

**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**  
**NICOLE M. COON**  
**ON BEHALF OF KENTUCKY POWER COMPANY**

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**EXHIBITS**

<b><u>EXHIBIT</u></b>	<b><u>DESCRIPTION</u></b>
EXHIBIT NMC-R1	Summary of Updated Economic Analysis
EXHIBIT NMC-R2	Rate Impact of the Mitchell Cooling Tower Project with Awarded Funds
EXHIBIT NMC-R3	Excel version of Exhibit NMC-R1
EXHIBIT NMC-R4	Excel version of Exhibit NMC-R2
CONFIDENTIAL EXHIBIT NMC-R5	Workpaper for the Option 3 Economic analysis using 12-year life
CONFIDENTIAL EXHIBIT NMC-R6	Workpaper for the Option 3 Economic analysis inclusive of Awarded Funds using 25-year life
CONFIDENTIAL EXHIBIT NMC-R7	Workpaper for the Option 3 Economic analysis inclusive of Awarded Funds using 12-year life
EXHIBIT NMC-R8	Workpaper for the Option 3 cost of service inclusive of Awarded Funds for Rate Impacts

**REBUTTAL TESTIMONY OF  
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**CASE NO. 2026-00001**

**I. INTRODUCTION**

1   **Q.    ARE YOU THE SAME NICOLE M. COON THAT FILED DIRECT TESTIMONY**  
2       **IN THIS PROCEEDING?**

3    A.    Yes, I am.

**II. PURPOSE OF REBUTTAL TESTIMONY**

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

5    A.    The purpose of my rebuttal testimony is three-fold. First, I consolidate into a single  
6       location for the Commission updates to the economic analyses supporting the Company’s  
7       Application to reflect the economic impact of funds awarded by the United States  
8       Department of Energy (“DOE”) (“Awarded Funds”) and other necessary revisions  
9       identified during the discovery process. Second, I briefly address claims made by Lane  
10      Kollen, witness for AG-KIUC, regarding the revenue requirement. Lastly, I address certain  
11      positions taken by Lucy Metz, witness for the Sierra Club. Specifically, I address Ms.  
12      Metz’s claims regarding the economic analysis Kentucky Power Company (“Kentucky  
13      Power” or the “Company”) performed to support its determination that constructing a new  
14      mechanical draft cooling tower is the best option for addressing the structural issues at the  
15      Mitchell Unit 2 Cooling Tower.

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

17    A.    Yes, I am sponsoring the following exhibits:

- 18       •    Exhibit NMC-R1: Summary of Updated Economic Analysis

- 1 • Exhibit NMC-R2: Rate Impact of the Mitchell Cooling Tower Project with Awarded  
2 Funds
- 3 • Exhibit NMC-R3: Excel version of Exhibit NMC-R1
- 4 • Exhibit NMC-R4: Excel version of Exhibit NMC-R2
- 5 • Confidential Exhibit NMC-R5: Workpaper for the Option 3 Economic analysis using  
6 12-year life
- 7 • Confidential Exhibit NMC-R6: Workpaper for the Option 3 Economic analysis  
8 inclusive of Awarded Funds using 25-year life
- 9 • Confidential Exhibit NMC-R7: Workpaper for the Option 3 Economic analysis  
10 inclusive of Awarded Funds using 12-year life
- 11 • Exhibit NMC-R8: Workpaper for the Option 3 cost of service inclusive of Awarded  
12 Funds for Rate Impacts

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

15 A. Yes.

### **III. UPDATED ECONOMIC ANALYSIS**

16 **Q. HAVE THERE BEEN UPDATES TO THE ECONOMIC ANALYSIS**  
17 **SUPPORTING THE DECISION TO SELECT THE NEW MECHANICAL DRAFT**  
18 **COOLING TOWER TO ADDRESS THE STRUCTURAL ISSUES AT THE**  
19 **MITCHELL UNIT 2 COOLING TOWER?**

20 A. Yes. There have been two updates. First, the Company has updated the economic analysis  
21 to address discrepancies identified during the discovery process. Second, the Company has

1 updated the economic analysis to address the impact of the Awarded Funds awarded by the  
2 DOE on June 4, 2026.

