

**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**  
**LERAH M. KAHN**  
**ON BEHALF OF KENTUCKY POWER COMPANY**

**REBUTTAL TESTIMONY OF  
LERAH M. KAHN ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**CASE NO. 2026-00001**

**TABLE OF CONTENTS**

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
I. INTRODUCTION .....	1
II. BACKGROUND .....	1
III. PURPOSE OF REBUTTAL TESTIMONY .....	3
IV. PROPOSED COST RECOVERY .....	3
V. GENERATION RIDER – CONTESTED ITEMS .....	4
VI. DEFERRAL AUTHORITY REQUESTS – CONTESTED ITEMS.....	10
VII. CONCLUSION.....	13

**EXHIBITS**

<b><u>EXHIBIT</u></b>	<b><u>DESCRIPTION</u></b>
EXHIBIT LMK-R1	Tariff Generation Rider
EXHIBIT LMK-R2	Comparison of the currently approved Mitchell depreciation rate to the study submitted in 2025-00257

**REBUTTAL TESTIMONY OF  
LERAH M. KAHN ON BEHALF OF  
KENTUCKY POWER COMPANY  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

**CASE NO. 2026-00001**

**I. INTRODUCTION**

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

2 A. My name is Lerah M. Kahn, and my position is Manager of Regulatory Services, Kentucky  
3 Power Company (“Kentucky Power” or the “Company”). My business address is 1645  
4 Winchester Avenue, Ashland, Kentucky 41101.

**II. BACKGROUND**

5 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**  
6 **BUSINESS EXPERIENCES.**

7 A. In 2009, I earned a Bachelor of Arts degree in History from the University of Guelph in  
8 Guelph, Ontario, Canada. Additionally, in 2010 I received a Paralegal diploma from  
9 Algonquin Careers Academy in Mississauga, Ontario, Canada.

10 From 2013 through 2018, I worked at Sogefi Group Inc., a global supplier for the  
11 automotive industry, as a material planner and accounting specialist. I accepted the  
12 position of Regulatory Consultant with Kentucky Power Company in July 2018, and I was  
13 promoted to my current position as Manager of Regulatory Services in February 2023.

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

16 A. As Manager of Regulatory Services, I am responsible for the supervision and direction of  
17 Kentucky Power’s Regulatory Services Department, which has responsibility for all rate  
18 and regulatory matters involving the Company.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**  
2 **PROCEEDINGS?**

3 A. Yes. I have submitted testimony before the Public Service Commission of Kentucky (the  
4 “Commission”) in Case No. 2019-00389 (application for approval of the Company’s 2019  
5 Environmental Compliance Plan (“ECP”)), Case No. 2020-00133 (Commission’s  
6 examination of the Company’s Environmental Surcharge mechanism for the two-year  
7 billing period ending June 30, 2019), Case No. 2020-00174 (base rate case), Case No.  
8 2021-00004 (application for approval of the Company’s 2021 ECP), Case No. 2022-00387  
9 (application for a special contract), Case No. 2023-00159 (base rate case), Case No. 2023-  
10 00372 (Commission’s examination of the Company’s Environmental Surcharge  
11 mechanism for the four-year billing period ending June 30, 2023), Case No. 2024-00136  
12 (Commission’s examination of the Company’s Fuel Adjustment Clause mechanism for the  
13 six-month period ending April 30, 2023), Case No. 2024-00344 (Application for Advanced  
14 Metering Infrastructure), Case No. 2025-00175 (Application for approval to make the  
15 capital investments necessary to continue receiving capacity and energy from the Mitchell  
16 Generating Station), and Case No. 2025-00338 (Commission’s examination of the  
17 Company’s Fuel Adjustment Clause mechanism for the two-year period ending October  
18 2024).

