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

APPLICATION

Kentucky Power Company ("Kentucky Power" or "the "Company") applies to the Public Service Commission of Kentucky (the "Commission") pursuant to KRS Chapter 278, including KRS 278.020(1) and KRS 278.020(9), and 807 KAR Chapter 5 for an Order: (1) granting a Certificate of Public Convenience and Necessity ("CPCN") to construct a 769 megawatt ("MW") natural gas combined cycle ("NGCC") facility at the Company's Big Sandy Power Plant in Lawrence County, Kentucky ("Combined-Cycle Generation Project"), including associated on-site natural gas and electric transmission construction and interconnection facilities; (2) granting a site compatibility certificate for the Combined-Cycle Generation Project pursuant to KRS 278.216; (3) granting a CPCN to construct a new 765/345 kilovolt ("kV") substation in Boyd County, Kentucky (the "Venator Substation Project") **no later than March 1, 2027**; (4) approving a capacity purchase agreement between Kentucky Power and AEP Generation Resources Inc. (the "Bridge Capacity Agreement"); and (5) granting all other required approvals and relief.

In support of its Application, Kentucky Power states:

APPLICANT

1. **Name and Address:** The Applicant's full name and post office address is Kentucky Power Company, 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company's electronic mail address is kentucky_regulatory_services@aep.com.

2. **Incorporation:** Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky.[1] The Company is in good standing in Kentucky.[2]

3. **Business:** Kentucky Power is a public utility as defined in KRS 278.010(3)(a) that is primarily engaged in the generation, purchase, transmission, distribution, and sale of electric power to Kentucky consumers. The Company serves approximately 162,000 customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan.

APPLICATION SUMMARY

4. The Company has included as **EXHIBIT 1** to this Application a checklist that demonstrates the location within the Company's Application of each statutory, regulatory, or other requirement applicable to this Application. A brief description of each of the Company's requests in this case is provided below.

5. Through this Application, the Company is seeking the following:

- A CPCN to construct the Combined-Cycle Generation Project;

[1] A certified copy of the Company's Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application of Kentucky Power Company, American Electric Power Company, Inc. And Central and Southwest Corporation Regarding a Proposed Merger*, Case No. 1999-00149 (Ky. P.S.C.).

[2] Kentucky Power's November 13, 2026 Certificate of Good Existence is attached as **Exhibit 2** to this Application.

- A site certificate under KRS 278.216 for the Combined-Cycle Generation Project;
- A CPCN to construct the Venator Substation Project; and
- Approval of the Bridge Capacity Agreement.

Each of these are necessary for the Company to meet its obligation to serve the proposed one gigawatt data center facility to be located at the EastPark Industrial Park in Boyd and Greenup Counties ("Muskie Data Campus") under the Amended and Restated Electric Service Agreement (Tariff I.G.S.) by and between Kentucky Power and DB Long Hunts Data LLC[3] dated November 4, 2026 (the "TeraWulf ESA"). The Company is seeking approval of the TeraWulf ESA in a separate case, Case No. 2026-00323.

6. While Kentucky Power has included several proposals within this application, it is requesting that the Commission also consider each part individually. Specifically, Kentucky Power seeks approval of a CPCN for the Venator Substation Project **no later than March 1, 2027**. This expedited approval is necessary to ensure that Kentucky Power can begin site preparation work in sufficient time to ensure the Venator Substation Project is online and available to serve the Muskie Data Center under the TeraWulf ESA.

7. The Combined-Cycle Generation Project, the Venator Substation Project, and the Bridge Capacity Agreement, are the methods through which Kentucky Power will comply with its obligations to serve the Muskie Data Campus under the TeraWulf ESA. The Venator Substation Project is necessary to provide electrical service to the Muskie Data Campus at the necessary voltage. The Combined-Cycle Generation Project will provide efficient, dispatchable, baseload

[3] DB Long Hunts Data LLC is a wholly owned subsidiary of TeraWulf Inc.("TeraWulf"). Throughout this Application, the customer taking service under the TeraWulf ESA is referred to as "TeraWulf."

generation to serve the increased load on the Company's system. The Combined-Cycle Generation Project will be a "steel in the ground" generation asset in the Company's service territory. Because the Combined-Cycle Generation Project will not be in service until the second quarter of 2031, the Company must enter into the Bridge Capacity Agreement to provide the necessary capacity under the TeraWulf ESA in the interim. The customer benefits included in the TeraWulf ESA and described below are tied to the requests being approved together without significant modification.

TERAWULF ESA AND MUSKIE DATA CAMPUS

8. Kentucky Power has been vigorously engaged in economic development efforts over the course of the last decade to showcase Eastern Kentucky's strengths and attract investment. The TeraWulf ESA represents a major milestone in those efforts. Under the TeraWulf ESA, the Company will provide capacity and energy to the Muskie Data Campus.

9. The Muskie Data Campus will inject billions of dollars directly into the Company's service territory. The Muskie Data Campus is expected to bring approximately $8.5 billion of investment, about 3,500 construction jobs, 350 to 500 permanent jobs between TeraWulf and its end-user, and more than $200 million annually in state and local taxes once fully operating, totaling about $4.8 billion in state and local taxes through construction and its first 20 years of operation. These estimates do not include the billions of dollars of additional investment in computing equipment and chip hardware that TeraWulf's end-user tenant will install. Importantly, TeraWulf has not sought any tax incentives in connection with the Muskie Data Campus.

10. To meet its obligation to serve new large loads that locate within its service territory while also protecting its existing customers, the Company updated Tariff I.G.S. in Case No. 2024-00305 to include the following additional requirements for customers adding new or incremental loads of 150 MW or more:

- a 20-year contract term with a five-year notice period for termination;
- a minimum monthly billing demand of at least 90% of the customer's highest established demand;
- a requirement to provide collateral equal to 24 times the customer's previous maximum monthly non-fuel bill, subject to review and adjustments;
- a one-time payment equal to five years of minimum billing in the event of permanent closure before the contract term expires; and
- a five-year notice requirement for reducing contract capacity, with exceptions for mutual agreement.

11. Kentucky Power and TeraWulf began discussing the possible data center development in the Company's service territory in March 2026. Based on these discussions, Kentucky Power initiated a transmission study to determine transmission capacity available. In May 2026, following negotiations, TeraWulf and Kentucky Power executed an initial Electric Service Agreement (the "original ESA") under which Kentucky Power would provide 500 MW of service. The terms of the original ESA were consistent with the large load provisions of the Company's Tariff I.G.S. The initial 500 MW will begin with a load ramp of 100 MW in October 2028.

12. In August 2026, TeraWulf and Kentucky Power began further conversations around increasing the load by an additional 500 MW load. The TeraWulf ESA is the result of those additional discussions. Unlike the original ESA, the TeraWulf ESA is a special contract that builds on the large load provisions in the Company's Tariff I.G.S. to provide additional benefits to the Company's existing customers.

13. Under the TeraWulf ESA, TeraWulf will pay the full rate of the Company's "Tariff I.G.S.", with no discounts or exemptions. The TeraWulf ESA includes five provisions that differ from the standard large load provisions in Tariff I.G.S. These provisions:

- create an obligation on the part of TeraWulf to provide $100,000,000 in bill credits to the Company's residential customers;

- create an obligation on the part of TeraWulf to pay up to $465,000,000 in carrying charges on costs incurred by Kentucky Power during the construction of the Combined-Cycle Generation Project;

- establish a mechanism for energy pricing from the beginning of TeraWulf facility load ramp through the date the Combined-Cycle Generation Project is placed into service;

- provide for a variance from the full 20-year term for the second phase of the TeraWulf load ramp; and

- allow for a limited capacity reduction during the term not just arising from a facility closure.

