COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power Company For 1) A Certificate Of Public Convenience And Necessity To Construct A Mechanical Draft Cooling Tower At The Mitchell Plant 2) Approval Of Certain Regulatory And Accounting Treatments, And 3) All Other Required Approvals And Relief	))))))	Case No. 2026-00001

DIRECT TESTIMONY OF

NICOLE M. COON

ON BEHALF OF KENTUCKY POWER COMPANY

DIRECT TESTIMONY OF
NICOLE M. COON ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2026-00001

TABLE OF CONTENTS

SECTION **PAGE**

EXHIBITS

DIRECT TESTIMONY OF
NICOLE M. COON ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2026-00001

I. INTRODUCTION

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

A. My name is Nicole M. Coon. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. I am employed by American Electric Power Service Corporation ("AEPSC") as a Regulatory Consultant Principal. AEPSC is a wholly-owned subsidiary of American Electric Power Company Inc. ("AEP"), the parent Company of Kentucky Power Company ("Kentucky Power" or the "Company").

II. BACKGROUND

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I graduated from The Ohio State University with a Bachelor of Science degree in Business Administration majoring in Accounting and minoring in Communications in 2018. I obtained my Certified Public Accountant license in 2018 and am licensed in the state of Ohio. Prior to joining AEPSC I worked for a regional public accounting firm where I performed various financial audits of companies and prepared tax returns for individuals and businesses. In 2019, I joined AEPSC as a Strategic Initiatives Associate in the Strategy and Transformation Operations Group. I later became a Strategic Initiatives Associate Senior, where I was responsible for internal and external business valuation, preparing pro forma business and financial plans, performing strategic studies and analyses, and

preparing executive council and board-level presentations. In 2022, I transferred to Regulatory Services to my current position as a Regulatory Consultant Principal.

Q. WHAT ARE YOUR RESPONSIBILITIES AS REGULATORY CONSULTANT PRINCIPAL?

A. I am responsible for assisting Kentucky Power and the other AEP operating companies in the preparation of their regulatory filings before this and other commissions under whose jurisdiction these companies provide electric service. My responsibilities include the preparation of cost-of-service analyses, rate design, special contracts, and economic analyses for the AEP operating companies.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDINGS?

A. Yes. I submitted testimony before the Public Service Commission of Kentucky (the "Commission") in Case No. 2024-00243 and Case No. 2025-00257. In addition, I have submitted testimony before the State Corporation Commission of Virginia on behalf of Appalachian Power Company in Case Nos. PUR-2023-00212, PUR-2024-00161, PUR-2025-00028 and PUR-2025-00175.

III. PURPOSE OF TESTIMONY

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

A. The purpose of my testimony is to describe the economic (customer cost) analysis used by Kentucky Power and Wheeling Power to evaluate the alternatives available to the Company to address the structural needs of the Mitchell Generating Station ("Mitchell Plant" or "Mitchell" or "the Plant") Unit 2 Cooling Tower. I also calculate the rate impact on customers for the ultimate investment decision.

Q. WHAT DID THAT ANALYSIS SHOW?

A. The analysis demonstrated that the construction of a new mechanical draft cooling tower and the partial demolition and eventual full demolition (when the Mitchell Plant retires) of the existing Unit 2 Cooling Tower (the "Mitchell Cooling Tower Project"), is, from an economic perspective, the least-cost, reasonable alternative for Kentucky Power to address the structural need for Unit 2 while meeting its capacity obligation.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes, I am sponsoring the following exhibits:

- Exhibit NMC-1 Summary of Economic Analysis
- Exhibit NMC-2 Rate Impact of the Mitchell Cooling Tower Project

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

A. Yes.

IV. DESCRIPTION OF ALTERNATIVES

Q. PLEASE BRIEFLY DESCRIBE THE BACKGROUND THAT LED TO THE NEED FOR AN ECONOMIC ANALYSIS OF VARIOUS ALTERNATIVES TO ADDRESS THE STRUCTURAL NEEDS OF THE MITCHELL UNIT 2 COOLING TOWER.