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

20 A. No. However, I adopted a portion of Company Witness Tanner S. Wolfram’s Direct  
21 Testimony.

### **III. PURPOSE OF REBUTTAL TESTIMONY**

1 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**  
2 **PROCEEDING?**

3 A. The purpose of my Rebuttal Testimony is to address certain positions taken by Lane  
4 Kollen, witness for the Office of the Attorney General of the Commonwealth of Kentucky  
5 and Kentucky Industrial Utility Customers, Inc. (collectively, “AG-KIUC”). Specifically,  
6 I rebut Mr. Kollen’s positions regarding:

- 7 • A return on CWIP within the Generation Rider;
- 8 • The depreciation rate to be utilized for the Mitchell Cooling Tower Project; and
- 9 • Deferral authority for any costs related to the Mitchell Cooling Tower Project.

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

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

- 12 • Exhibit LMK-R1: Tariff Generation Rider
- 13 • Exhibit LMK-R2: Comparison of the currently approved Mitchell depreciation rate to  
14 the study submitted in 2025-00257

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

17 A. Yes.

### **IV. PROPOSED COST RECOVERY**

18 **Q. CAN YOU PLEASE RESTATE HOW THE COMPANY IS REQUESTING TO**  
19 **RECOVER THE COSTS ASSOCIATED WITH THE MITCHELL COOLING**  
20 **TOWER PROJECT?**

1 A. The Company is proposing to recover a) a return on rate base and construction work in  
2 progress and b) a return of depreciation expense through the Generation Rider. Associated  
3 operations and maintenance (“O&M”) and property expenses will remain in base rates.

4 Additionally, the Company is seeking deferral authority for costs related to the  
5 Mitchell Cooling Tower Project until such time that those costs can be incorporated into  
6 the Generation Rider or base rates.

7 **Q. WHAT DEPRECIATION RATE DOES THE COMPANY PROPOSE FOR THE**  
8 **MITCHELL COOLING TOWER PROJECT?**

9 A. The Company proposed a basic 8.33% depreciation rate (or 1/12 years) to align with the  
10 current expected retirement date of the Plant (2040).

11 **Q. WITNESS WOLFFRAM’S DIRECT TESTIMONY STATED THAT COST**  
12 **RECOVERY THROUGH THE GENERATION RIDER WAS UNCERTAIN. HAS**  
13 **THERE BEEN ANY DEVELOPMENT THAT CHANGES THIS STATEMENT?**

14 A. Yes. The Commission’s February 28, 2026, Order in Case No. 2025-00257 approved  
15 Tariff Generation Rider (Tariff G.R.). Accordingly, the alternative approach for cost  
16 recovery discussed on page 15 on Company Witness Wolfram’s Direct Testimony is moot.

#### **V. GENERATION RIDER – CONTESTED ITEMS**

17 **Q. CAN YOU PLEASE STATE YOUR UNDERSTANDING OF AG-KIUC WITNESS**  
18 **KOLLEN’S ARGUMENTS PERTAINING THE GENERATION RIDER?**

19 A. AG-KIUC Witness Kollen opposes the following items related to the Company’s  
20 Generation Rider:

1           1. Return on CWIP

2           AG-KIUC Witness Kollen argues that a return on construction work in progress  
3           (“CWIP”) is inconsistent with the Company’s “present status as an [allowance for  
4           funds used during construction (“AFUDC”)] company” and diverges from the  
5           approved revenue requirement calculation for the Generation Rider.

6           2. Depreciation rate

7           AG-KIUC Witness Kollen states that the Commission should direct the Company to  
8           use the presently-approved depreciation rates.

9           3. Incremental O&M and property tax

10          AG-KIUC Witness Kollen opposes recovery of incremental O&M and property tax  
11          through the Generation Rider or through deferrals. As the Company is not requesting  
12          recovery of incremental O&M or property tax through the Generation Rider<sup>1</sup> this will  
13          be discussed in Section VI of my Rebuttal Testimony, which addresses the Company’s  
14          requests for deferral authority.

