

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_1 Provide a copy of the current Mitchell Plan Operating Agreement between Kentucky Power and Wheeling Power Company (Wheeling Power).

RESPONSE

Please see KPCO_R_KPSC_1_1_Attachment1 for the requested information.

Witness: D. Brett Mattison

RATE SCHEDULE NO. 303

MITCHELL PLANT OPERATING AGREEMENT

KENTUCKY POWER COMPANY

WHEELING POWER COMPANY

and

AMERICAN ELECTRIC POWER SERVICE CORPORATION, AS AGENT

Tariff Submitter: Kentucky Power Company
FERC Program Name: FERC FPA Electric Tariff
Tariff Title: KPCo Rate Schedules and Service Agreement Tariffs
Tariff Proposed Effective Date: 12/31/2014
Tariff Record Title: Mitchell Plant Operating Agreement
Option Code: A
Record Content Description: Rate Schedule No. 303

THIS MITCHELL PLANT OPERATING AGREEMENT (“Agreement”), with an effective date of December 31, 2014 (“Effective Date”), is by and among Kentucky Power Company, a Kentucky corporation qualified as a foreign corporation in West Virginia (“KPCo”), and Wheeling Power Company, a West Virginia corporation (“WPCo”) (such two parties hereinafter sometimes referred to as the “Owners”); and American Electric Power Service Corporation, a New York corporation qualified as a foreign corporation in West Virginia (“Agent”). KPCo, WPCo and Agent may hereinafter be referred to as a “Party” or collectively as the “Parties”.

WITNESSETH:

WHEREAS, KPCo acquired a fifty percent (50%) undivided ownership interest in the Mitchell Power Generation Facility consisting of two 800MW generating units and associated plant, equipment and real estate, located in Moundsville, West Virginia (the “Mitchell Facility”) on December 31, 2013; and

WHEREAS, AEP Generation Resources Inc. (“AEPGR”), an affiliate of the Parties, acquired a fifty percent (50%) undivided ownership interest in the Mitchell Facility, also on December 31, 2013; and

WHEREAS, pursuant to an Asset Contribution Agreement between AEPGR and Newco Wheeling Inc., a West Virginia corporation merged or to be merged into WPCo upon the closing of the transactions (the “Transfer Date”) set forth in such Asset Contribution Agreement (the “ACA”), AEPGR transferred its fifty percent (50%) undivided interest in the Mitchell Facility to Newco Wheeling Inc., exclusive of its interest in the Conner Run Fly Ash Impoundment and Dam (“Conner Run”), which interest in Conner Run was retained on the Transfer Date by AEPGR; and

WHEREAS, this Agreement shall be effective upon the Effective Date but the rights and obligations set forth herein shall not commence until 12:01 AM on the day following the Transfer Date; and

WHEREAS, the Owners desire that KPCo shall operate and maintain the Mitchell Facility, exclusive of Conner Run (the "Mitchell Plant"), in accordance with the provisions set forth herein; and

WHEREAS, the Owners are subsidiaries of American Electric Power Company, Inc. ("AEP"), the parent company in an integrated public utility holding company system, and use the services of Agent (an affiliated company engaged solely in the business of furnishing essential services to the Owners and to other affiliated companies), as outlined in the service agreements between Agent and KPCo and between Agent and WPCo.

NOW THEREFORE, in consideration of the premises and for the purposes hereinabove recited, and in consideration of the mutual covenants hereinafter contained, the signatories agree as follows:

ARTICLE ONE

FUNCTIONS OF KPCO AND AGENT

- 1.1 KPCo shall operate and maintain the Mitchell Plant in accordance with good utility practice consistent with procedures employed by KPCo at its other generating stations, and in conformity with the terms and conditions of this Agreement.
- 1.2 KPCo shall keep all necessary books of record, books of account and memoranda of all transactions involving the Mitchell Plant, and shall make computations and allocations on behalf of the Owners, as required under this Agreement. The books of

record, books of account and memoranda shall be kept in such manner as to conform, where so required, to the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission ("FERC") for Public Utilities and Licensees ("Uniform System of Accounts"), and to the rules and regulations of other regulatory bodies having jurisdiction as they may from time to time be in effect.

- 1.3 The Owners shall establish such bank accounts as may from time to time be required or appropriate.
- 1.4 As soon as practicable after the end of the month, KPCo shall furnish to WPCo a statement setting forth the dollar amounts associated with the operation and maintenance of the Mitchell Plant as allocated hereunder to KPCo and WPCo for such month. The Owners shall, on a timely basis, deposit sufficient dollar amounts in the appropriate bank accounts to cover their respective allocations of such costs.
- 1.5 KPCo shall be responsible for the day to day operation and maintenance of the Mitchell Plant. KPCo shall obtain such materials, labor and other services as it considers necessary in connection with the performance of the functions to be performed by it hereunder from such sources or through such persons as it may designate.
- 1.6 Agent, as directed by the Operating Committee and consistent with Agent's service agreements with KPCo and WPCo, shall provide services necessary for the safe and efficient operation and maintenance of the Mitchell Plant.

ARTICLE TWO

APPORTIONMENT OF CAPACITY AND ENERGY

- 2.1 The Total Net Capability of the Mitchell Plant at the Mitchell Unit 1 and Unit 2 low-voltage busses, after taking into account auxiliary load demand, is 1,560,000 kilowatts. The Owners may from time to time modify the Total Net Capability of the Mitchell Plant as they may mutually agree.
- 2.2 The Total Net Generation of the Mitchell Plant during a given period, as determined by the requirements of KPCo and WPCo, shall mean the electrical output of the Mitchell Plant generators during such period, measured in kilowatt hours by suitable instruments, reduced by the energy used by auxiliaries for the Mitchell Unit 1 and Unit 2 during such period.
- 2.3 Except as set forth in Section 7.6 (including Section 7.6 Subsections), in any hour, KPCo and WPCo shall share the minimum load responsibility of Mitchell Unit 1 and Unit 2 in respective amounts proportionate to their ownership interests in the Mitchell Plant at such time. Each Owner may independently dispatch its share of the generating capacity between minimum and full load.
- 2.4 In any hour during which the Mitchell Units are out of service, the energy used by the out-of-service Units' auxiliaries during such hour shall be provided by KPCo and WPCo in respective amounts proportionate to their ownership interests in the Mitchell Plant at such time.

ARTICLE THREE

REPLACEMENTS, ADDITIONS, AND RETIREMENTS

- 3.1 KPCo shall from time to time make or cause to be made any additions to, replacements of, and retirements of, capitalizable facilities associated with the Mitchell Plant in accordance with the approved annual budget.
- 3.2 The dollar amounts associated with any additions to, replacements of, or retirements of, capitalizable facilities associated with the Mitchell Plant shall be allocated to KPCo and WPCo in respective amounts proportionate to their ownership interests in the Mitchell Plant at the time such additions, replacements, or retirements are made.

ARTICLE FOUR

WORKING CAPITAL REQUIREMENTS

- 4.1 KPCo and WPCo shall periodically mutually determine the amount of funds required for use as working capital in meeting payrolls and other expenses incurred in the operation and maintenance of the Mitchell Plant, and in buying materials and supplies (exclusive of fuel) for the Mitchell Plant.
- 4.2 KPCo and WPCo shall from time to time provide their share of working capital requirements in respective amounts proportionate to their ownership interests at such time in the Mitchell Plant.

ARTICLE FIVE

INVESTMENT IN FUEL

- 5.1 KPCo and Agent shall establish and maintain reserves of coal in stock piles for the Mitchell Plant of such quality and in such quantities as the Operating Committee shall determine to be required to provide adequate fuel reserves against interruptions of normal fuel supply, provided each Owner, subject to the approval of the Operating Committee and subject to no adverse impact on the operation of the Mitchell Plant, will have the right, but not the obligation, to directly purchase coal, transportation and consumables for its ownership interest. For the purposes of this Agreement, “consumables” shall be as defined in FERC account 502.
- 5.2 Except as provided in Section 5.1 for an Owner to elect to procure coal for its own interest, the Owners shall make such monthly investments in the common coal stock piles associated with the Mitchell Plant as are necessary to maintain the number of tons in such coal stock piles, after taking into account the coal consumption from the common coal stock piles by Mitchell Unit 1 and Unit 2 during such month.
- 5.3 At any time, KPCo’s and WPCo’s respective shares of the investment in the common coal stock piles shall be proportionate to their ownership interests in the Mitchell Plant, unless an Owner elects to procure its own coal as provided in Section 5.1, in which case inventories will be separately maintained for accounting purposes.
- 5.4 Fuel oil and consumables charged to operation for the Mitchell Plant shall be owned and accounted for between the Owners in the same manner as coal.

ARTICLE SIX

APPORTIONMENT OF STATION COSTS

6.1 Except in the case where an Owner has elected to purchase coal for its own interest as provided for in Section 5.1 (in which case the allocation to the Owners of fuel expense shall be in accordance with procedures and processes approved by the Operating Committee), the allocation to the Owners of fuel expense associated with Mitchell Unit 1 and Unit 2 shall be determined by KPCo and Agent as follows:

- (a) In any calendar month, the average unit cost of coal available for consumption from the Mitchell Plant common coal stock piles shall be determined based on the prior month's ending inventory dollar and ton balances plus current month receipts delivered to the Mitchell Plant common coal stock piles. Each Owner's average unit cost will be the same, and receipts and inventory available for consumption amounts will be allocated to each Owner based on monthly usage.
- (b) The number of tons of coal consumed by the Mitchell Plant in each calendar month from the Mitchell Plant common coal stock piles shall be determined and shall be converted into a dollar amount equal to the product of (i) the average cost per ton of coal associated with the Mitchell Plant in the Mitchell Plant common coal stock pile at the close of such month, and (ii) the number of tons of coal consumed by the Mitchell Plant from the Mitchell Plant common coal stock piles during such month. Such dollar amount shall be credited to the

Mitchell Plant fuel in stock pile and charged to Mitchell Plant fuel consumed.

- (c) In each calendar month, KPCo's and WPCo's respective shares of the Mitchell Plant fuel consumed expense as determined by the provisions of Section 6.1(b) shall be proportionate to each Owner's dispatch of the Mitchell Plant in such month.
- (d) Fuel oil reserves will be owned and accounted for in the same manner as coal stock piles, and fuel oil consumed will be allocated to the Owners in the same manner as coal consumed.

6.2 For purposes of this Agreement, KPCo's Assigned Capacity in the Mitchell Plant shall be equal to 50% of the Total Net Capability, and WPCo's Assigned Capacity shall be equal to 50% of the Total Net Capability.

6.3 For each calendar month, KPCo and Agent will, to the extent practicable, determine all Mitchell Plant operations expenses and associated overheads, as accounted for under the FERC Uniform System of Accounts.

6.4 For each calendar month, KPCo and Agent will, to the extent practicable, determine all Mitchell Plant maintenance expenses and associated overheads, as accounted for under the FERC Uniform System of Accounts.

6.5 In each calendar month, KPCo's and WPCo's respective shares of operations and maintenance expenses associated with the Mitchell Plant, as determined in accordance with Sections 6.3 and 6.4, shall be allocated as follows:

- (a) In each calendar month, KPCo's and WPCo's respective shares of the Mitchell Plant steam expenses as recorded in FERC Account 502, and emission tons, with

allowance expenses as recorded in FERC Account 509, shall be proportionate to each Owner's dispatch of the Mitchell Plant in such month.

(b) In each calendar month, the maintenance of boiler plant expenses as recorded in FERC Account 512, and maintenance of electric plant expenses as recorded in FERC Account 513, shall be directly assigned to Mitchell Unit 1 or Unit 2 or designated as a common expense attributable to both units. In each calendar month, KPCo's and WPCo's respective shares of these expenses shall be proportionate to each Owner's dispatch of the applicable unit, or both units in the case of common expenses, over the previous sixty (60) calendar months. Dispatch is assumed to have been allocated fifty percent (50%) to each Owner for months that are prior to this Agreement.

(c) In each calendar month, KPCo's and WPCo's respective shares of all other operations, maintenance, administrative and general expenses shall be proportionate to their respective ownership interests.

6.6 Each Owner shall bear the cost of all taxes attributable to its respective ownership interest in the Mitchell Plant.

ARTICLE SEVEN

OPERATING COMMITTEE AND OPERATIONS

7.1 By written notice to each other, the Owners and Agent each shall name one representative ("Operating Representative") and one alternate to act for it in matters pertaining to operating arrangements under this Agreement. Any Party may change its Operating Representative or alternate at any time by written notice to the other

Parties. The Operating Representatives for the respective Parties, or their alternates, shall comprise the Operating Committee. All decisions, directives, or other actions by the Operating Committee must be by unanimous agreement of the Operating Representatives of the Owners. The Operating Representative of Agent, or of any third party that provides services in replacement of Agent, shall be free to express the views of Agent or such third party on any matter, but shall not have a vote on the Operating Committee. Except as otherwise provided in Sections 11.1, 11.2 and 11.3 with respect to a dispute referred to the Operating Committee by an Owner, the failure of the Owners' respective Operating Representatives to unanimously agree with respect to a matter pending before the Operating Committee shall not be considered to be a dispute that would be subject to resolution under Article Eleven.

7.2 The Operating Committee shall have the following responsibilities:

- (a) Review and approval of an annual budget and annual operating plan, including determination of the emission allowances required to be acquired by KPCo and WPCo. If the Operating Committee fails to approve an annual budget, the approved annual budget from the previous year will continue to apply until such time as the new annual budget is approved.
- (b) Establishment and review of procedures and systems for dispatch, notification of dispatch, and unit commitment under this Agreement, including any commitment of Called Capacity pursuant to Section 7.6.2.

- (c) Establishment and monitoring of procedures for communication and coordination with respect to the Mitchell Plant capacity availability, fuel-firing options, and scheduling of outages for maintenance, repairs, equipment replacements, scheduled inspections, and other foreseeable cause of outages, as well as the return to availability following an unplanned outage.
- (d) Decisions on capital expenditures, including unit upgrades and re-powering.
- (e) Determinations as to changes in the unit capability and decisions on unit retirement.
- (f) Establishment and modification of billing procedures under this Agreement.
- (g) Approval of material contracts for fuel, transportation or consumable supply. Establishment of specification of fuels, oversight of fuel inspection and certification procedures, management of fuel inventories, and allocation of rights under fuel supply, transportation and consumable contracts. Establishment of an Owner's procurement rights and procedures if the Owner elects to purchase coal, transportation or consumables for its own interest.
- (h) Establishment of, termination of, and approval of any change or amendment to the operating arrangements between KPCo and Agent or any replacement third party with respect to the Mitchell Plant generating units; provided, however, that Agent or any replacement

third party shall participate in discussions pursuant to this subsection 7.2(h) only if and to the extent requested to do so by both Owners.

- (i) Review and approval of plans and procedures designed to ensure compliance with any environmental law, regulation, ordinance or permit, including procedures for allocating and using emission allowances or for any programs that permit averaging at more than one unit for compliance.
- (j) Other duties as assigned by agreement of the Owners.

7.3 The Operating Committee shall meet at least annually, and at such other times as any Party may reasonably request.

7.4 The Parties shall cooperate in providing to the Operating Committee the information it reasonably needs to carry out its duties, and to supplement or correct such information on a timely basis.

7.5 The Owners will each make an initial unit commitment one business day ahead of real-time dispatch.

7.6 Application of this Section 7.6 (including subsections) is subject to (i) the receipt of any necessary regulatory approvals or waivers expressly granted for this Section 7.6; and (ii) the Operating Committee establishing and approving procedures and systems for dispatch. As used in this Section and subsections of this Section, the terms "Party" or "Parties" refers only to KPCo and WPCo, or both of them, as the case may be.

- 7.6.1 If Mitchell Unit 1 or Unit 2 is designated to be committed by both Parties, such unit will be brought on line or kept on line. If neither Party designates Mitchell Unit 1 or Unit 2 to be committed, such unit will remain off line or be taken offline.
- 7.6.2 When a Mitchell Unit is designated to be committed by one Party, but designated not to be committed by the other Party, the unit will be brought on line or kept on line if the Party designating the unit for commitment undertakes to pay any applicable start-up costs for the unit, as well as any applicable minimum running costs for the unit thereafter, in which event the unit shall be brought on line or kept on line, as the case may be. The Party so designating the unit to be committed shall have the right to schedule and dispatch up to all of the Available Capacity of the unit. Available Capacity means that portion of the Owners' aggregate Assigned Capacity that is currently capable of being dispatched. The Party exercising this right shall be referred to as the "Calling Party," and the capacity called by that Party in excess of its Assigned Capacity Percentage of the Available Capacity of that unit shall be referred to as its "Called Capacity." The other Party shall be referred to as the "Non-Calling Party". The Calling Party shall provide reasonable notice to the Non-Calling Party of its call, including any start-up or shut-down time for the Unit. For purposes of this Agreement, KPCo's Assigned Capacity Percentage shall be 50%, and WPCo's Assigned Capacity Percentage shall be 50%.
- 7.6.3 The Non-Calling Party can reclaim any Called Capacity attributable to its Assigned Capacity share by giving the Calling Party notice equal to the normal cold start-up time for the unit. At the end of the notice period, the Non-Calling Party shall have the right to schedule and dispatch the recalled capacity. At that point, the Non-

Calling Party shall resume its responsibility for its share of any applicable start-up costs for the unit and prospectively shall bear its responsibility for the costs associated with its Assigned Capacity from the unit.

7.6.4 If any capacity remains available but is not dispatched from a Party's Available Capacity committed as a result of the initial unit commitment, the other Party may only schedule and dispatch such capacity pursuant to agreement with the non-dispatching Party.

7.7 KPCo and WPCo shall be individually responsible for any fees charged by FERC on the basis of the sales or transmission by each of capacity or energy at wholesale in interstate commerce.

7.8 Emission Allowances. On the Transfer Date pursuant to the ACA, AEPGR, the previous owner of WPCo's interest in the Mitchell Plant, will assign to WPCo all Emission Allowances allocated to AEPGR for the Mitchell Plant for each vintage year after 2014, issued by the U.S. Environmental Protection Agency ("USEPA") pursuant to Title IV of the Clean Air Act Amendments of 1990 and any regulations thereunder, and any other emission allowance trading program created under the Clean Air Act and administered by USEPA or the State of West Virginia, including but not limited to the Clean Air Interstate Rule 40 CFR Parts 96 and 97, and any amendments thereto ("Emission Allowances"), and all Emission Allowances for 2014 and any vintage year prior to 2014 that were allocated to the Mitchell Plant and that have not been expended as of the date of assignment. To the extent that additional Emission Allowances are required for operation of the Mitchell Plant, KPCo and WPCo will each be responsible for acquiring sufficient Emission

Allowances to satisfy the Emission Allowances required because of its dispatch of energy from the Mitchell Plant, and the Emission Allowances required to satisfy the Emission Allowance surrender obligations attributable to the Mitchell Plant imposed under the Consent Decree between USEPA and Ohio Power Company entered on December 10, 2007, in Civil Action No. C2-99-1182 and consolidated cases by the U.S. District Court in the Southern District of Ohio. On or before January 10 of each year, Agent shall determine and notify KPCo and WPCo of the number of additional annual Emission Allowances consumed by each of them through December 31 of the previous year, and KPCo and WPCo shall each transfer into the Mitchell Plant U.S. EPA Allowance Transfer System account that number of Emission Allowances with a small compliance margin by January 31 of that year. For seasonal Emission Allowance programs, Agent shall determine and notify KPCo and WPCo of the number of additional seasonal Emission Allowances consumed by each of them during the applicable compliance period by the 10th day of the first month following the end of the compliance period, and KPCo and WPCo shall each transfer into the appropriate Mitchell Plant U.S. EPA Allowance Transfer System Account that number of Emission Allowances with a small compliance margin by the last day of the first month following the end of the compliance period. In the event that KPCo or WPCo fails to surrender the required number of Emission Allowances by January 31 or the last day of the first month following any seasonal compliance period, Agent shall purchase the required number of Emission Allowances, and KPCo or WPCo, as the case may be, shall reimburse Agent for such purchases, with interest at the Federal Funds Rate (as published by the Board of

Governors of the Federal Reserve System as from time to time in effect) running from the date of such purchases to the date of payment. The Operating Committee will develop procedures to be implemented after the end of each calendar year to account for the Emission Allowances required by the use of the Mitchell Plant by KPCo and WPCo and to correct any imbalance between Emission Allowances supplied and Emission Allowances used through the end of the preceding year by settlement or payment.

7.9 Capital repairs and improvements to the Mitchell Plant will be determined by the Operating Committee pursuant to the annual budgeting process set forth in Section 7.10. Expenditures that the Operating Committee determines have been or will be incurred exclusively for one Owner shall be assigned exclusively to that Owner.

7.10 At least 90 days before the start of each operating year, KPCo and Agent shall submit to the Operating Committee a proposed annual budget with respect to the Mitchell Plant, a proposed annual operating plan, and an estimate and schedule of costs to be incurred for major maintenance or replacement items during the next six-year period. The annual budget shall be presented on a month-by-month basis for each month during the next operating year, and shall include an operating budget, a capital budget, an estimate of the cost of any major repairs that are anticipated will occur during such operating year with respect to the Mitchell Plant, and an itemized estimate of all projected non-fuel variable operating expenses relating to the operation of the Mitchell Plant during that operating year. The members of the Operating Committee will meet and work in good faith to agree upon the final annual budget and final annual operating plan. Once approved, the annual budget

and annual operating plan shall remain in effect throughout the applicable operating year, subject to such changes, revisions, amendments, and updating as the Operating Committee may determine.

ARTICLE EIGHT

EFFECTIVE DATE AND TERM

- 8.1 Subject to FERC approval or acceptance for filing, the Effective Date of this Agreement shall be December 31, 2014.
- 8.2 Subject to FERC approval or acceptance, if necessary, this Agreement shall remain in force until such time as (i) KPCo or WPCo has divested itself of all or any portion of its ownership interest in the Mitchell Plant, other than assignment or other transfer of such ownership interests to another AEP affiliate; or (ii) either KPCo or WPCo is no longer a direct or indirect wholly owned subsidiary of AEP; or (iii) KPCo and WPCo may mutually agree to terminate this Agreement.

ARTICLE NINE

GENERAL

- 9.1 This Agreement shall inure to the benefit of and be binding upon the signatories hereto and their respective successors and assigns, but this Agreement may not be assigned by any signatory without the written consent of the others, which consent shall not be unreasonably withheld.
- 9.2 This Agreement is subject to the regulatory authority of any State or Federal agency having jurisdiction.
- 9.3 The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Ohio, excluding conflict of laws principles that would require the application of the laws of a different jurisdiction.
- 9.4 This Agreement supersedes all previous representations, understandings, negotiations, and agreements, either written or oral between the signatories or their representatives with respect to operation of the Mitchell Plant, and constitutes the entire agreement of the signatories with respect to the operation of the Plant. Notwithstanding the foregoing, this Agreement does not supersede any previous agreements among any of the signatories allocating or transferring rights to capacity and associated energy, or ownership, of the Mitchell Plant.
- 9.5 Each Party shall designate in writing a representative to receive any and all notices required under this Agreement. Notices shall be in writing and shall be given to the representative designated to receive them, either by personal delivery, certified mail, facsimile, e-mail or any similar means, properly addressed to such representative at the address specified below:

KENTUCKY POWER COMPANY

Gregory G. Pauley

President & COO

Attn: _____

Phone: (502) 696-7007

Facsimile: (502) 696-7006

Email: ggpauley@aep.com

WHEELING POWER COMPANY

Charles R. Patton

President

Attn: _____

Phone: (304) 348-4152

Facsimile: (304) 348-4198

Email: crpatton@aep.com

**AMERICAN ELECTRIC POWER SERVICE
CORPORATION**

Mark C. McCullough

Executive Vice President – Generation

Attn: _____

Phone: (614) 716-2400

Facsimile: (614) 716-1331

Email: mcmccullough@aep.com

All notices shall be effective upon receipt, or upon such later date following receipt as set forth in the notice. Any Party may, by written notice to the other Parties, change the representative or the address to which such notices are to be sent.

ARTICLE TEN

LIMITATION OF LIABILITY

- 10.1 Notwithstanding anything in this Agreement to the contrary, neither of the Owners or Agent shall be liable under this Agreement for special, consequential, indirect, punitive or exemplary damages, or for lost profits or business interruption damages, whether arising by statute, in tort or contract or otherwise.

ARTICLE ELEVEN

DISPUTE RESOLUTION

- 11.1 If either Owner believes that a dispute has arisen as to the meaning or application of this Agreement, it shall present that matter to the Operating Committee in writing, and shall provide a copy of that writing to the other Owner.
- 11.2 If the Operating Committee is unable to reach agreement on a dispute submitted to the Operating Committee pursuant to Section 11.1 within thirty (30) days after the dispute is presented to it, the matter shall be referred to the chief operating officers of the Owners for resolution in the manner that such individuals shall agree is appropriate; provided, however, that either Owner involved in the dispute may invoke the arbitration provisions set forth in Section 11.3 at any time after the end of the thirty (30) day period provided for the Operating Committee to reach agreement if the Operating Committee has not reached agreement.
- 11.3 If the Owners are unable to resolve a dispute through the Operating Committee within thirty (30) days after the dispute is presented to the Operating Committee pursuant to Section 11.1, or through reference of the matter to the chief operating

officers of the Owners pursuant to Section 11.2, either Owner may commence arbitration proceedings by providing written notice to the other Owner, detailing the nature of the dispute, designating the issue(s) to be arbitrated, identifying the provisions of this Agreement under which the dispute arose, and setting forth such Owner's proposed resolution of such dispute.

- 11.3.1 Within ten (10) days of the date of the notice of arbitration, a representative of each Owner shall meet for the purpose of selecting an arbitrator. If the Owners' representatives are unable to agree on an arbitrator within fifteen (15) days of the date of the notice of arbitration, then an arbitrator shall be selected in accordance with the procedures of the American Arbitration Association ("AAA"). Whether the arbitrator is selected by the Owners' representatives or in accordance with the procedures of the AAA, the arbitrator shall have the qualifications and experience in the occupation, profession, or discipline relevant to the subject matter of the dispute.
- 11.3.2 Any arbitration proceeding shall be subject to the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.* (1994), as it may be amended, or any successor enactment thereto, and shall be conducted in accordance with the commercial arbitration rules of the AAA in effect on the date of the notice to the extent not inconsistent with the provisions of this Article.
- 11.3.3 The arbitrator shall be bound by the provisions of this Agreement where applicable, and shall have no authority to modify any terms and conditions of this Agreement in any manner. The arbitrator shall render a decision resolving the dispute in an equitable manner, and may determine that monetary damages are due to an Owner or may issue a directive that an Owner take certain actions or refrain from taking

certain actions, but shall not be authorized to order any other form of relief; provided, however, that nothing in this Article shall preclude the arbitrator from rendering a decision that adopts the resolution of the dispute proposed by an Owner. Unless otherwise agreed to by the Owners, the arbitrator shall render a decision within one hundred twenty (120) days of appointment, and shall notify the Owners in writing of such decision and the reasons supporting such decision. The decision of the arbitrator shall be final and binding upon the Owners, and any award may be enforced in any court of competent jurisdiction.

- 11.3.4 The fees and expenses of the arbitrator shall be shared equally by the Owners, unless the arbitrator specifies a different allocation. All other expenses and costs of the arbitration proceeding shall be the responsibility of the Owner incurring such expenses and costs.
- 11.3.5 Unless otherwise agreed by the Owners, any arbitration proceedings shall be conducted in Columbus, Ohio.
- 11.3.6 Except as provided in this Article, the existence, contents, or results of any arbitration proceeding under this Article may not be disclosed without the prior written consent of the Owners, provided, however, that either Owner may make disclosures as may be required to fulfill regulatory obligations to any agencies having jurisdiction, and may inform its lenders, affiliates, auditors, and insurers, as necessary, under pledge of confidentiality, and may consult with expert consultants as required in connection with an arbitration proceeding under pledge of confidentiality.

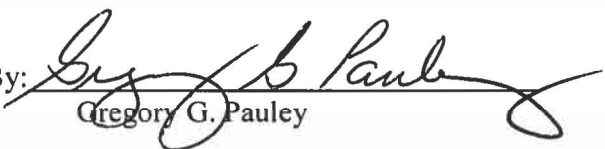
11.3.7 Nothing in this Agreement shall be construed to preclude either Owner from filing a petition or complaint with FERC with respect to any claim over which FERC has jurisdiction. In such case, the other Owner may request that FERC reject the petition or complaint or otherwise decline to exercise its jurisdiction. If FERC declines to act with respect to all or part of a claim, the portion of the claim not so accepted by FERC may be resolved through arbitration, as provided in this Article. To the extent that FERC asserts or accepts jurisdiction over all or part of a claim, the decisions, findings of fact, or orders of FERC shall be final and binding, subject to judicial review under the Federal Power Act, 16 U.S.C. § 791a *et seq.*, as amended from time to time, and any arbitration proceedings that may have commenced prior to the assertion or acceptance of jurisdiction by FERC shall be stayed, pending the outcome of the FERC proceedings. The arbitrator shall have no authority to modify, and shall be conclusively bound by, any decisions, findings of fact, or orders of FERC; provided, however, that to the extent that any decisions, findings of fact, or orders of FERC do not provide a final or complete remedy to an Owner seeking relief, such Owner may proceed to arbitration under this Article to secure such a remedy, subject to any FERC decisions, findings, or orders.

11.4 The procedures set forth in this Article shall be the exclusive means for resolving disputes arising under this Agreement and shall survive this Agreement to the extent necessary to resolve any disputes pertaining to this Agreement. Except as provided in Sections 11.3 and 11.3.7, neither Owner shall have the right to bring any dispute for resolution before a court, agency, or other entity having jurisdiction over this Agreement, unless both Owners agree in writing to such procedure.

11.5 To the extent that a dispute involves the actions, inactions or responsibilities of Agent under this Agreement, the provisions of this Article shall be applicable to such dispute. For such purposes, Agent shall be treated as an Owner in applying the provisions of this Article.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the date first above written.

KENTUCKY POWER COMPANY

By: 
Gregory G. Pauley

Title: President & COO

WHEELING POWER COMPANY

By: _____
Charles R. Patton

Title: President

AMERICAN ELECTRIC POWER SERVICE CORPORATION

By: _____
Mark C. McCullough

Title: Executive Vice President - Generation

11.5 To the extent that a dispute involves the actions, inactions or responsibilities of Agent under this Agreement, the provisions of this Article shall be applicable to such dispute. For such purposes, