

**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     )  
Treatments; and (4) All Other Required Approvals     )  
And Relief   )

Case No. 2025-00257

**REBUTTAL TESTIMONY OF**  
**STEVIN. COBERN**  
**ON BEHALF OF KENTUCKY POWER COMPANY**

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**I. INTRODUCTION**

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

2   A.     My name is Stevi N. Cobern, and I am a Regulatory Consultant Principal for Kentucky  
3           Power Company (“Kentucky Power” or the “Company”). My business address is 1645  
4           Winchester Avenue, Ashland, Kentucky 41101.

5   **Q.     ARE YOU THE SAME STEVI N. COBERN WHO OFFERED DIRECT**  
6           **TESTIMONY IN THIS PROCEEDING?**

7   A.     Yes.

**II. PURPOSE OF REBUTTAL TESTIMONY**

8   **Q.     WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

9   A.     The purpose of my Rebuttal Testimony is to address certain positions taken by Roger  
10          D. Colton, witness for Appalachian Citizens Law Center, Kentuckians for  
11          the Commonwealth, Kentucky Solar Energy Society, and Mountain Association  
12          (collectively, “Joint Intervenors”). Specifically, my testimony:

- 13          • Addresses Mr. Colton’s concerns with the FlexPay program;
- 14          • Discusses Mr. Colton’s proposal to expand Tariff R.E.A.; and
- 15          • Provides an update on the Low Income Home Energy Assistance Program
- 16          (“LIHEAP”).

### III. FLEXPAY

1 **Q. DID THE COMMISSION ENCOURAGE KENTUCKY POWER TO DEVELOP A**  
 2 **PREPAYMENT PROGRAM?**

3 A. Yes. The Commission stated in the final order for Case No. 2024-00344 that  
 4 [w]ith AMI meters, programs such as Time of Use rates and *prepay programs* can  
 5 be easily added as a rate option. Such rate options may contribute to lower peak  
 6 demand and help avoid costly capital investments or free up power to be sold on  
 7 the market for additional revenue. The Commission encourages Kentucky Power  
 8 to learn from the new detailed, usage information and possibly creating time of use  
 9 rate classes as well as DSM programs to maximize the AMI benefits.<sup>1</sup>

10 The FlexPay program aligns with the Commission's directive to maximize the benefits of  
 11 AMI for customers.

12 **Q. DO YOU AGREE WITH MR. COLTON THAT FLEXPAY WILL**  
 13 **DISPROPORTIONATELY ADVERSELY AFFECT LOW INCOME**  
 14 **CUSTOMERS?**

15 A. No. Mr. Colton either does not understand or has disregarded that FlexPay is a *voluntary*  
 16 *program*. My Direct Testimony makes this clear:

17 **Q. WILL THE COMPANY BE PROVIDING ANY NEW TARIFF**  
 18 **OFFERINGS IN CONNECTION WITH ITS AMI DEPLOYMENT?**

19  
 20 A. Yes. The Company is proposing the FlexPay program, which is a *voluntary*  
 21 prepayment program associated with its AMI deployment.<sup>2</sup>

22 ...

23 **Q. PLEASE PROVIDE AN OVERVIEW OF KENTUCKY POWER'S**  
 24 **FLEXPAY PROGRAM.**  
 25

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<sup>1</sup> Order at 15, *In the Matter of: Electronic Application of Kentucky Power Company for (1) a Certificate of Public Convenience and Necessity Authorizing the Deployment of Advanced Metering Infrastructure; (2) Request for Accounting Treatment; and (3) All Other Necessary Waivers, Approvals, and Relief*, Case No. 2024-00344 (Ky. P.S.C. July 22, 2025) (emphasis added).

<sup>2</sup> Direct Testimony of Company Witness Stevi N. Cobern ("Cobern Direct Testimony") at 3.

1           A.     FlexPay is a ***voluntary*** payment option designed for customers to prepay  
2                   for their electricity.<sup>3</sup>

3           The proposed FlexPay Program tariff (“Tariff F.P.”) is equally clear:

4                   **Availability of Service**

5           This tariff is available ***on a voluntary basis*** to all residential customers who have  
6           an Advanced Metering Infrastructure (AMI) meter installed at their residence,  
7           except as provided below.

8           ...

