

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

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 Station)	Case No. 2025-00175
After December 31, 2028, (2) An Amended)	
Environmental Compliance Plan, (3) Revised)	
Environmental Surcharge Tariff Sheets, And (4) All)	
Other Required Approvals And Relief)	

APPLICATION

Kentucky Power Company (“Kentucky Power” or “Company”) applies to the Public Service Commission of Kentucky (“Commission”) pursuant to KRS 278.020(1), KRS 278.183, 807 KAR 5:001, Section 14, 807 KAR 5:001, Section 15, 807 KAR 5:011, and all other applicable statutes and regulations, for an order granting: (1) a certificate of public convenience and necessity (“CPCN”) authorizing the Company to make the capital investments necessary to continue taking 50% of the capacity and energy from the Mitchell Generating Station (“Mitchell Plant”, “Mitchell”, or the “Plant”) after December 31, 2028; (2) approval of its 2025 Environmental Compliance Plan; (3) approval of amendments to its Tariff Environmental Surcharge (“Tariff E.S.”) to reflect its 2025 Environmental Compliance Plan and amended environmental cost recovery surcharge; (4) deferral authority for the approximately \$20.1 million share of environmental costs that have been charged to West Virginia customers; and (5) all other required approvals and relief. The Company states as follows in support of its Application:

BACKGROUND

A. Information Regarding The Applicant

1. **Name and Address:** The applicant's full name and post office address is: Kentucky Power Company, 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company's electronic mail address is kentucky_regulatory_services@aep.com.

2. **Incorporation:** Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing in Kentucky.¹

3. **Business:** Kentucky Power is a public utility principally engaged in the provision of electricity to Kentucky consumers. The Company generates and purchases electricity that it distributes and sells at retail to approximately 163,000 customers located in all, or portions of, the Counties of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. The Company's peak winter demand in 2024 was 1,288 megawatts ("MW"), and the peak demand during the summer of 2024 was 980 MW.

B. Kentucky Power's Current Generating Resources

4. **Mitchell Plant.** The Mitchell Plant is located approximately 12 miles south of Moundsville, West Virginia on the Ohio River and is operated by Wheeling Power Company. The Plant is comprised of two super-critical pulverized coal-fired baseload generating units. Mitchell Unit 1 has a nameplate capacity of 770 MW and Mitchell Unit 2 has a nameplate capacity of 790 MW, for a total nameplate capacity of 1,560 MW. Kentucky Power's 50% undivided share of the

¹ A certified copy of the Company's Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company's June 26, 2025 Certificate of Existence is filed as **EXHIBIT 1** to the Application.

Mitchell Plant comprises 780 MW of nameplate capacity. Both units were placed in service in 1971. Based on the Commission's Orders in Case No. 2021-00004 and 2021-00421,² absent a change, Kentucky Power's entitlement to the energy and capacity from the Mitchell Plant will terminate on January 1, 2029.

5. **Big Sandy Unit 1.** Kentucky Power owns and operates the Big Sandy Plant located near Louisa, Kentucky. The plant currently has a single operating unit with a generating capacity of 295 MW. Big Sandy Unit 1 was originally placed in service in 1963 and operated as a 278 MW sub-critical coal-fired generating unit through mid-November 2015. As approved by the Commission in Case No. 2013-00430, Big Sandy Unit 1 was converted to a natural gas-fired unit and returned to service May 31, 2016.

C. Applicable Environmental Requirements

6. Kentucky Power is subject to federal, state, and local environmental requirements applicable to coal combustion byproducts. Among such requirements is the Steam Electric Effluent Limitations Guidelines ("ELG Rule") promulgated by the United States Environmental Protection Agency ("EPA"). The ELG Rule's requirements as they apply to the operation of the Mitchell Plant are among the Environmental Requirements described in KRS 278.183.

7. Compliance with the ELG Rule is necessary for the Mitchell Plant to continue to operate beyond 2028.

² See Order at 7, *In The Matter Of: Electronic Application Of Kentucky Power Company For Approval Of A Certificate Of Public Convenience And Necessity For Environmental Project Construction At The Mitchell Generating Station, An Amended Environmental Compliance Plan, And Revised Environmental Surcharge Tariff Sheets*, Case No. 2021-00004 (Ky. P.S.C. May 3, 2022); Order at 13, *In The Matter Of: Electronic Application Of Kentucky Power Company For Approval Of Affiliate Agreements Related To The Mitchell Generating Station*, Case No. 2021-00421 (Ky. P.S.C. May 3, 2022).

D. Relevant Procedural History

8. Kentucky Power and Wheeling Power each own an undivided 50% interest in the Mitchell Plant. Kentucky Power filed an application in Case No. 2021-00004 on February 8, 2021, seeking, among other things, a CPCN authorizing the construction of environmental projects at the Mitchell Plant necessary to comply with the EPA’s Coal Combustion Residuals (“CCR”) Rule and the ELG Rule. Kentucky Power proposed two options in that application: (1) to perform the environmental projects required to comply with both the CCR and ELG Rules (“Case 1”), allowing the Plant to operate past 2028; or (2) to perform only the environmental projects required to comply with the CCR Rule (“Case 2”), allowing the plant to operate past April 11, 2021, but not beyond 2028. Kentucky Power recommended moving forward with Case 1 (CCR and ELG) in its filing; however, the Commission approved a CPCN only for Case 2 (CCR only) via its July 15, 2021 Order in that case. Kentucky Power, therefore, made the capital investments for the CCR upgrades only.

9. The Commission later clarified and confirmed that the Company’s interest in the Mitchell Plant must terminate by December 31, 2028, as a result of the Commission’s July 15, 2021 Order in Case No. 2021-00004.³ Kentucky Power, therefore, made the capital investments for the CCR upgrades only.

10. In the meantime, Wheeling Power received approval from the West Virginia Public Service Commission to invest in both the CCR upgrades and the ELG upgrades (“ELG Project”) necessary to allow the Plant to operate beyond 2028. The West Virginia Public Service

³ See Order at 7, *In The Matter Of: Electronic Application Of Kentucky Power Company For Approval Of A Certificate Of Public Convenience And Necessity For Environmental Project Construction At The Mitchell Generating Station, An Amended Environmental Compliance Plan, And Revised Environmental Surcharge Tariff Sheets*, Case No. 2021-00004 (Ky. P.S.C. May 3, 2022); Order at 13, *In The Matter Of: Electronic Application Of Kentucky Power Company For Approval Of Affiliate Agreements Related To The Mitchell Generating Station*, Case No. 2021-00421 (Ky. P.S.C. May 3, 2022).