**1. Construction Costs**

15       **Q. PLEASE EXPLAIN THE DIFFERENT TREATMENTS OF CONSTRUCTION**  
16       **COSTS MENTIONED IN THIS PROCEEDING.**

17       A. Throughout the Direct Testimonies and data request responses filed in this matter, the  
18       Parties have discussed the proper treatment for construction cost recovery. Below is a  
19       description of two options for recovering these costs, through either CWIP or AFUDC.

---

<sup>1</sup> See response to AG-KIUC 2-11.

Item	Description	Effect
<b>CWIP</b>	Company is refunded, and customers pay for, the interest cost while the project is being constructed.	Allows the Company to maintain financial integrity and leads to more gradual rate implementation for customers.
<b>AFUDC</b>	Company is refunded, and customers pay for, the interest cost for the project once it is placed in service.	Potential cash flow issue whereby significant investment costs will not be recovered for years after the expenditure.

1 **Q. PLEASE EXPLAIN WHAT AN AFUDC OFFSET TO CWIP IS.**

2 A. During base rate case proceedings, the balance of CWIP (account 107) is used in the  
3 determination of rate base. However, there is AFUDC within this account. Accordingly,  
4 an adjustment is made (AFUDC offset) that increases operating income to ensure that the  
5 Company does not inappropriately recover the interest costs associated with AFUDC,  
6 which should not begin recovery until those assets are placed in service.

7 **Q. IS AG-KIUC WITNESS KOLLEN'S ASSERTION THAT KENTUCKY POWER IS**  
8 **PRESENTLY AN "AFUDC COMPANY" CORRECT?**

9 A. The statement that Kentucky Power is currently an AFUDC company is misleading as  
10 utilities are not AFUDC Companies or CWIP Companies. While it is true that AFUDC is  
11 calculated and included in *qualifying* construction costs, there are also construction costs  
12 that may qualify for a return on CWIP. The Commission has plenary authority to grant a  
13 return on CWIP and have approved such for Kentucky Power, for example, in Case No.  
14 2021-00004,<sup>2</sup> which also concerned a major construction project at Mitchell.

---

<sup>2</sup> Order at 24-25, *In the Matter of: Electronic Application Of Kentucky Power Company For Approval Of A Certificate of Public Convenience And Necessity For Environmental Project Construction At The Mitchell Generating Station, An Amended Environmental Compliance Plan, And Revised Environmental Surcharge Tariff Sheets*, Case No. 2021-00004 (Ky. P.S.C. July 15, 2021).

1 **Q. DOES THE COMPANY'S REQUEST TO RECOVER A RETURN ON CWIP**  
2 **DEVIATE FROM THE APPROVED REVENUE REQUIREMENT**  
3 **CALCULATION FOR THE GENERATION RIDER?**

4 A. No. The Company's Generation Rider as proposed, in settlement, and in its compliance  
5 tariff filing all include a return on CWIP. However, in settlement the Company agreed,  
6 and the Commission ultimately approved,<sup>3</sup> that the Generation Rider should include an  
7 AFUDC offset for any CWIP projects that are *eligible for such an allowance*.<sup>4</sup> The  
8 inclusion of this language mimics the calculation of rate base and operating income in rate  
9 cases discussed above.

10 Importantly, if a return on CWIP is approved for the Mitchell Cooling Tower  
11 Project, then the Company would not record AFUDC. Accordingly, it would be a CWIP  
12 project that is not *eligible for such an allowance*, and thus there would be no AFUDC  
13 complying with the approved Tariff Generation Rider.

14 **Q. WHETHER A RETURN ON CWIP IS APPROVED OR NOT, DOES TARIFF**  
15 **GENERATION RIDER REQUIRE UPDATING?**

16 A. No. In accordance with Ordering Paragraph 24, the Company filed its initial compliance  
17 tariff book on March 20, 2026, and subsequently filed revisions on May 8, 2026, to address  
18 Commission Staff's requested textual changes. A copy of the approved Tariff G.R., as filed

---

<sup>3</sup> Order at 168, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Certain Regulatory And Accounting Treatments; And (4) All Other Required Approvals And Relief*, Case No. 2025-00257 (Ky. P.S.C. Feb. 28, 2026).

