



KNOW THE FACTS ABOUT LIBERTY'S PENDING PURCHASE OF KENTUCKY POWER

A Bright Future for Eastern Kentucky with New Jobs and Reliable, Cost-Effective Electric Service

MYTH: Liberty's purchase of Kentucky Power will result in higher electric rates for customers.

FACT: On Day One Liberty's purchase will deliver immediate cost decreases to customers. Liberty has committed to creating a \$40 million fund to provide immediate rate relief to customers of eastern Kentucky as well as deferring collection of the Big Sandy decommissioning rider for three years. Together, this is expected to **decrease residential customer bills approximately 14-16%**. These benefits are only available if the transaction is completed and not "contingent" on anything other than a successful sale. Liberty has also committed to honoring the current rate freeze in place through 2023.

MYTH: This transaction will result in poorer service to customers in the region.

FACT: Liberty is focused on providing high levels of service and is committed to maintaining all current operations with the same great employees who have served Kentucky Power customers for years. We also plan on bringing many of the functions currently provided out of state to within the service territory—expected to add over 100 jobs—so that our local employees can focus on enhancing reliability and ensuring customers' needs are met. Liberty has significant experience providing reliable electric service in rugged terrains and will share this expertise to complement and enhance the significant experience of the local team. Liberty will ensure a strong, local customer service presence in the communities we serve, including plans to: open two walk-in service centers; maintain Kentucky Power's local headquarters in Ashland; create a position supporting customer advocacy; and establish a call center in the service territory employing 20-25 local workers.

MYTH: This transaction will result in an underserved windfall profit for AEP.

FACT: Liberty is purchasing Kentucky Power at a fair purchase price. Liberty is prohibited by law from seeking to recover from customers any premium paid for the acquisition.

MYTH: Liberty will quickly shift away from fossil generation.

FACT: Liberty will maintain Kentucky Power's existing operations in the region over the coming years including the Big Sandy plant. Moreover, Liberty is committed to maximizing the life of Big Sandy. Any future changes to these operations, including the type of power generation used to service the region, would be subject to a public approval process before the PSC.

MYTH: A non-profit electric cooperative would offer service to customers at a more competitive rate.

FACT: Liberty represents the best path forward for securing a strong future of reliable and cost-effective electric service in eastern Kentucky. Furthermore, Liberty brings extensive expertise and a history of quality service that can be expected to provide reliable, cost-effective electric service to customers in eastern Kentucky along with maintaining current jobs and creating new jobs for local residents.