Commission further clarified that its approvals included installation of the ELG Project for the entire Mitchell Plant, not just Wheeling Power's 50% ownership share, the cost of which was to be paid by West Virginia customers.⁴ As a result of this decision, Wheeling Power made the capital investments for both its 50% share of the CCR upgrades and the entire ELG Project enabling the Mitchell Plant to operate past December 31, 2028.

11. Consistent with the West Virginia Public Service Commission's orders, and this Commission's orders in Case No. 2021-00004 and Case No. 2021-00421, the Company and Wheeling Power entered into the September 1, 2022 Written Consent Action that, among other things, provided for asymmetrical capital investment at the Plant. At a high level, the Written Consent Action ensured that, other than certain costs incurred in developing and evaluating ELG Rule compliance options that Kentucky Power was permitted to recover, only Wheeling Power paid for the ELG Project. It also allocated a higher ratable share of all other capital investments necessary to continue operating the Mitchell Plant after December 31, 2028, to Wheeling Power.

E. Kentucky Power's Generation Needs

12. The Company's most recent Integrated Resource Plan ("IRP"), Case No. 2023-00092, provides a detailed description of Kentucky Power's generation needs. The IRP identifies a need for at least 713 MW of summer capacity beginning in 2028 arising from the currently-required termination of the Company's 50% undivided interest in energy and capacity from the Mitchell Plant. Subsequent to the Company's IRP filing, PJM made changes to its capacity accreditation process. Based on PJM's new accreditation process, the Company's 50% share of Mitchell is estimated to be worth approximately 606 MW of annual accredited capacity.

⁴ Order, *Application for the Issuance of a Certificate of Public Convenience and Necessity for Internal Modifications at Coal Fired Generating Plants Necessary to Comply with Federal Environmental Regulations*, Case No. 20-1040-E-CN ("West Virginia Case"), (W.V.P.S.C. Aug. 4, 2021); Order, West Virginia Case (W.V.P.S.C. October 12, 2021).

13. The Company also understands that the Commission expects electric utilities to plan to meet their maximum customer demand, which for Kentucky Power as a winter peaking utility, means planning for its winter capacity needs.⁵ The Company is also aware that PJM has initiated a process to review and potentially revise how winter capacity is accounted for in its accreditation methodology, including adding a winter capacity requirement beginning in planning year 2029/2030. If PJM makes such revisions, even if the capacity provided by Mitchell remains a part of the Company's generation portfolio, the Company would still need to add roughly 280 MW of additional accredited capacity to meet its future winter capacity needs. The amount of needed capacity increases significantly (from approximately 280 MW to nearly 880 MW) if the Company's interest in Mitchell terminates in 2028, as the Commission's orders currently require.

F. The ELG Project

14. Wheeling Power completed the ELG Project to continue operating the Mitchell Plant as a coal-fired generating resource after December 31, 2028. The ELG Project consists of a new FGD biological treatment system with ultrafiltration, and associated supporting equipment, such as valves, pumps, piping, and tanks.

15. The ELG Project was completed and fully in service as of August 5, 2024.

G. Required Investment in the Mitchell Plant

16. The Company seeks Commission approval to continue taking 50% of the energy and capacity of the Mitchell Plant after December 31, 2028, by making the necessary investment to reflect a continued 50% share of the Mitchell Plant costs, including in the ELG Project.

⁵ Order, *In The Matter Of: Electronic Investigation Of The Service, Rates and Facilities of Kentucky Power Company*, Case No. 2021-00370 (Ky. P.S.C. June 23, 2023) ("Kentucky law requires retail electric suppliers, such as Kentucky Power, to have sufficient capacity to meet maximum estimate customer demand, including sufficient generation capacity."); *see also* KRS 278.010(14).

17. The necessary investments required for Kentucky Power to reflect its full 50% share of the costs of Mitchell Plant beyond December 31, 2028 include two components: (a) investments to reflect a full 50% share of the ELG Project and (b) the capital investments necessary to reflect Kentucky Power's 50% share of non-environmental capital projects that were asymmetrically allocated to Wheeling Power because they had useful lives beyond 2028.

18. The investment necessary for the ELG Project includes 50% of the net plant balances for the ELG Project (\$57.8 million) estimated as of December 2025 and 50% of the costs West Virginia customers have paid and will pay through the end of December 2025 (\$20.1 million) to construct the ELG Project. The Company will also be responsible for 50% of the ongoing operations and maintenance ("O&M") costs to operate the ELG equipment.

19. The estimated amount of the investment necessary to reflect a 50% share of the ELG Project is \$77,857,684 and the estimated amount of investment necessary to reflect Kentucky Power's 50% share of the asymmetrically allocated non-environmental capital projects is \$60,380,736, for a total investment of \$138,238,191.

20. The Company is not proposing revised electric rates to recover the capital investments related to the non-ELG capital projects (*i.e.*, the \$60.4 million referenced above) at this time. The Company will include those costs and the associated impact on customer rates in its next base rate case.

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.

A. Legal Standard

21. Under KRS 278.020(1), no utility may construct or acquire any facility to be used in providing utility service to the public until it has obtained a CPCN from the Commission. To obtain a CPCN, the utility must demonstrate a need for such facilities and an absence of wasteful duplication.

22. “Need” requires:

[A] showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed or operated.

[T]he inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied by normal improvements in the ordinary course of business; or to indifference, poor management or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.⁶

23. “Wasteful duplication” is defined as “an excess of capacity over need” and “an excess investment in relation to productivity or efficiency, and an unnecessary multiplicity of physical properties.”⁷ To demonstrate that a proposed facility does not result in wasteful duplication, the Commission has held that the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed.⁸ Selection of a proposal that ultimately costs more than an alternative does not necessarily result in wasteful duplication.⁹ All relevant factors must be balanced.¹⁰

B. Need

24. Kentucky Power is facing a capacity need, as evidenced by its most recent IRP in Case No. 2023-00092. The Company’s summer capacity need increases to approximately 600 MW beginning in 2028 due to the currently-required termination of the Company’s undivided interest in the capacity from the Mitchell Plant after 2028. Moreover, its winter capacity need

⁶ *Ky. Utils. Co. v. Pub. Serv. Comm’n*, 252 S.W.2d 885, 890 (Ky. 1952).

⁷ *Id.*

⁸ Order at 11, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky*, Case No. 2005-00142 (Ky. P.S.C. Sept. 8, 2005).

