

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY POWER)	
COMPANY FOR 1) A CERTIFICATE OF PUBLIC CON-)	
VENIENCE AND NECESSITY TO CONSTRUCT A MECH-)	CASE No.
ANICAL DRAFT COOLING TOWER AT THE MITCHELL)	2026-00001
PLANT 2) APPROVAL OF CERTAIN REGULATORY AND)	
ACCOUNTING TREATMENTS, AND 3) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

JOINT INITIAL DATA REQUESTS OF ATTORNEY GENERAL AND KIUC

The intervenors, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention [“OAG”], and the Kentucky Industrial Utility Customers [“KIUC”] hereby submit the following Joint Initial Data Requests to Kentucky Power Company [“KPCo” or “the Company”], to be answered by the date specified in the Commission’s Orders of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The OAG-KIUC can provide counsel for KPCo with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification

of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for OAG-KIUC.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the Companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify Counsel for OAG-KIUC as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books,

schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the Companies, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



LAWRENCE W. COOK
J. MICHAEL WEST
ANGELA M. GOAD
T. TOLAND LACY
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DR., STE. 200
FRANKFORT, KY 40601
(502) 696-5453
FAX: (502) 564-2698
Larry.Cook@ky.gov
Michael.West@ky.gov
Angela.Goad@ky.gov
Thomas.Lacy@ky.gov
John.Horne@ky.gov

/s/ Michael L. Kurtz

MICHAEL L. KURTZ, ESQ.
JODY KYLER COHN, ESQ.
BOEHM, KURTZ & LOWRY
425 WALNUT STREET, SUITE 2400
CINCINNATI, OHIO 45202
PH: 513.421.2255 FAX: 513.421.2764
mkurtz@BKLawfirm.com
jkylercohn@BKLawfirm.com

COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.

Certificate of Service

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record.

This 20th day of March, 2026



Assistant Attorney General

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1. Refer to the Application in the first paragraph wherein it states the Company applies to the Commission for “approval of accounting treatment to establish a regulatory asset to accumulate and defer for later review and recovery the of the costs of the Mitchell Cooling Tower Project” and in paragraph 26 wherein it states:

“The Company proposes to accumulate and defer the costs of the Mitchell Cooling Tower Project, including Construction Work in Progress, until the costs can be incorporated into the Company’s proposed Generation Rider, if the Generation Rider is approved in Case No. 2025- 00257. Alternatively, if the Generation Rider is not approved in Case No. 2025-00257, the Company proposes to accumulate and defer the costs of the Mitchell Cooling Tower Project until the costs can be included in its rate base in a subsequent base rate case or other appropriate mechanism. To that end, the Company requests Commission approval to establish a regulatory asset and a deferral, including a return on the unamortized balance at the Company’s approved weighted average cost of capital.”

- a. Confirm that the costs of the Mitchell Cooling Tower Project are not an “expense,” as that term is defined for GAAP and FERC USOA purposes.
- b. Confirm the costs of the Mitchell Cooling Tower Project are capital expenditures and that they will be recorded to CWIP, regardless of whether the costs are recovered through base rates or included and recovered in the Generation Rider (Tariff G.R.) adopted in Order 2025-00257.
- c. Explain in detail the basis and provide all reasons for the Company’s request for an alternative accounting treatment wherein it proposes to record the costs to a regulatory asset instead of to CWIP.
- d. Confirm the Company records AFUDC on all qualifying construction expenditures in accordance with GAAP and the FERC USOA and does so without specific authorization from the Commission in the normal course of business.
- e. Confirm the costs of the Mitchell Cooling Tower Project will qualify for AFUDC without specific authorization from the Commission in the normal course of business unless the Commission approves CWIP in rate base ratemaking recovery. If denied, then provide all support the costs will not qualify for AFUDC.
- f. Confirm that the Generation Rider adopted by the Commission in Case 2025-00257 includes CWIP in rate base and also includes an AFUDC offset so there

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is no revenue requirement effect during the construction period. If this is not correct, then provide a corrected statement and provide all support relied on for the corrected statement.

2. Refer to the Direct Testimony of Tanner Wolfram at 15 wherein he lists the costs the Company seeks to defer to a regulatory asset as follows:

“This regulatory asset would correspond to those costs associated with the Mitchell Cooling Tower Project, including engineering and related work required to investigate potential alternatives, depreciation expense and a pre-tax WACC return on rate base/construction work in progress, incremental property tax expense and incremental O&M expense.”

