

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

REBUTTAL TESTIMONY OF
AMY J. ELLIOTT
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 Amy J. Elliott, and I am Vice President of Regulatory and External Affairs for
3 Kentucky Power Company (“Kentucky Power” or the “Company”). My business address
4 is 1645 Winchester Avenue, Ashland, Kentucky 41101.

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
6 **EXPERIENCE.**

7 A. In 2008, I joined Kentucky Power as part of the regulatory compliance group. Since then,
8 I have held various roles in the Company’s Regulatory, External Affairs, and Customer
9 Service departments. In my current role, I lead the Company’s Regulatory and External
10 Affairs teams.

11 My educational background includes a bachelor's degree in economics from
12 Transylvania University, an MBA from the University of Massachusetts at Amherst, and
13 completion of the Economic Development Institute at the University of Oklahoma.

14 **Q. HAVE YOU TESTIFIED BEFORE THIS OR ANY OTHER COMMISSION?**

15 A. Yes. I testified in Case No. 2014-00396 and Case No. 2017-00179 which were combined
16 general rate cases and requests for an amendment to the Company’s Environmental
17 Compliance Plan. Additionally, I filed testimony in seven periodic reviews of the
18 Environmental Surcharge: Case No. 2014-00052, Case No. 2014-00322, Case No. 2015-
19 00113, Case No. 2015-00280, Case No. 2016-00109, Case No. 2016-00336, Case No.

1 2013-00444 and testified before the Commission in two six-month reviews of the
2 Company's fuel adjustment clause, Case No. 2013-00261 and Case No. 2013-00444. I
3 have also testified before Kentucky legislative committees on topics relating to the electric
4 utility industry.

5 **Q. DID YOU PROVIDE DIRECT TESTIMONY IN THIS CASE?**

6 A. No. However, I adopted portions of Company Witness Tanner S. Wolffram's Direct
7 Testimony.

II. PURPOSE OF REBUTTAL TESTIMONY

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

9 A. The purpose of my Rebuttal Testimony is three-fold. First, I provide the Commission with
10 an update regarding the funds awarded by the United States Department of Energy
11 ("DOE") for the Mitchell Cooling Tower Project. Second, I address certain positions taken
12 by Lucy Metz, witness for the Sierra Club. Specifically, I address Ms. Metz's attempts to
13 expand the scope of this proceeding beyond addressing the structural needs of the Mitchell
14 Unit 2 Cooling Tower. Finally, I introduce the other Company Witnesses that are
15 providing rebuttal testimony.

16 **Q. WHAT OTHER WITNESSES WILL BE OFFERING REBUTTAL TESTIMONY
17 AND WHAT TOPICS WILL THEY COVER?**

18 A. Table AJE-R1 below provides a brief description of each rebuttal witness's testimony.

Table AJE-R1

WITNESS	TOPICS
Nicole M. Coon	Economic Evaluation of Options to Address the Structural Needs of the Mitchell Unit 2 Cooling Tower
Lerah M. Kahn	Ratemaking and Accounting Treatment
Joshua D. Snodgrass	Operations of the Mitchell Plant

III. DEPARTMENT OF ENERGY AWARDED FUNDS

1 **Q. PLEASE DESCRIBE THE FUNDS AWARDED BY THE DEPARTMENT OF**
2 **ENERGY FOR THE MITCHELL COOLING TOWER PROJECT.**

3 A. On June 4, 2026, the DOE issued up to \$500 million in Defense Production Act Title III
4 funds. The DOE awarded funds to support 13 coal-fired power plants and new coal export
5 facilities. Of the funds issued, \$51 million was awarded to support the Mitchell Mechanical
6 Draft Cooling Tower Modernization Project (the “Awarded Funds”).

7 **Q. WHY WAS THE MICHELL PLANT COOLING TOWER PROJECT INITIALLY**
8 **SUBMITTED UNDER ONE FEDERAL GRANT PROGRAM BUT ULTIMATELY**
9 **FUNDED THROUGH A DIFFERENT PROGRAM, AND HOW IS THIS SIMILAR**
10 **TO WHAT COMPANY WITNESS WOLFFRAM REFERRED TO IN HIS DIRECT**
11 **TESTIMONY?**

12 A. The Company aggressively pursues federal funding opportunities that align with shared
13 national priorities—strengthening grid reliability, supporting critical infrastructure, and
14 minimizing costs for customers. Consistent with this approach, the Mitchell Cooling Tower
15 Project was initially submitted under DOE’s competitive funding opportunity, *Restoring*
16 *Reliability: Coal Recommissioning and Modernization* (DE-FOA-0003605), which is the
17 same program referenced by Company Witness Wolfram in his Direct Testimony. While

1 the project was not ultimately selected under that specific solicitation, it was recognized as
2 strongly aligned with DOE's broader policy objectives.

3 In April 2026, additional federal funding authorities became available through
4 Presidential determinations under the Defense Production Act (DPA), enabling the DOE
5 to directly support projects that enhance baseload generation and strengthen domestic
6 energy supply chains. Given the clear alignment between the Mitchell Cooling Tower
7 Project and these objectives, the DOE selected the project for funding under its DPA
8 authority.

9 This outcome is consistent with the framework previously described by Company
10 Witness Wolfram. Federal programs often operate under different statutory authorities but
11 are designed to advance the same core goals. Projects that are competitive under one
12 program may be supported through another as funding tools evolve or become available.

13 The Company's proactive and well-coordinated federal engagement strategy
14 positioned it to successfully navigate this evolving landscape and secure funding through
15 the most effective available channel. The Mitchell Cooling Tower Project's selection as
16 one of only 13 projects nationwide further underscores its strategic importance and the
17 strength of the underlying proposal.

18 The \$51 million federal investment will support addressing the structural needs of
19 the Unit 2 Cooling Tower through the construction of a modern mechanical draft cooling
20 tower. This federal investment helps mitigate cost impacts for customers, as presented in
21 Company Witness Coon's Rebuttal Testimony. By leveraging federal support, the
22 Company is able to deliver necessary infrastructure improvements while maintaining a
23 strong focus on affordability.

1 **Q. HOW DO THE AWARDED FUNDS IMPACT THE COMPANY’S PROPOSAL IN**
2 **THIS CASE?**

3 A. Importantly, the Company’s proposal in this case to construct a new mechanical draft
4 cooling tower is the lowest-cost reasonable alternative without the Awarded Funds. The
5 award of the funds, however, makes construction of the new mechanical draft cooling
6 tower even more beneficial for customers. Broadly speaking, the Awarded Funds will
7 serve to reduce the capital cost of the project and the associated revenue requirement.
8 Additional detail regarding the impact of the Awarded Funds on the economic analysis in
9 this case is provided in Company Witness Coon’s Rebuttal Testimony.

IV. REBUTTAL

10 **Q. SECTION 5 OF MS. METZ’S TESTIMONY IS TITLED “RETIRING AND**
11 **REPLACING MITCHELL 2 WITH ALTERNATIVE RESOURCES WOULD**
12 **OFFER A VARIETY OF BENEFITS IN TERMS OF RISK, RELIABILITY, AND**
13 **SYSTEM PERFORMANCE.” IS THAT THE SUBJECT OF THIS PROCEEDING?**

14 A. No. Kentucky Power filed its application in this case for the narrow purpose of seeking a
15 certificate of public convenience and necessity (“CPCN”) for the construction of a new
16 mechanical draft cooling tower. The new mechanical draft cooling tower is necessary to
17 address the structural needs of the existing Mitchell Unit 2 Cooling Tower. In Case No.
18 2025-00175, the Company sought a CPCN to make the investments necessary to continue
19 to take capacity and energy from the Mitchell Plant after 2028. The Commission approved
20 the Company’s application in 2025-00175. The question of whether the Company should
21 retire and replace Mitchell Unit 2 with another resource has already been addressed by the
22 Commission when it concluded, “that the evidence presented in this case established that

1 making the investments proposed to continue taking capacity and energy from the Mitchell
2 Plant after 2028 is the most reasonable, least cost option for serving customers based on
3 the relative costs of the alternatives, the long-term options Mitchell Plant offers, and the
4 risks of relying heavily on the market in the current environment.”¹

5 **Q. MS. METZ REFERS TO THE OPTIONS EVALUATED IN THIS CASE AS**
6 **“RESOURCE ALTERNATIVES.” IS THAT AN APPROPRIATE VIEW OF THE**
7 **OPTIONS PRESENTED IN THIS PROCEEDING?**

8 A. No. The four options evaluated by the Company and presented in this case are not resource
9 alternatives. Instead, the four options represent the reasonable alternatives to address the
10 structural needs of the Mitchell Unit 2 Cooling Tower. Three of these options (Options 1,
11 3, and 4) present the reasonable alternatives for addressing the structural needs of the
12 Mitchell Unit 2 Cooling Tower while maintaining access to the capacity and energy from
13 Mitchell Unit 2 that the Commission concluded was the lowest, reasonable cost alternative
14 for the Company and its customers. Option 2, retiring Mitchell Unit 2 and replacing it with
15 a new-build, natural gas combined cycle facility reflects the alternative to replace the
16 capacity and energy from Mitchell Unit 2 in the event the Company were to address the
17 structural issues of the Unit 2 Cooling Tower in a way that did not allow it to continue to
18 take capacity and energy from Mitchell Unit 2.

¹ Order at 25, *In the Matter Of: Electronic Application Of Kentucky Power Company For Approval Of (1) A Certificate Of Public Convenience And Necessity To Make The Capital Investments Necessary To Continue Taking Capacity And Energy From The Mitchell Generating Station After December 31, 2028, (2) An Amended Environmental Compliance Plan, (3) Revised Environmental Surcharge Tariff Sheets, And (4) All Other Required Approvals And Relief*, Case No. 2025-00175 (Ky. P.S.C. Dec. 30, 2025).

1 **Q. ON PAGE 14 OF HER TESTIMONY, MS. METZ STATES THAT “ALTHOUGH**
2 **KENTUCKY POWER RECOGNIZED THE STATE OF THE COOLING TOWER**
3 **MIGHT AFFECT THE COMMISSION’S DECISION IN THE 2025 CPCN**
4 **DOCKET, THE COMPANY DID NOT REQUEST APPROVAL OF THE**
5 **MITCHELL COOLING TOWER PROJECT AT THAT TIME.” DID THE**
6 **COMPANY INTENTIONALLY DELAY THIS APPLICATION TO INFLUENCE**
7 **THE COMMISSION AS INSINUATED BY MS. METZ?**

8 A. Absolutely not. The Company was aware that repair of the Mitchell Unit 2 Cooling Tower
9 was required before it filed the application in Case No. 2025-00175. The Initial Repair
10 Project and its anticipated costs were described in Joshua Snodgrass’s testimony in that
11 case. Once it became evident that additional work would be required and preliminary
12 options were developed, the Company filed supplemental testimony in Case No. 2025-
13 00175 so that that Commission could incorporate information about potential measures to
14 address the structural issues at the Mitchell Unit 2 Cooling Tower into its decision in Case
15 No. 2025-00175. The Company had not completed its full evaluation of the options for
16 addressing the structural issues at the Mitchell Unit 2 Cooling Tower at that time and had
17 not made a decision on which option to proceed with. The Company was fully transparent
18 with the Commission in Case No. 2025-00175 about the structural issues at the Mitchell
19 Unit 2 Cooling Tower, the potential cost implications of addressing those issues, and the
20 Company’s process for moving forward. The insinuation that the Company intentionally

1 delayed this application to influence the Commission's decision in Case No. 2025-00175
2 is unfounded and unwarranted.

3 **Q. MS. METZ IDENTIFIES FUTURE ENVIRONMENTAL COMPLIANCE COSTS**
4 **AS A RISK ASSOCIATED WITH CONTINUED OPERATION OF MITCHELL**
5 **UNIT 2. DO YOU AGREE?**

6 A. No. The potential environmental compliance obligation costs associated with the continued
7 operation of the Mitchell Plant were fully evaluated as part of the record in Case No. 2025-
8 00175. That analysis demonstrated that regardless of the environmental compliance
9 obligations selected by the Company, continuing to take capacity and energy from Mitchell
10 after 2028 presented the Company and its customers with multiple, reasonable cost options
11 for environmental compliance. Moreover, the Environmental Protection Agency has taken
12 steps recently to delay or eliminate several of the environmental regulations currently
13 driving future environmental compliance costs. For example, on June 11, 2025, the EPA
14 announced a proposed rule that would repeal the 2024 GHG Rules and finalized the repeal
15 of the MATS Rule in February 2026.

16 **Q. WHAT DID THE COMPANY'S EVALUATION OF REASONABLE**
17 **ALTERNATIVES FOR ADDRESSING THE STRUCTURAL ISSUES AT THE**
18 **MITCHELL UNIT 2 COOLING TOWER DEMONSTRATE?**

19 A. The Company's evaluation of the reasonable alternatives for addressing the structural
20 issues at the Mitchell Unit 2 Cooling Tower showed that constructing a new mechanical
21 draft cooling tower is the lowest cost reasonable alternative and that it provides the
22 Company with valuable alternatives for operating the Mitchell Plant past the current 2040
23 retirement date which will benefit customers.

V. CONCLUSION

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

2 **A. Yes, it does.**