A. In 2024, the Company initiated a capital project to address several areas of surface irregularities and deformations in the concrete shell of the Unit 2 Cooling Tower (the "Initial Repair Project"). By July 2025, the construction contractors discovered more cracking and deterioration that would require additional work. Work on the Initial Repair Project was halted to determine the best solution going forward by evaluating the costs, risk and project schedule of the various options. This pause was necessary to identify the

most economic and efficient path forward to ensure the continued safe and reliable operation of the Mitchell Plant for the Company's customers. The ongoing need for addressing the structural issues of the Mitchell Unit 2 Cooling Tower is discussed in detail in the testimonies of Company Witnesses Pizzino and Malone.

Q. WHAT OPTIONS WERE CONSIDERED TO FULLY ADDRESS THE STRUCTURAL NEEDS OF THE COOLING TOWER?

A. The Company identified and evaluated the following as the reasonable alternatives for addressing the structural needs of the Mitchell Unit 2 Cooling Tower:

- Option 1: Expand and extend the paused exterior shell reinforcement project;
- Option 2: Retire Unit 2 and partially demolish the existing cooling tower;
- Option 3: Construct a new mechanical draft cooling tower and partially demolish the existing cooling tower; and
- Option 4: Reduce the height of the existing cooling tower and continue with a reduced scope of exterior shell reinforcement.

Options 2, 3 and 4 would require shortening or demolition of the existing cooling tower to ensure it can safely remain on site while the unit(s) continue operating.

V. ECONOMIC ANALYSIS

Q. WHEN WAS THE ECONOMIC ANALYSIS PERFORMED?

A. The analysis was performed at the end of October 2025 in preparation for the Mitchell Operating Committee meeting that was held on November 6th, 2025, as described by Company Witness Wolffram.

Q. WHAT WAS THE PURPOSE OF THE ECONOMIC ANALYSIS YOU PERFORMED?

A. The purpose of the economic analysis was to determine, based on the information available at the time, what the revenue requirement would be for each of the four options. The

analysis focused on the revenue requirement because the revenue requirement is the ultimate amount to be collected from customers.

Q. HOW DID YOU PERFORM THE ECONOMIC ANALYSIS?

A. To perform the economic analysis of each of the four options to address the structural needs of Mitchell Unit 2 Cooling Tower, I utilized a standard cost-of-service model so the options could be compared against one another. The cost-of-service model utilizes inputs regarding project cost, timing, and estimated energy margins to develop a revenue requirement over the studied time period.

Q. PLEASE DESCRIBE THE ECONOMIC ANALYSIS PERFORMED FOR EACH OPTION IN MORE DETAIL.

A. The cost figures included below are <u>total plant amounts</u>. Kentucky Power would only be responsible for its 50% share of the costs for each option. While the analysis performed was preliminary based upon conceptual engineering, it should be considered indicative and was of a quality that allowed the Operating Committee to make an informed decision regarding the Unit 2 cooling tower.

<u>Option 1 – Expand and extend the paused exterior shell reinforcement project</u>

For Option 1, the total capital cost of approximately $168 million for the reinforcement and partial demolition of the Unit 2 Cooling Tower used in the analysis was provided by Company Witness Malone. Option 1's estimated useful life is 10 years and would go into service in 2029 as explained by Company Witness Malone. The capital structure utilized in the economic analysis was an average between the Company's last approved structure from the 2023 base case[1] and Wheeling Power's capital structure. Other

[1] Case No. 2023-00159

inputs, such as tax rates, were provided by subject matter experts within AEPSC. Option 1 does not result in a unit derate or require an outage so there is no impact on estimated energy margins and no need to acquire capacity during an outage. All of the inputs for Option 1 were entered into the cost-of-service model to calculate the annual revenue requirement for comparison purposes to the other options. The present value ("PV") revenue requirement for this option was $142.5 million with an average annual revenue requirement of $19.8 million.

Option 2 - Retire Unit 2, partially demolish the cooling tower and build a new combined cycle natural gas-fired plant

Option 2 required a slightly different analysis from Option 1, as this option contemplated retiring the unit. For this option, the unit was assumed to retire on June 1, 2027, because Mitchell is already committed as part of Kentucky Power's PJM FRR plan through May 2027[2]. Thus, for analyzing the revenue requirement, it was assumed that the Company would have to acquire capacity and energy from June 2027 until May 2031, when a new combined cycle natural gas-fired plant could come online. The costs associated with acquiring capacity and lost energy margins from June 2027 until May 2031 and the cost of constructing and operating a new combined cycle plant were entered into the cost-of-service model to determine the annual revenue requirement for Option 2. The costs for acquiring capacity and lost energy margins until the new combined cycle plant is operational were derived from the Company's forecasts. The capital cost of a new combined cycle and partially demolishing the old cooling tower were $1,044 million. The

[2] The economic analysis was conducted in October 2025, and that time Mitchell was only committed through May 2027. In December 2025 the next PJM planning cycle took place for the 2027/2028 years when the Company had to submit its obligations, and thus, Mitchell was further committed through May 2028.