3 **Q. CAN YOU DESCRIBE THE UPDATES TO ADDRESS DISCREPANCIES**  
4 **IDENTIFIED DURING THE DISCOVERY PROCESS?**

5 A. Yes. During the discovery process, discrepancies were identified during the discovery  
6 process. These discrepancies are described by option below.

- 7 • Option 1 (Expand Reinforcement Repairs): No discrepancies were discovered and no  
8 updates were made to Option 1.
- 9 • Option 2 (Retire Unit 2 and Replace with CC): In responding to Sierra Club Data  
10 Request 2-12, the Company discovered that lost energy margins from Mitchell Unit 1  
11 and Mitchell Unit 2 were incorporated in the analysis when only the lost energy  
12 margins from Mitchell Unit 2 should have been included. The Company updated the  
13 analysis in Attachment 1 to its response to SC 2-12.
- 14 • Option 3 (Mitchell Cooling Tower Project): In responding to Sierra Club Data Request  
15 2-11, the Company discovered that lost energy margins incorporated into the analysis  
16 were reducing the revenue requirement instead of increasing the revenue requirement  
17 as an opportunity cost. Additionally, there was a transcription error that occurred in  
18 the original spreadsheet. The Company updated the analysis and fixed the transcription  
19 error in Confidential Attachment 2 to its response to SC 2-11.
- 20 • Option 4 (Reduce Height of Existing Tower): Similar to the updates to Option 3, in  
21 responding to Sierra Club Data Request 2-11, the Company discovered that lost energy  
22 margins incorporated into the analysis were reducing the revenue requirement instead

1 of increasing the revenue requirement as an opportunity cost. The Company updated  
2 the analysis in Confidential Attachment 3 to its response to SC 2-11.

3 **Q. CAN YOU DESCRIBE THE UPDATES TO INCORPORATE THE AWARDED**  
4 **FUNDS?**

5 A. Yes. On June 4, 2026, the DOE announced the award of \$51 million for the Mitchell  
6 Mechanical Draft Cooling Tower Modernization Project. Company Witness Elliott  
7 provides additional detail about the award in her rebuttal testimony. The impact of the  
8 Awarded Funds on the economic analysis is a reduction in the capital costs of the project  
9 that are, in turn, reflected in revenue requirement and rates.

10 **Q. HAS THE COMPANY INCLUDED ANY ADDITIONAL UPDATES TO THE**  
11 **ECONOMIC ANALYSIS?**

12 A. Yes. I am also providing the present value of Option 3 using a 12-year life. This calculation  
13 utilizes SC 2-11 Attachment 2 and changes the depreciable life used on the input tab from  
14 25 years to 12 years. I included this option to address the arguments from Sierra Club  
15 Witness Metz that the Company should not have used the expected useful life of the  
16 mechanical draft cooling tower but instead should have used the current anticipated  
17 retirement date of the Mitchell Plant.

18 **Q. WHAT WERE THE UPDATED RESULTS OF THE ECONOMIC ANALYSES?**

19 A. Table NMC-R1 shows the updated revenue requirements and annual average numbers.  
20 This table also includes four variations of Option 3:

- 21 • Option 3 (25yr) – uses the original capital cost of the mechanical draft cooling tower  
22 and the 25-year expected life of the tower.

- 1 • Option 3 (12yr) – uses the original capital cost of the mechanical draft cooling tower  
 2 and the artificially-shortened, 12-year expected life of the tower proposed by Sierra  
 3 Club Witness Metz.
- 4 • Option 3 (Award 25yr) – uses a reduced capital cost of the mechanical draft cooling  
 5 tower incorporating the Awarded Funds and the 25-year expected life of the tower.
- 6 • Option 3 (Award 12 yr) – uses a reduced capital cost of the mechanical draft cooling  
 7 tower incorporating the Awarded Funds and the artificially-shortened, 12-year  
 8 expected life of the tower proposed by Sierra Club Witness Metz.