<sup>4</sup> Because CWIP and associated AFUDC offset were already included in base rates, there was no adjustment necessary to the Generation Rider revenue requirement. Order at 163, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Certain Regulatory And Accounting Treatments; And (4) All Other Required Approvals And Relief*, Case No. 2025-00257 (Ky. P.S.C. Feb. 28, 2026).

1 on May 8, 2026, is attached as Exhibit LMK-R1. This compliance filing includes the  
2 following pertinent language:

3 CWIP = Construction Work in Progress for Non-Environmental Mitchell Projects not  
4 included within the Company's base rates *including any AFUDC offset if applicable*  
5 (emphasis added).

6 **Q. WHY HAS THE COMPANY PROPOSED A RETURN ON CWIP FOR THE**  
7 **MITCHELL COOLING TOWER PROJECT?**

8 A. The Mitchell Cooling Tower Project represents a significant amount of capital for  
9 Kentucky Power. CWIP treatment will allow the Company to maintain financial integrity  
10 by aligning the timing of cost recovery with the Company's capital investment for the  
11 project. Furthermore, CWIP treatment will lead to a more gradual rate implementation for  
12 customers.

**2. Depreciation Rate**

13 **Q. WHAT IS THE CURRENTLY-APPROVED DEPRECIATION RATE FOR THE**  
14 **MITCHELL PLANT?**

15 A. The currently-approved depreciation rate for the Mitchell Plant was established in the  
16 Commission-approved Settlement Agreement in Case No. 2017-00179. The Commission  
17 has reaffirmed this rate in each of the Company's base rate cases since then. In the  
18 Company's most recent base rate case (Case No. 2025-00257), a new depreciation study  
19 was prepared and supported a higher depreciation rate for the Mitchell Plant. However,  
20 the Company proposed, and the Commission approved, maintaining the current Mitchell  
21 depreciation rate except updated to exclude interim and terminal net salvage (as agreed to

1 in settlement). A comparison of the currently approved to the study submitted in Case No.  
2 2025-00257 for the Mitchell depreciation rate is attached as Exhibit LMK-R2.

3 Recently, there have been two Mitchell projects where the Commission has  
4 authorized unique depreciation rates, both of which are included within the environmental  
5 surcharge mechanism: Project 22 for the CCR compliance project and Project 23 for the  
6 ELG compliance project. Importantly, these rates were established to align with the  
7 Mitchell Plant's expected retirement date as is being proposed here.

8 **Q. DO YOU AGREE WITH AG-KIUC WITNESS KOLLEN'S RECOMMENDATION**  
9 **THE COMMISSION APPROVE THE CURRENT DEPRECIATION RATE FOR**  
10 **THE MITCHELL COOLING TOWER PROJECT?**

11 A. No. Utilizing a clearly stale depreciation rate will result in increased total remaining net  
12 book value for the Mitchell Cooling Tower Project to be recovered from customers if the  
13 Plant retires in 2040.

14 While the Commission approved maintaining the rate (except updated to exclude  
15 interim and terminal net salvage) in Case No. 2025-00257, they also state in that Order  
16 "[i]n general, the Commission seeks to minimize future ratepayers paying for current  
17 expenses that do not benefit them."<sup>5</sup> The Company's proposal in this case is consistent  
18 with the Commission's stated approach.

---

<sup>5</sup> Order at 93, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Certain Regulatory And Accounting Treatments; And (4) All Other Required Approvals And Relief*, Case No. 2025-00257 (Ky. P.S.C. Feb. 28, 2026).

