

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

In the Matter of:

Electronic Application Of Kentucky Power Company	)	
For: (1) Approval Of Continuation Of Its Demand-	)	
Side Management Programs; (2) Authority To	)	
Recover Costs And Net Lost Revenues, And To	)	
Receive Incentives Associated With The	)	Case No. 2025-00365
Implementation Of Its Demand-Side Management	)	
Programs; (3) Acceptance Of Its Annual DSM Status	)	
Report; And (4) All Other Required Approvals And	)	
Relief	)	

**DIRECT TESTIMONY OF**  
**STEV N. COBERN**  
**ON BEHALF OF KENTUCKY POWER COMPANY**

**DIRECT TESTIMONY OF  
STEVIN. COBERN  
ON BEHALF OF KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**CASE NO. 2025-00365**

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**EXHIBITS**

<b><u>EXHIBIT</u></b>	<b><u>DESCRIPTION</u></b>
EXHIBIT SNC-1	Schedule C

**DIRECT TESTIMONY OF  
STEVIN N. COBERN  
ON BEHALF OF KENTUCKY POWER COMPANY  
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**CASE NO. 2025-00365**

**I. INTRODUCTION**

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

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

6   **Q.   PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**  
7       **BUSINESS EXPERIENCE.**

8   A.   I received a Regents Bachelor of Arts degree from Marshall University in Huntington,  
9       West Virginia in 2022. In 2002, I began working for American Electric Power (“AEP”)  
10      in AEP’s Customer Operations Center. In 2009, I joined Kentucky Power, working in  
11      various departments including meter revenue operations forestry. I transitioned back to  
12      customer service in 2018 as Customer Services Coordinator and then in May 2021 was  
13      promoted to Customer Services Supervisor. In September 2024, I accepted my current  
14      position as Regulatory Consultant Principal.

15  **Q.   WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY WITH**  
16       **KENTUCKY POWER?**

17  A.   My primary responsibility is to support the Company’s regulatory activities. I am the  
18      liaison for Community Action Kentucky agencies for weatherization programs and the  
19      Company’s Home Energy Assistance (“HEA”) programs. I am responsible for the

1 administration of Kentucky Power’s HEA programs, which includes Home Energy  
2 Assistance in Reduced Temperatures (“HEART”), Donation HEART, and Temporary  
3 Heating Assistance in Winter (“THAW”). I also address customer inquiries from the  
4 Public Service Commission of Kentucky (“Commission”), the Office of the Attorney  
5 General, and Better Business Bureau ensuring timely investigation and response to such  
6 inquiries.

7 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**  
8 **PROCEEDINGS?**

9 A. Yes. I have submitted testimony before this Commission in Case No. 2019-00366  
10 (Commission’s investigation of investor-owned utilities’ HEA programs), Case No.  
11 2023-00159 (the Company’s previous base rate case), Case No. 2024-00115 (the  
12 Company’s most recent demand side management case), Case No. 2024-00344 (the  
13 Company’s application for a certificate of public convenience and necessity to deploy  
14 Advanced Metering Infrastructure (“AMI”)), and Case No. 2025-00257 (the Company’s  
15 current base rate case).

16 **II. PURPOSE OF TESTIMONY**

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

18 A. The purpose of my testimony is to request the continuance of the Targeted Energy  
19 Efficiency (“TEE”) Program, the Home Energy Improvement Program (“HEIP”), and the  
20 Commercial Energy Solutions Program (“CESP”). I support the Company’s request that  
21 the Commission accept the Company’s Annual DSM Status Reports. Finally, I provide a  
22 status update on the two new programs, HEIP and CESP.

1 **Q. IS THE COMPANY PROPOSING AS PART OF THIS CASE ANY NEW DSM OR**  
2 **ENERGY EFFICIENCY PROGRAMS?**

3 A. No, the Company is not proposing any new DSM or Energy Efficiency programs as part  
4 of this case. The Company received approval in Case No. 2024-00115 to expand the TEE  
5 Program and implement two new DSM programs (HEIP and CESP). The Company is  
6 monitoring customer participation in the current programs and will continue to evaluate  
7 the need for additional offerings.