PV revenue requirement for this option was $836.3 million with an average annual revenue requirement of $106.3 million.

Option 3- Construct a new mechanical draft cooling tower and partially demolish the existing Unit 2 Cooling Tower

The analysis for Option 3 was similar to the economic analysis performed for Option 1. The total capital cost for Option 3 of approximately $196 million used in the analysis was provided by Company Witness Malone. Option 3's estimated useful life is 25 years and would go into service in 2029 as provided by Company Witness Malone. The capital structure utilized in the economic analysis was an average between the Company's last approved structure from the 2023 base case and Wheeling Power's capital structure. Like with Option 1, other inputs, such as tax rates, were provided by subject matter experts within AEPSC. This option does have a small derate in capacity, as provided by Company Witness Malone. Accordingly, a loss of energy margins was included in the analysis. There is no additional outage required for the construction of the cooling tower, that is the Company is able to tie in the new cooling tower during a planned outage which is lower risk. Therefore, the Company would not have to acquire additional capacity. All of the inputs for Option 3 were entered into the cost-of-service model to calculate the annual revenue requirement for comparison purposes to the other options. The PV revenue requirement for this option was $147.2 million with an average annual revenue requirement of $19.3 million.

Option 4 - Reduce the height of the existing Unit 2 Cooling Tower and continue with a reduced scope of exterior shell reinforcement

The total capital cost of approximately $112 million for Option 4 was provided by Company Witness Malone as was Option 4's estimated useful life of 10 years and in-service date of 2028. The capital structure utilized in the economic analysis was an average

between the Company's last approved structure from the 2023 base case and Wheeling Power's capital structure. Other inputs, such as tax rates, were provided by subject matter experts withing AEPSC. This option does have a derate in capacity, as provided by Company Witness Malone. Accordingly, a loss of energy margins was included in the analysis. There is a longer outage required for the construction, which would require the Company to acquire additional capacity and energy during that outage and that cost is included in the cost-of-service analysis. All of the inputs for Option 4 were entered into the cost-of-service model to calculate the annual revenue requirement for comparison purposes to the other options. The PV revenue requirement for this option was $189.5 million with an average annual revenue requirement of $20.4 million.

Q. WHY WAS AN AVERAGE OF KENTUCKY POWER AND WHEELING POWER'S CAPITAL STRUCTURES UTILIZED IN THE ECONOMIC ANALYS?

A. The options were presented jointly to both companies, and as such for simplicity purposes and the ability to show one set of numbers, the economic analysis utilized an average of the capital structures to calculate the annual revenue requirements. The relative economic impact of each evaluated option is not affected by the capital structures used. Option 3 would be the least-cost, reasonable alternative regardless of whether the average capital structure, Kentucky Power's capital structure, or Wheeling Power's capital structure were used.

Q. OPTION 1 AND OPTION 4 HAVE USEFUL LIVES THAT ARE 10 YEARS. HOW DID THE ECONOMIC ANALYSIS ADDRESS THIS?

A. Because the estimated useful life of Options 1 and 4 is only 10 years, those options for addressing the structural needs of the Mitchell Unit 2 Cooling Tower would likely require

additional capital investment to ensure that Mitchell Unit 2 is able to operate until 2040, the current retirement date for Mitchell. No extra capital for Options 1 or 4 was included in the economic analysis, because the nature and amount of such additional capital is unknowable at this time. The likelihood of additional capital was taken into account as a qualitative factor when deciding which option to move forward with. Since the earliest of the options projected to go in service is 2028 and has a useful life of 10 years, the Company analyzed all options' revenue requirements through 2038 in order to capture the full cost-of-service for each option on an "apples to apples" basis.

