

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of:

Electronic Application Of Kentucky Power Company            )  
For: (1) Authority Pursuant To KRS 278.218 To Sell Up        )  
To 400,000 Tons Of Coal Scheduled For Delivery To The        ) Case No. 2017-00446  
Mitchell Generating Station In 2018; And (2) For All         )  
Other Required Approvals And Relief                            )

Kentucky Power Company's Written Report Of The Sale of Coal

Kentucky Power Company provides this written report in conformity with the Commission's March 8, 2018 order in this matter:

(1) Kentucky Power and Trafigura Trading LLC entered into an agreement on June 29, 2018 for the purchase by Trafigura of 400,000 tons of Northern Appalachian coal. The coal to be purchased by Trafigura is the subject of the Consol Contract described in paragraph 8 of the Company's application in this matter. Kentucky Power's share of the coal sold is 200,000 tons. The written agreement was executed by Kentucky Power on July 18, 2018.

(2) Trafigura Trading LLC is not an affiliate of Kentucky Power Company.

(3) The sales price is \$44.00 per ton F.O.B. at the delivery points identified in the agreement. There were no brokerage fees associated with the sale.

(4) The \$44.00 per ton sales price exceeds Kentucky Power's 2018 weighted average cost of NAPP coal under the Consol Contract of \$43.826 per ton.

(5) The \$44.00 per ton sales price exceeds the weighted average price during the second half of 2018 for NAPP 12,500 Btu, 6# SO2 coal of \$42.00 per ton. The \$42.00 per ton price was published in the June 22, 2018 issue of Argus Coal Daily: Weekly Price Bulletin (the most-recent issue at the time of the agreement.) The sales price also exceeds the \$42.875 price

per ton for the same coal as published in the June 29, 2018 issue of Argus Coal Daily: Weekly Price Bulletin. The June 29, 2018 issue was published the day of, but subsequent to, the award of the purchase.

- (6) A copy of the executed written agreement is attached.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'M. Overstreet', written over a horizontal line.

Mark R. Overstreet  
Katie M. Glass  
STITES & HARBISON PLLC  
421 West Main Street  
P.O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
Facsimile: (502) 223-4124  
[moverstreet@stites.com](mailto:moverstreet@stites.com)  
[kglass@stites.com](mailto:kglass@stites.com)