Table NMC-R1

	Corrected PV Rev Req't (TOTAL)	Original PV Rev Req't (TOTAL)	Corrected Avg Rev Req't (KPCO)	Original Avg Rev Req't (KPCO)	Reason for Change	Updated Workpaper	Original Workpaper
<b>Option 1</b>	\$142,480,378	\$142,480,378	\$9,914,425	\$9,914,425	None	N/A	KPSC 1-10 Attachment 2
<b>Option 2</b>	\$790,168,458	\$836,300,299	\$50,756,182	\$53,158,751	Update to reflect lost energy from Mitchell Unit 2 only (not full plant)	SC 2-12 Attachment 1	KPSC 1-10 Attachment 3
<b>Option 3 (25yr)</b>	\$148,924,782	\$147,235,844	\$9,725,791	\$9,627,821	Updated to reflect lost energy margins as an opportunity cost and net energy cost transcription error	SC 2-11 Attachment 2	KPSC 1-10 Attachment 4
<b>Option 3 (12yr)</b>	\$189,958,426	N/A	\$12,206,906	N/A	Updated to reflect using 12 years instead of 25 years	Confidential Exhibit NMC- R5	N/A
<b>Option 3 (Award 25yr)</b>	\$114,813,700	N/A	\$7,509,942	N/A	Updated to reflect the award	Confidential Exhibit NMC- R6	N/A
<b>Option 3 (Award 12yr)</b>	\$144,859,451	N/A	\$9,361,699	N/A	Updated to reflect the award and using 12 years instead of 25 years.	Confidential Exhibit NMC- R8	N/A
<b>Option 4</b>	\$195,843,712	\$189,471,586	\$10,568,204	\$10,203,261	Updated to reflect lost energy margins as an opportunity cost	SC 2-11 Attachment 3	KPSC 1-10 Attachment 5

9 **Q. WHAT DOES THE UPDATED ECONOMIC ANALYSIS SHOW?**

- 10 A. The updated economic analysis shows that Option 3, the Mitchell Cooling Tower Project,  
 11 remains the best option to address the structural issues of the existing Unit 2 Cooling  
 12 Tower. This is especially true in light of the DOE award. This is even true if Sierra Club  
 13 Witness Metz's artificially-shortened, 12-year expected life of the tower is used. The

1 Mitchell Cooling Tower Project is the least-cost, reasonable alternative and provides the  
2 Company with the most operational flexibility. It is important to note that even without  
3 the Awarded Funds, Option 3 is still the option that the Company would (and did) select to  
4 address the structural needs of Mitchell Unit 2.

#### **IV. RATE IMPACT UTILIZING AWARD**

5 **Q. WHAT IS THE IMPACT OF THE MITCHELL COOLING TOWER PROJECT**  
6 **INCLUSIVE OF RECEIVING THE AWARDED FUNDS DURING THE**  
7 **CONSTRUCTION OF THE MITCHELL COOLING TOWER PROJECT?**

8 A. The Awarded Funds would be used to offset the CWIP balance that will be added to the  
9 Company's books during construction. The exact impact of the Awarded Funds on the  
10 CWIP balance is not known at this time, as the Company is still confirming the timing of  
11 payments of the Awarded Funds with the DOE.

12 **Q. WHAT IS THE ESTIMATED MONTHLY IMPACT OF THE MITCHELL**  
13 **COOLING TOWER PROJECT INCLUSIVE OF RECEIVING THE AWARDED**  
14 **FUNDS ON THE AVERAGE RESIDENTIAL CUSTOMER BILL ONCE IT GOES**  
15 **INTO SERVICE?**

16 A. For the average residential customer using 1,206 kWh per month, the monthly increase in  
17 the customer's total bill is expected to be \$3.64 (or 1.8%),<sup>1</sup> this is \$1.14 less than the  
18 updated estimated impact included in the Company's Attachment 3 to KPSC 1-11 and less  
19 than the Company's direct case. Exhibit NMC-R2 provides detailed calculations of the  
20 estimated monthly impact of the Mitchell Cooling Tower Project for both residential and  
21 all other rate classes.