14. The provisions of the TeraWulf ESA provide additional meaningful benefits to customers in the following ways:

- $100,000,000 in residential bill credits payable by TeraWulf;

- lower rate billings for surcharges that allocate fixed costs based on a percentage revenue including the Securitization Savings Rider and the Environmental Surcharge.

- payment of up to $465,000,000 of carrying charges during the construction period of the Combined-Cycle Generation Project resulting in a lower cost asset and rate base when the plant goes into service in 2031; and

- use of a separate PJM subaccount during the period between when it begins taking service in October 2028 and when the Combined-Cycle Generation Project goes into service in April 2031, avoiding an increase in fuel costs during that period. Additionally, the TeraWulf ESA requires TeraWulf to pay Kentucky Power $17,000 per month to recover any costs associated with administering this PJM subaccount.

Company Witness Vaughan provides additional detail on each of these provisions in his Direct Testimony.

15. Kentucky Power has an obligation to serve customers within its service territory. The TeraWulf ESA allows Kentucky Power to provide service to the Muskie Data Center in a

manner that both protects and provides benefits to existing customers. As described in Company Witness Vaughan's Direct Testimony, the total of these benefits over the life of the TeraWulf ESA exceeds $2.1 billion.

SERVING THE TERAWULF ESA LOAD

16. Kentucky Power's generation portfolio currently consists of Big Sandy Unit 1 and the Mitchell generating station. Big Sandy Unit 1 is a 295 MW natural gas plant. The Mitchell plant is comprised of two super-critical pulverized coal-fired baseload generating units. Mitchell Unit 1 has a nameplate capacity of 770 MW and Mitchell Unit 2 has a nameplate capacity of 790 MW, for a total nameplate capacity of 1,560 MW. Both units were placed in service in 1971. Kentucky Power owns a 50% undivided interest in this plant. Kentucky Power's owned generation portfolio totals 1,075 MW.

17. Kentucky Power's owned generation portfolio is sufficient to meet its current needs; however, the addition of the 1,000 MW Muskie Data Campus load creates a significant incremental energy and capacity need for Kentucky Power. The Company plans to meet that need through the construction of the Combined-Cycle Generation Project and the Bridge Capacity Agreement (together, the "Capacity Plan"). The Company will also work with the AEPSC Commercial Operations team to be allocated additional annual capacity in the Company's Fixed Resource Requirement ("FRR") plan to meet any additional capacity needs.

18. The Combined-Cycle Generation Project is a 769 MW natural gas combined-cycle power plant on the site of Kentucky Power's Big Sandy Plant near Louisa, Kentucky. The Combined-Cycle Generation Project will consist of two natural gas-fired combustion turbine generators, associated heat recovery steam generators, one steam turbine generator, environmental control equipment, and the balance-of-plant facilities necessary for the safe, reliable, and

environmentally compliant operation of the generating facility. The Combined-Cycle Generation Project is expected to reach commercial operation in the second quarter of 2031 and will have a useful life of 40 years.

19. The Bridge Capacity Agreement is a two-year capacity agreement between AEP Generation Resources Inc. ("AGR") and Kentucky Power through which Kentucky Power will partially fill the balance of the Company's capacity requirement. Under the Bridge Capacity Agreement, Kentucky Power will purchase 262.9 MW of installed capacity ("ICAP") from the Wolf Hills natural gas combustion turbine plant in Virginia and 430.3 MW from AGR's share of the Ohio Valley Electric Corporation ("OVEC")/Indiana-Kentucky Electric Corporation ("IKEC") facilities located in Ohio and Indiana. The delivery term of the Bridge Capacity Agreement is from June 1, 2029 through May 31, 2031. The contract price is equal to the PJM Interconnection, LLC ("PJM") Base Residual Auction ("BRA") Price in the applicable PJM zone where the facility is located for each such day of the applicable PJM Delivery Year. All of the capacity resources included in the Bridge Capacity Agreement are physically located inside the AEP transmission zone and are deliverable to the Company's load.

20. The price paid under the Bridge Capacity Agreement is the market price for capacity and the lower of cost or market.

21. The Combined-Cycle Generation Project and Bridge Capacity Agreement do not meet the full capacity obligation under the TeraWulf ESA. To meet the remainder, the American Electric Power Service Company ("AEPSC") Commercial Operations team has procured additional capacity purchase agreements on behalf of the AEP operating companies included in the FRR plan to layer in as annual capacity purchases for the operating companies as needed. This process is similar to how the Company addresses capacity needs now. This purchase is being

made by AEPSC on behalf of the FRR operating companies, will be included in the Company's joint FRR plan with its affiliates and the relative amount of the AEPSC purchase needed by each operating company will be allocated to it to cover the respective load growth each delivery year.

22. As it does with all generation resource additions, Kentucky Power engaged in a thorough review of all reasonable alternatives to meet its need. The Company is in need of dispatchable generation that can achieve a high level of availability to aid in serving the high load factor system addition. Additionally, TeraWulf has large energy needs that require baseload, dispatchable energy. The Company then conducted a Request for Proposal ("RFP") for in-state, dispatchable generation, to which there was no response. The Company recognizes that being a price taker in the current PJM market for both capacity and energy for demand this high, is not a viable option, nor is it a reasonable long-term solution given the current state of the PJM market.

23. Because there were no responses to the RFP and being a price taker in the current PJM market is not a viable option, the Company evaluated the Combined-Cycle Generation Project against solar, wind, and a combustion turbine. The Company conducted two analyses to compare alternatives. First, the Company compared the Combined-Cycle Generation Project against solar, wind, and combined solar and wind resources. The result of this analysis is summarized below and is described in more detail in Company Witness Vaughan's Direct Testimony.

	CC Gen Project	All Solar	50% Solar 50% Wind	All Wind
New ICAP[4] (MWs)	769	7,209	4,364	1,518
Total ICAP (MWs)	1,845	8,285	5,439	2,593
UCAP (MWs)	1,454	1,454	1,453	1,454
Capital Cost of New Generation ($ millions)	$2,846	$22,378	$14,375	$6,372
Market Exposure (MWhs)	3,126,287	4,871,678	3,911,358	5,053,755
Net Present Value of Revenue Requirement ($ millions)	$3,670	$22,465	$14,778	$7,091

24. In addition to the comparison against solar, wind, and combined solar and wind resources, the Company compared the Combined-Cycle Generation Project against a combustion turbine alternative. However, the nature of the Company's new system needs supported the Company's decision to pursue a combined cycle natural gas project rather than a simple cycle combustion turbine ("CT") project. The addition of the high load factor TeraWulf ESA made it apparent to the Company that a more energy dense resource was needed, therefore the decision was made to pursue the combined cycle project because of its greater efficiency and expected energy production. Furthermore, the addition of the heat recovery steam generator ("HRSG") added more ICAP and unforced capacity ("UCAP") that the Company needs than the equivalent CT project would.

[4] ICAP is the measure of "installed capacity" while UCAP is "unforced capacity" also known as accredited capacity or the amount of capacity which the Company can utilize in its planning purposes for meeting the capacity obligations of its native load customers.

25. The Company conducted a break-even analysis to show at what price market energy would have to be priced over the proposed Combined-Cycle's life to make the CT, which costs less from a capital outlay perspective but also produces a great deal fewer megawatt-hours ("MWh") of energy, a more prudent investment for the Company. The analysis shows that nominally over the 40-year life of the project PJM Locational Marginal Prices ("LMPs") would have to average roughly $8/MWh to make the additional capital cost of the Combined-Cycle Generation Project not be worth the additional energy the project provides. This is not a reasonable or prudent assumption. LMPs year to date for the Company's load aggregate have averaged roughly $60/MWh. The result of this analysis is described in more detail in Company Witness Vaughan's Direct Testimony.

