

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 MECHANICAL DRAFT COOLING)	CASE NO.
TOWER AT THE MITCHELL PLANT 2))	2026-00001
APPROVAL OF CERTAIN REGULATORY AND)	
ACCOUNTING TREATMENTS, AND 3) ALL)	
OTHER REQUIRED APPROVALS AND RELIEF)	

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

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on April 3, 2026. 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

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).

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 the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 the Direct Testimony of Tanner S. Wolfram (Wolfram Direct Testimony), page 5, lines 11–14. Explain whether thorough inspections have been conducted on cooling towers for Mitchell Unit 1 and Big Sandy gas fired Unit. Provide the inspection reports associated with those inspections.

2. Refer to the Wolfram Direct Testimony, page 6, lines 21–23.
 - a. If the Mitchell Cooling Tower Project (MCTP) is currently scheduled to be completed in 2029 and the new mechanical draft cooling tower is expected to go into service in the second quarter 2028, explain the extent to which Mitchell Unit 2 has been or will be derated in the interim with respect to Kentucky Power’s PJM capacity obligation.
 - b. Explain how Kentucky Power plans to make up for any capacity deficit resulting from the reduced Mitchell Unit 2 capacity until the MCTP is operational.
 - c. If Kentucky Power is purchasing capacity as a result of the MCTP, provide details including the cost and terms of the capacity purchase.
3. Refer to the Wolfram Direct Testimony, page 14, lines 1–9.
 - a. Provide any correspondence or other document from the Department of Energy discussing the grant requested for Kentucky Power or informing Kentucky Power or American Electric Power that Kentucky Power would not receive the grant.
 - b. Identify the entities and projects that received such grant funds.
 - c. Explain Kentucky Power’s understanding, if any, of why the Department of Energy did not award it a grant.
 - d. Explain whether there are other opportunities to fund the MCTP with grant funding.
4. Refer to the Wolfram Direct Testimony, page 13, lines 8–9. Refer also to the Wolfram Direct Testimony, page 15, lines 1–9.

a. Explain why there is a need to defer incremental operation and maintenance (O&M) expense for the proposed project if Kentucky Power does not anticipate there being any incremental increase O&M expense, including whether Kentucky Power anticipates an incremental decrease in O&M expense.

b. Identify the expected incremental O&M expense for Options 1, 3 and 4 in Table NMC-1.

c. Explain any differences in the incremental O&M expense for Options 1, 3, and 4 in Table NMC-1.

5. Refer to the Wolfram Direct Testimony, Public Exhibit TSW-1, page 12 indicating “Initial Capital” for Option 1, 3, and 4. Refer also to the Direct Testimony of Nicole M. Coon (Coon Direct Testimony), Exhibit NMC-1, indicating “Total Capital” for Option 1, 3, and 4. Refer also to the Malone Direct Testimony, Exhibit SPM-2.

a. Provide an itemized breakdown of the “Initial Capital” in Exhibit TSW-1 and the “Total Capital” in Exhibit NMC-1 for each option by year and category of cost in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Explain how each item in each itemized breakdown was estimated for Option 1 and 4, and provide any documents relied on to support such estimates, including any correspondence with vendors regarding expected cost.

c. Explain the differences in the costs for each option reflected as “Initial Capital” in Exhibit TSW-1; and “Total Capital” in Exhibit NMC-1;

d. Explain the differences between the costs of Option 3 reflected in Exhibit TSW-1 and Exhibit NMC-1; and costs reflected in Exhibit SPM-2.

6. Refer to the Direct Testimony of Shawn P. Malone (Malone Direct Testimony), page, 11 lines 5–6. Explain the extent to which local labor will be employed during the construction project.

7. Refer to the Coon Direct Testimony, page 5, lines 6–8, and page 9, lines 10–13 and Exhibit MNC-1.

a. Explain how the estimated energy margins were calculated for Options 1–4.

b. Provide an update to the analysis using the approved rates and weighted average cost of capital (WACC) for Kentucky Power from Case No. 2025-00257.² If Wheeling Power has an updated WACC or any other data from that used in the application analyses, identify the updated data and include Wheeling Power’s updated data in the updated analyses. Also include the additional commitment of Mitchell Unit 2 in the PJM planning cycle year 2027/2028 referenced in Coon Direct Testimony page 6, footnote 2.

8. Refer to the Coon Direct Testimony, page 5, lines 20–22. Provide a comparison between Kentucky Power’s capital structure and Wheeling Power’s capital structure and the average capital structure used in the various analyses. Include in the response the date upon which Wheeling Power’s capital structure was approved and the proceeding in which it was approved.

² Case No. 2025-00257 *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 Certain Regulatory and Accounting Treatments; and (4) All Other Required Approvals and Relief* (Ky PSC Feb. 28, 2026) Order.

9. Refer to the Coon Direct Testimony, page 6, lines 15–18. Explain how lost energy margins were calculated. Include the assumptions regarding generation, if any, that were made in order to calculate the lost energy margins.

10. Refer to the Coon Direct Testimony, page 9, lines 10–13 and Exhibit MNC-1. Provide the supporting workpapers for Exhibit MNC-1 in Excel format with all formulas and cells intact, visible, and unprotected.

