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 Natural Gas-Fired Combined Cycle Generating Facility In Lawrence County, Kentucky; 2) A Site Compatibility Certificate; 3) A Certificate Of Public Convenience And Necessity To Construct A New Transmission Substation In Boyd County, Kentucky; 4) Approval Of A Short-Term Capacity Purchase Agreement; And 5) For All Other Required Approvals And Relief	))))))))))	Case No. 2026-00324

CASE SUMMARY

Kentucky Power's filing package represents the beginning of what could be a pivotal period for electric rates, reliability, and economic development in eastern Kentucky.

Specifically, Kentucky Power is seeking approval of its electric service agreement with TeraWulf along with the infrastructure needed to provide service, including a new power plant and associated transmission infrastructure. The TeraWulf data center, with Kentucky Power's transmission and generation projects, total billions in economic investment.

Once realized, the projects reflected in these filings will constitute the most significant economic development investments in the region in decades, delivering benefits for all Kentucky Power customers across all 20 counties of the service territory. Those benefits include rate relief for existing customers, significant investment in electric generation and transmission infrastructure, new construction and permanent jobs, and community benefits through direct contributions and county tax revenue.

CUSTOMER PROTECTIONS

Kentucky Power has taken deliberate steps to ensure that costs associated with serving new large load customers are appropriately assigned and that existing customers are protected.

In 2025, in anticipation of potential data center growth, Kentucky Power pursued revisions to its existing Industrial customer tariff which have been approved by the Kentucky Public Service Commission. Those revisions were specifically designed to ensure that existing customers would be shielded from cost impacts associated with the investments necessary to serve new large-load customers. TeraWulf has agreed to contract terms that go well beyond the protections included in the tariff, providing significant additional safeguards and benefits for Kentucky Power's existing customers.

To take those protections a step further, Kentucky Power and other AEP companies signed the federal Ratepayer Protection Pledge that establishes five commitments to ensure data center growth benefits all customers. Kentucky Power's approach to data centers also is aligned with Governor Andy Beshear's August 2026 Executive Order outlining expectations for these customers.

The TeraWulf project, known as the Muskie Data Campus, will be in the northern part of Kentucky Power's service territory. Kentucky Power customers in all 20 counties of the service territory will benefit from the addition of this new load and the investments necessary to serve it.

The scale of TeraWulf's Muskie Data Campus creates a particularly significant opportunity. At full development, the project will add 1,000 MW of electric load to Kentucky Power's system, effectively doubling the size of the Company's existing load. This substantial additional load will spread fixed costs across a larger customer base, reducing the share paid by existing customers. Residential customers will receive additional relief as costs recovered

through the environmental surcharge, securitization surcharge, and generation rider are shared more broadly.

The 769 MW combined cycle natural gas generation facility will be built at Kentucky Power's existing plant site near Louisa, Kentucky and will provide reliable, base-load generation for decades.

ECONOMIC IMPACT

The economic impact analysis that is included in this application tells the story in numbers:

- More than $600 million in direct customer rate relief benefiting all Kentucky Power customers.
- More than $3 billion investment in generation and transmission infrastructure.
- Approximately $210 million in annual local and state tax revenue.
- Multiple years of construction employment for the power plant, transmission infrastructure and the data center as well as permanent jobs for operations.

Construction Employment
-Nearly 500 Power Plant and Transmission construction jobs
-Approximately 3,500 Data Center construction jobs
Permanent Employment
-Approximately 25 Power Plant and Transmission jobs
-Between 350-500 Data Center jobs

A successful outcome for this filing package and overall project begins to create a virtuous cycle of investment, growth and affordability for Kentucky Power customers. This is an opportunity to convert unprecedented growth in electric demand into long-term, lasting value for eastern Kentucky, including lowering bills for residential customers, creating a stronger and more resilient electric system, bringing new jobs and tax revenues, and providing billions of dollars of private investment in a region that has been starved for an economic turnaround.

Respectfully submitted,



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