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<sup>1</sup> The monthly bill impacts were calculated based on the average customer bills for the twelve months ended December 2025.

**V. REBUTTAL OF AG-KIUC TESTIMONY**

1 **Q. AG-KIUC WITNESS KOLLEN ARGUES THAT ALLOWANCE FOR FUNDS**  
2 **USED DURING CONSTRUCTION (“AFUDC”) IS LOWER COST THAN CWIP.**  
3 **HOW DO YOU RESPOND?**

4 A. Utilizing Mr. Kollen’s workpapers provided in the Company’s first data request to AG-  
5 KIUC, this is not true on a nominal basis. If you remove the impact of using the lower  
6 depreciation rate proposed by Mr. Kollen (3.19%) in the calculation of the revenue  
7 requirement, and instead use the 1/12<sup>th</sup> rate as filed by the Company, the revenue  
8 requirement associated with the new cooling tower after going into service is higher than  
9 the revenue requirement if CWIP treatment is used.<sup>2</sup> Using the as-filed depreciation rate in  
10 conjunction with AFUDC treatment would increase the rate impact shown in the table on  
11 page 6 of Mr. Kollen’s Direct Testimony as the lower depreciation rate he proposes is  
12 masking the higher rate impact caused by the use of AFUDC.

**VI. REBUTTAL OF SIERRA CLUB TESTIMONY**

13 **Q. SIERRA CLUB WITNESS METZ ARGUES THAT THE COMPANY SHOULD**  
14 **NOT HAVE USED THE 25-YEAR EXPECTED LIFE OF THE MECHANICAL**  
15 **DRAFT COOLING TOWER IN ITS ECONOMIC ANALYSIS. HOW DO YOU**  
16 **RESPOND?**

17 A. On the surface, it appears inconsistent that the Company would use the full 25-year  
18 expected life of the mechanical draft cooling tower in the economic evaluation of the  
19 options to address structural needs of the Mitchell Unit 2 Cooling Tower and then a 12-

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<sup>2</sup> Utilizing the revenue requirement and rate impact calculations as provided in the Company’s response to KPSC 1-11 Attachment 3 and Attachment 4.

1 year depreciation for the rate impact analysis. However, as described in my Direct  
2 Testimony, the Company was correct in doing so.

3 First, as described in Company Witness Snodgrass's Rebuttal Testimony, while the  
4 current retirement date for the Mitchell Plant is 2040, there is nothing from a plant  
5 condition perspective that would prevent the Company from operating the Plant beyond  
6 2040 if the Mitchell Cooling Tower Project is completed.

7 Second, several of the future environmental compliance options described in Case  
8 No. 2025-00175, including the conversion of the Mitchell Plant to natural gas, would  
9 require a structurally-sound cooling tower.

10 Finally, Option 1 (expanding the Initial Repair Project) and Option 4 (reducing the  
11 height of the existing tower) only have 10-year useful lives. This means that at the end of  
12 the 10-year period, it is likely that the Company would either incur an unknown level of  
13 capital investment to either replace the capacity from Unit 2 with a new build option  
14 (similar to Option 2), construct a replacement cooling tower (similar to Option 3), explore  
15 additional unknown fixes to the existing cooling tower, or be a price-taker in the market.