8 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

9 A. Yes. I am sponsoring the following exhibits:

- 10
  - Exhibit SNC-1 – Schedule C

11 **Q. WERE THESE EXHIBITS PREPARED BY YOU OR UNDER YOUR**  
12 **DIRECTION?**

13 A. Yes.

14 **III. TARGETED ENERGY EFFICIENCY PROGRAM**

15 **Q. PLEASE PROVIDE A DESCRIPTION OF KENTUCKY POWER’S TEE**  
16 **PROGRAM.**

17 A. Kentucky Power’s TEE Program provides weatherization and energy efficiency services  
18 to qualifying low-income residential customers who need help reducing their energy bills.  
19 Additionally, the program was expanded in Case No. 2024-00115 to include funding that  
20 addresses health, safety, and structural issues so a home can qualify for weatherization  
21 assistance, for example, under the Commonwealth’s weatherization programs and funds.  
22 Kentucky Power collaborates with local community action agencies in the Company’s  
23 service territory to directly implement the program. The TEE Program supplements the

1 Commonwealth's Weatherization Assistance Program and Weatherization Readiness  
2 Fund.

3 The TEE Program is available on a voluntary basis to qualifying individual  
4 residential customers receiving retail electric service from the Company, who have  
5 primary electric heat and use at least an average of 700 kWh per month. Residential  
6 customers without primary electric heating may also be eligible for limited efficiency  
7 measures if they have electric water heating and use at least an average of 700 kWh per  
8 month from November through March. To qualify, a household's income cannot exceed  
9 the designated poverty guidelines as administered by the local community action agency.

10 **Q. PLEASE PROVIDE THE CURRENT TEE PROGRAM BUDGET AND**  
11 **PARTICIPATION.**

12 A. The 2025 budget for the TEE Program is \$358,185 and 90 participants for weatherization  
13 assistance. Additionally, the budget includes \$15,000 to make health, safety, and  
14 structural repairs so homes can qualify for additional weatherization assistance. Through  
15 September 2025, \$198,978 of the budget has been used and 50 participants received  
16 weatherization assistance.

17 The Community action agencies confirmed they are still working diligently to add  
18 participants and expect to use the majority of funds allocated in 2025. Additionally, the  
19 community action agencies mentioned that there were changes in guidance that affected  
20 the number of participants who needed to utilize DSM funding related to heat pump  
21 replacement which affected program participation.

1 **Q. WHAT IS THE PROPOSED 2026 BUDGET FOR THE TEE PROGRAM?**

2 A. Consistent with the Company's Application approved by the Commission in Case No.  
3 2024-00115, the Company is proposing to increase the TEE Program budget to \$370,060  
4 and increase the participation target to 95 customers for 2026. Additionally, the  
5 supplemental funding from the Company to the Weatherization Readiness Fund would  
6 increase to \$20,000 for 2026.

7 **IV. OVERVIEW OF CASE NO. 2024-00115**

8 **Q. DID THE TIMELINE IN THE COMPANY'S DSM CASE IMPACT PROGRAM**  
9 **AVAILABILITY FOR CUSTOMERS?**

10 A. Yes. In Case No. 2024-00115, the Company initially requested approval of its requests  
11 that would allow it to implement the programs January 1, 2025. However, the case was  
12 fully litigated, including a hearing before the Commission, resulting in the Commission's  
13 Order approving the Company's requests being issued on February 28, 2025.

14 **Q. HOW DID DEPLOYMENT DELAYS AFFECT PARTICIPATION?**

15 A. Based on the timing of Case No. 2024-00115's conclusion and the time needed to roll out  
16 the Programs, the HEIP and the CESP were not first available to customers until mid-July  
17 2025. As a result, participation for 2025 is lower than anticipated. Due to the shortened  
18 timeline in 2025 and lower participation, a portion of the programs budget will shift to  
19 2026.

20 **V. HOME ENERGY IMPROVEMENT PROGRAM**

21 **Q. PLEASE PROVIDE A DESCRIPTION OF KENTUCKY POWER'S HOME**  
22 **ENERGY IMPROVEMENT PROGRAM.**

23 A. The Home Energy Improvement Program is available on a voluntary basis until funds are  
24 depleted to individual residential customers living in single family, multi-family, or

1 mobile homes, receiving retail electric service from the Company, and who have an  
2 electric heating, ventilation, and air conditioning (“HVAC”) system.

3 Under this program the Company will provide an in-home energy audit at no  
4 additional cost to the customer. An energy auditor will perform the in-home energy audit,  
5 identifying key areas of the home that are wasting energy and will provide  
6 recommendations to make the home more energy efficient.