Q. WHAT ARE THE RESULTS OF YOUR ANALYSIS?

A. The results from the economic analysis for the options are summarized in Table NMC-1 below and are presented on a total plant (100% of the project) and, for the average annual revenue requirement, on a Kentucky Power 50% basis. The results are also contained in Exhibit NMC-1. These quantitative results, along with the qualitative results discussed by Company Witness Malone demonstrate that Option 3, the Mitchell Cooling Tower Project, is the least-cost, reasonable alternative for addressing the structural issues at the Until 2 Cooling Tower.

Table NMC-1

	Description	PV Rev Req't (TOTAL)	Avg Rev Req't (Total)	Avg Rev Req't (KPCO)
Option 1	Expanded Reinforcement	$142,480,378	$19,828,849	$9,914,424.50
Option 2	Retire Unit 2	$836,300,299	$106,317,503	$53,158,751.50
Option 3	Mitchell Cooling Tower Project	$147,235,844	$19,255,642	$9,627,821.00
Option 4	Shorten Tower	$189,471,586	$20,406,521	$10,203,260.50

Q. IS THE COMPANY PROPOSING ONE OF THE FOUR REASONABLE ALTERNATIVE PROJECTS FOR THE UNIT 2 COOLING TOWER AT THIS TIME?

A. Yes. As described by Company Witness Wolffram, each of these options were provided to the Mitchell Operating Committee, which includes Company President Wiseman and Appalachian Power Company President Walker, that unanimously elected to move forward with the Mitchell Cooling Tower Project (Option 3), constructing a new mechanical draft cooling tower and partially demolishing the exiting cooling tower.

VI. RATE IMPACT

Q. WHAT IS THE ESTIMATED MONTHLY IMPACT OF THE MITCHELL COOLING TOWER PROJECT ON THE AVERAGE RESIDENTIAL CUSTOMER BILL DURING THE CONSTRUCTION OF THE MITCHELL COOLING TOWER PROJECT?

A. As described by Company Witness Wolffram, the Company is requesting return on Construction Work in Progress ("CWIP"). The CWIP was calculated by taking the annual cumulative cash spend for the Mitchell Cooling Tower Project, as provided by Company Witness Malone, multiplied by the Company's pretax WACC. Table NMC-2 below shows the estimated monthly increase by year for the average residential customer using 1,206 kWh per month.

Table NMC-2
CWIP Rate Impact

	Estimated $ Impact	Estimated % Increase
2026	$0.33	0.2%
2027	$1.65	0.8%
2028	$1.99	1.0%

Q. WHAT IS THE ESTIMATED MONTHLY IMPACT OF THE MITCHELL COOLING TOWER PROJECT ON THE AVERAGE RESIDENTIAL CUSTOMER BILL ONCE IT GOES INTO SERVICE?

A. For the average residential customer using 1,206 kWh per month, the monthly increase in the customer's total bill is expected to be $4.59 (or 2.3%)[3]. Exhibit NMC-2 provides detailed calculations of the estimated monthly impact of the Mitchell Cooling Tower Project for both residential and all other rate classes.

Q. DOES THE REVENUE REQUIREMENT USED IN THE RATE IMPACT DIFFER FROM THAT USED IN YOUR ECONOMIC ANALYS?

A. Yes. There are several differences between the inputs for the economic analysis revenue requirement calculated in October 2025 to provide relative costs for decision making purposes and the rate impact revenue requirement calculated for this Application using updated information. These differences are summarized below:

1. Capital Structure: for the rate impact evaluation, the capital structure of only Kentucky Power was utilized, rather than the average between the Company and Wheeling Power.
2. Project Cost: for the rate impact evaluation, updates to the cost of the Project result in an amount that vary slightly from that utilized in the economic analysis. This is common as the engineering and projects team further refine their estimates. Additionally, in the economic analysis allowance for funds used during construction ("AFUDC") was included. However, the Company is requesting construction work in progress ("CWIP") treatment,

[3] The monthly bill impacts were calculated based on the average customer bills for the twelve months ended December 2025.

as discussed by Company Witness Wolffram and thus AFUDC was pulled out of the cost-of-service model for the rate impact calculation. The capital cost used for rate impacts was approximately $191 million.

3. Depreciable Life: for the rate impact analysis, the depreciable life of Option 3 was assumed to be 12 years, or 2040, the current estimated retirement date of the Mitchell Plant. It is possible for the cooling tower to be used beyond the current retirement date of the Mitchell Plant. If a decision is made to operate the Plant beyond 2040, deprecation rates for the Mitchell Plant will be adjusted for the entire plant at that time.