16 **Q. SIERRA CLUB WITNESS METZ'S TESTIMONY IMPLIES THAT THE**  
17 **COMPANY IS ATTEMPTING TO ARTIFICIALLY LOWER THE NET PRESENT**  
18 **VALUE REVENUE REQUIREMENT ("NPVRR") BY USING THE EXPECTED**  
19 **USEFUL LIFE OF THE MECHANICAL DRAFT COOLING TOWER. IS THAT**  
20 **TRUE?**

21 A. Absolutely not. The Company is not trying to artificially lower the NPVRR, which is only  
22 one factor that the Company considers when evaluating the options, but is instead trying to  
23 capture the qualitative impact of the new cooling tower having a longer useful life. Even

1 using a 12-year depreciable life for Option 3, which produces a NPVRR that is \$41 million  
2 higher than using a 25-year depreciable life as Ms. Metz points out, this option is still the  
3 second lowest NPVRR of the four options, as shown in Table NMC-R1.

4 However, the NPVRR is not the only quantitative factor the Company considered  
5 when making the decision on which solution to pursue to address the cooling tower  
6 structural needs. Another important factor is the average annual revenue requirement,  
7 which is the amount that will actually impact customers' bills. If the 12-year useful life  
8 that Ms. Metz proposes is used but the Awarded Funds are not included, the average annual  
9 revenue requirement for Kentucky Power for Options 1, 3, and 4 are all within \$2.3 million  
10 of each other. Including the Awarded Funds, Option 3 produces the lowest average annual  
11 revenue requirement even if using the artificially shortened 12-year useful life.

12 **Q. DOES SIERRA CLUB WITNESS METZ'S TESTIMONY CONSIDER THE**  
13 **IMPORTANT QUALITATIVE COMPONENTS THAT INFORMED KENTUCKY**  
14 **POWER'S DECISION?**

15 A. No. It does not.

16 **Q. CAN YOU DESCRIBE THOSE QUALITATIVE COMPONENTS?**

17 A. Yes. Option 1 is an expansion of the Initial Repair Project that showed limited success and  
18 was paused after cost and schedule overruns. This option, as noted in Table SPM-1 in  
19 Company Witness Malone's Direct Testimony, includes a high risk of cost and schedule  
20 overruns because the repair work had not encountered the portion of the Unit 2 Cooling  
21 Tower with the worst conditions. Additionally, the fix presented in Option 1 only has a  
22 10-year useful life, which means that the useful life of the Cooling Tower is short of the

1 currently anticipated Mitchell Plant retirement of 2040. This would result in additional,  
2 unknowable expense in the future to address the mismatch.

3 For Option 2, the Company and Wheeling Power would lose 800 MW of nameplate  
4 capacity and be exposed to the capacity and energy market until a new generation resource  
5 could be built and approved for service.

6 For Option 3, the Company will be able to build the new cooling tower while  
7 utilizing the existing one and monitoring the structure to ensure that it is stable. This  
8 option, however, provides flexibility to the Company in complying with environmental  
9 regulations that may be imposed on coal plants or running Mitchell past 2040.

10 Option 4 presents a challenging demolition considering the plant layout and  
11 requires a portion of the Initial Repair Project scope be completed. Additionally, the  
12 challenging nature of the project presents a risk that that outage required to complete the  
13 project would be longer than anticipated. Finally, similar to Option 1, this option only has  
14 a 10-year useful life resulting in additional, unknowable expense in the future to address  
15 the mismatch.

16 **Q. SIERRA CLUB WITNESS METZ ARGUES THAT THE COMPANY'S**  
17 **ECONOMIC EVALUATION OF THE OPTIONS FOR ADDRESSING THE**  
18 **MITCHELL UNIT 2 COOLING TOWER IS FLAWED BECAUSE THE**  
19 **COMPANY DOES NOT "COMPARE THE FULL FORWARD-GOING,**  
20 **AVOIDABLE COSTS OF THE FOUR OPTIONS." IS SHE CORRECT?**

21 A. No. One of Witness Metz's arguments centers around environmental compliance costs.  
22 Currently, the Company does not have clear direction as to what environmental regulations  
23 will be in place going forward. Furthermore, if the Company were required to make any

