

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	CASE NO.
POWER COMPANY TO EXTEND DATE TO FILE	)	2022-00353
2022 INTEGRATED RESOURCE PLAN	)	

ORDER

The Commission, on its own motion, opens this proceeding to address a request filed by Kentucky Power by letter. On October 12, 2022, Kentucky Power Company (Kentucky Power) filed a letter requesting to extend the date for filing its 2022 Integrated Resource Plan (IRP) from December 20, 2022, to March 20, 2023. The Commission will treat the letter as a motion.

As a basis for the request, Kentucky Power explained that the closing date for Liberty Utilities Company's (Liberty) acquisition of Kentucky Power would not occur until January 2023, instead of the anticipated closing date during the second quarter of 2022. Kentucky Power further explained that extending the date to file the 2022 IRP would allow Liberty to actively participate in the IRP planning process, especially in regard to long-term plans for replacing the Rockport Unit Power Agreement (Rockport UPA) capacity after the 2023/2024 PJM Interconnection, LLC (PJM) planning year. Kentucky Power asserted that, if the extension was granted, the 2022 IRP would more closely represent long-term plans for Kentucky Power under Liberty's ownership.

Based upon the letter and being otherwise sufficiently advised, the Commission finds that Kentucky Power established good cause to extend the filing date of its 2022

IRP to allow for Kentucky Power’s long-term resource planning to be more closely aligned with Liberty’s long-term plans for Kentucky Power once the acquisition closes, and therefore the request should be granted. The Commission is concerned that Kentucky Power continues to delay a determination of resources necessary to serve retail demand in light of the termination of the Rockport UPA in December 2022 and the end of Kentucky Power’s undivided 50 percent ownership in the Mitchell Generating Station (Mitchell), which will end no later than December 2028.<sup>1</sup> Kentucky Power obtains 393 MW of energy from the Rockport UPA and 780 MW from Mitchell. The Commission expects that granting the extension of time to allow Liberty to take an active role in the IRP planning will result in Kentucky Power addressing the long-term resource planning with greater certitude.

IT IS THEREFORE ORDERED that:

1. This case is opened to address Kentucky Power’s request to extend the date to file Kentucky Power’s 2022 IRP.
2. Kentucky Power’s request to extend the date to file its 2022 IRP is granted.
3. Kentucky Power shall file its 2022 IRP on or before March 20, 2023
4. This case is closed and removed from the Commission’s docket.

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<sup>1</sup> Case No. 2021-00004, *Electronic Application of Kentucky Power Company for Approval of a Certificate of Public Convenience and Necessity for Environmental Project Construction at the Mitchell Generating Station, An Amended Environmental Compliance Plan, and Revised Environmental Surcharge Tariff Sheets* (Ky. PSC May 3, 2022) at 6–7.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00353 DATED OCT 27 2022

THREE PAGES TO FOLLOW

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October 12, 2022

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Linda C. Bridwell  
Executive Director  
Public Service Commission  
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Frankfort, KY 40602-0615

RECEIVED  
OCT 12 2022  
PUBLIC SERVICE  
COMMISSION

RE: **Request for Extension of Time to File 2022 Integrated Resource Plan of Kentucky Power Company on or before March 20, 2023.**

Dear Ms. Bridwell:

Kentucky Power Company (“Kentucky Power” or “Company”) respectfully requests, pursuant to 807 KAR 5:058, Section 2(1)(c), that the Public Service Commission of Kentucky (“Commission”) extend the deadline for Kentucky Power to file its 2022 Integrated Resource Plan (“IRP”) until March 20, 2023.

Pursuant to the filing schedule in 807 KAR 5:058, Section 2, and the Commission’s June 4, 2021 Order in Kentucky Power’s last IRP case (Case No. 2019-00443),<sup>1</sup> Kentucky Power’s next IRP currently is due to be filed no later than December 20, 2022. Given the timing of the closing of the sale of Kentucky Power to Liberty Utilities Company (“Liberty”), good cause exists to extend the deadline for Kentucky Power’s next IRP 90 days until March 20, 2023.

In May 2022, the Commission approved the Joint Application for approval of the transfer of ownership and control of Kentucky Power to Liberty in Case No. 2021-00481.<sup>2</sup> At that time, the parties anticipated that the sale would close in the second quarter of 2022. Liberty and Kentucky Power’s current parent, American Electric Power Company, Inc. (“AEP”) recently

<sup>1</sup> *In the Matter of: Electronic 2019 Integrated Resource Planning Report Of Kentucky Power Company*, Case No. 2019-00443.