11. Refer to the Coon Direct Testimony, page 10, lines 9–18, page 11, lines 1–7 and Exhibit NMC-2.

a. Provide Exhibit NMC-2 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Explain how the coincident peak (CP) referenced in Column (4) on the tables listed in Exhibit MNC-2 pages 1–4 is calculated.

c. Provide the bill impacts for the average residential customer using 1206 kWh per month and for the summer and winter peaks (using the most recent actual seasonal peaks) for 2026-2029, based upon the Commission approved rates from Case No. 2025-00257.

d. If not provided in subpart c. above, provide an update to Exhibit NMC-2, in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, based upon the Commission approved rates from Case No. 2025-00257. If Wheeling Power has an updated WACC or any other data from that used in the application analyses, state and include Wheeling Power's updated data in the updated analyses. Also include the additional commitment of Mitchell Unit 2 in the PJM planning cycle year 2027/2028 referenced in Coon Direct Testimony page 6, footnote 2.

12. Refer to the Malone Direct Testimony, page 5, Table SPM-1 and Exhibit SPM-1, Appendix B, page 1.

a. Explain the difference in the project costs between Exhibit SPM-1, Appendix B, page 1 and the cost estimate in Table SPM-1, option 3.

b. Provide all cost components for each option in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

13. Refer to the Malone Direct Testimony, page 3, line 14. Explain whether Kentucky Power plans to use One-sided or Two-sided Mechanical Cooling Towers.

14. Refer to the Malone Direct Testimony generally and refer to the Direct Testimony of Daniel W. Pizzino (Pizzino Direct Testimony) generally. Refer also to the Pizzino Direct Testimony, page 5, line 7, stating that Kentucky Power's plant personnel first observed the structural anomalies in April 2016.

a. State whether Kentucky Power completed any of the testing listed in subparts (1) and (2) below for the cooling towers on each of Mitchell Unit 1 and Unit 2, and if so, provide the results of any such testing. If not, explain whether such tests or similar tests were not considered to obtain additional information regarding the integrity of the cooling towers.

(1) Non-Destructive Testing (NDT), including Ground Penetrating Radar (GPR), Pachometer, and Ultrasonic Pulse Velocity (UPV) mapping.

(2) Chemical and Petrographic Analysis regarding carbonation and chloride penetration.

b. Identify all tests and inspections conducted on the cooling towers on each of Mitchell Unit 1 and Unit 2 and provide and explain the results of any such tests or inspections.

15. Refer to the Malone Direct Testimony, page 7, lines 8–11. Provide the height of the existing Mitchell Unit 2 Cooling Tower after partial demolition.

16. Refer to the Malone Direct Testimony in general. State whether the existing cooling tower at Mitchell Unit 2 will continue to be used in any way to generate power after the completion of the new proposed mechanical draft cooling tower.

17. Refer to the Malone Direct Testimony, Exhibit SPM-1, page 8, Basis of Estimates, 3.1. Explain whether Kentucky Power considered item 4 (Exclusions) in its capital cost analysis. If not, explain why not.

18. Refer to the Malone Direct Testimony, Exhibit SPM-1, confidential pages 25–51. Provide these pages in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

19. Refer to the Pizzino Direct Testimony, page 6, lines 7–8. Explain why it is not possible to extend the useful life of the existing Mitchell Unit 2 Cooling Tower to 2040 when the Mitchell Plant retires.

20. Refer to the Pizzino Direct Testimony, page 6, lines 11–12.

a. Provide the 2024 initial capital project's cost and its workpapers.

b. Provide a side-by-side comparison of the detailed cost estimation analysis in July 2025 compared to the analysis in 2024.

21. Refer to the Pizzino Direct Testimony, page 11, lines 20–22, which states “The fans do require the use of auxiliary power, so there will be a slight reduction in output

of Mitchell Unit 2 when compared to the existing configuration with the hyperbolic tower”. Provide the amount of reduction in the output of Mitchell Unit 2 and its cost annually.

22. Refer to the Coon Direct Testimony, page 7, lines 6–7, indicating that the “total capital cost for Option 3 of approximately \$196 million used in the analysis was provided by Company Witness Malone.” Refer also to Malone Direct Testimony, page 10, line 10, stating that the “current estimated total capital cost for the Mitchell Cooling Tower Project is approximately \$191,000,000.” Refer also to the Malone Direct Testimony, Exhibit SPM-2. Explain the discrepancy between the \$196 million total capital cost referred to in the Coon Direct Testimony, the \$191 million referred to in the Malone Direct Testimony, and the amounts included Exhibit SPM-2.

23. Refer to Wolfram Direct Testimony, page 13, line 13. Explain what is meant by “other internally generated funds.”

24. Refer to the Wolfram Direct Testimony in general. Explain the effect of the securitization on the new cooling tower project.

25. Refer to the Wolfram Direct Testimony, page 14, lines 12–14. Provide analysis for choosing Construction Work in Progress (CWIP) vs Allowance for Funds Used During Construction (AFUDC).

26. Provide any correspondence regarding costs, estimates, bids, responses to request for proposals, or other documents received from vendors or potential vendors relating to the proposed project or alternatives considered by Kentucky Power.

27. Refer to Malone Direct Testimony, page 5, table SPM-1. Provide the breakdown for incremental capital costs and removal costs separated by options in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

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DATED **MAR 19 2026**

cc: Parties of Record

Case No. 2026-00001

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