**VI. DEFERRAL AUTHORITY REQUESTS – CONTESTED ITEMS**

1 **Q. CAN YOU PLEASE STATE YOUR UNDERSTANDING OF AG-KIUC WITNESS**  
 2 **KOLLEN’S ARGUMENTS PERTAINING TO THE COMPANY’S REQUESTS**  
 3 **FOR DEFERRAL AUTHORITY?**

4 A. AG-KIUC Witness Kollen states that he “recommend the Commission deny the request to  
 5 defer any costs.” The costs which the Company are requesting deferral authority for and  
 6 my understanding of Mr. Kollen’s position for denying each are listed in the table below.

<b>Description</b>	<b>Deferred Until</b>	<b>Position</b>
Engineering and related work to investigate possible alternatives	Subsequent base rate case	See Incremental O&M below.
Depreciation expense	First update for the Generation Rider	No reason provided.
Return on rate base and CWIP	First update for the Generation Rider	Deny request as it is inconsistent with generally accepted accounting principles (“GAAP”) and the Federal Energy Regulatory Commission (“FERC”) uniform system of accounts (“USoA”). Specifically, the USOA requires these costs be recorded to FERC account 107 <i>Construction Work In Progress</i> .
Incremental O&M (Note that in response to KPSC 1_4, the Company clarified this was the same as the above engineering and related work to investigate possible alternatives)	Subsequent base rate case	Because it was explicitly excluded from the Generation Rider in Case No. 2025-00257.
Incremental property tax expense	Subsequent base rate case	Because it was explicitly excluded from the Generation Rider in Case No. 2025-00257.

7 My response to each of these is discussed below.

1 **Q. DO YOU AGREE WITH AG-KIUC WITNESS KOLLEN’S POSITION THAT**  
2 **ENGINEERING AND RELATED WORK TO INVESTIGATE POSSIBLE**  
3 **ALTERNATIVES (I.E. INCREMENTAL O&M) BE DENIED DEFERRAL**  
4 **AUTHORITY?**

5 A. No. The Commission’s May 3, 2022, Order in Case No. 2021-00004 stated that  
6 the Commission expects [a] jurisdictional utility seeking a CPCN to present  
7 to the Commission the engineering plans and specifications for those  
8 projects and to base its costs of construction and costs of operation estimates  
9 on data pertaining to the project it intends to construct. In order to provide  
10 the necessary information to consider a CPCN, Kentucky Power was  
11 required to perform certain preconstruction activities. Based upon a review  
12 of the case record, the Commission finds that the . . . costs incurred . . . were  
13 prudently incurred preconstruction activities appropriate for the pursuit of a  
14 CPCN.<sup>6</sup>

15 The Company’s request here is consistent with this language as it is for the  
16 engineering and related work to investigate alternatives including the Worley feasibility  
17 study required for this Application.

18 **Q. DO YOU AGREE WITH AG-KIUC WITNESS KOLLEN’S POSITION THAT**  
19 **DEPRECIATION EXPENSE BE DENIED DEFERRAL AUTHORITY?**

20 A. Notably, AG-KIUC Witness Kollen does not offer a specific reason for why deferral  
21 authority for depreciation expense should be denied. Nonetheless, with the approval of the  
22 Generation Rider in Case No. 2025-00257 that includes depreciation expense related to in-  
23 service plant assets within its revenue requirement calculation, the Company no longer sees  
24 a need to seek deferral authority for this.

---

<sup>6</sup> Order at 10, *In the Matter of: Electronic Application Of Kentucky Power Company For Approval Of A Certificate of Public Convenience And Necessity For Environmental Project Construction At The Mitchell Generating Station, An Amended Environmental Compliance Plan, And Revised Environmental Surcharge Tariff Sheets*, Case No. 2021-00004 (Ky. P.S.C. May 3, 2022).

1 **Q. CAN YOU PLEASE ADDRESS AG-KIUC WITNESS KOLLEN'S POSITION**  
2 **THAT DEFERRAL FOR A RETURN ON RATE BASE AND CWIP RUNS**  
3 **COUNTER TO GAAP AND THE FERC USOA?**

4 A. Yes, his position is incorrect. AEP's regulated operating companies, including Kentucky  
5 Power, have regulated operations that meet the criteria outlined in Accounting Standards  
6 Codification ("ASC") 980-10-15-2 and therefore are required to apply ASC 980, Regulated  
7 Operations:

- 8 • Rates are set by independent regulators,
- 9 • Rates are based on the specific entity's cost and demand (kilowatt-hour sales), and
- 10 • The resulting level of rates that will be billed and collected will recover the entity's  
11 costs.