26. The Venator Substation Project includes the construction of a new 765/345 kV substation in Boyd County, Kentucky. The Venator Substation Project is necessary to accommodate the TeraWulf interconnection request for new 345kV service at its proposed Muskie Data Campus. The peak demand at this delivery point will be approximately 1000 MW. The existing local 138kV and 69kV transmission system is inadequate to serve the requested 1000 MW data center load while adhering to North American Electric Reliability Corporation ("NERC") Transmission System Planning Performance Requirements. The existing 138kV and 69kV transmission system in the area does not have sufficient thermal capacity to serve a load of this magnitude. The Venator Substation Project requires creating a new 765/345kV substation that has sufficient capacity to serve this load during normal and outage conditions defined by NERC planning criteria. Additional information regarding the Venator Substation Project is included in the Direct Testimonies of Company Witnesses Koehler, Larson, and Rafay.

27. The Company evaluated physical substation location and electrical line alternatives to the Venator Substation Project. The Company concluded that no reasonable electric alternatives existed for the Venator Substation Project. The existing 765kV transmission line near the customer's load location has sufficient capacity to serve the requested load, while the existing 138kV and 69kV transmission lines in the area do not. Serving 1000 MW of new load from the 138kV or 69kV networks is impractical due to system limitations. The only solution is to connect directly to the 765kV lines. The proposed 765kV source is significantly closer than the next available alternatives, which are located more than 13 miles away. Connecting to those alternative sources would require additional transmission facilities across rugged terrain, substantially increasing construction complexity and cost. Therefore, no reasonable electrical alternative exists.

28. The Company also evaluated physical substation alternatives to the Venator Substation Project. The Company followed the stepwise process. First, the Company defined a Study Area based on the Venator Substation Project's electrical requirements and the locations of the existing 765kV transmission source and the customer site. Second, environmental and land use constraints and opportunity features within the Study Area were mapped using publicly available data. Third, the Company identified eight potential locations ("Study Sites") capable of accommodating the required substation footprint. Fourth, the Study Sites were reviewed in the field on July 30, 2026, and six were eliminated based on terrain, access, transmission line routing, and surrounding land use constraints. The two remaining sites were designated "Alternative Sites A and B" and evaluated in greater detail, including contact with the landowners, preliminary grading designs, and conceptual transmission line connections. Finally, through a quantitative and qualitative comparison of the Alternative Sites, the Company identified Alternative Site A as the Venator Substation Project site. Additional detail regarding the site selection process for the

Venator Substation Project is included Company Witness Larson's Direct Testimony and in the Siting Study attached to her Direct Testimony as Exhibit ESL-1.

LEGAL STANDARDS

Certificates of Public Convenience and Necessity

29. Under KRS 278.020(1), a utility must seek, and be granted, a CPCN from the Commission prior to constructing or acquiring any facility intended to be used in providing utility service to its consumers.

30. "Need" requires:

> [A] showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed or operated.
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> [T]he inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied by normal improvements in the ordinary course of business; or to indifference, poor management or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.[5]

31. In *Kentucky Utilities Co. v. Public Service Commission*, the Kentucky Court of Appeals clarified that the question of whether there is a need "is not one which must be answered with absolute certainty," and may be satisfied when the utility has "a reasonable basis of anticipation" that "the consumer market in the immediately foreseeable future will be sufficiently large to make it economically feasible for a proposed system or facility to be constructed."[6]

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[5] *Ky. Utils. Co. v. Pub. Serv. Comm'n*, 252 S.W.2d 885, 890 (Ky. 1952).

[6] 390 S.W.2d 168, 170, 172 (Ky. 1965). Big Rivers Rural Electric Cooperative Corporation's application in *Kentucky Utilities Co.* was originally filed in 1962. *Id.* The application, among other items, sought approval for the construction of a 75,000 KW steam generating plant, approval for the construction of transmission lines "from the generating plant to the lines or load centers of Henderson-Union and Green River," and an interconnection line between the facility and other power producing facilities at Barkley Dam. *Id.*

32. "Wasteful duplication" is defined as "an excess of capacity over need" and "excessive investment in relation to productivity or efficiency, and an unnecessary multiplicity of physical properties."[7] To demonstrate that a proposed facility does not result in wasteful duplication, the Commission has held that an application must demonstrate that a thorough review of all reasonable alternatives has been performed.[8] Selection of a proposal that ultimately costs more than an alternative does not necessarily result in wasteful duplication.[9] "[T]he Commission must balance all relevant factors [.]"[10]

Evidence of Indebtedness Under KRS 278.300

33. KRS 278.300(1) states that: "[n]o utility shall issue any securities or evidences of indebtedness, or assume any obligation or liability in respect to the securities or evidences of indebtedness of any other person until it has been authorized so to do by order of the commission." KRS 278.300(3) establishes that the Commission:

> shall not approve any issue or assumption unless, after investigation of the purposes and uses of the proposed issue and the proceeds thereof, or of the proposed assumption of obligation or liability, the commission finds that the issue or assumption is for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

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[7] *Ky. Utils. Co. v. Pub. Serv. Comm'n*, 252 S.W.2d at 890.

[8] Order at 11, *In the Matter of: Joint Application Of Louisville Gas And Electric Company And Kentucky Utilities Company For The Construction Of Transmission Facilities In Jefferson, Bullitt, Meade, And Hardin Counties, Kentucky*, Case No. 2005-00142 (Ky. P.S.C. Sept. 8, 2005).

[9] *See Ky. Utils. Co.*, 390 S.W.2d at 175; *see also* Order at 8, *In the Matter of: Electronic Application Of East Kentucky Power Cooperative, Inc. For 1) Certificates Of Public Convenience And Necessity To Construct A New Generation Resource; 2) For A Site Compatibility Certificate Relating To The Same; 3) Approval Of Demand Side Management Tariffs; And 4) Other General Relief*, Case No. 2024-00370 (Ky. P.S.C. July 3, 2025) (citing *In the Matter of: The Application Of East Kentucky Power Cooperative, Inc. For A Certificate Of Public Convenience And Necessity To Construct A 138 kV Electric Transmission Line In Rowan County, Kentucky*, Case No. 2005-00089 (Ky. P.S.C. Aug. 19, 2005)).

[10] Order at 6, *In the Matter of: The Application Of East Kentucky Power Cooperative, Inc. For A Certificate Of Public Convenience And Necessity To Construct A 138 KV Transmission Line In Rowan County, Kentucky*, Case No. 2005-00089 (Ky. P.S.C. Aug. 19, 2005).

34. In Case No. 2020-00016, the Commission stated that KRS 278.300 applies to purchase power agreement cases when the proposed agreements include a minimum obligation or take/pay provision.[11] With regard to KRS 278.020(1), the Commission reasoned that the CPCN statute applies "if the financial and operational impact of the agreement on ratepayers is the same as if new generation were being constructed."[12]

STATEMENT OF PUBLIC CONVENIENCE AND NECESSITY

Combined-Cycle Generation Project

(a) Need

35. As described above and in the Direct Testimonies supporting this Application, Kentucky Power must obtain additional capacity and energy to serve the Muskie Data Campus under the TeraWulf ESA.

36. The evidence presented in the testimony supporting this Application confirms that the Combined-Cycle Generation Project is part the lowest-cost, reasonable alternative for the Company to serve the Muskie Data Campus.