7 Participants are then eligible to receive, at no cost to the customer, installation of  
8 select energy conservation measures recommended by the energy auditor such as low-  
9 flow showerheads and faucet aerators, hot water heater wraps and pipe insulation,  
10 weatherstripping and caulking around windows and doors, door sweeps, and advanced  
11 power strips.

12 Participants will also be eligible to receive incentives, or rebates, for qualifying  
13 HVAC equipment installed at the customer’s own cost by a participating dealer such  
14 as air-source heat pumps, central air conditioning (“A/C”) systems, ductless heat pumps  
15 and A/C units, heat pump water heaters, and smart thermostats. Additionally, participants  
16 will be eligible to receive financial incentives, or rebates, for qualifying weatherization  
17 measures installed at the customer’s own cost by a participating dealer such as attic and  
18 floor insulation, air sealing, and duct sealing. Rebates for qualifying HVAC and  
19 weatherization measures will vary depending on the efficiency rate of the measures  
20 installed.

**Q. PLEASE PROVIDE A STATUS UPDATE ON THE HOME ENERGY IMPROVEMENT PROGRAM.**

A. The Home Energy Improvement Program became available to customers in July 2025. The Company's original budget for program participants in 2025 was 661 customers, with the expectation the program would be available early in the year. As of early November 2025, participation in the HEIP is as follows:

Table SNC-1

<b>Total Energy Audit Requests</b>	<b>53</b>
Completed Audit (received rebate)	2
Completed Audit	10
Scheduled Audit	7
Awaiting Scheduling	34

As Table SNC-1 demonstrates, the Company received, as of early November 2025, 53 home energy audit requests. Of those requests, 12 were completed, 7 are currently scheduled to be completed, and 34 are awaiting scheduling. In addition, of those 12 completed audit requests, 2 customers received rebates. This data represents customer participation in the HEIP for three full months in 2025.

To increase customer awareness and improve participation in the program, the Company has engaged in general marketing of its new DSM offerings, including the HEIP, by issuing news releases, updated website content, social media posts, bill inserts, customer emails, and account specific portal messaging for customers with high bill alerts. To reach customers who may benefit most from weatherization, the Company also provided a list of high usage customers for targeted marketing to its DSM program administrator, and it also plans to conduct a direct mail campaign to previous LIHEAP participants.

**Q. WHAT IS THE PROPOSED 2026 BUDGET FOR THE HOME ENERGY IMPROVEMENT PROGRAM?**

A. The Company proposes increasing the Home Energy Improvement Program budget from the 2025 budget of \$664,681 to \$991,494. The proposed budget increase is attributable to shifting funds from the 2025 budget to the 2026 budget given the timing of the program roll-out. Additionally, 2026 will reflect the first full program year for the HEIP.

**VI. COMMERCIAL ENERGY SOLUTIONS PROGRAM**

**Q. PLEASE PROVIDE A DESCRIPTION OF KENTUCKY POWER'S COMMERCIAL ENERGY SOLUTIONS PROGRAM.**

A. The Commercial Energy Solutions Program is available on a voluntary basis until funds are depleted to commercial (non-industrial and non-residential) customers in Kentucky Power's service territory.

Under the Commercial Energy Solutions Program, the Company will provide an energy audit at no additional cost to the customer. An inspector will perform a walk through, identifying key areas that are wasting energy and will provide recommendations to make the building more energy efficient.

Participants will be eligible to receive financial incentives, or rebates, for qualifying energy-efficient improvements and technologies installed at the customer's own cost by a participating contractor. To ramp up the program gradually and limit the impact to the DSM surcharge and customer bills, the Company is offering in year one of the program only lighting incentives, such as LED lighting, network lighting controls, occupancy sensors and daylighting controls. The Company will add in year two of the program HVAC incentives for commercial A/C systems, packaged terminal heat pumps, geothermal heat pumps, air-source heat pumps, heat pump water heaters, and smart

1 thermostats. The Company will add in year three of the program food service equipment  
2 incentives, including for combination ovens, fryers, steam cookers and dishwashers.

3 The Company will also offer a post-audit inspection to verify correct equipment  
4 installation and address any remaining customer questions.