- a. Confirm that the costs of Mitchell property tax expense were retained in the base revenue requirement in Case 2025-00257 and not included in the Generation Rider.
 - b. Indicate whether the Company’s definition of “pre-tax WACC return” is the grossed-up rate of return or the WACC. If the latter, confirm that the rate base/construction work in progress CWIP would be reduced by the ADIT related to the grossed-up rate of return deferred to the regulatory asset, effectively resulting in a net of tax return deferred to the regulatory asset. If this is not correct, then provide a corrected statement and all support relied on for your response.
3. Refer to the Direct Testimony of Tanner Wolfram at 17 wherein he states the following:

“Should the Generation Rider be approved, costs recoverable through this mechanism would begin with the Company’s February 2027 Generation Rider update with rates to begin with the April 2027 billing period. The Company would reflect CWIP and other initial costs for the Project in the Generation Rider until the new cooling tower is placed in service.”

- a. Confirm the Commission Order in Case 2025-00257 approving an AFUDC offset in the Generation Rider revenue requirement formula will delay the recovery of costs from customers until after the cooling tower is completed and placed in-service. If this is not correct, then provide a corrected statement and all support relied on for your response.
- b. Describe how the cost of removal incurred for the partial demolition of the existing cooling tower will be recorded for accounting purposes.

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- c. Describe how the cost of removal incurred for the partial demolition of the existing cooling tower will be recovered from ratemaking purposes, e.g., through a reduction in the accumulated depreciation (for cost of removal) included in the Generation Rider revenue requirement.
 - d. Confirm the retirement of the cooling tower will result in a reduction of depreciation expense and the Generation revenue requirement. If this is not correct, then provide a corrected statement and all support relied on for your response.
 4. Refer to the Direct Testimony of Tanner Wolfram at 17 and the table showing the estimated effects on customer rates by year. Provide a revised version of this table reflecting the effects on the Generation Rider revenue requirement of the changes in the Company's calculations to reflect the AFUDC offset and to reflect the effects of the cost of removal and the cessation of depreciation expense due to the retirement of the existing cooling tower plant in service.
 5. Refer to the Direct Testimony of Nicole Coon at 7 wherein she states:

“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.”

 - a. Explain why the Company used a 25-year life for the Option 3 economic analysis.
 - b. Reconcile the 25-year life used for the economic analysis to the Company's request to use a 12-year life for the calculation of depreciation expense for accounting and ratemaking purposes.
 - c. Confirm that the \$196 million includes the cost of removal for the partial demolition of the existing cooling tower.
 - d. If the \$196 million includes the cost of removal, then provide the cost of removal component of the \$196 million capital cost.
 - e. Confirm the cost of removal is a debt (reduction) to accumulated depreciation and will not be recorded to CWIP, and will not qualify for AFUDC. If any of these statements are incorrect, then provide corrected statements and all support relied on for your response.
 6. Refer to Exhibits NMC-1 and NMC-2.

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- a. Provide each exhibit in Excel live format with all formulas intact.
 - b. Provide a revised version of these exhibits reflecting changes in the Company's calculations to reflect the AFUDC offset in the Generation Rider and to reflect the effects of the cost of removal and the cessation of depreciation expense due to the retirement of the existing cooling tower plant in service in the Generation Rider.
7. Refer to the Direct Testimony of Shawn Malone at 10 wherein he states:

“The current estimated total capital cost for the Mitchell Cooling Tower Project is approximately \$191,000,000. This estimate includes direct costs, indirect costs, and owner's costs. Kentucky Power's share of the capital cost for the Mitchell Cooling Tower Project is \$95,500,000.”

Also refer to the Direct Testimony of Shawn Malone at 11 wherein he lists the costs included in the estimate total capital cost and Public Exhibit SPM-1, which provides Worley's cost estimates.

- a. Confirm the Worley estimate was developed as a feasibility study estimate and is not a final estimate.
 - b. Provide a schedule showing the Company's buildup of the estimated total capital costs, starting with the Worley estimate and then each of the additional costs described by Witness Malone included in the \$191 million amount.
8. Explain whether any local, state of West Virginia, or federal regulation or regulatory authority mandates or at any time mandated periodic inspections of Mitchell cooling towers.
9. Explain how many inspections of the Mitchell cooling towers AEP and its relevant affiliates conducted, and provide the frequency of those inspections.
- a. Explain also the types of inspections that were conducted, together with the types of instruments and equipment utilized during the inspections.
 - b. Were all inspections always conducted in the same manner and with the same instruments and equipment? If not, why not?
 - c. Explain whether any licensed professional engineers were involved in all prior inspections of the cooling towers, and if so, in what aspects of the inspections they were involved.