(b) Wasteful Duplication

37. Constructing the Combined-Cycle Generating Project to meet its obligation to serve the Muskie Data Center under the TeraWulf ESA does not duplicate any existing facilities and does not result in an excess of capacity beyond need, or excess investment in relation to the productivity and efficiency to be gained. In fact, as explained above and in Company Witness

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[11] Order at 11, *In the Matter of: Electronic Application Of Louisville Gas And Electric Company And Kentucky Utilities Company For Approval Of A Solar Power Contract And Two Renewable Power Agreements To Satisfy Customer Requests For a Renewable Energy Source Under Green Tariff Option #3*, Case No. 2020-00016 (Ky. P.S.C. May 8, 2020).
[12] *Id.* (citations omitted).

Vaughan's Direct Testimony, there is a clear need to invest in efficient, dispatchable, baseload generation to serve the increased load on the Company's system. The Company's analysis demonstrates that the Combined-Cycle Generation Project is the lowest-cost reasonable alternative for doing so.

Venator Substation Project

(a) Need

38. As described above and in the Direct Testimonies supporting this Application, the Venator Substation Project is necessary for Kentucky Power to provide service to the Muskie Data Center. The Venator Substation Project will provide the transmission infrastructure necessary to transform power from the nearby 765 kV transmission system to 345 kV to serve the customer's requested load.

39. The evidence presented in the testimony supporting this Application confirms that the Venator Substation Project is the lowest-cost, reasonable alternative for the Company to provide service to the Muskie Data Center.

(b) Wasteful Duplication

40. Constructing the Venator Substation Project to meet its obligation to serve the Muskie Data Center under the TeraWulf ESA does not duplicate any existing facilities and does not result in an excess of capacity beyond need, or excess investment in relation to the productivity and efficiency to be gained. The Venator Substation Project is required to provide service to the Muskie Data Campus at the proper voltage. The Company's analysis demonstrates that the Venator Substation Project is the lowest-cost reasonable alternative for doing so.

41. KRS 278.030(2) requires utilities to "furnish adequate, efficient and reasonable service." Adequate service means capacity sufficient to meet the maximum estimated requirements

of its customers with reasonable continuity of service. That obligation is forward looking, and the Commission has been clear about its expectations, expressing time and again its preference for "steel in the ground" and long-term firm capacity agreements which do not overly rely on the market "for any sustained period of time."[13] Likewise, KRS 164.2807(1)(j) establishes Kentucky's policy that utilities "maintain adequate capacity of available, reliable, dispatchable, and resilient electric generation to provide for the existing and reasonably projected future energy consumption needs of all wholesale, retail, and other consumers of electricity in the Commonwealth."

42. The proposed projects operationalize both Commission precedent and the General Assembly's policy preferences by ensuring that Kentucky Power has the necessary generation and transmission capacity to provide adequate, efficient and reasonable service to all Kentucky Power customers at the least reasonable cost while protecting those customers from overexposure to market conditions.

APPROVAL OF THE BRIDGE CAPACITY AGREEMENT UNDER KRS 278.300

The Financial Obligations Assumed By Kentucky Power Under The Bridge Capacity Agreement Are For A Lawful Object Within Kentucky Power's Corporate Purposes.

43. Kentucky Power is a corporation organized under the laws of the Commonwealth of Kentucky. It is regulated by the Commission and, pursuant to Kentucky's Certified Territory Statutes, KRS 278.016–278.018, possesses the exclusive right and obligation to provide retail electric service within its certified territory in parts of 20 counties in Kentucky.

44. The financial obligations assumed by Kentucky Power under the Bridge Capacity Agreement are in connection with a short-term contract for the purchase of capacity to meet

[13] Case No. 2021-00198, *Electronic Tariff Filing of East Kentucky Power Cooperative, Inc. And Its Member Distribution Cooperatives For Approval of Proposed Changes To Their Qualified Cogeneration And Small Power Production Facilities Tariffs* (Ky. P.S.C. Oct. 26, 2021) Final Order at 5, FN 10.

Kentucky Power's obligation as an electric utility providing service within its service territory within the Commonwealth of Kentucky, to provide adequate, efficient and reasonable service to its Kentucky customers.[14] Specifically, the Bridge Capacity Agreement will allow the Company to serve the Muskie Data Center under the TeraWulf ESA until the Combined-Cycle Generating Project is placed in service. As such, the Bridge Capacity Agreement, and Kentucky Power's financial obligations under the Bridge Capacity Agreement, are for a lawful object within the Company's corporate purpose.

The Financial Obligations Assumed By Kentucky Power Under the Bridge Capacity Agreement Are Necessary And Appropriate For, And Consistent With, The Provision Of Electric Service By Kentucky Power In Its Certified Territory And Will Not Impair Its Ability To Perform That Service.

45. As described above and in the Direct Testimonies supporting this Application, the Company has identified a need for capacity to serve the Muskie Data Center under the TeraWulf ESA until such time as the Combined-Cycle Generating Project is placed in service. As discussed in Company Witness Vaughan's Direct Testimony, the Bridge Capacity Agreement provides cost-effective capacity to meet the requirements during this period. As a result, the financial obligations assumed by Kentucky Power under the Bridge Capacity Agreement are necessary and appropriate for, and consistent with, Kentucky Power's provision of electric service.

The Bridge Capacity Agreement Is Reasonably Necessary And Appropriate For Such Purpose.

46. When determining whether the Bridge Capacity Agreement is reasonably necessary and appropriate, the Commission will apply the standard in KRS 278.020(1) to determine whether

[14] KRS 278.030.

Kentucky Power has a need for the additional capacity and whether additional capacity is the least cost reasonable alternative available to satisfy that need.[15]

47. As explained in the next section of this Application, the terms of the Bridge Capacity Agreement comply with the requirements of KRS 278.020(1).

Compliance with Requirements Under KRS 278.020(1)

(a) Kentucky Power Has A Need For The Capacity Provided Under The Bridge Capacity Agreement

48. As described above and in the Direct Testimonies supporting this Application, the Company has identified a need for capacity to serve the Muskie Data Center under the TeraWulf ESA until such time as the Combined-Cycle Generating Project is placed in service. As discussed in Company Witness Vaughan's Direct Testimony, the Bridge Capacity Agreement provides cost-effective capacity to meet the requirements during this period. The Bridge Capacity Agreement therefore provides needed capacity during a time when Kentucky Power will need it.

(b) The Capacity Provided Under The Bridge Capacity Agreement Will Not Result In Wasteful Duplication

49. The Bridge Capacity Agreement does not duplicate any existing facilities and does not result in an excess of capacity over need, or excess investment in relation to the productivity and efficiency to be gained. There is a clear need for the Company to acquire capacity to serve the Muskie Data Center under the TeraWulf ESA until such time as the Combined-Cycle Generating Project is placed in service. As described in Company Witness Vaughan's Direct Testimony, the Bridge Capacity Agreement is the lowest-cost, reasonable alternative to meet this need.

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[15] Order at 11, *In the Matter of: Electronic Application Of Big Rivers Electric Corporation For Approval Of Solar Power Contracts*, Case No. 2020-00183 (Ky. P.S.C. Sept. 28, 2020).

SITE COMPATIBILITY CERTIFICATE

50. As explained in Company Witness Dilley's Direct Testimony, the Company requests a site compatibility certificate under KRS 278.216 for the Big Sandy Combined-Cycle Project. Kentucky Power attaches the required Site Assessment Report, with the content required by KRS 278.708, as Exhibit MJD-2 to Company Witness Dilley's Direct Testimony.

PERMITS OR FRANCHISES (807 KAR 5:001, SECTION 15(2)(b))

51. The required permits for the Combined-Cycle Generation Project are described in the Direct Testimonies of Company Witnesses Dilley and Blake. The Company will continue to investigate whether additional permits will be required as part of the engineering and design process. No franchises are required for the Combined-Cycle Generation Project.

