

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)	2022-00036
FROM MAY 1, 2021 THROUGH OCTOBER 31,)	
2021)	

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 is due on May 18, 2022. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 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 Commission Staff's First Request for Information (Staff's First Request), Item 2, Attachment 1. For contract no. 07-77-05-900,

a. Explain and compare the characteristics of the coal obtained from the McElroy Mine and the Century Mine; and

b. Explain how the coal from the Century mine in Ohio was actually transported to the Mitchell plant.

2. Refer to Kentucky Power's response to Staff's First Request, Item 3, Attachment, page 1 of 1. Note 1 states, "[Kentucky Power] and Seller agreed to nonratable shipment volumes for the period."

a. Explain what nonratable shipment volumes means in this instance and how it might affect the shipment volumes delivered to Kentucky Power.

b. Explain why Kentucky Power decided to agree to nonratable shipment volumes.

3. Refer to Kentucky Power's response to Staff's First Request, Item 3. Explain, on a monthly basis, what the actual fuel burn rate was for the Mitchell plant.

4. Refer to Kentucky Power's response to Staff's First Request, Item 4, KPCO_R_PSC_1_4_CONFIDENTIAL_Attachment2 (May 14, 2021 RFP) and KPCO_R_PSC_1_4_CONFIDENTIAL_Attachment3 (September 20, 2021 RFP)

a. Explain whether Kentucky Power has for the period under review or is currently having trouble acquiring adequate supplies of coal. If so, explain the reasons.

b. Explain the differences between the public (green highlight) and confidential (yellow highlight) in the two spreadsheets.

c. Explain whether Kentucky Power ultimately entered into contracts with the companies highlighted in green. If not, explain why not.

d. The May 2021 Request for Proposal (RFP) bid sheet contains several lines for which there is no comment as to whether Kentucky Power ultimately accepted a bid, proposed acceptance, or rejected the bid for cause. Provide an update on the status of those bids.

e. The May 2021 RFP bid sheet has two bids for which a purchase is proposed. Provide an update as to whether Kentucky Power entered into a contract.

f. The spreadsheets contain different SO₂ removal costs per ton such that the September spreadsheet (Attachment3) SO₂ removal cost is almost twice that of the May spreadsheet (Attachment2). Explain the causes for the difference.

5. Refer to Kentucky Power's response to Staff's First Request, Item 13, Attachment 1. Explain each of the account numbers listed.

6. Refer to Kentucky Power's response to Staff's First Request, Item 15.

a. Explain the difference between a Planned Outage, Maintenance Outage, and Forced Outage.

b. Explain in detail how far in advance Kentucky Power schedules its Maintenance Outages and Planned Outages before taking the units offline.

c. Explain whether, during the period of review, Kentucky Power designated any unscheduled outages that require substitute power for a continuous period in excess of six hours as Maintenance Outages or Planned Outages. If so, list the instances in which this has occurred and explain why these outages were not designated as Forced Outages.

7. Refer to Kentucky Power's response to Staff's First Request, Item 15. In the event where a Mitchell unit goes down or off line with an outage and as a result, both Wheeling Power and Kentucky Power purchase energy:

a. Explain whether there would be a single purchase transaction that is then allocated to the two utilities or two separate market transactions. If there is a single transaction, explain the allocation methodology.

b. Explain the role of the Power Coordination Agreement would have, if any.

c. If not answered above, explain whether Kentucky Power and Wheeling Power pay the same Locational Marginal Pricing (LMP) price. If not, explain why not.

d. For the monthly periods for which the units are running, explain the time PJM selects the units to run and the time the units are available but not selected to run. Include in the response the corresponding levels of output (intensity) for each unit. For example, if the units are not selected, but are available, the units may run at their lowest level of output and would have to ramp up in called upon to run.

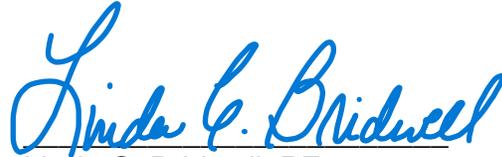
e. For the monthly periods for which the units bid in price is equal to or less than the LMP and the units are selected to run, explain whether the units also simultaneously provide ancillary services. If so, list the ancillary services for which the units participate.

f. For the monthly periods for which the units are not selected to run by PJM but are available, explain whether the units provide ancillary services. If so, list the ancillary services for which the units participate.

8. Refer to Kentucky Power's response to Staff's First Request, Items 1, 4, 15, and 16. Explain how Kentucky Power manages its coal purchases and its coal deliveries in relation to the frequent and sometimes extended unit outages and overall low-capacity factors.

9. Refer to Kentucky Power's response to Staff's First Request, Item 22. Yellow highlighted spreadsheet items were purchased with the subsequent contract

numbers listed. In Item 4 Attachment3, it is not clear whether the company in green highlight was purchased even though the coal prices are among the lowest in the solicitation. Explain why.



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DATED MAY 09 2022

cc: Parties of Record

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