12 In accordance with ASC 980-340-25-1, regulatory assets are recorded when it is  
13 probable that future revenue will recover an incurred cost. Accordingly, if the Commission  
14 grants deferral for a return on rate base and CWIP, the Company is required to apply ASC  
15 980.

16 **Q. DO YOU AGREE WITH AG-KIUC WITNESS KOLLEN'S POSITION THAT**  
17 **DEFERRAL FOR A RETURN ON RATE BASE AND CWIP SHOULD BE**  
18 **DENIED?**

19 A. While the Company disagrees with AG-KIUC Witness Kollen's rationale for denying  
20 deferral authority for a return on rate base and CWIP (discussed above), with the approval  
21 of the Generation Rider in Case No. 2025-00257, the Company no longer sees a need to  
22 seek deferral authority for this.

1 **Q. DO YOU AGREE WITH AG-KIUC WITNESS KOLLEN'S POSITION THAT**  
2 **INCREMENTAL PROPERTY TAX EXPENSE BE DENIED DEFERRAL**  
3 **AUTHORITY?**

4 A. No. The Mitchell Cooling Tower Project is scheduled for completion in 2029 with the new  
5 mechanical draft cooling tower scheduled to be in service in the second quarter of 2028.  
6 The Company's request to defer incremental property tax expense is limited to these costs  
7 incurred until such time that a level can be established within Kentucky Power's base rates.

**VII. CONCLUSION**

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

9 A. Yes, it does.

**Tariff G.R.  
(Generation Rider)**

N

**Applicable**

To Tariffs R.S., R.S.D., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, G.S., S.G.S.-T.O.D., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., I.G.S., C.S. – I.R.P., M.W., O.L. and S.L.

**Rate**

The annual Generation Rider factor will be computed using the following formula:

$$\text{Annual Revenue Requirement (ARR)} = (\text{RBML} + \text{CWIP})(\text{ROR}) + \text{DE} + \text{OU}$$

Where:

- RBML = Non-Environmental Rate Base for Mitchell represented by the sum of plant in service less accumulated depreciation;
- CWIP = Construction Work in Progress for Non-Environmental Mitchell Projects not included within the Company's base rates including any AFUDC offset if applicable;
- ROR = Rate of Return on Non-Environmental Mitchell Rate Base and Construction Work in Progress;
- DE = Depreciation Expense;
- OU = Cumulative difference between revenues received and actual costs for the reporting period, representing the (over) or under recovery, including those costs incurred beginning June 1, 2025.

**Rates**

Tariff Class	\$/kWh	\$/kW
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.	\$0.00476	--
S.G.S.-T.O.D.	\$0.00373	--
M.G.S.-T.O.D.	\$0.00373	--
G.S.	\$0.00373	--
L.G.S., L.G.S.-T.O.D.	--	\$1.06
L.G.S.-L.M.-T.O.D.	\$0.00324	--
I.G.S. and C.S.-I.R.P.	--	\$1.50
M.W.	\$0.00245	--
O.L.	\$0.00077	--
S.L.	\$0.00077	--

I

*Continued on Sheet 32-2*

DATE OF ISSUE: May 8, 2026  
 DATE EFFECTIVE: Services Rendered On And After March 1, 2026  
 ISSUED BY: /s/ Amy J. Elliott  
 TITLE: Vice President, Regulatory & External Affairs  
By Authority of an Order of the Public Service Commission  
 In Case No.: 2025-00257 Dated February 28, 2026

**KENTUCKY  
PUBLIC SERVICE COMMISSION**

**Linda C. Bridwell**  
Executive Director



**EFFECTIVE**  
**3/1/2026**  
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**Tariff G.R. Continued  
 (Generation Rider)**

N

**Rates Continued**

The kWh factor as calculated above will be applied to all billing kilowatt-hours for those tariff classes listed above. The kW factor as calculated above will be applied to all on-peak and minimum billing demand kW for the LGS, LGS-T.O.D, IGS, and CS-I.R.P. tariff classes.