52. The required permits for the Venator Substation Project are described in Company Witness Larson's Direct Testimony. The Company will continue to investigate whether additional permits will be required as part of the engineering and design process. No franchises are required for the Venator Substation Project.

DESCRIPTION OF PROPOSED LOCATION FOR CONSTRUCTION (807 KAR 5:001, SECTION 15(2)(c))

53. The proposed Combined-Cycle Generation Project will be constructed at the Big Sandy Plant in Louisa, Kentucky. The method of construction of the Combined-Cycle Generation Project is described in Company Witness Dilley's Direct Testimony. The Combined-Cycle Generation Project will not compete with any other public utilities, corporations, or persons.

54. The Venator Substation Project will be constructed in Boyd County, Kentucky. The method of construction of the Venator Substation Project is described in the Direct

Testimonies of Company Witnesses Koehler and Rafay. The proposed Venator Substation Project will not compete with any other public utilities, corporations, or persons.

AREA MAP
(807 KAR 5:001, SECTION 15(2)(d)(1))

55. The Combined-Cycle Generation Project will be constructed at the Big Sandy Plant in Louisa, Kentucky. A map showing the location of the Big Sandy Plant is included as Exhibit MJD-1 to Company Witness Dilley's Direct Testimony.

56. The proposed Venator Substation Project will be constructed in Boyd County, Kentucky. A map showing the location of the Venator Substation Project is included as Exhibit ESL-2 to Company Witness Larson's Direct Testimony.

PLANS AND SPECIFICATIONS
(807 KAR 5:001, SECTION 15(2)(d)(2))

57. The current plans and specifications for the Combined-Cycle Generation Project, signed, sealed, and dated by an engineer registered in the Commonwealth of Kentucky as required by KRS 322.340, are provided in Exhibit MJD-1 to Company Witness Dilley's Direct Testimony.

58. The current plans and specifications for the Venator Substation Project, signed, sealed, and dated by an engineer registered in the Commonwealth of Kentucky as required by KRS 322.340, are provided in Exhibit AR-1 to Company Witness Rafay's Direct Testimony. A list of major components for the Venator Substation Project and their specifications is provided in Exhibit AR-2 to the testimony of Company Witness Rafay.

ESTIMATED COST
(807 KAR 5:001, SECTION 15(2)(e) AND (f))

59. The manner by which Kentucky Power proposes to finance the Combined-Cycle Generation Project is described in Company Witness Elliott's Direct Testimony. The total

estimated cost of the initial construction Combined-Cycle Generation Project is approximately $2.81 billion. The estimated annual ongoing costs of operation are provided in Confidential Exhibits WWL-1 and WWL-2 to Company Witness Lewis's Direct Testimony.

60. The manner by which Kentucky Power proposes to finance the Venator Substation Project is described in Company Witness Elliott's Direct Testimony. The total estimated cost of the Venator Substation Project is approximately $285 million. The estimated annual ongoing costs of operation is expected to be approximately $82,000 excluding ad valorem taxes.

61. The price the Company will pay under the Bridge Capacity Agreement is the market price for capacity.

62. The Combined-Cycle Generation Project, Venator Substation Project, and the Bridge Capacity Agreement will positively affect Kentucky Power's financial condition while simultaneously reducing costs for other customers. The Company proposes to fund the cost of the Combined-Cycle Generation Project, Venator Substation Project, and the Bridge Capacity Agreement, including any incremental O&M using a combination of internally generated funds, debt issuances, and possible equity infusions from AEP in a manner consistent with Kentucky Power's investment grade credit rating capitalization structure and its Commission authorized capital structure.

OTHER REGULATORY REQUIREMENTS

807 KAR 5:001, Section 18

63. A general description of Kentucky Power's property and its field of operation, together with the statement of its original cost and its cost to Kentucky Power, is attached as **EXHIBIT 3**. *807 KAR 5:001, Section 18(1)(b).*

64. Kentucky Power will not issue any stock or bonds as a part of entering into the Bridge Capacity Agreement. Under existing Commission authority, the Bridge Capacity Agreement constitutes an evidence of indebtedness. *807 KAR 5:001, Section 18(1)(c).*

65. Kentucky Power is entering into the Bridge Capacity Agreement as a necessary and appropriate method of meeting its capacity needs. The Bridge Capacity Agreement is described in more detail above. *807 KAR 5:001, Section 18(1)(d)*.

66. Kentucky Power is not acquiring any property but is instead entering into the Bridge Capacity Agreement. A copy of the Bridge Capacity Agreement is included as Confidential Exhibit AJE-6 to Company Witness Elliott's Direct Testimony. *807 KAR 5:001, Section 18(1)(e)*.

67. Kentucky Power is not proposing to discharge or refund obligations as part of this Application. *807 KAR 5:001, Section 18(1)(f).*

68. The required financial exhibits are described below. *807 KAR 5:001, Section 18(2)(a).*

69. There are no outstanding trust deeds or mortgages relating to Kentucky Power or its property. *807 KAR 5:001, Section 18(2)(b)*.

70. The information required by 807 KAR 5:001, Section 18(2)(c) is not applicable because Kentucky Power is not proposing to construct any facility in relation to the Bridge Capacity Agreement, but rather to enter into the Bridge Capacity Agreement.

807 KAR 5:001, Section 12 – Financial Exhibit

71. The Financial Exhibit for the 12-month period ending September 30, 2026 required by 807 KAR 5:001, Section 12 is attached as Exhibit 4. 807 KAR 5:001, Section 12(2)(a-h).

72. A detailed income statement and balance sheet for Kentucky Power for the twelve-month period ending September 30, 2026 are included with Exhibit 4 (Financial Exhibit). 807 KAR 5:001, Section 12(2)(i).

TESTIMONY

73. The Direct Testimonies of the following witnesses are filed in support of this Application:

- Amy J. Elliott, Vice President of Regulatory Services and External Affairs, Kentucky Power
- Alex E. Vaughan, Vice President – Regulated Pricing & Strategic Transactions, AEPSC
- Michael J. Dilley, Vice President – Projects, AEPSC
- Wyatt L. Lewis, Plant System Owner Principal (Big Sandy Plant), Kentucky Power
- Clinton M. Stutler, Director of Natural Gas Procurement, AEPSC
- Frank E. Blake, Director – Environmental Services, AEPSC
- Nicholas C. Koehler, Managing Director of East Transmission Planning, AEPSC
- Emily S. Larson, Project Manager, Burns & McDonnell Engineering Company, Inc.
- Abdul Rafay, Station Engineering Manager, AEPSC

EXHIBITS

74. The exhibits listed in the Appendix to this Application are attached to and made a part of this Application.

COMMUNICATIONS

75. Kentucky Power respectfully requests that communications in this matter be addressed to the e-mail addresses identified on Kentucky Power's October 30, 2026 Notice of Election and Use of Electronic Filing Procedures.

WHEREFORE, Kentucky Power Company respectfully requests that the Commission enter an order:

1. Granting Kentucky Power a CPCN to construct the Combined-Cycle Generation Project as described in this Application and Company testimony;

2. Granting Kentucky Power a Site Compatibility Certificate to construct the Combined-Cycle Generation Project as described in this Application and Company testimony;

3. Granting Kentucky Power a CPCN **no later than March 1, 2027** to construct the Venator Substation Project as described in this Application and Company testimony;

4. Approving the Bridge Capacity Agreement; and

5. Granting Kentucky Power all additional relief to which it may be entitled.

Respectfully submitted,



Kenneth J. Gish, Jr.
Harlee P. Havens
Jurgens van Zyl
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COUNSEL FOR KENTUCKY POWER COMPANY

VERIFICATION

I, Amy J. Elliott, Vice President, Regulatory and External Affairs of Kentucky Power Company, after being duly sworn, state that the facts contained in this Application are true and accurate to the best of my knowledge.