9                   **Program Description**

10          Kentucky Power’s FlexPay Program is a ***voluntary*** payment option that allows  
11          customers to prepay for, and pay as they use, electric service.<sup>4</sup>

12          The FlexPay Program is clearly voluntary. Customers have the option to decide  
13          whether they want to enroll in the FlexPay Program or not. Customers who prefer  
14          traditional billing can continue to receive traditional bills. Customers who enroll in  
15          FlexPay are not required to continue with the program for a specific length of time. If a  
16          customer enrolls in FlexPay and later decides it is not a good fit, they can request to move  
17          back to traditional billing. The FlexPay program is only intended to provide customers with  
18          another option and will not replace traditional billing. Mr. Colton’s claims ignore the  
19          voluntary nature of the FlexPay Program and should be rejected.

20          Additionally, Mr. Colton fundamentally ignores many of the benefits FlexPay  
21          offers to customers. Some benefits of FlexPay include:

- 22                   • no required deposit;
- 23                   • an existing deposit can be applied to an outstanding balance;

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<sup>3</sup> *Id.* at 4.

<sup>4</sup> *Id.*, Exhibit SNC-1.

- increased control of a customer's personal budget through real-time monitoring of energy usage which can avoid unexpected high bills; and
- the flexibility of pay-as-you-go allowing a customer to choose when and how much to add to their account.

Community action agencies, who often assist low-income customers and understand the specific needs of customers in the Company's service territory, recommended that the Company offer a prepayment program because this type of program can be beneficial to customers. The Company's proposed FlexPay program is a voluntary program that provides customers benefits through increased payment flexibility.

**Q. MR. COLTON RAISES CONCERNS THAT FLEXPAY MAY NOT ALIGN WITH A CUSTOMER'S INCOME OR CASHFLOW, ESPECIALLY DURING SEASONAL FLUCTUATIONS IN BILLS. HOW DOES THE COMPANY ADDRESS THIS ISSUE?**

**A.** FlexPay is designed to provide customers with greater flexibility in managing their bills according to their income patterns by allowing them to make smaller and more frequent payments. Customers may choose to pay daily, weekly, or at the time of their payday to spread payments out more evenly. This flexibility may benefit customers with variable incomes or limited budgets, as it allows them to manage energy costs in smaller, more predictable increments. Although traditional pay customers can also make smaller payments throughout the month such payments are not typical. Additionally, with the frequent usage notifications received through the FlexPay Program, customers can make changes to their usage patterns and adjust consumption.

1   **Q.   MR. COLTON RECOMMENDS THAT THE COMPANY PROVIDE A**  
2       **DISCOUNT TO CUSTOMERS ON FLEXPAY BECAUSE IT CONSTITUTES A**  
3       **“LESSER” SERVICE.<sup>5</sup> DO YOU AGREE?**

4   A.   No. Customers on FlexPay receive the same electric service as traditionally billed  
5       customers. Offering a discount would not reflect the actual cost of serving a FlexPay  
6       customer and would create inequities in rate design.

7   **Q.   MR. COLTON DISCUSSES CONCERNS AROUND NOTICES FOR**  
8       **DISCONNECTON. DO YOU AGREE WITH HIS CONCERNS?**

9   A.   No. Mr. Colton fails to address the fact that customers on FlexPay receive more frequent  
10      notifications before service interruption than a traditional pay customer. Moreover, if a  
11      FlexPay customer has their service interrupted, they must only restore a positive balance  
12      to their account to restore service unlike a traditionally-billed customer who must pay the  
13      entire past due balance before service is reconnected. Additionally, Mr. Colton discusses  
14      at length that a Minnesota utility established a prepay program and was later found to have  
15      violated shutoff protections for that state. Kentucky Power has requested from the  
16      Commission the appropriate deviations in this proceeding so that the FlexPay program will  
17      remain within the required guidelines. As shown in Figure SNC-3 in my Direct Testimony,  
18      the Commission has approved prepay programs and the requested deviations for many  
19      other electric utilities in the Commonwealth.

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<sup>5</sup> Direct Testimony of Joint Intervenor Witness Roger D. Colton at 78.

