

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	Case No.
CLAUSE OF KENTUCKY POWER COMPANY	)	2020-00245
FROM NOVEMBER 1, 2019 THROUGH APRIL 30,	)	
2020	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within 14 days from the date of this request. The Commission directs Kentucky Power to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085,<sup>1</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Power's response to Staff's First Request for Information (Staff's First Request), Item 2, Attachment 1.

- a. Per Note 2, explain the amount of and type (high or low sulfur) deferred coal from each supplier currently under contract with Kentucky Power and when Kentucky Power expects to fulfill the terms of the contract.

b. Explain the rationale for continuing to purchase coal from companies that had not honored their contract commitments.

c. Explain why Kentucky Power would continue to enter into coal purchase contracts of any length when it is having to negotiate with coal companies to defer deliveries to later dates in order to manage inventory levels.

d. For Contract Order No. 07-77-05-900, Consolidation Coal Company and McElroy Coal Company (Coal Company), provide an update of the status of the contract including the remaining term and end date of the contract, the remaining amount of coal Kentucky Power is contractually required to be taken in each of the remaining years, and the contract's Force Majeure terms that would allow Kentucky Power to cancel the contract, and if the contract were to be broken, whether there would be any payments (continuing or otherwise) to the Coal Company.

e. For Contract Order No 03-00-17-004, Ember Energy, LLC; and Contract Order 03-00-18-007, SNR RiverOps, LLC, explain in detail the reasoning given by each supplier for why the required quantity was failed to be delivered during term. Also, provide Kentucky Power's response to the suppliers' failure to fulfill the contract.

f. Also, refer to Kentucky Power's response to Staff's First Request, Item 1, Attachment 1. In response to Item 1, Ember Energy, LLC is footnoted as having been originally executed as a Spot purchase, but amended with the Term in excess of one year. In response to Item 2, Ember Energy, LLC is footnoted as having failed to deliver required quantity during term. Explain whether the contract was extended before or after the supplier failed to deliver the required quantity during term.

2. Refer to Kentucky Power's response to Staff's First Request, Item 3, Attachment 1d. Provide for each Kentucky Power generating unit by month the number of hours each unit ran and the number of hours that the unit's cost bid into the PJM energy markets (day ahead and spot) was at or below the PJM Zonal Locational Marginal Price (LMP).

3. Refer to Kentucky Power's response to Staff's First Request, Item 9. Explain whether Kentucky Power has conducted any on-site reviews and inspections of mining operations, scales, and sampling systems, and whether it has uncovered or corrected any issues with fuel suppliers or transportation providers.

4. Refer to Kentucky Power's response to Staff's First Request, Item 15, Attachment 1. For the month of December, Mitchell Unit 1 was out virtually on a continual basis from December 1, 2019, through December 23, 2019. During that time, the outage was alternately classified either as a forced outage or as a maintenance outage. Explain how a generating unit outage can be classified as a forced and a maintenance outage on an alternating basis.

5. Refer to Kentucky Power's response to Staff's First Request, Item 15, Attachment 1, and Item 17, Attachment 1.

a. The data in Item 15, Attachment 1, shows that Mitchell Unit 1 was able to run for part of the time during the December 2019. Explain how the capacity factor shown in Item 17 for December can be zero.

b. The data in Item 15, Attachment 1, show that the Big Sandy Unit 1 had no outages in March 2020. Explain how the capacity factor shown in Item 17 for March 2020 can be zero.

c. Provide the calculations supporting each monthly capacity factor in Item 17.

6. Explain whether the Black Lung Disability Trust Fund Excise Tax has affected any existing fuel contracts for Kentucky Power for the period under review through 2020.



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Acting Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED OCT 07 2020

cc: Parties of Record

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