5 The total maximum rebate amount available to qualifying commercial  
6 customers is \$25,000 annually per customer account. Kentucky Power may revise  
7 incentive amounts and or the maximum incentive per customer account based upon  
8 program implementation contractor recommendations and or overall customer response  
9 to the program.

10 **Q. PLEASE PROVIDE A STATUS UPDATE ON THE COMMERCIAL ENERGY**  
11 **SOLUTIONS PROGRAM.**

12 A. The Commercial Energy Solutions Program became available to customers in July 2025.  
13 The Company's original budget for program participants in 2025 was 130 customers,  
14 with the expectation the program would be available early in the year. As of October  
15 2025, one application for CESP participation has been submitted and is pending approval,  
16 and four applications are currently being reviewed.

17 To increase customer awareness and improve participation in the program, the  
18 Company has engaged in general marketing of its new DSM offerings, including the  
19 CESP, by issuing news releases, updated website content, social media posts, bill inserts,  
20 and customer emails. Additionally, the Company is working with stakeholders to  
21 promote the program and identify additional potential customers who may be interested  
22 in and benefit from participation in the CESP.

1 **Q. WHAT IS THE PROPOSED 2026 BUDGET FOR THE COMMERCIAL ENERGY**  
2 **SOLUTIONS PROGRAM?**

3 A. The Company is proposing to increase the Commercial Energy Solutions Program budget  
4 from \$710,011 to \$1,267,246. The budget increase accounts for additional incentives that  
5 will be available for HVAC measures beginning in January 2026. Also, similar to HEIP,  
6 funds will shift from the 2025 budget to the 2026 budget given the timing of the program  
7 roll-out. CESP will reflect the first full program year in 2026.

8 **VII. DSM STATUS REPORTS**

9 **Q. WHAT INFORMATION IS CONTAINED IN THE DSM STATUS REPORTS?**

10 A. DSM Status Reports are filed with the Commission as part of this annual DSM filing.  
11 The reports contain program information on all DSM programs that were offered to  
12 customers since each program's inception. The DSM Status Reports are within Exhibit  
13 SNC-1. That exhibit contains the Annual DSM Status Report for the 2024 program year.  
14 Information contained therein includes DSM revenue collected, individual program costs,  
15 energy savings, and peak demand reductions as well as program participation.

16 **VIII. DSM SURCHARGE FACTOR**

17 **Q. IS THE COMPANY PROPOSING A CHANGE TO ITS DSM SURCHARGE**  
18 **FACTOR?**

19 A. Yes. The Company is proposing to increase the residential surcharge factor from  
20 \$0.000587 per kWh to \$0.000663 per kWh. Kentucky Power is also proposing to  
21 increase the commercial surcharge factor from \$0.000573 per kWh to \$0.000809 per  
22 kWh.

1 **Q. WHY IS THE COMPANY PROPOSING TO INCREASE THE DSM**  
2 **SURCHARGE FACTORS?**

3 A. The increase is a result of the timing of the actual implementation of the programs in  
4 2025. The Company had sought an order by December 1, 2024 so it could begin program  
5 implementation early in 2025 on the new programs. However, given an order was not  
6 issued until February, the Company could not begin program implementation until later  
7 in the year. Given that timing, the Company is proposing to reflect the remainder of the  
8 2025 budget in 2026 as it will complete the first full program year of HIEP and CESP in  
9 2026.

10 **Q. WHAT IS THE ANTICIPATED EFFECT ON THE AVERAGE RESIDENTIAL**  
11 **CUSTOMER'S BILL AS A RESULT OF THE PROPOSED INCREASE?**

12 A. In 2025, the average residential customer using 1,300 kWh per month received a monthly  
13 DSM charge of \$0.76. The new proposed rate results in a \$0.86 monthly charge to the  
14 same customer. This is an increase of \$0.10 per customer per month.

15 **Q. FINALLY, WHAT SUPPORT DOES THE COMPANY OFFER FOR ITS**  
16 **CALCULATION OF ITS SURCHARGE FACTOR?**

17 A. "Schedule C" which is filed as Exhibit SNC-1, supports the Company's calculation of  
18 the surcharge factor that the Company proposes in this case.

19 **IX. CONCLUSION**

20 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

21 A. Yes.

## 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. 2025-00365

County of Boyd )

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stevi N. Cobern, on November 14, 2025.

Marilyn Michelle Caldwell  
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

