, (26) Revised Environmental Adaptability Procedures, (27) Revised Environmental Flexibility Procedures, (28) Revised Environmental Innovation Procedures, (29) Revised Environmental Creativity Procedures, (30) Revised Environmental Leadership Procedures, (31) Revised Environmental Visioning Procedures, (32) Revised Environmental Planning Procedures, (33) Revised Environmental Design Procedures, (34) Revised Environmental Construction Procedures, (35) Revised Environmental Operation Procedures, (36) Revised Environmental Maintenance Procedures, (37) Revised Environmental Repair Procedures, (38) Revised Environmental Replacement Procedures, (39) Revised Environmental Upgrade Procedures, (40) Revised Environmental Expansion Procedures, (41) Revised Environmental Contraction Procedures, (42) Revised Environmental Closure Procedures, (43) Revised Environmental Decommissioning Procedures, (44) Revised Environmental Dismantling Procedures, (45) Revised Environmental Demolition Procedures, (46) Revised Environmental Destruction Procedures, (47) Revised Environmental Disposal Procedures, (48) Revised Environmental Recycling Procedures, (49) Revised Environmental Reuse Procedures, (50) Revised Environmental Repurpose Procedures, (51) Revised Environmental Refurbish Procedures, (52) Revised Environmental Restore Procedures, (53) Revised Environmental Revitalize Procedures, (54) Revised Environmental Renew Procedures, (55) Revised Environmental Refresh Procedures, (56) Revised Environmental Reinvent Procedures, (57) Revised Environmental Reinstate 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escalation, and decreased reliability. Rather than continuing to make capital expenditures at Mitchell 2 to rebuild the cooling tower, it would be in ratepayers' best interest for Kentucky Power to begin transitioning its fleet to more modern generating resources.

Kentucky Power 2022 IRP at 173.

Responses to Your Questions

TeraWulf — Muskie Data Campus at EastPark

Prepared for Suzanne Barker Griffith — June 2026

Dear Ms. Griffith,

Thank you again for the conversation at the June 17 meeting and for your op-ed on EastPark's history. Below are written responses to each of your twelve questions, with citations to the underlying public documents so you can verify each point at the source.

In summary, TeraWulf takes Kentucky Power's standard industrial tariff with no special discount — the same rates, and the same riders (securitization, cooling-tower, environmental), that every large customer pays. The contract commits us to roughly \$248 million a year in demand charges whether or not we run (a 90% take-or-pay over a 20-year term), backed by about \$631 million in security — a letter of credit from a strong bank that must be rated at least A- (Standard and Poor's) / A3 (Moody's) — that Kentucky Power can draw on if we fail to pay. Kentucky Power serves our load the same way it serves the rest of its load — from the generation it owns or from PJM purchases when those are cheaper — and we pay for our own interconnection through the tariff.

A note on scope — several of your questions are Kentucky Power's to answer: its generation planning, the Louisa plant, the company's lobbying and rate-case strategy, and the nuclear-siting study. Where a question is about TeraWulf's own arrangement at EastPark, I've answered from the executed contracts and the tariff.

1. What is the generation source for the 1,000 MW to supply the data center? (in light of the 2022 Ebon rejection)

Kentucky Power today serves most of its load through the PJM regional energy market rather than from its own plants — its 2025 FERC Form 1 reports about 3,133,926 MWh purchased from PJM for roughly \$142.3 million. KP owns a 50% share of the Mitchell coal plant in West Virginia (~780 MW share) and the Big Sandy gas unit near Louisa (~268 MW), and holds purchase-power agreements. It would serve the EastPark load the same way it serves its existing load — from its own resources or from PJM when that is cheaper — not from a new plant built specifically for this load.

On the 2022 Ebon contract you reference (Case 2022-00387): the PSC denied it on August 28, 2023, because it was a discounted special contract and the Commission found Kentucky Power had not shown the discounted rate would exceed the marginal cost of serving Ebon (including capacity), creating a likelihood of higher rates for other ratepayers. (Ebon's load was also largely interruptible.) The TeraWulf arrangement is structured to remove those concerns (see Question 2).

Sources: [KP 2025 FERC Form 1 — Purchased Power, Account 555 \(PDF p. 110\)](#) [PSC Order denying Ebon — Case 2022-00387 \(Aug. 28, 2023\)](#)

2. If a 250 MW contract was rejected over bill-spike concerns, how will a 1,000 MW data center not spike bills?

The Commission's Ebon concern was specific: a discounted contract might not cover its own cost, leaving the gap to other ratepayers. TeraWulf's arrangement is built to close that gap. MDC's load is structured to pay its full share rather than shift cost onto residential customers — which is what the Commission found missing in Ebon. This structure is the mechanism that keeps this project from being subsidized by other ratepayers.

