

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's Second Set of Data Requests
Dated April 19, 2021

DATA REQUEST

KPSC 2_1 Refer to Kentucky Power's response to Staff's First Request for Information(Staff's First Request), Item 6c, Attachment 1. Because the Mitchell Units appear to have energy market bid prices less than the PJM LMP infrequently, explain which PJM services the Mitchell units provided to PJM and for which PJM revenues were received for the years 2018, 2019, 2020.

RESPONSE

In addition to energy revenues, Mitchell provides certain ancillary services in the PJM market. See KPCO_R_KPSC_2_1_Attachment1 for those revenues.

Mitchell also serves as a capacity resource in PJM for Kentucky Power, which allows Kentucky Power to satisfy its reserve margin obligations and to avoid capacity purchases.

Witness: Mark A. Becker

Witness: Jason M. Stegall

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DATA REQUEST

- KPSC 2_2** Refer to Staff's First Request, Item 9c. The response seems to indicate that the power coordination agreement (PCA) has no impact on Kentucky Power's transactions in the PJM energy market. However, testimony during Kentucky Power's hearing in Case No. 2019-00443² seemed to indicate that the PCA plays an integral role in the satisfaction of Kentucky Power's internal winter energy needs.
- a. Explain the precise operational role that the PCA plays for Kentucky Power including how transaction prices would be set.
 - b. Explain how that operational role relates to any interactions with the PJM energy market.

RESPONSE

Kentucky Power contacted Commission Staff about the December 10, 2020 hearing testimony referenced in the data request. Staff indicated the referenced testimony began at approximately 10:34:50 and 10:39:55 of the December 10, 2020 hearing. To ensure the record is clear, Kentucky Power states the identified testimony by Company Witness Vaughan dealt with Kentucky Power's *capacity* obligations as a member of PJM and the benefits provided by the Power Coordination Agreement in meeting those obligations. He also addressed the effect of the December 7, 2022 expiration of the Rockport Unit Power Agreement on the Company's ability to meet its PJM *capacity obligations*. His referenced testimony was unrelated to Kentucky Power's "internal winter energy needs."

- a. Without regard to the referenced testimony in Case No. 2019-00443, the PCA is a capacity-related agreement and not an energy-related agreement. The PCA provides Kentucky Power the ability to combine capacity resources with other PCA member companies to meet the combined PJM capacity obligation for the PCA member companies. The PCA does not play "an operational role" for Kentucky Power in either "how transaction prices would be set," or in the satisfaction of internal winter energy needs.

The pricing of energy transactions in the PJM energy market is determined by PJM through its energy market mechanisms. The PCA has no bearing on either the price received from PJM for energy, or the calculation of the price at which available energy from Kentucky Power's resources is offered in to the PJM energy market. Nor does it affect the decision of whether to operate any Kentucky Power resources in any given hour.

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- b. See the Company's response to item a. The PCA provides Kentucky Power with the ability to combine capacity resources with other PCA member companies to meet a PJM capacity obligation, but it has no role in relation to any interactions in the PJM energy market.

Witness: Mark A. Becker

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DATA REQUEST

KPSC 2_3 State whether the impact of either compliance with Effluent Limitation Guidelines (ELG) and Coal Combustion Residual (CCR) rules or a 2028 retirement of the Mitchell Power Plant was considered or discussed jointly between Kentucky Power and Appalachian Power Company.

- a. If yes, describe in detail the contents of these discussions and identify the individuals involved.
- b. If no, explain why Appalachian Power Company and Kentucky Power did not communicate regarding these matters.
- c. State whether these considerations influenced Kentucky Power's decision making regarding compliance with CCR and ELG requirements at the Mitchell Power Plant.
- d. Explain whether these considerations influenced Kentucky Power's decision making regarding compliance with CCR and ELG requirements.

RESPONSE

Yes.

- a. Attorney-client privileged discussions were held between Kentucky Power and Appalachian Power regarding the impact of compliance with the CCR and ELG rules at Mitchell Plant and the separate filings Kentucky Power and Appalachian Power in their respective jurisdictions for approval to install equipment to comply with those rules. Those discussions were high-level in nature concerning the compliance requirements and comparing and contrasting the planned filings in each jurisdiction. Please see KPCO_R_KPSC_2_3_Attachment1 for a listing of attendees.
- b. See the Company's response to part a.
- c. The Company's communications with Appalachian Power did not affect Kentucky Power's decision making regarding CCR and ELG compliance at Mitchell Plant. The Company's filing stands on its own from the filing made in West Virginia by Wheeling Power Company.
- d. See the Company's response to part c.

Witness: D. Brett Mattison

Name:

Title:

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Regulatory Case Manager

Christen Blend

Senior Counsel

Tanner Wolfram

Counsel

Gary Spitznogle

VP Environmental Services

Bill Mast

Director - Projects

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John Scalzo

VP Regulatory & Finance

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VP Regulatory Services



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E-Signature Summary

E-Signature 1: Mark A. Becker (MAB)

May 03, 2021 09:35:56 -8:00 [4E86A8ECE1A4] [167.239.221.83]
 mabecker@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

May 03, 2021 09:35:56 -8:00 [834AEAAC50F9] [161.235.221.83]
 srsmithhisler@aep.com
 I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Mark A. Becker, being duly sworn, deposes and says he is a Managing Director of Resource Planning for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing responses, and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

Mark A Becker
Signed on 2021/05/03 09:35:56 -8:00

Mark A. Becker

STATE OF OHIO

)

) Case No. 2021-00004

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Mark A. Becker, this 3rd day of May, 2021.



S Smithisler
Signed on 2021/05/03 09:35:56 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

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E-Signature Summary

E-Signature 1: Brett Mattison (BM)

May 03, 2021 09:53:29 -8:00 [30655D455EF2] [167.239.2.87]
 bmattison@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

May 03, 2021 09:53:29 -8:00 [51EEB9EC86D6] [161.235.221.83]
 srsmithhisler@aep.com
 I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Brett Mattison, being duly sworn, deposes and says he is the President and Chief Operating Officer of Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing responses, and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

Brett Mattison
Signed on 2021/05/03 09:53:29 -8:00

Brett Mattison

STATE OF OHIO

)

) Case No. 2021-00004

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brett Mattison, this 3rd day of May, 2021.



S. Smithhisler
Signed on 2021/05/03 09:53:29 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

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E-Signature Summary

E-Signature 1: Jason M. Stegall (JMS)

May 03, 2021 09:56:51 -8:00 [6F6D3DB795CA] [167.239.221.85]
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E-Signature Notary: S. Smithhisler (SRS)

May 03, 2021 09:56:51 -8:00 [7F6C5448A002] [161.235.221.83]
srsmithhisler@aep.com
I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Jason M. Stegall, being duly sworn, deposes and says he is a Regulatory Pricing & Analysis Manager for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing responses, and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.


Signed on 2021/05/03 09:56:51 -8:00

Jason M. Stegall

STATE OF OHIO

)


) Case No. 2021-00004

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by
Jason M. Stegall, this 3rd day of May, 2021.




Signed on 2021/05/03 09:56:51 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

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