Amy J. Elliott

COMMONWEALTH OF KENTUCKY)
) ss Case No. 2026-00324
COUNTY OF BOYD)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, by Amy J. Elliott this 13th day of November 2026.

Marilyn Michelle Caldwell
Notary Public

My Commission Expires: May 5, 2027

Notary ID Number: KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027

APPENDIX

EXHIBIT 1 Application Requirements Checklist

EXHIBIT 2 November 13, 2026 Certificate of Existence

EXHIBIT 3 General Description of Kentucky Power's Property

EXHIBIT 4 Financial Exhibit, including Income Statement and Balance Sheet

Exhibit 1

Application Requirements Checklist

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
General Application Requirements				
807 KAR 5:001				
Section 7(1)	The application and 10 copies.	Company is using electronic filing		
Section 4(3)	Paper signed by submitting party or attorney.	Complied.		
Section 4(3)	Name, address, telephone number, fax number, and e-mail address of submitting party or attorney.	Complied.		
Section 8(2)(a)	At least seven (7) days prior to the submission of its application, an applicant shall file written notice of its election to use electronic filing procedures using the Notice of Election of Use of Electronic Filing Procedures form.	Complied. Filed October 30, 2026.		
Section 4(10)	Personal information must be redacted	Complied.		

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 8(4)(b)	E-filed documents must be .pdf files that: • are searchable and optimized for internet viewing; • have bookmarks distinguishing sections; • if scanned material, be at resolution of 300 DPI	Complied; please note that certain historical figures and maps included in testimony exhibits cannot be made searchable.		
Section 14(1)	Full name, mailing address, and e-mail address of applicant.	Application at ¶ 1.		
Section 14(1)	Facts on which application is based, with request for the order, authorization, permission, or certificate desired.	Application; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan; Direct Testimony of Michael J. Dilley; Direct Testimony of Wyatt W. Lewis; Direct Testimony of Clinton M. Stutler; Direct Testimony of Frank E. Blake.	Application; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan; Direct Testimony of Nicholas C. Koehler; Direct Testimony of Emily S. Larson; Direct Testimony of Abdul Rafay.	Application; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan.
Section 14(1)	A reference to the particular law requiring Commission approval.	Application introductory paragraph; Application at ¶¶ 29-32.	Application introductory paragraph; Application at ¶¶ 29-32.	Application introductory paragraph; Application at ¶¶ 33-34.

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	Application at ¶ 2 and footnotes 1-2; Application Exhibit 2.		
Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	N/A		
Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	N/A		

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Requirements for Applications for Certificates of Public Convenience and Necessity				
807 KAR 5:001				
Section 15(2)(a)	The facts relied upon to show that the proposed construction or extension is or will be required by public convenience or necessity.	Application; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan; Direct Testimony of Michael J. Dilley; Direct Testimony of Wyatt W. Lewis; Direct Testimony of Clinton M. Stutler; Direct Testimony of Frank E. Blake.	Application; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan; Direct Testimony of Nicholas C. Koehler; Direct Testimony of Emily S. Larson; Direct Testimony of Abdul Rafay.	N/A
Section 15(2)(b)	Copies of franchises or permits, if any, from the proper public authority for the proposed construction or extension, if not previously filed with the commission.	Application at ¶ 51; Direct Testimony of Michael J. Dilley; Direct Testimony of Frank E. Blake (collectively describing anticipated permits).	Application at ¶ 52; Direct Testimony of Emily S. Larson (describing anticipated permits).	N/A

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 15(2)(c)	A full description of the proposed location, route, or routes of the proposed construction or extension, including a description of the manner in which same will be constructed, and the names of all public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete.	Application at ¶ 53; Direct Testimony of Michael J. Dilley.	Application at ¶ 54; Direct Testimony of Nicholas C. Koehler; Direct Testimony of Emily S. Larson; Direct Testimony of Abdul Rafay.	N/A
Section 15(2)(d)(1)	One (1) copy in portable document format on electronic storage medium and two (2) copies in paper medium of: Maps to suitable scale showing the location or route of the proposed construction or extension, as well as the location to scale of like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of the other facilities; and	Application at ¶ 55; Exhibit MJD-1.	Application at ¶ 56; Exhibit ESL-2.	N/A
Section 15(2)(d)(2)	One (1) copy in portable document format on electronic storage medium and two (2) copies in paper medium of: Plans and specifications and drawings of the proposed plant, equipment, and facilities;	Application at ¶ 57; Exhibit MJD-1.	Application at ¶ 58; Exhibit AR-1; Exhibit AR-2.	N/A

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
KRS 322.340	Engineering plans, specifications, drawings, plats and reports for the proposed construction or extension prepared by a registered engineer, must be (1) signed, (2) sealed, and (3) dated by an engineer registered in Kentucky.	Exhibit MJD-1.	Exhibit AR-1.	N/A
Section 15(2)(e)	The manner in detail in which the applicant proposes to finance the proposed construction or extension.	Application at ¶¶ 59, 62; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan.	Application at ¶¶ 60, 62; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan.	N/A
Section 15(2)(f)	An estimated annual cost of operation after the proposed facilities are placed into service.	Application at ¶¶ 59; Direct Testimony of Wyatt W. Lewis; Confidential Exhibits WWL-1 and WWL-2.	Application at ¶ 60; Direct Testimony of Abdul Rafay.	N/A

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Requirements for Applications for Certificates of Public Convenience and Necessity				
KRS 278.216(2)	An application for a site compatibility certificate shall include the submission of a site assessment report as prescribed in KRS 278.708(3) and (4), except that a utility which proposes to construct a facility on a site that already contains facilities capable of generating ten megawatts (10MW) or more of electricity shall not be required to comply with setback requirements established pursuant to KRS 278.704(3). A utility may submit and the commission may accept documentation of compliance with the National Environmental Policy Act (NEPA) rather than a site assessment report.	Application at ¶ 50; Direct Testimony of Michael J. Dilley; Exhibit MJD-2.	N/A	N/A
Requirements for Applications for Authority to Issue Other Evidences of Indebtedness				
KRS 278.300(2)	Application must be made under oath and signed by utility's president, or a vice president, auditor, comptroller or	N/A	N/A	Complied.

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
	other executive officer with knowledge of the matters set forth and designated by the utility.			
807 KAR 5:001				
Section 18(1)(b)	General description of Kentucky Power's property and the field of its operation, along with a statement of the original cost of the same and the cost to Kentucky Power. If it's impossible to state the original cost, the application must state why it's impossible.	N/A	N/A	Application at ¶ 63; Application Exhibit 3.
Sections 18(1)(c)	Amount of evidences of indebtedness to be issued, with terms, rate of interest, and if and how to be secured.	N/A	N/A	Application at ¶ 64; Direct Testimony of Amy J. Elliott; Confidential Exhibit AJE-6; Direct Testimony of Alex E. Vaughan.
Section 18(1)(d)	The use to be made of the proceeds of the issue of securities, notes, bonds, stocks, or other evidence of indebtedness with a statement indicating how much is to be used for the acquisition of property, the construction, completion, extension, or improvement of facilities, the improvement of service, the maintenance of service, and the discharge or refunding of obligations.	N/A	N/A	Application at ¶ 65; Direct Testimony of Amy J. Elliott; Direct Testimony of Alex E. Vaughan.