Q. WHY FOR ECONOMIC PURPOSES DID THE COMPANY USE A DEPRECIABLE LIFE OF 25 YEARS?

A. This is the estimated useful life of the Mitchell Cooling Tower Project, as provided to me by Company Witness Malone. Thus, in addition to the quantitative benefits, one of the qualitative benefits of the new mechanical draft cooling tower is that it provides the Company with flexibility in the future of the Plant beyond the timeline of the economic analysis performed in this case. The cooling tower could be used in decisions around extending the life of the Plant. Thus, in terms of an economic decision, the Company chose to use a 25-year life as that aligns with the cooling tower's useful life. Options 1 and 4, on the other hand, only have useful lives of 10 years meaning that at end of the 10-year period, the Company would be forced to incur unknown capital to either replace the capacity from Unit 2 with a new build option (akin to Option 2), construct a replacement cooling tower (akin to Option 3), explore additional unknown fixes to the existing cooling tower, or be a price-taker in the market.

VII. CONCLUSION

Q. PLEASE SUMMARIZE YOUR ANALYSIS AND CONCLUSION.

A. The economic analysis performed shows that Option 3, constructing a new mechanical draft cooling tower, is the least-cost, reasonable alternative for addressing the Unit 2 cooling tower structural need. In addition, the Mitchell Cooling Tower Project provides the added benefit of flexibility for Mitchell to continue operations after 2040 if desired.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Average WACC 6.95%

	Total Capital	Revenue Requirement											
		2027	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**
Option 1	$ 167,917,000			$ 23,907,455	$ 22,852,930	$ 21,813,732	$ 20,788,673	$ 19,776,736	$ 18,776,901	$ 17,788,293	$ 16,810,035	$ 15,833,474	$ 19,940,263
Option 2	$ 1,043,942,412	$ 46,210,783	$ 101,674,565	$ 107,773,195	$ 110,126,830	$ 183,828,706	$ 106,440,179	$ 101,523,708	$ 101,693,923	$ 104,923,763	$ 111,073,954	$ 102,068,738	$ 98,471,688
Option 3	$ 196,134,000		$ 19,589,756	$ 22,284,791	$ 21,528,485	$ 20,959,873	$ 20,056,601	$ 19,593,424	$ 18,895,663	$ 18,164,364	$ 17,575,247	$ 16,913,043	$ 16,250,811
Option 4	$ 111,917,000	$ 93,567,351	$ 18,505,877	$ 17,296,479	$ 16,847,856	$ 16,398,783	$ 15,230,661	$ 14,474,489	$ 13,839,471	$ 13,178,685	$ 12,680,401	$ 11,898,334	$ 959,870

PV Rev Requirement	
Option 1	$142,480,378
Option 2	$836,300,299
Option 3	$147,235,844
Option 4	$189,471,586

Average Rev Requirement	
Option 1	$ 19,828,849
Option 2	$ 106,317,503
Option 3	$ 19,255,642
Option 4	$ 20,406,521

Kentucky Power Company
Generation Rider Rate Design

Generation Rider - Form 2.0

	Demand	Energy	Total
KY Retail Jurisdiction Revenue Requirement[1]	$1,079,119	$0	$1,079,119

Class	Billing Energy[2]	Billing Demand[2]	Test Year CP / kWh Ratio	CP Demand Allocation Factor	Allocated Demand Related Costs	Allocated Energy Related Costs	$ / kW Rate	$ / kWh Rate	Revenue Verification	Difference	12 Months December 2025 Revenues	% Increase	Est. Monthly Bill Impact 2026
(1)	(2)	(3)	(4)	(5) = (2) x (4)	(6) on (5)	(7) on (2)	(8) = (6) / (3)	(9) = (7) / (2)	(10)	(11) = (10) - (6) - (7)	(12)	(13) = (10) / (12)	
RES	1,889,849,939		0.0222735%	420,936	$521,033	$0	$ -	$0.00027 [3]	$510,259	-$10,774	$310,878,377	0.2%	$0.33
GS (SGS/MGS)	616,305,297		0.0174606%	107,610	133,199	0	$ -	$0.00022	135,587	$2,388	$108,695,474	0.1%	
LGS	469,816,215	1,443,014	0.0151572%	71,211	88,145	0	$ 0.06	$0.00000	86,581	-$1,564	$71,055,286	0.1%	
LGS LMTOD	878,955		0.0151572%	133	165	0	$ -	$0.00019	167	$2	$142,217	0.1%	
IGS	2,293,390,283	3,851,549	0.0117865%	270,311	334,590	0	$ 0.09 [3]	$0.00000	344,328	$9,738	$188,289,639	0.2%	
MW	1,831,694		0.0114684%	210	260	0	$ -	$0.00014	256	-$4	$250,813	0.1%	
OL	30,809,971		0.0036139%	1,113	1,378	0	$ -	$0.00004	1,232	-$146	$9,617,966	0.0%	
SL	7,836,986		0.0035948%	282	349	0	$ -	$0.00004	313	-$36	$1,853,212	0.0%	
Total	5,310,719,340	5,294,563		871,806	$1,079,119	$0			$1,078,725	($394)	$690,782,983	0.2%	