⁹ See *Ky. Utils. Co. v. Pub. Serv. Comm’n*, 390 S.W.2d 168, 175 (Ky. 1965); see also Order at 6, *The Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity to Construct a 138 kV Electric Transmission Line in Rowan County, Kentucky*, Case No. 2005-00089 (Ky. P.S.C. Aug. 19, 2005).

¹⁰ Order at 6, Case No. 2005-00089 (Ky. P.S.C. Aug. 19, 2005).

would increase to roughly 880 MW in 2028 upon the termination of Kentucky Power's entitlement to 50% of the capacity from the Mitchell Plant. Kentucky Power must address this looming capacity need. Accordingly, making the investments necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028, is needed and is required by the public convenience and necessity.

C. Wasteful Duplication

25. Kentucky Power considered multiple reasonable alternatives for meeting its upcoming energy and capacity needs. These alternatives included the proposed investment in the Mitchell Plant that is the subject of this Application, entering into power-purchase agreements, and market purchases. The economic impact of the continued operation of the Mitchell Plant was also evaluated in a suite of reasonable post-2031 environmental compliance scenarios. The cost impacts of these alternatives were evaluated by AEPSC on behalf of Kentucky Power and are presented in the testimony of Company Witness Alex E. Vaughan.

26. The economic evaluation performed on behalf of Kentucky Power indicates that making the investments necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028 represents the least cost, reasonable option for Kentucky Power to maintain or obtain the capacity required to furnish adequate, efficient, and reasonable service at fair, just, and reasonable rates. This option produces a revenue requirement that is approximately \$136 million less than the next best alternative for the evaluated period of 2029-2031. These investments will not result in wasteful duplication.

NOTICES.

27. **Notice of Intent.** Kentucky Power filed its Notice of Intent pursuant to KRS 278.183(2) with the Commission on May 30, 2025. The Notice of Intent was filed at least thirty

days prior to the filing of this Application. A copy of the Notice of Intent is attached as **EXHIBIT 2** to this Application.

28. **Customer Notices:** The Company is providing the customer notices required by law as follows:

a) The Company will publish the Customer Notice required by 807 KAR 5:011, Section 8(2) once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power's service area.¹¹ The Customer Notice was first published beginning the week of June 23, 2025. An affidavit verifying the contents of the published notice, that the notice was published, and the dates of publication will be filed when available. The Customer Notice complies with the requirements of 807 KAR 5:011, Section 8(4); a copy of the Customer Notice is provided in **EXHIBIT 3** to the Application;

b) The public postings required by 807 KAR 5:011, Section 8(1)(a) were made on or before June 30, 2025 at the following locations:

- i) Ashland Corporate Office, 1645 Winchester Avenue, Ashland, Kentucky;
- ii) Cannonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky;
- iii) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky; and
- iv) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky.

¹¹ Two of the newspapers in Kentucky Power's service territory, the *Sandy Hood Elliott County News* (Elliott County) and the *West Liberty Licking Valley Courier* (Morgan County), will not publish newspapers during the week of June 30-July 4 because of the Fourth of July holiday. They will resume publication the week of July 7-11 and will publish Kentucky Power's Customer Notice a total of three times in consecutive publications. Because these two newspapers will not publish their newspapers for three consecutive weeks, Kentucky Power believes that the publication of the Customer Notice in three consecutive publications of these newspapers meets the requirements of 807 KAR 5:011, Section 8(2); however, to the extent the Commission concludes that it does not, the Company respectfully requests that the Commission grant a deviation.

The Company is posting a copy of the Application for public inspection during regular business hours at each of the above locations. In conformity with the requirements of 807 KAR 5:011, Section 8(1)(c), the public postings will remain available for public inspection until the Commission enters a final decision in this matter; and

c) The Company will post a copy of the public notice specified by 807 KAR 5:011, Section 8(4) and a hyperlink to the Commission's website required by 807 KAR 5:011, Section 8(1)(b) on Kentucky Power's website (www.kentuckypower.com) within five business days of filing this Application. In conformity with the requirements of 807 KAR 5:011, Section 8(1)(c), this information will remain available for public access and inspection on Kentucky Power's website until the Commission enters a final decision in this matter.

29. **Notices to the Company:** The Company requests that electronic copies of all orders, pleadings, and other filings relating to this proceeding be directed to the persons identified in Kentucky Power Company's May 30, 2025 Notice of Election of Use of Electronic Filing Procedures.

PERMITS OR FRANCHISES

30. No permits or franchises are required for Kentucky Power to make the investments necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028. 807 KAR 5:001, Section 15(2)(b).

DESCRIPTION OF PROPOSED LOCATION FOR CONSTRUCTION

31. Kentucky Power's investments will allow it to continue taking capacity and energy from the Mitchell Plant after December 31, 2028. The Mitchell Plant is located 12 miles south of Moundsville, West Virginia. 807 KAR 5:001, Section 15(2)(c).

AREA MAP

32. Maps to suitable scale in portable document format showing the location of the Mitchell Plant, the ELG Project, as well as the location of like facilities located anywhere within the map area with adequate identification of the ownership of the like facilities are attached as **EXHIBIT 4**. 807 KAR 5:001, Section 15(2)(d)(1).

PLANS AND SPECIFICATIONS

33. A copy of the plans and specifications of the Mitchell Plant, including the ELG Project are attached as **EXHIBIT 5**. 807 KAR 5:001, Section 15(2)(d).

FINANCING AND ESTIMATED COST

34. Kentucky Power proposes to fund the investments necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028 through the Company's operating cash flow and other internally generated funds. No debt or equity will be issued to fund the required investments. 807 KAR 5:001, Section 15(2)(e).

35. Kentucky Power is seeking a certificate of public convenience and necessity to make the investments totaling approximately \$138,238,191 that are necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028. The Company's 50% share of the annual O&M expenses for the ELG Project would be roughly \$665,000. 807 KAR 5:001, Section 15(2)(f).

APPLICATION FOR APPROVAL OF ACCOUNTING TREATMENT TO ESTABLISH A REGULATORY ASSET

36. The Company incorporates paragraph 1 through 35 of this Application as if fully restated herein.

37. To date, only Wheeling Power has made the investment for the ELG Project. Accordingly, West Virginia customers will have paid approximately \$40.1 million for the ELG

Project through December 2025. If this Application is approved, Kentucky Power would be responsible for 50% of that amount, which is estimated to total approximately \$20.1 million. The Company requests approval to defer that \$20.1 million to a regulatory asset on the Company's books and recover it through Tariff Environmental Surcharge ("Tariff E.S."). The Company is proposing to amortize this amount for a period of 72 months through 2031.