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 18(1)(e)	The property in detail that is to be acquired, constructed, improved, or extended with its cost, a detailed description of the contemplated construction, completion, extension, or improvement of facilities established in a manner whereby an estimate of the cost may be made, a statement of the character of the improvement of service proposed, and of the reasons why the service should be maintained from its capital.	N/A	N/A	Application at ¶ 66.
Section 18(1)(e)	A copy of the relevant contract(s).	N/A	N/A	Confidential Exhibit AJE-6.
Section 18(1)(f)	If it is proposed to discharge or refund obligations, a statement of the nature and description of the obligations including their par value, the amount for which they were actually sold, the associated expenses, and the application of the proceeds from the sales. If notes are to be refunded, the application shall show the date, amount, time, rate of interest, and payee of each and the purpose for which their proceeds were expended.	N/A	N/A	Application at ¶ 67.
Section 18(1)(g)	If the applicant is a water district, a copy of the applicant's written notification to the state local debt officer regarding the proposed issuance.	N/A	N/A	N/A

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 18(2)(a)	Financial exhibit required (*see* 807 KAR 5:001, Section 12).	N/A	N/A	Application at ¶¶ 68 and 71; Application Exhibit 4.
Section 18(2)(b)	Copies of trust deeds or mortgages, if applicable, unless they have already been filed with the commission, in which case reference shall be made by case number to the proceeding in which the trust deeds or mortgages have been filed	N/A	N/A	Application at ¶ 69.
Section 18(2)(c)	Maps and plans of the proposed property and constructions together with detailed estimates in a form that they can be reviewed by the commission's engineering division. Estimates shall be arranged according to the commission-prescribed uniform system of accounts for the various classes of utilities.	N/A	N/A	Application at ¶ 70.
Financial Exhibit				
Section 12(1)(a)	Financial exhibit must cover operations for a 12 month period ending not more than 90 days prior to the date the application is filed.	N/A	N/A	Application at ¶ 71; Application Exhibit 4
Section 12(2)	The required information in subsection (2) must be included in the order indicated.	N/A	N/A	Complied; Application Exhibit 4

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 12(2)(a)–(c)	• Amount and kinds of stock authorized; • Amount and kinds of stock issued and outstanding; • Terms of preferred stock, cumulative or participating, or on dividends or assets or otherwise;	N/A	N/A	Complied; Application Exhibit 4
Section 12(2)(d)	A brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with sinking fund provisions, if applicable;	N/A	N/A	Complied; Application Exhibit 4
Section 12(2)(e)	The amount of bonds authorized and amount issued, giving the name of the public utility that issued the same, describing each class separately and giving the date of issue, face value, rate of interest, date of maturity, and how secured, together with amount of interest paid during the last fiscal year;	N/A	N/A	Complied; Application Exhibit 4
Section 12(2)(f)	Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid during the last fiscal year;	N/A	N/A	Complied; Application Exhibit 4

APPLICATION REQUIREMENTS CHECKLIST

Requirement	Description of Requirement	Location(s) in Filing (CCGP)	Location(s) in Filing (VSP)	Location(s) in Filing BCA
Section 12(2)(g)	Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of a portion of the indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid during the last fiscal year;	N/A	N/A	Complied; Application Exhibit 4
Section 12(2)(h)	The rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year; and	N/A	N/A	Complied; Application Exhibit 4
Section 12(2)(i)	A detailed income statement and balance sheet.	N/A	N/A	Application ¶ 72 Application Exhibit 4

Exhibit 2

Certificate of Existence

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Certificate of Existence

Authentication number: 384282
Visit https://sosbes.sos.ky.gov/BusSearchNProfile/CertValidate.aspx to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

KENTUCKY POWER COMPANY is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State; and is therefore in good standing.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 13th day of November, 2026, in the 235th year of the Commonwealth.

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
384282/0028317

Exhibit 3

General Description of Kentucky Power's Property

General Description of Kentucky Power's Property

Applicant's property in Kentucky includes the 295 megawatt Big Sandy Plant generating station located in Lawrence County, constructed in conformity with certificates of public convenience and necessity issued by this Commission; transmission lines and all appurtenant facilities; distribution lines; transmission aid distribution stations and equipment; office buildings and equipment; storerooms for operation and maintenance materials; data processing equipment; metering equipment; communication equipment and motor vehicles. Applicant also owns an undivided 50% interest in the 1,560 MW Mitchell Plant generating station located in Moundsville, West Virginia, acquired and maintained in conformity with the certificates of public convenience and necessity issued by this Commission. The total original cost of Applicant's property is $4,086,845,846 as of September 30, 2026, which includes $2,278,866 of capital leases and $7,181,622 of operating leases. The total original cost also includes $67,317,734 of real property located in Kentucky, consisting of $18,949,000 of land and $48,368,734 of land rights.

Exhibit 4

Financial Exhibit

Kentucky Power Company
Income Statement
As of September 30, 2026

REVENUES	
Revenue - Retail Sales	559,338,920
Revenue - Transmission	37,245,191
Revenue - Sales for Resale	15,163,872
Revenue - Other Operating	10,126,505
Provision for Rate Refund	697,808
Revenue - Power Sales	-
TOTAL OPERATING REVENUES	622,572,296

FUEL EXPENSES	
Total Fuel for Electric Generation	119,941,197
Total Purchased Power	86,514,953
GROSS MARGIN	416,116,146

OPERATING EXPENSES	
Operational Expenses	137,659,114
Maintenance Expenses	62,730,822
Total Operational and Maintenance Expenses	200,389,935
Depreciation and Amortization	106,714,373
Taxes Other Than Income Taxes	19,021,021
TOTAL OPERATING EXPENSES	326,125,330
Memo: SEC Total Operating Expenses	532,581,480
OPERATING INCOME	89,990,816

NON-OPERATING INCOME / (EXPENSES)	
Total Interest & Dividend Income	498,694
Interest & Dividend Carrying Charge	-
Memo: Total Interest & Dividend Income w/ Carrying	498,694
Other Components of Net Periodic Pension	4,372,579
AFUDC	6,010,496
Gain on Disposition of Equity Investments	-
Total Interest Charges	(62,400,746)
INCOME BEFORE INCOME TAXES and EQUITY EARNINGS	38,471,839

INCOME TAXES and EQUITY EARNINGS	
Total Income Taxes	6,000,875
Equity Earnings of Subs	-
INCOME AFTER INCOME TAXES and EQUITY EARNINGS	32,470,964
Discontinued Operations (Net of Taxes)	-
Cumulative Effect of Accounting Changes	-
Extraordinary Income / (Expenses)	-
NET INCOME	32,470,964
Minority Interest	-
Preferred Stock Dividend Subs	-
Earnings to Common Shareholders	32,470,964

Kentucky Power Company
Balance Sheet
As of September 30, 2026

ASSETS	
Cash and Cash Equivalents	**994,486**
Other Cash Deposits	**13,782,040**
Customers	14,693,202
Accrued Unbilled Revenues	3,228,083
Miscellaneous Accounts Receivable	19,263,814
Allowances for Uncollectible Accounts	(74,887)
Accounts Receivable	**37,110,212**
Advances to Affiliates	**0**
Fuel, Materials and Supplies	**71,126,994**
Risk Management Contracts - Current	**25,230,765**
Margin Deposits	**526,669**
Unrecovered Fuel - Current	**0**
Other Current Regulatory Assets	**0**
Prepayments and Other Current Assets	**4,992,440**
TOTAL CURRENT ASSETS	**153,763,608**
Electric Production	**3,738,813,450**
Electric Transmission	**0**
Electric Distribution	**0**
General Property, Plant and Equipment	**1,157,534**
Construction Work-in-Progress	**337,388,611**
TOTAL PROPERTY, PLANT and EQUIPMENT	**4,077,359,595**
less: Accumulated Depreciation and Amortization	**(1,314,276,826)**
NET PROPERTY, PLANT and EQUIPMENT	**2,763,082,769**
Net Regulatory Assets	**264,838,395**
Securitized Transition Assets and Other	**435,880,412**
Spent Nuclear Fuel and Decommissioning Trusts	**0**
Investments in Power and Distribution Projects	**0**
Goodwill	**0**
Long-Term Risk Management Assets	**508,433**
Employee Benefits and Pension Assets	**46,847,606**
Other Non Current Assets	**28,020,702**
TOTAL OTHER NON-CURRENT ASSETS	**776,095,548**
TOTAL ASSETS	**3,692,941,925**