1 material environmental compliance investments at the Plant, the Company will file the  
2 appropriate application for approval with the Commission. The Commission would have  
3 the opportunity to investigate the proposed investments. Furthermore, the purpose of the  
4 economic analysis for this project was to isolate the costs associated specifically with  
5 addressing the structural needs of the existing cooling tower. Future, unknown capital  
6 expenses or operating and maintenance expenses (that the Company does not foresee  
7 increasing with the new tower) for the Plant and Mitchell Unit 2 would not be a part of the  
8 structural improvements for Mitchell Unit 2. Ms. Metz also mischaracterizes Option 4 on  
9 page 19 of her Direct Testimony by framing that option as excluding the cost of obtaining  
10 replacement capacity during the shortening of the tower. This is inaccurate. The Company  
11 included the cost of obtaining replacement capacity during that timeframe in the economic  
12 analysis.<sup>3</sup>

13 **Q. MS. METZ EXPRESSES CONCERNS ABOUT THE AMOUNT OF CAPACITY**  
14 **AND ENERGY PRODUCED BY THE OPTIONS THE COMPANY EVALUATED**  
15 **TO ADDRESS THE STRUCTURAL NEEDS OF THE MITCHELL UNIT 2**  
16 **COOLING TOWER. ARE HER CONCERNS WARRANTED?**

17 A. No. To start, Ms. Metz misunderstands the Company's economic analysis as it pertains to  
18 the amount of capacity from each option. In the Company's supplemental response to  
19 Sierra Club 1-15, the numbers presented were for the entire unit, not Kentucky Power's  
20 share. This makes Ms. Metz's Table 3 inaccurate and her discussion around Option 2  
21 providing 40% more accredited capacity wrong. Updating for the correct assumptions

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<sup>3</sup> See the updated economic analysis for Option 4, Confidential Attachment 3 in the Company's response to Sierra Club 2-11 and also in the original economic analysis, Confidential Attachment 5 in the Company's response to Staff 1-10.

1 shows that Option 2 (replacement gas combined-cycle (“CC”)) results in Kentucky Power  
2 having 30% less accredited capacity than with Mitchell Unit 2. The Company did not take  
3 this accreditation loss into quantitative account when performing the economic analysis.  
4 As a result, the economic analysis for the natural gas CC is conservative and the actual  
5 revenue requirement for the option would likely be higher than what the Company  
6 presented.

7 Additionally, as part of the economic evaluation, the Company used a production  
8 cost model which simulates units being dispatched in the market based in part on the cost  
9 of generation for the unit. Any revenue received from the sale of a unit’s output into the  
10 market in excess of the Company’s costs reduced the revenue requirement with that option.  
11 Variance in the generation output of, and the impact of varying energy margins from the  
12 options was included in the Company’s evaluation of the options for addressing the  
13 structural needs of the Mitchell Unit 2 Cooling Tower. These assumptions and outputs  
14 were provided in various workbooks and explained in Sierra Club 2-3. The use of the  
15 production cost modeling directly contradicts Ms. Metz argument on page 25 of her Direct  
16 Testimony that it was unclear if the Company’s analysis took in account different dispatch  
17 costs and levels of energy production.

18 **Q. MS. METZ ARGUES THAT THE COMPANY SHOULD HAVE CONDUCTED A**  
19 **CAPACITY EXPANSION MODEL TO SUPPORT THIS APPLICATION. IS SHE**  
20 **CORRECT?**

21 A. She is not. This is not a capacity addition case. The Commission duly considered and  
22 approved the continued use of the Mitchell Plant as a resource for the Company in Case  
23 No. 2025-00175, in which it was made aware that a capital expenditure would be needed

1 for the Mitchell Unit 2 Cooling Tower. This present case is only about how to address the  
2 structural needs of the Cooling Tower at Unit 2. The Company presents three reasonable  
3 options for addressing the structural needs and continuing to operate Mitchell Unit 2. If  
4 one of those options is not selected, the Company will need to replace the capacity from  
5 Mitchell Unit 2 (Option 2) and recover the remaining net book value of the Unit. In fact,  
6 the cost of recovering the remaining net book value was not layered into the revenue  
7 requirement of Option 2. The Commission already decided it was most economic to stay  
8 invested in Mitchell.