38. Financial Accounting Standards Board Accounting Standards Codification ("FASB Codification" or "ASC") 980-340-25-1 requires utility management to defer and capitalize a current cost (as a regulatory asset) when in management's judgment the cost is probable of recovery. ASC 980-405-25-1 requires deferral accounting based on the existence of a regulatory liability when a true-up to actual costs results in an over-recovery and probable refund to customers in a future ratemaking proceeding. The FASB ASC Master Glossary defines "probable" as "the future event or events are likely to occur." Evidence of probable recovery includes orders from the regulator specifically authorizing deferral of the current cost or current obligation for later review and recovery or refund through rates.

39. The authority for establishing regulatory assets arises under the Commission's plenary authority to regulate utilities under KRS 278.040 and the Commission's authority to establish a system of accounts under KRS 278.220.¹² Traditionally, the Commission has exercised its discretion to approve a regulatory asset upon demonstration that the expenses to be deferred fall into one of four categories:

- (1) an extraordinary, nonrecurring expense which could not have reasonably been anticipated or included in the utility's planning;
- (2) an expense resulting from a statutory or administrative directive;
- (3) an expense in relation to an industry

¹² Order at 3-4, *In The Matter Of: The Application of East Kentucky Power Cooperative, Inc. For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To Certain Replacement Power Costs Resulting From Generation Forced Outages*, Case No. 2008-00436 (Ky. P.S.C. December 23, 2008).

sponsored initiative; or (4) an extraordinary nonrecurring expense that over time will result in a saving that fully offsets the cost.¹³

40. The costs for which Kentucky Power seeks approval to defer to a regulatory asset are eligible for inclusion in a regulatory asset. First, the Company will incur these costs to meet the Company's statutory obligations to provide adequate, efficient, and reasonable service. Accordingly, these costs should be considered an expense resulting from a statutory or administrative directive. Additionally, these costs are eligible for inclusion because they are extraordinary and non-recurring. These costs are not ongoing in nature and are not otherwise captured by the ratemaking process or included in the Company's base rates.

41. In accordance with FASB ASC 980-340-25-1 and Commission precedent, Kentucky Power requests that the Commission exercise its authority under KRS 278.220 to prescribe the manner in which the Company keeps its accounts by entering an order permitting Kentucky Power to defer that approximately \$20.1 million to a regulatory asset on the Company's books and recover it through the Environmental Surcharge.

KENTUCKY POWER'S 2025 ENVIRONMENTAL COMPLIANCE PLAN.

A. Plan Components.

42. The Commission approved Kentucky Power's current Environmental Compliance Plan ("Current Environmental Compliance Plan") in Case No. 2021-00004 (inclusion of Project 22, CCR) and 2023-00159 (removal of Rockport-related projects) by Orders dated July 15, 2021, and January 19, 2024, respectively.

43. The Environmental Compliance Plan proposed in this case ("2025 Environmental Compliance Plan") adds Project 23 to Kentucky Power's Current Compliance Plan. Project 23 is

¹³ *Id.*

described in the 2025 Environmental Compliance Plan as “Costs associated with ELG compliance at the Mitchell Plant.” No other changes to the Current Compliance Plan are proposed in the 2025 Environmental Compliance Plan. The Company’s proposed 2025 Environmental Compliance Plan is filed with this Application as **EXHIBIT 6**.

B. Project 23’s Estimated Annual Revenue Requirement.

44. The costs associated with the 2025 Environmental Compliance Plan, including Project 23, are reasonable. The 2025 Environmental Compliance Plan is required to comply with those environmental requirements whose costs are eligible to be recovered through the environmental surcharge mechanism authorized by KRS 278.183(2). The costs associated with the 2025 Environmental Compliance Plan, including Project 23, are a cost-effective means for the Company to comply with the environmental requirements specified by KRS 278.183(1).

45. Kentucky Power is entitled to the current recovery of its environmental compliance costs, including a reasonable return on construction and other capital costs, under its Commission-approved Environmental Compliance Plan pursuant to KRS 278.183.

46. None of the costs associated with Project 23 currently are included in Kentucky Power’s base electric rates.

47. The estimated annualized first year revenue requirement associated with Project 23 is \$13.1 million.

48. Kentucky Power proposes that the Commission approve in this proceeding the 9.65% return on equity established by the Commission in Case No. 2023-00159 for environmental compliance costs recovered through Tariff E.S.

AMENDED TARIFF E.S. (ENVIRONMENTAL SURCHARGE).

49. The Company's proposed amended Tariff E.S. pages are filed with this Application as **EXHIBIT 7**. The amendments add Project 23 to the Company's Current Environmental Compliance Plan and provide for the recovery of the environmental compliance costs associated with Kentucky Power's 2025 Environmental Compliance Plan. Kentucky Power seeks to recover the costs associated with its 2025 Environmental Compliance Plan beginning in the first month practicable following an Order in this case.

TESTIMONY.

50. The direct testimony and exhibits of Kentucky Power's witnesses in this case demonstrate how the public convenience and necessity require the Company to make the investments necessary for it to continue taking capacity and energy from the Mitchell Plant after December 31, 2028, describe the economic evaluation that supports the investment, describe the environmental compliance requirements relevant to the ELG Project, and describe how Kentucky Power's 2025 Environmental Compliance Plan is a reasonable and cost-effective means of meeting those requirements. Specifically, the following witnesses offer testimony in support of the Company's application:

- Tanner S. Wolfram, Director, Regulatory Services, Kentucky Power Company;
- Joshua D. Snodgrass, Plant Manager of the Mitchell Power Plant, AEPSC;
- Alex E. Vaughan, Managing Director – Pricing Generation & Fuel Strategy, AEPSC; and
- Lerah M. Kahn, Manager of Regulatory Services, Kentucky Power Company.