1   **Q.   MR COLTON ASSERTS THAT PROPOSING FLEXPAY IS PREMATURE, DO**  
2       **YOU AGREE?**

3   A.   No. The Company received approval to install AMI meters in Case No. 2024-00344. The  
4       Company is scheduled to begin AMI meter installation in 2026. Approval of the FlexPay  
5       program in this proceeding will allow the Company to offer this voluntary program to  
6       customers as soon as an AMI meter is installed at their home. This will allow customers  
7       who prefer the pay-as-you-go option to begin as soon as possible.

**IV. TARIFF R.E.A.**

8   **Q.   DO YOU AGREE WITH MR. COLTON’S PROPOSED CHANGES TO TARIFF**  
9       **R.E.A.?**

10   A.   No. In Case No. 2023-00159, the Company increased the surcharge rate for Tariff R.E.A.  
11       from \$0.30 to \$0.40 per month per residential meter. Additionally, in that case, the  
12       Company increased shareholder funding from a one-to-one match to a two-to-one match.  
13       Kentucky Power has the highest surcharge factor for its Home Energy Assistance (“HEA”)  
14       programs compared to other investor-owned utilities in the Commonwealth, with their rates  
15       remaining at \$0.30 per month. Additionally, the Company has only had one heating season  
16       since the higher rate and increased shareholder funding was implemented. The Company  
17       will continue to gauge customers’ interest in its HEA programs while also considering bill  
18       impacts that would result in increasing the surcharge factor.

19               Mr. Colton also proposed increasing the benefit levels for the HEART and THAW  
20       programs. The Company works closely with local Community action agencies, the entities  
21       who operate in the service territory and are specifically familiar with the needs of the  
22       Company’s customers and meets with them before and after each HEA program year. The



1 funding percentage for the HEART and THAW programs along with the benefit amounts  
2 are discussed each year with the Community action agencies. During the spring of 2025  
3 meetings, the Company and the Community action agencies determined that further  
4 evaluation of the HEART and THAW benefit levels is needed and will occur after the  
5 2025-2026 program year using updated information from the winter. The Company will  
6 continue its normal practice of analyzing the programs, discussing internally, and  
7 collaborating with Community action agencies next spring to determine the best funding  
8 levels for HEART and THAW. The arbitrary adjustments Mr. Colton sponsors are  
9 premature.

#### V. LIHEAP

10 **Q. MR. COLTON TIES THE NEED TO INCREASE REA FUNDING TO A**  
11 **CONCERN THAT LIHEAP MAY NOT BE AVAILABLE OR REDUCED IN THE**  
12 **COMING YEARS. CAN YOU PROVIDE NEW INFORMATION REGARDING**  
13 **LIHEAP FUNDING?**

14 A. Yes. On November 28, 2025, the U.S. Department of Health and Human Services  
15 announced the release of the first block grant funding for LIHEAP for fiscal year 2026,  
16 totaling \$3,713,859,933.<sup>6</sup> The funding released for 2026 is comparable to the 2025 funding  
17 level. Kentucky's designated share of this funding is \$50,848,092.

18 Kentucky Power recognizes the benefits that the federally funded LIHEAP program  
19 offers to customers in need. To advocate for continued funding and support of LIHEAP,  
20 the Company and representatives from AEP participated in the National Energy and Utility  
21 Affordability Coalition's ("NEUAC") LIHEAP Action Day that was held in Washington

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<sup>6</sup> See, [First Block Grant Funding Release FFY 2026 | The Administration for Children and Families](#).

1 D.C. in March 2025. During LIHEAP Action Day, myself and a representative for the  
2 American Public Gas Association met with the offices of several Members of Congress to  
3 share the benefits of LIHEAP and discuss the importance of the program to help customers  
4 in need. Everyone I spoke with (from both major political parties) showed support for  
5 LIHEAP and echoed the sentiment of the importance of the program. The Company will  
6 continue to advocate for LIHEAP.

## **VI. CONCLUSION**

7 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

8 **A.** Yes, it does.

## VERIFICATION

The undersigned, Stevi N. Cobern, being duly sworn, deposes and says she is a Regulatory Consultant Principle for Kentucky Power, 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.

Stevi N. Cobern

Stevi N. Cobern

Commonwealth of Kentucky )

)

Case No. 2025-00257

County of Boyd )

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stevi N. Cobern, on December 18, 2025.

Marilyn Michelle Caldwell  
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