9 **Q. MS. METZ ARGUES THAT THE COMPANY SHOULD HAVE CONSIDERED A**  
10 **WIDER RANGE OF RESOURCE ALTERNATIVES. SHOULD THE COMPANY**  
11 **HAVE CONSIDERED A WIDER RANGE OF RESOURCE OPTIONS IN MAKING**  
12 **THIS DECISION?**

13 A. Yes, and those options were described in detail in Case No. 2025-00175 when the decision  
14 about the Company's resource portfolio was made. As I testified above, this case is an  
15 application for approval of a solution for addressing the structural needs of the Mitchell  
16 Unit 2 Cooling Tower.

## VII. CONCLUSION

17 **Q. PLEASE SUMMARIZE YOUR REBUTTAL ANALYSIS AND CONCLUSION?**

18 A. The economic analysis performed in my Direct Testimony, the updates provided to that  
19 analysis here and considering the qualitative benefits and risks of the options, shows that  
20 Option 3, constructing a new mechanical draft cooling tower, was and still is the least-cost,  
21 reasonable alternative for addressing the Unit 2 cooling tower structural needs. AG-KIUC  
22 Witness Kollen agrees with moving forward with the project, and nothing in Sierra Club

1           Witness Metz's testimony proves otherwise. The Commission should not be distracted by  
2           Ms. Metz's attempts to cloud these clear facts. In addition, the DOE award provides further  
3           cost reductions and lessens the rate impact on the average residential customer by  
4           approximately 24%.

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

6   **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	\$ 40,210,583	\$ 91,476,215	\$ 95,157,195	\$ 96,399,960	\$ 168,708,466	\$ 106,440,179	\$ 101,523,708	\$ 101,693,923	\$ 104,923,763	\$ 111,073,954	\$ 102,068,738	\$ 98,471,688
Option 3 per SC 2-11 Attachment 2 (25 yrs)	\$ 196,134,000		\$ 19,872,102	\$ 22,789,777	\$ 21,920,241	\$ 21,074,568	\$ 20,466,613	\$ 19,755,384	\$ 19,026,635	\$ 18,322,988	\$ 17,575,247	\$ 16,913,043	\$ 16,250,811
Option 3 - per SC 2-11 Attachment 2 (12 yrs)	\$ 196,134,000		\$ 26,507,748	\$ 30,148,941	\$ 28,756,098	\$ 27,387,118	\$ 26,255,855	\$ 25,021,319	\$ 23,769,263	\$ 22,542,309	\$ 21,271,261	\$ 20,085,749	\$ 18,900,210
Option 3 with award 25	\$ 145,134,000		\$ 14,780,889	\$ 17,826,122	\$ 17,084,143	\$ 16,366,028	\$ 15,885,630	\$ 15,301,959	\$ 14,700,768	\$ 14,124,678	\$ 13,504,495	\$ 12,969,848	\$ 12,435,173
Option 3 with award 12	\$ 145,134,000		\$ 19,355,738	\$ 23,262,676	\$ 22,135,577	\$ 21,032,342	\$ 20,166,824	\$ 19,198,033	\$ 18,211,722	\$ 17,250,512	\$ 16,245,209	\$ 15,325,443	\$ 14,405,648
Option 4	\$ 111,917,000	\$ 93,567,351	\$ 19,787,185	\$ 19,307,529	\$ 18,091,648	\$ 16,898,863	\$ 16,446,144	\$ 15,600,860	\$ 14,652,405	\$ 13,746,295	\$ 12,680,401	\$ 11,898,334	\$ 959,870