1 All Generation Rider cost considered demand-related
2 Numbers derived from the 2025 Base Case. Case No. 2025-00257
3 Altered for revenue reconciliation

Kentucky Power Company
Generation Rider Rate Design

Generation Rider - Form 2.0

	Demand	Energy	Total
KY Retail Jurisdiction Revenue Requirement[1]	$5,366,548	$0	$5,366,548

Class	Billing Energy[2]	Billing Demand[2]	Test Year CP / kWh Ratio	CP Demand Allocation Factor	Allocated Demand Related Costs	Allocated Energy Related Costs	$ / kW Rate	$ / kWh Rate	Revenue Verification	Difference	12 Months December 2025 Revenues	% Increase	Est. Monthly Bill Impact 2027
(1)	(2)	(3)	(4)	(5) = (2) x (4)	(6) on (5)	(7) on (2)	(8) = (6) / (3)	(9) = (7) / (2)	(10)	(11) = (10) - (6) - (7)	(12)	(13) = (10) / (12)	
RES	1,889,849,939		0.0222735%	420,936	$2,591,142	$0	$ -	$0.00137	$2,589,094	-$2,048	$310,878,377	0.8%	$1.65
GS (SGS/MGS)	616,305,297		0.0174606%	107,610	662,411	0	$ -	$0.00107	659,447	-$2,964	$108,695,474	0.6%	
LGS	469,816,215	1,443,014	0.0151572%	71,211	438,351	0	$ 0.30 [3]	$0.00000	438,676	$325	$71,055,286	0.6%	
LGS LMTOD	878,955		0.0151572%	133	819	0	$ -	$0.00093	817	-$2	$142,217	0.6%	
IGS	2,293,390,283	3,851,549	0.0117865%	270,311	1,663,945	0	$ 0.43 [3]	$0.00000	1,667,721	$3,776	$188,289,639	0.9%	
MW	1,831,694		0.0114684%	210	1,293	0	$ -	$0.00071	1,301	$8	$250,813	0.5%	
OL	30,809,971		0.0036139%	1,113	6,851	0	$ -	$0.00022	6,778	-$73	$9,617,966	0.1%	
SL	7,836,986		0.0035948%	282	1,736	0	$ -	$0.00022	1,724	-$12	$1,853,212	0.1%	
Total	5,310,719,340	5,294,563		871,806	$5,366,548	$0			$5,365,558	($990)	$690,782,983	0.8%	

1 All Generation Rider cost considered demand-related
2 Numbers derived from the 2025 Base Case. Case No. 2025-00257
3 Altered for revenue reconciliation

Kentucky Power Company
Generation Rider Rate Design

Generation Rider - Form 2.0

	Demand	Energy	Total
KY Retail Jurisdiction Revenue Requirement[1]	$6,461,483	$0	$6,461,483