The Generation Rider factors shall be modified annually using the following formula:

For all tariff classes without demand billing:

$$\text{kWh Factor} = \frac{\text{GR(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}}) + \text{GR(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = 0$$

For all tariff classes with demand billing:

$$\text{kWh Factor} = \frac{\text{GR(E)} \times (\text{BE}_{\text{Class}} / \text{BE}_{\text{Total}})}{\text{BE}_{\text{Class}}}$$

$$\text{kW Factor} = \frac{\text{GR(D)} \times (\text{CP}_{\text{Class}} / \text{CP}_{\text{Total}})}{\text{BD}_{\text{Class}}}$$

Where:

1. "GR(D)" is the actual annual retail GR demand-related costs.
2. "GR(E)" is the actual annual retail GR energy-related costs.
3. "BE<sub>Class</sub>" is the forecasted annual retail jurisdictional billing kWh for each tariff class for the current year.
4. "BD<sub>Class</sub>" is the forecasted annual retail jurisdictional billing kW for each applicable tariff class for the current year.
5. "CP<sub>Class</sub>" is the coincident peak demand for each tariff class estimated as follows:

*Continued on Sheet 32-3*

DATE OF ISSUE: May 8, 2026  
 DATE EFFECTIVE: Services Rendered On And After March 1, 2026  
 ISSUED BY: /s/ Amy J. Elliott  
 TITLE: Vice President, Regulatory & External Affairs  
By Authority of an Order of the Public Service Commission  
In Case No.: 2025-00257 Dated February 28, 2026

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>Linda C. Bridwell</b> Executive Director

<b>EFFECTIVE</b> <b>3/1/2026</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**Tariff G.R. Continued  
 (Generation Rider)**

N

Tariff Class	BE <sub>Class</sub>	CP/kWh Ratio	CP <sub>Class</sub>
R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., and R.S.-T.O.D. 2, R.S.D.		0.022274%	
S.G.S.-T.O.D.		0.017461%	
M.G.S.-T.O.D.		0.017461%	
G.S.		0.017461%	
L.G.S., L.G.S.-T.O.D.		0.015157%	
L.G.S.-L.M.-T.O.D.		0.015157%	
I.G.S. and C.S.-I.R.P.		0.011787%	
M.W.		0.011468%	
O.L.		0.003614%	
S.L.		0.003595%	

6. "BE<sub>Total</sub>" is the sum of the BE Class for all tariff classes.
7. "CP<sub>Total</sub>" is the sum of the CP Class for all tariff classes.
8. The factors as computed above are calculated to allow the recovery of Uncollectible Accounts Expense of 0.28% and the KPSC Maintenance Fee of 0.1595% and other similar revenue based taxes or assessments occasioned by the Generation Rider revenues.
9. The annual GR factors shall be filed with the Commission by February 15 of each year based on prior calendar year, with rates to begin with the April billing period, along with all necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.
10. Copies of all documents required to be filed with the Commission shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

D

DATE OF ISSUE: May 8, 2026  
 DATE EFFECTIVE: Services Rendered On And After March 1, 2026  
 ISSUED BY: /s/ Amy J. Elliott  
 TITLE: Vice President, Regulatory & External Affairs  
By Authority of an Order of the Public Service Commission  
In Case No.: 2025-00257 Dated February 28, 2026

**KENTUCKY  
 PUBLIC SERVICE COMMISSION**

**Linda C. Bridwell**  
 Executive Director



**EFFECTIVE**  
**3/1/2026**  
 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