<sup>2</sup> *In the Matter of: Electronic Joint Application Of American Electric Power Company, Inc., Kentucky Power Company And Liberty Utilities Co. For Approval Of The Transfer Of Ownership And Control Of Kentucky Power Company*, Case No. 2021-00481.

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announced on September 30, 2022 that the parties signed an amended agreement on the sale of Kentucky Power to Liberty and expects to close the sale in January 2023.<sup>3</sup>

Further, on August 12, 2022, Kentucky Power made a written filing into the post-case correspondence of Case No. 2020-00174, in accordance with the Commission's February 22, 2021 Order in that case, which detailed the Company's proposal to obtain its initial capacity replacement for the Rockport UPA following its expiration on December 8, 2022 through, and under the terms and conditions of, the Power Coordination Bridge Agreement ("PCBA") between Kentucky Power and the AEP Operating Companies.<sup>4</sup>

In the August 12, 2022 letter filing, Kentucky Power stated that its capacity purchases through the PCBA are intended as an interim measure, and that Kentucky Power would file its 2022 IRP with the Commission on or before December 20, 2022, which would identify the Company's long-term plans for replacing the Rockport UPA capacity beyond the PJM 2023/2024 planning year.<sup>5</sup>

The Commission has twice granted Kentucky Power extensions to file its IRP. In Case No. 2002-00377, the Commission granted Kentucky Power an additional 39 days to file its 2002 IRP.<sup>6</sup> As part of the motion, Kentucky Power stated that additional time was needed to gather and assemble the required data due to structural changes related to its merger with Central and South West Corporation, changes to the AEP Interconnection Agreement from a five-member to a three-member power pool, and the retirement of the individual traditionally responsible for preparing its IRP.<sup>7</sup> The Commission granted the extension, finding that it was "necessitated by a number of material changes that have occurred since Kentucky Power filed its last IRP in 1999."<sup>8</sup>

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<sup>3</sup> See Press Release, "AEP AND LIBERTY REACH AMENDED AGREEMENT ON SALE OF KENTUCKY OPERATIONS," (<https://www.aep.com/news/releases/read/8681/AEP-and-Liberty-Reach-Amended-Agreement-on-Sale-of-Kentucky-Operations->) (last accessed October 10, 2022).

<sup>4</sup> KPCO Letter Filing, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Accounting Practices To Establish Regulatory Assets And Liabilities; (4) Approval Of A Certificate Of Public Convenience And Necessity; And (5) All Other Required Approvals And Relief*, Case No. 2020-00174 (August 12, 2022).

<sup>5</sup> See *id.*

<sup>6</sup> Order, *In The Matter Of: The 2002 Integrated Resource Planning Report Of Kentucky Power Company D/B/A American Electric Power Company*, Case No. 2002-00377 (Ky. P.S.C. October 21, 2002).

<sup>7</sup> See *id.*

<sup>8</sup> *Id.*

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In Case No. 2004-00420, the Commission granted Kentucky Power an additional 48 days to file its 2009 IRP.<sup>9</sup> Kentucky Power stated that the Company's most recent forecast and planning information would not be available to meet the originally established filing date, and requested the extension of time so that the most recent information can be incorporated into its filing.<sup>10</sup> For these reasons, the Commission found good cause to extend the deadline an additional 48 days.<sup>11</sup>

The current IRP due date of December 20, 2022 falls within about a month of the date that the sale of Kentucky Power to Liberty is expected to close (January 2023). Although AEP is currently conferring with Liberty in regard to the IRP, an extension of 90 days will allow more direct and deeper involvement by Liberty, thus allowing the IRP to more closely represent the Kentucky Power owned by Liberty that will exist during the shelf life of the IRP, including the Company's long-term plans to replace the Rockport UPA capacity after the end of the PCBA. A 90-day extension will allow the Company and Liberty sufficient time to prepare the IRP after the sale closes in January 2023.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC



Katie M. Glass

KMG

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<sup>9</sup> Order, *In The Matter Of: Application Of Kentucky Power Company For Approval Of A Stipulation And Settlement Agreement Resolving State Regulatory Matters*, Case No. 2004-00420 (Ky. P.S.C. February 23, 2009).

<sup>10</sup> *See id.*

<sup>11</sup> *Id.*

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