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- d. Explain whether the AEP Generation Major Projects Team was involved with the initial planning and construction of the Mitchell plant and its cooling towers, and if so, in what ways.
10. Explain whether KPCo, or any relevant AEP affiliate, maintains records of inspections of the Mitchell cooling towers. If not, explain why not. If so:
 - a. Explain when the earliest inspection occurred.
 - b. Identify the earliest inspection date upon which the “surface irregularities and deformations” in the Mitchell Unit 2 Cooling Tower, as identified in Application paragraph 6, were detected.
 - c. Identify where the records are maintained.
 11. Reference the Pizzino testimony at 8:5 through 9:10. Explain when the referenced monitoring program was begun.
 12. Explain how the “surface irregularities and deformations” were first detected.
 13. Reference the Pizzino testimony at 5.
 - a. Confirm that the “initial structural engineering assessment” referenced at 5:6-14 concluded that the structural deformations in the tower likely occurred years prior to the April 2016 observations.
 - b. Provide a copy of the “initial structural engineering assessment” referenced at 5:6-14.
 - c. Provide a copy of the “subsequent detailed engineering analysis.”
 - d. Explain what measures AEP, and its relevant affiliates took upon completion of the original construction of the water towers to inspect them and accept the project from the construction contractor(s) prior to them being placed into commercial operation.
 - e. Explain whether AEP or any relevant affiliate identified any “surface irregularities and deformations,” and/or any other issues of concern in the cooling towers. If so, provide all supporting documentation.
 - f. Refer to Application paragraph 6. Explain whether the term “Surface irregularities and deformations” as used in lines 1-2 of that paragraph include the “more cracking and deterioration” as used on line 4 of that paragraph.

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14. Explain when “cracking and deterioration” were first identified, and explain all measures KPCo and/or any and all other relevant AEP affiliates took to address the “cracking and deterioration.”
15. Was any “cracking and deterioration” occurring prior to July 2025? If so, provide complete details.
16. Following the construction of the Mitchell plant including the cooling towers, explain whether AEP or any relevant affiliate obtained any warranties and/or insurance coverage applicable to the cooling towers.
17. Provide a discussion of whether inspections of the other Mitchell cooling tower have been conducted, and if so, provide all details on the results of those inspections.
18. Provide all documentation describing the scope of the “Initial Repair Project” identified in Application paragraph 6. Explain who conducted that project, and whether any licensed professional engineers were involved in that project.
19. Provide all documents illustrating or discussing the projected lifespan of the Mitchell cooling towers when they were first constructed.
20. Reference Table SPM-1 (“Summary of Options”) included in the Malone testimony.
 - a. Given that the projected lifespan of the replacement for the Mitchell cooling tower is 25 years, is it logical and appropriate to assume that the projected lifespan of the original tower was also 25 years?
 - b. Explain whether AEP or any relevant affiliate increased the frequency of inspections of the cooling towers once the 25-year lifespan had been achieved. If not, explain fully why not.
21. Explain whether structural failure of a cooling tower that had surpassed its expected lifespan was a known and demonstrated hazard.
22. Given that the other Mitchell Cooling Tower has also exceeded its lifespan, explain whether KPCo and/or its relevant affiliates have any plans to replace it.
23. Explain whether any portion of the projected cost estimates were necessary due to federal tariffs. If so: (i) explain whether those tariffed items will be removed due to the U.S. Supreme Court ruling in *Learning Resources, Inc. v. Trump*, Docket 24-1287;¹ and (ii) explain whether KPCo and its relevant affiliates will be seeking a tariff rebate.

¹ Accessible at: https://www.supremecourt.gov/opinions/25pdf/24-1287_4gcj.pdf

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24. Provide the link to the West Virginia Public Service Commission (“WV PSC”) docket in which Wheeling Power Co. (“WPCo”) has filed its CPCN application requesting permission to build the replacement tower for the Mitchell Plant, together with .pdf versions of all documents filed.
 - a. Confirm that if the WV PSC grants WPCo’s CPCN, its ratepayers will pay the same sum that KPCo ratepayers will pay.
 - b. Explain whether WPCo is requesting the same exemption from the AFUDC offset that KPCo seeks in the instant docket.
25. Provide a discussion regarding what efforts KPCo and its relevant affiliates undertook to procure federal grants and/or other financial assistance for the Mitchell cooling tower project.
 - a. Confirm the Worley estimate was developed as a feasibility study estimate and is not a final estimate.
 - b. Provide a schedule showing the Company’s buildup of the estimated total capital costs, starting with the Worley estimate and then each of the additional costs described by Witness Malone included in the \$191 million amount.
26. Discuss the advantages of the mechanical draft option, as opposed to rebuilding a new natural draft cooling tower.
27. Confirm that once the replacement tower is constructed and commercially operable, the existing tower will be reduced to approximately one-half of its current height and will never be used again.