Kentucky Power Company KPSC Case No. 2018-00378 Commission Staff's Second Set of Data Requests Order Dated February 8, 2019

DATA REQUEST

KPSC 2_1Refer to Kentucky Power's response to Commission Staff's First Request
for Information (Staff's First Request), Item 1. The attachment to this
response shows that Kentucky Power will be in a capacity deficit
situation beginning in the 2022/2023 PJM Planning Year.

a. Explain the UCAP Planned Additions Capacity of 2 MW in the 2021/2022 Planning Year.

b. Explain in detail Kentucky Power's plan to address this capacity shortfall.

RESPONSE

a. The UCAP Planned Additions Capacity of 2 MW reflects Kentucky Power's calculation of the current PJM UCAP value of the 10 MW nameplate solar project described in the Company's 2016 IRP.

The 2016 IRP assigned 38% of the nameplate value as the PJM UCAP for solar additions. Given the current capacity performance rules, the Company now assumes the more conservative 20 percent value (2 MW) until specific unit history is established.

b. The Company is developing a plan to address the shortfall as part of the 2019 IRP process.

Witness: Ranie K. Wohnhas

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DATA REQUEST

KPSC 2_2 Refer to Kentucky Power's response to Staff's First Request, Item 8.

a. Explain why the estimated demand for the "Brady Operations" load is projected to be 27.5 MW when the maximum capacity requirement stated in Case No. 2018-00418 is 180 MW.

b. Confirm that the capacity deficit shown in the attachment to Kentucky Power's response to Staff's First Request, Item 1, does not include the projected industrial loads shown in KPCO_R_KPSC_ 1 _8_Attachment1 .xls and, therefore, Kentucky Power's capacity deficit beginning in the 2022/2023 PJM Planning Year could increase if these potential loads are realized.

RESPONSE

a. When the Company developed its load forecast in June 2018, the assumption was that Braidy would add 55 MW when the facility would become operational in 2021. As indicated in the Company's response to KPSC 1-8, the load forecast inherently has some load growth included as a result of the various economic drivers utilized. The load added to the industrial forecast for Braidy was reduced by 50% to reflect industrial load growth already incorporated in the forecast via the modeling process and for risk that the Braidy load may not materialize as expected.

The 180 MW load stated in Case No. 2018-00418 was provided to the Company after this load forecast was developed. Since the Company filed its application in Case No. 2018-00418 on December 21, 2018, Braidy has informed Kentucky Power that its estimated peak load for the first phase of operations, anticipated to begin in late 2021, is approximately 102 MW.

b. The Company cannot confirm this request. The Company's capacity deficit beginning in the 2022/2023 PJM Planning Year, as shown in KPCO_R_KPSC_1_1_Attachment 1.pdf, includes the projected Demand amounts for Braidy Operations, Big Run Power, and Tennessee Gas Pipeline set forth in Column F of KPCO_R_KPSC_1_8_Attachment1.xls. The capacity deficit beginning in the 2022/2023 PJM Planning Year could be higher or lower than is reflected in KPCO_R_KPSC_1_1_Attachment1.pdf depending on the sizes of the actual industrial loads in that planning year.

Witness: Ranie K. Wohnhas

Kentucky Power Company KPSC Case No. 2018-00378 Commission Staff's Second Set of Data Requests Order Dated February 8, 2019

DATA REQUEST

KPSC 2_3 Refer to Kentucky Power's response to Staff's First Request, Item 9. In the second heading paragraph of the attachment to that response, it states how the carrying charges for the 12 months ending December 31, 1978, is derived. Confirm this is a correct date. If not, provide an update to any of the information on this page.

RESPONSE

Confirmed.

Witness: Ranie K. Wohnhas

VERIFICATION

The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director of Regulatory & Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Woh

Ranie K. Wohnhas

Commonwealth of Kentucky

Case No. 2018-00378

County of Boyd

Subscribed and sworn before me, a Notary Public, by Ranie K. Wohnhas this ______ day of February, 2019.

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