Class	Billing Energy[2]	Billing Demand[2]	Test Year CP / kWh Ratio	CP Demand Allocation Factor	Allocated Demand Related Costs	Allocated Energy Related Costs	$ / kW Rate	$ / kWh Rate	Revenue Verification	Difference	12 Months December 2025 Revenues	% Increase	Est. Monthly Bill Impact 2028
(1)	(2)	(3)	(4)	(5) = (2) x (4)	(6) on (5)	(7) on (2)	(8) = (6) / (3)	(9) = (7) / (2)	(10)	(11) = (10) - (6) - (7)	(12)	(13) = (10) / (12)	
RES	1,889,849,939		0.0222735%	420,936	$3,119,812	$0	$ -	$0.00165	$3,118,252	-$1,560	$310,878,377	1.0%	$1.99
GS (SGS/MGS)	616,305,297		0.0174606%	107,610	797,563	0	$ -	$0.00129	795,034	-$2,529	$108,695,474	0.7%	
LGS	469,816,215	1,443,014	0.0151572%	71,211	527,788	0	$ 0.37 [3]	$0.00000	532,472	$4,684	$71,055,286	0.7%	
LGS LMTOD	878,955		0.0151572%	133	986	0	$ -	$0.00112	984	-$2	$142,217	0.7%	
IGS	2,293,390,283	3,851,549	0.0117865%	270,311	2,003,439	0	$ 0.52	$0.00000	2,002,805	-$634	$188,289,639	1.1%	
MW	1,831,694		0.0114684%	210	1,556	0	$ -	$0.00085	1,557	$1	$250,813	0.6%	
OL	30,809,971		0.0036139%	1,113	8,249	0	$ -	$0.00027	8,319	$70	$9,617,966	0.1%	
SL	7,836,986		0.0035948%	282	2,090	0	$ -	$0.00027	2,116	$26	$1,853,212	0.1%	
Total	5,310,719,340	5,294,563		871,806	$6,461,483	$0			$6,461,540	$57	$690,782,983	0.9%	

1 All Generation Rider cost considered demand-related
2 Numbers derived from the 2025 Base Case. Case No. 2025-00257
3 Altered for revenue reconciliation

Kentucky Power Company
Generation Rider Rate Design

Generation Rider - Form 2.0

	Demand	Energy	Total
KY Retail Jurisdiction Revenue Requirement[1]	$14,901,059	$0	$14,901,059

Class	Billing Energy[2]	Billing Demand[2]	Test Year CP / kWh Ratio	CP Demand Allocation Factor	Allocated Demand Related Costs	Allocated Energy Related Costs	$ / kW Rate	$ / kWh Rate	Revenue Verification	Difference	12 Months December 2025 Revenues	% Increase	Est. Monthly Bill Impact 2029
(1)	(2)	(3)	(4)	(5) = (2) x (4)	(6) on (5)	(7) on (2)	(8) = (6) / (3)	(9) = (7) / (2)	(10)	(11) = (10) - (6) - (7)	(12)	(13) = (10) / (12)	
RES	1,889,849,939		0.0222735%	420,936	$7,194,711	$0	$ -	$0.00381	$7,200,328	$5,617	$310,878,377	2.3%	$4.59
GS (SGS/MGS)	616,305,297		0.0174606%	107,610	1,839,289	0	$ -	$0.00298	1,836,590	-$2,699	$108,695,474	1.7%	
LGS	469,816,215	1,443,014	0.0151572%	71,211	1,217,151	0	$ 0.84	$0.00000	1,212,132	-$5,019	$71,055,286	1.7%	
LGS LMTOD	878,955		0.0151572%	133	2,273	0	$ -	$0.00259	2,276	$3	$142,217	1.6%	
IGS	2,293,390,283	3,851,549	0.0117865%	270,311	4,620,202	0	$ 1.20	$0.00000	4,621,859	$1,657	$188,289,639	2.5%	
MW	1,831,694		0.0114684%	210	3,589	0	$ -	$0.00196	3,590	$1	$250,813	1.4%	
OL	30,809,971		0.0036139%	1,113	19,024	0	$ -	$0.00062	19,102	$78	$9,617,966	0.2%	
SL	7,836,986		0.0035948%	282	4,820	0	$ -	$0.00062	4,859	$39	$1,853,212	0.3%	
Total	5,310,719,340	5,294,563		871,806	$14,901,059	$0			$14,900,736	($323)	$690,782,983	2.2%	

1 All Generation Rider cost considered demand-related
2 Numbers derived from the 2025 Base Case. Case No. 2025-00257

VERIFICATION

The undersigned, Nicole M. Coon, being duly sworn, deposes and says she is a Regulatory Consultant Principal for American Electric Power Service Corporation, 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.

Nicole M. Coon

County of Franklin)
State of Ohio)

Case No. 2026-00001

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Nicole M. Coon, on February 9, 2026

Notary Public

My Commission Expires Has no expiration.

Notary ID Number Attorney ID 0091229

Christine Alaine Frankart
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.