LIABILITIES	
Accounts Payable	**135,332,736**
Advances from Affiliates	**125,794,077**
Short-Term Debt	**0**
Other Current Regulatory Liabilities	**0**
Long-Term Debt Due Within One Year Non-Affiliated	**134,578,282**
Long-Term Debt Due Within One Year - Affiliated	**0**
Risk Management Liabilities	**2,214,341**
Accrued Taxes	**14,827,214**
Memo: Property Taxes	20,875,512
Accrued Interest	**18,560,813**
Deposits - Customer and Collateral	**41,688,745**
Over-Recovered Fuel Costs - Current	**5,986,819**
Other Current Liabilities	**24,372,912**
TOTAL CURRENT LIABILITIES	**503,355,939**
Long-Term Debt - Affiliated	**0**
Long-Term Debt - Non Affiliated	**1,410,271,122**
Long-Term Debt - Premiums and Discounts Unamort	**(570,172)**
Long-Term Risk Management Liabilities	**468,540**
Deferred Income Taxes	**503,973,657**
Deferred Investment Tax Credits	**0**
Regulatory Liabilities and Deferred Credits	**159,856,983**
Asset Retirement Obligation	**89,901,939**
Nuclear Decommissioning	**0**
Employee Benefits and Pension Obligations	**4,804,363**
Trust Preferred Securities	**0**
Cumulative Preferred Stocks of Subs - Mandatory Redemption	**0**
Other Non-Current Liabilities	**14,534,744**
TOTAL NON-CURRENT LIABILITIES	**2,183,241,175**
TOTAL LIABILITIES	**2,686,597,114**
Cumulative Pref Stocks of Subs - Not subject Mand Redemp	**0**
Minority Interest - Deferred Credits	**0**

COMMON SHAREHOLDERS' EQUITY	
Common Stock	**50,450,000**
Paid In Capital	**528,331,662**
Premium on Capital Stock	**0**
Retained Earnings	**427,563,149**
Accumulated Other Comprehensive Income (Loss)	**0**
TOTAL SHAREHOLDERS' EQUITY	**1,006,344,811**
Memo: Total Equity	1,006,344,811
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,692,941,925**

KENTUCKY POWER COMPANY
As of September 30, 2026

1. Amounts and kinds of stock authorized.

2,000,000 Shares of Common Stock, $50 par value.

2. Amounts and kinds of stock issued and outstanding.

1,009,000 Shares of Common Stock, $50 par value, recorded at $50,450,000.

3. Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

The Company has no preferred stock authorized or outstanding.

4. Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking funds provisions.

None

5. Amount of bonds authorized, and amount issued, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.

- **$150 Term Loan: Issued 09/29/2026 | Interest Rate: 5.22525% | Maturity 09/29/2028 | Avg. Cost of Debt $ 7,838M**

Notes: **Average cost of debt is calculated using the variable interest rate on 9/30/2026.**

6. Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the twelve months ending September 30, 2026.

Date of Issue	Date of Maturity	Rate of Interest	Principal Amount as of September 30, 2025	Principal Amount as of September 30, 2026	Interest Expense 12 Months Ending September 30, 2025	Interest Expense 12 Months Ending September 30, 2026
Senior Notes						
06/13/2003	12/01/2032	5.625%	$75,000,000	$75,000,000	$4,218,750	$4,218,750
06/18/2009	06/18/2029	8.030%	$30,000,000	$30,000,000	$2,409,000	$2,409,000
06/18/2009	06/18/2039	8.130%	$60,000,000	$60,000,000	$4,878,000	$4,878,000
09/30/2014	09/30/2026	4.180%	$120,000,000	$120,000,000	$5,016,000	$5,016,000
12/30/2014	12/30/2026	4.330%	$80,000,000	$80,000,000	$3,464,000	$3,464,000
09/12/2017	09/12/2027	3.350%	$40,000,000	$40,000,000	$1,340,000	$1,340,000
09/12/2017	09/12/2029	3.450%	$165,000,000	$165,000,000	$5,692,500	$5,692,500
09/12/2017	09/12/2047	4.120%	$55,000,000	$55,000,000	$2,266,000	$2,266,000
11/10/2023	11/15/2033	7.000%	$375,000,000	$375,000,000	$26,250,000	$26,250,000
Pollution Control Bonds						
06/02/2026	04/01/2036	3.750%	$65,000,000	$65,000,000	$2,437,500	$2,437,500
Term Loans						
09/29/2026	09/29/2028	Variable	$150,000,000	$150,000,000	$0	$43,544
Intercompany Note						
None						

Short Term Borrowings

The Company participates in the AEP System Corporate Borrowing Program.
As of September 30, 2025, the Company had $0 of Short Term Debt borrowing, the twelve months ended interest expense was $3,245,391.20 and the Weighted Average Interest Rate was 4.457.
As of September 30, 2026, the Company had $125,794,077 of Short Term Debt borrowing, the twelve months ended interest expense was $2,224,587.00 and the Weighted Average Interest Rate was 4.735%.
The Company was in a borrowed position for 229 days in the last twelve months.

Note: Except for one series that was issued as a publicly registered note when Kentucky Power was an SEC registrant, Senior Notes were purchased and held primarily by insurance companies. The Pollution Control Bonds were publicly remarketed in June 2023 and are publicly held. Term loans were advanced by and are owed to a various combination of banks.

Note: The Senior Notes in 2003 were issued in public offerings. The Senior Notes in 2009, 2014, and 2017 were issued in private offerings to qualified institutional investors.

7. Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution of assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the twelve months ending September 30, 2026.

The Company has no other indebtedness.

8. Rate and amount of dividends paid during the five previous calendar years, and the amount of capital stock on which dividends were paid each year:

Year	Common Dividend Amount	Common Shares Outstanding	Dividend per Common Share
2025	**$0**	**1,009,000**	**$0.00**
2024	**$0**	**1,009,000**	**$0.00**
2023	**$0**	**1,009,000**	**$0.00**
2022	**$0**	**1,009,000**	**$0.00**
2021	**$0**	**1,009,000**	**$0.00**

9. Detailed income statement and balance sheet (see **Exhibit 4** pages 1 - 2).

Kentucky Power - Post Allocated Capital Excluding AFUDC

$ in Millions

Company	Function	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E
Kentucky Power Total	Environmental Generation	0.40	0.47	0.29	8.81	19.84	18.73
	New Generation	50.54	191.02	911.53	960.20	624.83	74.92
	Reg Renewables	-	-	-	-	-	-
	Other Generation	17.37	22.80	13.29	35.66	18.81	24.00
	Distribution	122.88	138.69	116.88	75.13	100.60	96.25
	Transmission	142.82	141.52	148.26	174.90	146.79	136.83
	Corporate/Other	12.31	16.09	13.85	13.56	17.69	15.22
Kentucky Power Total		346.31	510.59	1,204.10	1,268.26	928.57	365.95