- **No discount.** Service is on KP's standard Industrial General Service (I.G.S.) tariff — the same rates other large industrial customers pay.
- **90% take-or-pay, 20-year term.** A minimum monthly billing demand equal to 90% of contracted capacity commits us to roughly \$248 million a year in demand charges whether or not we run, before we pay anything for energy.
- **Substantial, investment-grade security.** Before work proceeds we must post roughly \$631 million in collateral (about \$310.7 million for service and \$320.2 million for interconnection construction), posted as a letter of credit from a strong bank that the contracts require to carry a high credit rating of at least A- from Standard and Poor's and A3 from Moody's, and that KP can draw on if we fail to pay. If the issuing bank is downgraded below that level, KP can require replacement security. If TeraWulf cancels, breaches, or becomes insolvent, KP can recover interconnection costs already incurred, and a one-time exit fee applies after year five.
- **Pays its own way.** We pay for energy through the fuel and purchased-power adjustment clauses and for capacity through our demand charges, and we pay the same riders and surcharges as everyone else.

Sources: [Kentucky Power Tariff - I.G.S. Sheet 8-1 \(rates; PDF p. 61\)](#) and [Sheet 8-3 \(90% minimum billing demand, 24x security, 20-yr term; PDF p. 63\)](#)

3. Is the PSC involved with the power contract for the data center?

Yes — though not as a separate special-contract approval. TeraWulf takes service under the large-load provisions of KP's standard Industrial General Service (I.G.S.) tariff, which the PSC approved in KP's 2025 base-rate case (Case 2025-00257). That is the key difference from Ebon, which required a special-contract approval the PSC denied. The Commission also remains involved in the surrounding pieces: the interconnection facilities require Certificate of Public Convenience and Necessity (CPCN) approval before construction, and rates, cost recovery, and any new generation are decided in PSC proceedings.

Sources: [PSC Order, Case 2025-00257 \(Feb. 28, 2026\)](#) [Kentucky Power Tariff - I.G.S. large-load schedule, Sheet 8-3 \(PDF p. 63\)](#)

4. PJM costs are rising and the market monitor says PJM lacks capacity for data centers. Will EastPark buy off PJM without raising others' bills?

TeraWulf does not buy from PJM directly — it is a retail customer of Kentucky Power, which serves the load under its standard tariff. KP sources energy from the PJM market when that is cheaper and resells it at the system-average fuel cost through the fuel adjustment clause. Capacity works differently: as a Fixed Resource Requirement (FRR) utility, Kentucky Power must hold its own capacity — its own generation plus firm contracts — to cover its load, rather than buying it through PJM's capacity auction (the Reliability Pricing Model, or RPM, where most utilities procure capacity at an auction-set clearing price). That is the key point: the RPM price spike the Market Monitor warns about falls on utilities that rely on that auction, and Kentucky Power's existing customers are insulated from it.

TeraWulf also pays its full, undiscounted cost — energy through the fuel adjustment clause, capacity through its demand charges and the 90% take-or-pay — so its costs are borne by TeraWulf, not socialized onto other customers. A large load does add some upward pressure on regional energy and transmission costs, but EastPark is on the order of 1% of PJM's energy and its steady, off-peak-heavy use falls in lower-priced hours; the net effect on residential bills depends on PJM prices and on rate-design decisions before the PSC.

Sources: [PJM 2025 State of the Market Report \(IMM\)](#) [PJM 2027/2028 Base Residual Auction Report \(p. 6\)](#) [KP 2025 FERC Form 1 — common FRR capacity plan](#)

5. Is there a relationship between the data center(s) and the planned small nuclear reactor?

No. The TeraWulf data center at EastPark is served under the standard tariff and is not dependent on, or contractually tied to, any future nuclear reactor. We are not party to any plan to power the data center from a small modular reactor; whether KP/AEP develops one, and for which loads, is theirs to answer. (For reference, the Kentucky Nuclear Energy Development Authority awarded AEP about \$1 million this year for early SMR siting-study work — a study, not a committed generation plan.)

6. Is there a plan to build generation paid for only by data centers and serving only data centers?

No. TeraWulf has no ownership of, and no dedicated entitlement to, any Kentucky Power plant — we buy from KP like other large customers, and KP is not proposing to build or directly assign generation solely for us.

7. How much is the data center forecast to pay toward the failing Mitchell cooling tower?

The Mitchell cooling-tower replacement is a Kentucky Power project (Case 2026-00001) and the specifics are KP's to answer. What the record shows: Kentucky Power owns a 50% share of the Mitchell plant (co-owned with an AEP affiliate). A \$51 million federal grant — awarded in June 2026 under the U.S. Department of Energy's Defense Production Act program — supports the cooling-tower project; Kentucky Power has stated it was selected to receive this funding and that it will help reduce cost impacts for customers, substantially lowering the project's net cost

and, with it, KP's share. KP's portion is recovered through the Generation Rider — a generation cost, separate from transmission — and Kentucky Power would carry it with or without the data center.

TeraWulf does not get an exemption: because we take the standard tariff, we pay the same demand-based Generation Rider. A large new customer picks up a meaningful share of that fixed cost, which spreads it across a larger base and reduces what each residential and other customer would otherwise carry, rather than adding to it.

Sources: [KP Application, Case 2026-00001 \(¶¶ 24, 26\)](#) [Direct Testimony of N. Coon, Exhibit NMC-2](#) [DOE Defense Production Act project selections \(Mitchell, \\$51M\)](#) [Kentucky Power news release \(June 4, 2026\)](#)

8. The new Louisa gas plant (Case 2026-00103): is it for the data center? Will all ratepayers pay? Is it replacing Mitchell?