WHEREFORE, Kentucky Power Company respectfully requests the Public Service Commission of Kentucky to enter an Order:

1. Granting Kentucky Power a certificate of public convenience and necessity to make the investments necessary for Kentucky Power to continue taking capacity and energy from the Mitchell Plant after December 31, 2028;
2. Approving the Company's 2025 Environmental Compliance Plan filed as **EXHIBIT 6** to the Application;
3. Approving the Company's revised Tariff E.S. filed as **EXHIBIT 7** to the Application;
4. Grant deferral authority for the approximately \$20.1 million share of ELG Project costs that have been charged to West Virginia customers; and
5. Granting such further relief to which the Company may be entitled.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

EXHIBITS

EXHIBIT 1

Kentucky Power Company's June 26, 2025
Certificate of Existence

EXHIBIT 2

Kentucky Power Company's Notice of Intent

EXHIBIT 3

Kentucky Power Company's published
Customer Notice

EXHIBIT 4

Maps to suitable scale in portable document
format showing the location of the Mitchell
Plant, the proposed construction, as well as the
location of like facilities located anywhere
within the map area with adequate identification
of the ownership of the like facilities

EXHIBIT 5

Plans and specifications of the ELG Project

EXHIBIT 6

Kentucky Power Company's 2025
Environmental Compliance Plan

EXHIBIT 7

Kentucky Power Company's proposed amended
Tariff E.S. (Environmental Surcharge) pages

EXHIBIT 1

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 337752
Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

KENTUCKY POWER COMPANY is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 26th day of June, 2025, in the 234th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
337752/0028317

EXHIBIT 2

421 West Main Street
P.O. Box 634
Frankfort, KY 40602-0634
(502) 223-3477
(502) 779-8349 FAX

May 30, 2025

Katie M. Glass
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ELECTRONICALLY FILED

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED
MAY 30 2025
PUBLIC SERVICE
COMMISSION

RE: **Case No. 2025-00175**

Dear Ms. Bridwell:

Kentucky Power Company provides notice pursuant to KRS 278.183(2) that on or after June 30, 2025 it will file an application for approval of:

- (a) an amended environmental compliance plan and amendments to the applicable tariff sheets to reflect the amended compliance plan;
- (b) a revised environmental surcharge, including amendments to the applicable tariff sheets, to recover the costs of the amended environmental compliance plan; and
- (c) a certificate of public convenience and necessity to make the capital investments necessary to continue taking capacity and energy from the Mitchell Generating Station after December 31, 2028.

Very truly yours,

STITES & HARBISON PLLC



Katie M. Glass

KMG

NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, Kentucky Power Company gives notice of its intent to file an application for (see Attachment 1) with the Public Service Commission no later than July 31, 2025 and to use the electronic filing procedures set forth in that regulation.

Kentucky Power Company further states that:

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| 1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. It or its authorized agents possess the facilities to receive electronic transmissions; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff: | | |

Name	Electronic Mail Address
Kentucky Power Company	kentucky_regulatory_services@aep.com
Hector Garcia Santana	hgarcia1@aep.com
Katie M. Glass	kglass@stites.com

See Attachment 2 for additional persons

6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise. ☒ ☐

Signed /s/ Katie M. Glass

Name:	<u>Katie M. Glass</u>
Title:	<u>Counsel for Kentucky Power Company</u>
Address:	<u>Stites & Harbison, PLLC, P.O. Box 634</u>
	<u>Frankfort, KY 40602-0634</u>
Telephone Number:	<u>502-209-1212</u>

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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 Station)
After December 31, 2028, (2) An Amended)
Environmental Compliance Plan, (3) Revised)
Environmental Surcharge Tariff Sheets, and (4) All)
Other Required Approvals And Relief)

Case No. 2025-00 **175**

Attachment 2

Additional Persons Authorized To Make Filings Or Receive Electronic Service

<u>Name</u>	<u>E-Mail Address</u>
Tanner S. Wolffram	tswolffram@aep.com
Kenneth J. Gish, Jr.	kgish@stites.com
Harlee Havens	hhavens@stites.com
Michael J. Schuler	mjschuler@aep.com
Juan Dawson	jdawson@stites.com

EXHIBIT 3

Notice of Kentucky Power Company’s Application

for Approval of an Amended Environmental Compliance Plan, Recovery of Additional Costs Through Amendment of the Company’s Tariff E.S., and for All Regulatory Approvals Necessary to Continue Taking Capacity and Energy from its Coal-Fired Mitchell Plant After December 31, 2028

PLEASE TAKE NOTICE that Kentucky Power Company will file on or after June 30, 2025 an application with the Public Service Commission of Kentucky seeking approval of its amended environmental compliance plan to add Project 23 to Kentucky Power’s existing environmental compliance plan (Compliance Plan) and seeking all required regulatory approvals for Kentucky Power to make the investments necessary to continue taking capacity and energy from its Mitchell Plant after December 31, 2028. Kentucky Power also will seek approval of amendments to its Tariff E.S. (Environmental Surcharge) to reflect the Compliance Plan and to implement a revised Environmental Surcharge to recover the costs of the Compliance Plan. Kentucky Power’s application has been assigned case number 2025-00175.

Project 23 comprises the installation of a flue-gas desulfurization biological treatment system with ultrafiltration at the Mitchell Plant, which was installed and fully in-service as of August 4, 2024, and is currently being paid for entirely by Wheeling Power Company, the other 50% undivided owner of the plant. Project 23 is required for compliance with the Steam Electric Effluent Limitation Guidelines Rule issued by the United States Environmental Protection Agency in order to allow its Mitchell Plant to continue operating as a coal-fired generating facility after December 31, 2028.

The Environmental Surcharge rate changes monthly. The most recent Environmental Surcharge rate for the April 2025 expense month, which was billed in June 2025, was 6.0495% of revenue for residential customers and 10.2106% of revenue for all other classes. Using the April 2025 rate, the addition of Project 23 would result in an estimated increase in the Environmental Surcharge rate from 6.0495% to 8.1162% for residential customers and from 10.2106% to 13.6990% for all other classes.

Kentucky Power is proposing that the changes to the Environmental Surcharge associated with Project 23 go into effect with the January 2026 billing cycle, which begins December 31, 2025. The impact on the total monthly bill amount for residential customer classes is estimated to be an increase of 2.02%, and the impact on the total monthly bill amount for non-residential customer classes is estimated to be an increase of 1.99%. For the average residential customer using 1,189 kWh per month, the increase in the customer’s total monthly bill is estimated to be \$3.68.

