

Kentucky Power Company
KPSC Case No. 2025-00307
Commission Staff's Third Set of Data Requests
Dated April 20, 2026

DATA REQUEST

KPSC 3_1 Provide an estimate of the costs which Kentucky Power intends to recover through the Decommissioning Rider for 2026–2030, by year.

RESPONSE

Please see the chart below for projected asset retirement obligation (“ARO”) spend relating to the Big Sandy Power Plant for years 2026-2030 that the Company proposes to recover through the Decommissioning Rider. In addition, on April 13, 2026, the USEPA published notice in the Federal Register proposing to modify the existing legacy coal combustion residuals surface impoundment rule. These proposed modifications may impact the below estimated ARO spend. USEPA is not expected to finalize the proposed rule until later this year.

Year	Projected Spend
2026	\$1,990,100
2027	\$223,100
2028	\$19,987,100
2029	\$19,987,100
2030	\$223,100

Witness: Tanner S. Wolfram

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KPSC 3_2 Refer to Kentucky Power's proposed P.S.C. KY. No. 13 1st Revised Sheet No. 33-1. Given the securitization of Big Sandy retirement costs, explain why Kentucky Power's proposed Decommissioning Rider tariff sheet submitted in this matter still references:

[C]oal-related retirement costs of Big Sandy Unit 1, the retirement costs of Big Sandy Unit 2 and other site-related retirement costs that will not continue in use on a levelized basis, including a weighted average cost of capital (WACC) as set in the Company's most recent rate case carrying cost over a 25 year period beginning with the date rates became effective in Case No. 2014-00396. The term 'Retirement Costs' are defined as and shall include the net book value, materials and supplies that cannot be used economically at other plants owned by Kentucky Power, and removal costs and salvage credits."

RESPONSE

As explained in the Company's 2024 annual Decommissioning Rider update, filed on July 19, 2024, in Case No. 2020-00174 and in the Company's response to KPSC 3-1 in this case, the Company still expects to incur additional retirement costs associated with the Big Sandy Power Plant. Specifically, the Decommissioning Rider only reflects actual payments made, meaning that actual retirement-related costs incurred are deferred as they are paid and added to the unamortized balance of the Decommissioning Rider regulatory asset. The securitization of the Decommissioning Rider regulatory asset only included actual payments made to that point, and not the estimated costs of future AROs. Because the Company has and will continue to incur ARO costs after securitization of the balance as of April 30, 2025, the referenced language in the tariff is necessary.

Witness: Tanner S. Wolffram

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KPSC 3_3 Provide the estimated cost to Kentucky Power to prepare and process the annual Decommissioning Rider update.

RESPONSE

The Company does not individually track time for most of its recurring filings. As such, the Company cannot accurately estimate the cost of preparing its 2025 Decommissioning Rider update or future annual Decommissioning Rider updates. That said, the time spent preparing the annual Decommissioning Rider update would usually be nominal given the routine nature of the filing and its annual cadence. The 2025 Decommissioning Rider update was slightly more time intensive given some of the proposed changes to the tariff and updating the calculation post-securitization.

Witness: Tanner S. Wolfram

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DATA REQUEST

KPSC 3_4 Refer to Kentucky Power's response to Commission Staff's Second Request for Information, Item 1. Confirm that the Purchased Power Adjustment (Tariff P.P.A.) under/over-recovery regulatory asset/liability is calculated differently than the under/over-recovery component of Kentucky Power's Tariff P.P.A. rates. If not confirmed, explain the response.

RESPONSE

Confirmed.

Witness: Lerah M. Kahn

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KPSC 3_5 Explain whether Kentucky Power could align the under/over-recovery regulatory asset/liability calculation to be the same as the under/over-recovery component of Kentucky Power's Tariff P.P.A. rates. If not, explain why not. If so, explain the process for the alignment.

RESPONSE

Yes, it could be aligned by making the modifications proposed by Kentucky Power in Case No. 2023-00318. Specifically, PPA Form 1.0, Line 7 and 8 could be aligned to utilize the twelve-month ended regulatory asset/liability calculation (PPA Form 3.0a, row 58, for June).

Should the Commission order this change, the Company recommends it be on a prospective basis and implemented with the next annual PPA update following a final Order in this proceeding. Changing the current rates, which have been implemented subject to refund in accordance with the Company's September 30, 2025 notice to do so, may result in customer confusion or a negative customer experience due to the significant amount of rebilling that would have to occur. Please see KPCO_R_KPSC_3_5_Attachment1, which reflects what the 2025 annual PPA would have been with this change.

Witness: Lerah M. Kahn