	Corrected PV Rev Requirement	Original
Option 1	\$142,480,378	\$142,480,378
Option 2	\$790,168,458	\$836,300,299
Option 3 - SC 2-11 (25 yrs)	\$148,924,782	\$147,235,844
Option 3 - SC 2-11 (12 yrs)	\$189,958,426	
Option 3 - award 25yrs	\$114,813,700	
Option 3 - award 12yrs	\$144,859,451	
Option 4	\$195,843,712	\$189,471,586

	Corrected Average Rev Requirement	Original
Option 1	\$ 19,828,849	\$19,828,849
Option 2	\$ 101,512,364	\$106,317,503
Option 3 - SC 2-11 (25 yrs)	\$ 19,451,583	\$19,255,642
Option 3 - SC 2-11 (12 yrs)	\$ 24,413,812	
Option 3 - award 25yrs	\$ 15,019,884	
Option 3 - award 12yrs	\$ 18,723,399	
Option 4	\$ 21,136,407	\$20,406,521

Kentucky Power Company  
Generation Rider Rate Design

Generation Rider - Form 2.0

	Demand	Energy	Total
KY Retail Jurisdiction Revenue Requirement <sup>1</sup>	\$11,807,815	\$0	\$11,807,815

Class (1)	Billing Energy <sup>2</sup> (2)	Billing Demand <sup>2</sup> (3)	Test Year CP / kWh Ratio (4)	CP Demand Allocation Factor (5) = (2) x (4)	Allocated Demand Related Costs (6) on (5)	Allocated Energy Related Costs (7) on (2)	\$ / kW Rate (8) = (6) / (3)	\$ / kWh Rate (9) = (7) / (2)	Revenue Verification (10)	Difference (11) = (10) - (6) - (7)	12 Months December 2025 Revenues		Est. Monthly Bill Impact 2029
											(12)	% Increase (13) = (10) / (12)	
RES	1,889,849,939		0.0222735%	420,936	\$5,701,193	\$0	\$ -	\$0.00302	\$5,707,347	\$6,154	\$310,878,377	1.8%	\$3.64
GS (SGS/MGS)	616,305,297		0.0174606%	107,610	1,457,479	0	\$ -	\$0.00236	1,454,480	-\$2,999	\$108,695,474	1.3%	
LGS	469,816,215	1,443,014	0.0151572%	71,211	964,488	0	\$ 0.67	\$0.00000	966,820	\$2,332	\$71,055,286	1.4%	
LGS LMTOD	878,955		0.0151572%	133	1,801	0	\$ -	\$0.00205	1,802	\$1	\$142,217	1.3%	
IGS	2,293,390,283	3,851,549	0.0117865%	270,311	3,661,115	0	\$ 0.95	\$0.00000	3,658,971	-\$2,144	\$188,289,639	1.9%	
MW	1,831,694		0.0114684%	210	2,844	0	\$ -	\$0.00155	2,839	-\$5	\$250,813	1.1%	
OL	30,809,971		0.0036139%	1,113	15,075	0	\$ -	\$0.00049	15,097	\$22	\$9,617,966	0.2%	
SL	7,836,986		0.0035948%	282	3,819	0	\$ -	\$0.00049	3,840	\$21	\$1,853,212	0.2%	
<b>Total</b>	<b>5,310,719,340</b>	<b>5,294,563</b>		<b>871,806</b>	<b>\$11,807,814</b>	<b>\$0</b>			<b>\$11,811,196</b>	<b>\$3,382</b>	<b>\$690,782,983</b>	<b>1.7%</b>	

<sup>1</sup> All Generation Rider cost considered demand-related  
<sup>2</sup> 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 Staff 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

Nicole M. Coon

County of Franklin )  
State of Ohio )

Case No. 2026-00001

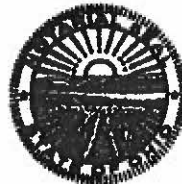
Subscribed and sworn to before me, a Notary Public in and before said County and State, by Nicole M. Coon, on June 9, 2026.

CAF

Notary Public

My Commission Expires has no expiration

Notary ID Number 2025-AT-897466



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