Information regarding the effect on customer bills by customer classification is presented in the table below:

Customer Classification	Annual \$ Increase for Class	Annual Percent Change	Annual Average Usage (kWh)*	Monthly Average Usage (kWh)*	Monthly Average Customer Demand (kW)*	Current Monthly Average Bill \$*	Proposed Monthly Average Bill \$	Monthly \$ Increase	Monthly Percent Increase
R.S.	\$5,772,231	2.02%	14,268	1,189	0	\$ 181.74	\$ 185.42	\$ 3.68	2.02%
S.G.S. - T.O.D.	\$7,331,585	1.99%	15,156	1,263	0	\$ 221.33	\$ 225.74	\$ 4.41	1.99%
M.G.S. - T.O.D.			50,556	4,213	2	\$ 642.10	\$ 654.88	\$ 12.78	
G.S.			19,560	1,630	6	\$ 283.24	\$ 288.88	\$ 5.64	
L.G.S.			826,176	68,848	216	\$ 9,973.75	\$ 10,172.26	\$ 198.51	
I.G.S.			37,781,100	3,148,425	5,411	\$ 250,003.87	\$ 254,979.76	\$ 4,975.89	
M.W.			219,096	18,258	27	\$ 2,523.03	\$ 2,573.24	\$ 50.22	
O.L.			684	57	0	\$ 16.45	\$ 16.78	\$ 0.33	
S.L.**			660	55	0	\$ 13.43	\$ 13.70	\$ 0.27	

* Based on 12-months ending May 2025

** Number of lamps, not customers

Any person by timely written request for intervention filed with the Public Service Commission may request leave to intervene in the Commission proceeding to review Kentucky Power’s application. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602-0615, and shall establish the grounds for the request, including the status and interest of the party. If the Commission does not receive a written request for intervention within 30 days of the initial publication of this notice the Commission may take final action on the tariff filing.

Written comments on the Company’s proposals may be submitted to the Public Service Commission by mail to the address listed above or via the Commission’s website: <https://psc.ky.gov>. The rates and terms of service contained in this notice are the rates and terms of service proposed by Kentucky Power; the Commission may order rates to be charged and/or terms of service that differ from the proposed rates and terms of service contained in this notice.

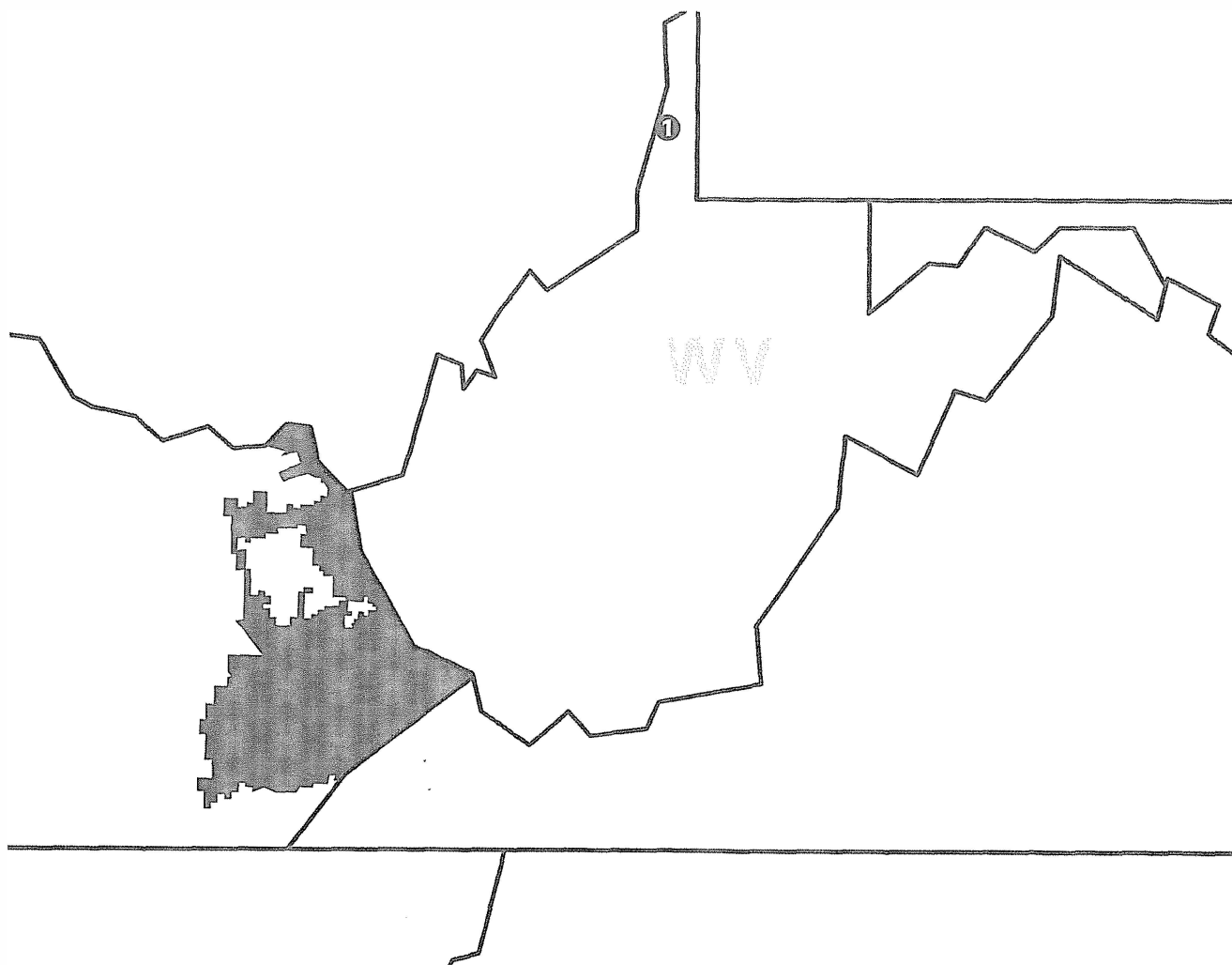
Any person may examine the Company’s application at Kentucky Power’s offices located at 1645 Winchester Avenue, Ashland, Kentucky 41101; 12333 Kevin Avenue, Ashland, KY 41102; 1400 E. Main St. Hazard, KY 41701; and 3249 North Mayo Trail, Pikeville, KY 41501; or by visiting the Company’s website: www.kentuckypower.com.

A copy of the Company’s application and any related documents Kentucky Power may file with the Public Service Commission may be examined Monday through Friday from 8:00 a.m. through 4:30 p.m. at the offices of the Commission at the address listed above, or through the Commission’s website: <https://psc.ky.gov>.

Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101
1-800-572-1113

Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602
502-564-3940

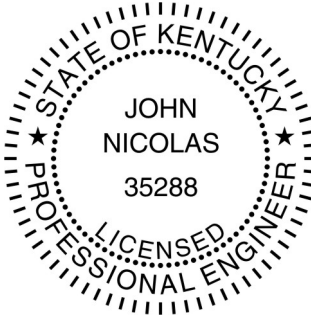
EXHIBIT 4



● Kentucky Power Company Retail Service Territory

Plant	Location
① Mitchell	Moundsville, WV

EXHIBIT 5



12-508200	GENERAL ARRANGEMENT WASTEWATER TREATMENT BUILDING ENLARGED PLAN	0-300013J	WATER TREATMENT AREA EROSION AND SEDIMENT CONTROL PLAN
0-300000	SURVEY CONTROL AND MONUMENTATION PLAN	12-3426	1,500,000 GAL FUEL OIL STORAGE SYSTEM KEY PLAN & MISCEL STRUCTURES
0-300002A	WATER TREATMENT AREA GRADING, DRAINAGE AND SECTIONS AND DETAILS SURFACING	12-3427	1,500,000 GALLON FUEL OIL STORAGE TANK STAIRS
0-300002B	WATER TREATMENT AREA SECTIONS		



energy | chemicals | resources

CROSS REFS:

- ## GENERAL NOTES
1. COORDINATE GRID SHOWN IS MITCHELL PLANT GRID.
 2. EXISTING TOPOGRAPHY AND FEATURES BASED ON SURVEY PERFORMED BY THE THRASHER GROUP, INC., DATED APRIL 9, 2021. ALL EXISTING TOPOGRAPHY AND FEATURES HAVE BEEN ADJUSTED TO AEP PLANT GRID. SEE REFERENCE DRAWING 0-300000.
 3. EXISTING AND NEW CONTOURS ARE NAVD88 VERTICAL DATUM. SEE REFERENCE DRAWING 0-300000.
 4. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH A SEQUENCE AND WORK PLAN SUBMITTED BY THE CONTRACTOR AND ACCEPTED BY THE OWNER AND ENGINEER.
 5. ITEMS DESIGNATED FOR "ONSITE DISPOSAL" SHALL BE DEMOLISHED, REMOVED AND HAULED TO AN ONSITE LOCATION AND PLACED IN A WASTE CONTAINER PROVIDED BY THE OWNER.
 6. EROSION AND SEDIMENT CONTROL MEASURES SHALL BE INSTALLED AND STABILIZED PRIOR TO ANY CONSTRUCTION ACTIVITIES.
 7. FIELD TO CONFIRM ACTUAL LOCATION OF ALL EXISTING UNDERGROUND PIPES BEFORE REROUTED OR TIED INTO, ESTABLISH SUITABLE TIE-IN POINT AS CLOSE AS POSSIBLE TO LOCATION SHOWN ON THIS DRAWING.
 8. FINISHED GRADE ELEVATIONS REPRESENT TOP OF AGGREGATE AND PAVED SURFACES.
 9. RESTORE GRADES IN THE WORK AREAS TO PROVIDE POSITIVE DRAINAGE AND AVOID PONDING OF WATER. MATCH EXISTING GRADES UNLESS PROPOSED GRADES ARE SHOWN, OR UNLESS REVISIONS TO EXISTING GRADES ARE REQUIRED TO PREVENT PONDING OF WATER.
 10. RESTORE EXISTING SURFACING IN-KIND UPON COMPLETION OF THE WORK IN THE WORK AREA UNLESS PROPOSED SURFACING IS SHOWN.
 11. PERFORM ALL WORK IN ACCORDANCE WITH THE FOLLOWING AEP SPECIFICATIONS UNLESS INDICATED OTHERWISE ON DRAWINGS:
 - a. CE-004 EXCAVATION
 - b. CE-006 FILL
 - c. CE-007 EROSION AND SEDIMENT CONTROL
 - d. CE-008 SURFACE DRAINAGE SYSTEMS
 - e. CE-009 ROADS AND PARKING AREAS
 - f. CE-013 GEOTEXTILE
 - g. CE-036 DEMOLITION REMOVALS AND ALTERATIONS
 - h. CE-037 EXCAVATION AND BACKFILL FOR UNDERGROUND UTILITIES
 - i. CE-040 MATERIALS FOR UNDERGROUND PIPING AND SEWERS
 - j. CE-041 INSTALLATION OF UNDERGROUND GRAVITY SEWERS
 12. (REMOVED)
 13. NEW CRUSHED ROCK SLOPE PROTECTION SHALL CONSIST OF 12-INCHES OF WYDOT CLASS 7 AGGREGATE PLACED OVER 8-OZ NON-WOVEN GEOTEXTILE (SKAPS GE-180 OR ENGINEER APPROVED EQUIV., INSTALLED PER MANUFACTURER'S RECOMMENDATIONS).

PLOT DATE: 1/10/21
 PLOT TIME: 1:55:40
 BY: kerry.fritz
 CROSS REFS:

EXHIBIT 6

Kentucky Power Company's [Previously Approved](#) Environmental Compliance Projects

Project	Plant	Pollutant	Description	In-Service Year
1	Mitchell	NO _x , SO ₂ , and SO ₃	Mitchell Units 1 and 2 Water Injection, Low NO _x Burners, Low NO _x Burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO ₃ Mitigation	1993-1994-2002-2007
2	Mitchell	SO ₂ , NO _x , and Gypsum	Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities	1993-2004-2007
3-Obsolete				
4-Obsolete				
5	Mitchell	SO ₂ /NO _x /Particulates/VOC and etc.	Title V Air Emission Fees at the Mitchell Plant	Annual
6	Big Sandy and Mitchell	NO _x	Costs Associated with Nox Allowances	As-Needed
7	Big Sandy and Mitchell	SO ₂	Costs Associated with SO ₂ Allowances	As-Needed
8	Big Sandy and Mitchell	SO ₂ / NO _x	Costs associated with the CSAPR Allowances	As-Needed
9	Mitchell	Particulates	Precipitator Modifications - Mitchell Plant Units 1 and 2	2007-2013
10	Mitchell	Particulates	Bottom Ash and Fly Ash Handling - Mitchell Plant Units 1 and 2	2008 & 2010
11	Mitchell	Mercury	Mercury Monitoring (MATS) - Mitchell Plant Units 1 and 2	2014
12	Mitchell	Selenium	Dry Fly Ash Handling Conversion - Mitchell Plant Units 1 and 2	2015
13	Mitchell	Fly Ash, Bottom Ash, Gypsum, and WWTP Solids	Coal Combustion Waste Landfill - Mitchell Plant Units 1 and 2	2014 & 2015
14	Mitchell	Particulates	Electrostatic Precipitator Upgrade - Mitchell Plant Unit 2	2015
15-Obsolete				
16-Obsolete				
17-Obsolete				
18-Obsolete				
19-Obsolete				
20	Mitchell	Consumables	Costs associated with the use of consumables used in conjunction with approved ECP projects. These costs include the return on inventory of consumables as well as consumption of consumables. These consumables include but are not limited to sodium bicarbonate, activated carbon, anhydrous ammonia, trona, lime hydrate, limestone, polymer, and urea.	As-Needed
21-Obsolete				
22	Mitchell	Bottom Ash and Gypsum	Costs associated with CCR compliance at the Mitchell Plant.	2023

Kentucky Power Company's [Proposed](#) Environmental Compliance Projects

23	Mitchell	Waste Water Discharge	Costs associated with ELG compliance at the Mitchell Plant.	2024
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EXHIBIT 7

Tariff E.S. Continued (Environmental Surcharge)

3. Current Period Revenue Requirement, CRR

$$CRR = [((RB_{KP(c)}) (ROR_{KP(c)}) / 12) + OE_{KP(c)} - AS]$$

Where:

- $RB_{KP(c)}$ = Environmental Compliance Rate Base for Mitchell.
- $ROR_{KP(c)}$ = Annual Rate of Return on Mitchell Environmental Compliance Rate Base;
Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- $OE_{KP(c)}$ = Monthly Pollution Control Operating Expenses for Mitchell.
- AS = Net proceeds from the sale of Title IV and CSAPR SO₂ emission allowances, ERCs,
and NO_x emission allowances, reflected in the month of receipt.

“KP(C)” identifies components from Mitchell Units – Current Period.

The Environmental Compliance Rate Base for Kentucky Power reflects the current cost associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, the 2017 Plan, the 2019 Plan, ~~and the 2021 Plan,~~ and the 2025 Plan. The Environmental Compliance Rate Base for Kentucky Power should also include construction work in progress until assets are placed in service and cash working capital allowance based on the net operations and maintenance expense lead days of 53.92 authorized in Case No. 2023-00159. The Operating Expenses for Kentucky Power reflects the current operating expenses associated with the 1997 Plan, the 2003 Plan, the 2005 Plan, the 2007 Plan, the 2015 Plan, the 2017 Plan, the 2019 Plan, ~~and the 2021 Plan,~~ and the 2025 Plan.

The Rate of Return for Kentucky Power is 9.65% rate of return on equity as authorized by the Commission in its Order Dated January 19, 2024, Case No. 2023-00159.

Net Proceeds from the sale of emission allowances and ERCs that reflect net gains will be a reduction to the Current Period Revenue Requirement, while net losses will be an increase.

The Current Period Revenue Requirement will reflect the balances and expenses as of the Expense Month of the filing.

Continued on Sheet 32-3

DATE OF ISSUE: ~~February 8, 2024~~ XXXX XX, XXXX
DATE EFFECTIVE: ~~Services Rendered On And After January 16, 2024~~ Bills Rendered On And After XXXX XX, XXXX
ISSUED BY: ~~/s/ Brian K. West~~ Tanner S. Wolfram
TITLE: ~~Vice President, Regulatory & Finance~~ Director, Regulatory Services
By Authority of an Order of the Public Service Commission
In Case No.: ~~2025-00175 2023-00159~~ Dated XXXX XX, XXXX ~~January 19, 2024~~

**Tariff E.S. Continued
(Environmental Surcharge)**

6. Environmental costs "E" shall be the Company's costs of compliance with the Clean Air Act and those environmental requirements that apply to coal combustion wastes and by-products, as follows:

Total Company:

- return on Title IV and CSAPR SO₂ allowance inventory
- over/under recovery balances between the actual costs incurred less the amount collected through the environmental surcharge
- costs associated with any Commission's consultant approved by the Commission
- costs associated with the consumption of Title IV and CSAPR SO₂ allowances
- costs associated with the consumption of NO_x allowances
- return on NO_x allowance inventory
- costs associated with maintaining approved pollution control equipment including material and contract labor (excluding plant labor)
- costs associated with consumables used in conjunction with approved environmental projects.
- return on inventories of consumables used in conjunction with approved environmental projects.
- ~~return on environmental compliance rate base including construction work in progress.~~
- ~~return on the ELG regulatory asset for costs borne by Wheeling Power through XXXX XXXX.~~
- ~~monthly expense to amortize the ELG regulatory asset for costs borne by Wheeling Power over a six year period to begin with XXXX XXXX and conclude with XXXX XXXX billing.~~
- ~~Monthly expense to amortize the \$1,446,998.35 regulatory asset for prudently incurred ELG (Effluent Limitation Guidelines) project costs over a two year period to begin with July 2022 billing and conclude with June 2024 billing.~~

The Company's share of costs associated with the following environmental equipment at the Mitchell Plant:

- Mitchell Unit Nos 1 and 2 Water Injection, Low NO_x burners, Low NO_x burner Modification, SCR, FGD, Landfill, Coal Blending Facilities and SO₃ Mitigation
- Mitchell Plant Common CEMS, Replace Burner Barrier Valves and Gypsum Material Handling Facilities
- Air Emission Fees
- Precipitator Modifications and Upgrades
- Coal Combustion Waste Landfill
- Bottom Ash and Fly Ash Handling
- Mercury Monitoring (MATS)
- Dry Fly Ash Handling Conversion
- ~~Wastewater Ponds (for the Mitchell CCR compliance project) with depreciation expense calculated using a 20 percent depreciation rate approved by the Commission's July 15, 2021 and May 3, 2022 Orders in Case No. 2021-00004.~~
- ~~Water Biological Treatment System with Ultrafiltration (for the ELG compliance project) with an annual depreciation expense that is 1/15th of the net plant transferred to Kentucky Power. The calculated depreciation rate used by Kentucky Power will divide the annual depreciation expense by the original cost of plant transferred.~~

7. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

DATE OF ISSUE: ~~February 8, 2024~~ XXXX XX, XXXX
DATE EFFECTIVE: ~~Bills Rendered On And After XXXX XX, XXXX~~ Services Rendered On And After January 16, 2024
ISSUED BY: ~~/s/ Tanner S. Wolfram~~ Brian K. West
TITLE: ~~Director, Regulatory Services~~ Vice President, Regulatory & Finance
By Authority of an Order of the Public Service Commission
In Case No.: ~~2023-00159-2025-00175~~ Dated XXXX XX, XXXX January 19, 2024