This is Kentucky Power's filing, and the specifics — type, size, cost, in-service date, and financing — are best answered by KP and on the case record (Case 2026-00103), where its Notice of Intent is on file and the full application will follow. What is public: KP has filed a Notice of Intent signaling it will seek a CPCN for a new in-state generation resource; the full application has not yet been filed, so the plant's purpose, size, cost, and timing are not yet on the case record. From TeraWulf's side: we have no ownership of, or dedicated entitlement to, the Louisa plant, and we pay for our power through the standard tariff.

Sources: [KP Notice of Intent, Case 2026-00103](#) [Case 2026-00103 — full docket](#)

9. Will TeraWulf pay the securitization charge? If so, how does that affect other ratepayers?

Yes. Because TeraWulf takes the standard tariff, the Securitized Surcharge Rider applies to our bill like every other customer — we are not exempt. It recovers the securitization bonds KP issued in 2025 (about \$477.7 million) that refinanced past costs, including the Big Sandy retirement. The current factors are 5.79% (residential) and 12.86% (non-residential), and a large customer like TeraWulf pays the non-residential factor on applicable charges — not a reduced one.

How this affects others: the bond payment is a fixed amount, and the tariff splits it between the residential and non-residential classes by each class's share of total retail revenue. Adding a large non-residential payer like TeraWulf shifts more of that fixed payment onto the much larger non-residential base and spreads it over more revenue overall. Through the rider's periodic true-ups, the per-customer securitization charge falls for other customers without changing the total bond amount or extending the payoff timeline.

Sources: [KP Tariff — Securitized Surcharge Rider, Sheet 35-5](#) [PSC Financing Order, Case 2023-00159](#)

10. Did Kentucky Power lobby for/against HB 593, and what were KP's data-center lobbying positions in 2026?

Kentucky Power's lobbying record is KP's to speak to, and we're not in a position to characterize it.

Sources: [Kentucky HB 593 \(2026 RS\) — record and actions](#) [Kentucky Legislative Ethics Commission — lobbying activity](#)

11. Is selling 1 GW enough to negate the loss-of-industry rationale in future rate cases? Will it satisfy KP's desired ROE?

A large, stable, full-tariff customer supports rate stability — it adds revenue and spreads Kentucky Power's fixed costs over more sales. Whether that is enough to offset lost industrial load, how it bears on Kentucky Power's authorized return on equity (9.75% on base rates, 9.65% on riders; Case 2025-00257), and what it means for the company's rate-case strategy are Kentucky Power's to characterize — we don't speak for the company on its earnings or ROE. How it reaches residential bills depends on the mechanism: rider charges such as securitization true up periodically (semi-annually), while base-rate and cost-allocation effects are reflected at Kentucky Power's general rate cases.

Sources: [PSC Order, Case 2025-00257, p. 127 — authorized ROE](#)

12. How will data centers help Kentucky Power achieve its stated priority of lowering rates?

The mechanism is cost-spreading. A utility recovers large fixed costs — transmission, the securitization bonds, environmental and generation riders — from its whole customer base. A large, steady, full-rate customer picks up a share of those fixed costs, so each customer's share goes down. Furthermore, a high-load-factor customer like a data center is especially good for this because it uses the system steadily rather than only at peak.

Sources: [KP Tariff — Generation Rider \(Sheet 32-1\) and Environmental Surcharge \(Sheet 33-1\)](#) [PSC Order, Case 2025-00257, p. 141 — cost-of-service study](#)

This is the written, sourced response I promised on June 17. Several items are genuinely Kentucky Power's to answer or remain before the PSC; I've flagged these and would encourage you to raise them with KP and on the relevant dockets. I appreciate your engagement on this and hope this is helpful.

Sincerely,

Eren Kaya

8. Kentucky Power has applied for a new gas plant in Louisa. From the application in case number 2026-00103, "1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A NEW IN-STATE GENERATION RESOURCE; 2) FOR A SITE COMPATIBILITY CERTIFICATE; 3) APPROVAL OF ALL NECESSARY ACCOUNTING AND RATEMAKING TREATMENT OF THE PROJECT; AND 4) FOR ALL OTHER REQUIRED APPROVALS AND RELIEF". Is this plant to supply the new TeraWulf data center at EastPark? Will all ratepayers be required to pay for this plant? Is this plant replacing the Mitchell Plant? How many megawatts will this new plant be? What is the projected date this plant will be online? Will data centers and other industrial rate customers be required to pay a higher securitization charge for this plant due to having lower rates than residential customers? What is the expected cost of this plant?

Stephanie Dunaway
Boyd County resident

Service List for 2026-00106

* Chris Veach

Fountain Run Water District #1

226 Main Street

P.O. Box 118

Fountain Run, KY 42133

* Fountain Run Water District #1

226 Main Street

P.O. Box 118

Fountain Run, KY 42133

* Sue Purdy

Fountain Run Water District #1

226 Main Street

P.O. Box 118

Fountain Run, KY 42133