

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

In the Matter of:

Electronic Application Of Kentucky Power Company)	
For (1) A General Adjustment Of Its Rates For)	
Electric Service; (2) Approval Of Tariffs And Riders;)	
(3) Approval Of Certain Regulatory And Accounting)	Case No. 2025-00257
Treatments; and (4) All Other Required Approvals)	
And Relief)	

**TESTIMONY OF CYNTHIA G. WISEMAN
ON BEHALF OF KENTUCKY POWER COMPANY
IN SUPPORT OF THE SETTLEMENT AGREEMENT**

**SETTLEMENT TESTIMONY OF
CYNTHIA G. WISEMAN, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

CASE NO. 2025-00257

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION	S1
II. THE SETTLEMENT AGREEMENT	S2
III. CONCLUSION.....	S4

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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND POSITION WITH KENTUCKY POWER**
2 **COMPANY.**

3 A. My name is Cynthia Wiseman and I am the President and Chief Operating Officer of
4 Kentucky Power Company (“Kentucky Power” or the “Company”).

5 **Q. DID YOU FILE DIRECT TESTIMONY IN THIS RATE PROCEEDING?**

6 A. Yes.

7 **Q ARE YOU FAMILIAR WITH SETTLEMENT AGREEMENT ENTERED**
8 **BETWEEN THE COMPANY AND THE SIGNATORY PARTIES?**

9 A. Yes.

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

11 A. The purpose of my testimony is to introduce the Settlement Agreement and its major terms
12 and highlight the context of the agreement. The Settlement Agreement itself, the rate
13 impacts of the Settlement Agreement terms, and the tax implications of the Settlement
14 Agreement are described in detail in the Settlement Testimonies of Company Witnesses
15 Wolffram, Walsh, and Hodgson, respectively.

II. THE SETTLEMENT AGREEMENT

Q. CAN YOU PROVIDE A BRIEF OVERVIEW OF THE CUSTOMER BENEFITS CONTAINED IN THE SETTLEMENT AGREEMENT?

A. The Settlement Agreement achieves a balanced approach that allows the Company to provide safe, reliable and efficient service and make much-needed investments in its system while also minimizing the bill impacts to customers. The Company and the parties that participated in settlement negotiations worked collaboratively and creatively on a solution that, among others:

- Reduces the proposed increased revenue requirement by over \$18 million;
- Incorporates a novel revenue credit to all customers for the first two years that provides meaningful bill relief; and
- Streamlines the process for evaluating distributed generation resources.

The Company appreciates the hard work of the parties who participated in the settlement negotiation process. The agreement provides benefits to all classes of customers beyond what would have been available in this case without the Settlement Agreement.

Q. IS THE SETTLEMENT AGREEMENT RESPONSIVE TO CUSTOMERS' FEEDBACK?

A. Yes. I know that affordability during a time of high inflation and rising costs is one of the primary concerns voiced by customers that filed comments in the docket and testified at the local public hearings, including the two that I attended in person in Hazard and Ashland. Although the Company already implemented several self-mitigating measures to minimize the requested rate increase, as I discuss in my Direct Testimony, we have heard our customers and have worked creatively to try to address their feedback. The Settlement Agreement reduces customer bill impacts by cutting the first year rate increase for the

1 average residential customer by more than 50% of the (already self-mitigated) as-filed
2 revenue increase and as much as 40% for other customer classes.

3 **Q. DOES THE SETTLEMENT AGREEMENT PROVIDE MEANINGFUL BENEFITS**
4 **TO ALL CUSTOMER CLASSES, INCLUDING THE RESIDENTIAL CLASS?**

5 A. Yes, even though no residential advocates are Signatory Parties to the Settlement
6 Agreement, the agreement still provides significant benefits to residential customers. The
7 first- and second-year revenue credits resulting from accelerated utilization of certain
8 deferred tax liabilities directly reduce bill impacts for all customers. However, under the
9 terms of the Settlement Agreement, additional credits are allocated specifically to the
10 residential class, in recognition of the unique economic hardships that residential customers
11 in Kentucky Power's service territory face. These settlement negotiations required hard
12 work and commitment from all of the participating parties to develop creative solutions
13 responsive to customer and interested-party concerns. As Company Witnesses Wolffram
14 and Hodgson explain in more detail in their settlement testimonies, the creative use of these
15 deferred tax liabilities provides a customer benefit not otherwise achievable outside the
16 settlement process. Kentucky Power worked collaboratively with the other Signatory
17 Parties to make these benefits possible.

18 **Q. SHOULD THE COMMISSION APPROVE THE SETTLEMENT AGREEMENT IN**
19 **ITS ENTIRETY AND WITHOUT MODIFICATION?**

20 A. Absolutely. As I have explained, the Settlement Agreement provides significant customer
21 benefits. The Company and the Signatory Parties worked hard to find creative solutions
22 that the Company's financial health could ultimately still support. The Company, through
23 its initial mitigation prior to filing and through settlement, has done everything it can to

1 reduce the revenue requirement in this case and provide additional immediate bill relief to
2 customers. Any further reduction to the revenue requirement would harm Kentucky
3 Power's ability to provide safe, reliable, and reasonable service. If modifications to the
4 Settlement Agreement resulting in additional reductions to the revenue requirement are
5 made, then the Company would be forced to withdraw from the Settlement Agreement due
6 to the resulting impacts to its financial health.

7 Collaboration and a willingness to compromise was the driving force behind this
8 Settlement Agreement. Kentucky Power knows that rising costs everywhere present a
9 challenge to its customers. This Settlement Agreement provides a balanced compromise
10 that allows the Company to continue to make the investments necessary to provide the
11 service its customers deserve while mitigating bill impacts.

III. CONCLUSION

12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 **A. Yes.**

VERIFICATION

The undersigned, Cynthia G. Wiseman, being duly sworn, deposes and says she is the President and Chief Operating Officer for Kentucky Power Company, that she has personal knowledge of the matters set forth in the foregoing testimony and the information contained therein is true and correct to the best of her information, knowledge, and belief after reasonable inquiry.

Cynthia G. Wiseman

Cynthia G. Wiseman

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2025-00257

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Cynthia G. Wiseman, on January 9, 2026.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841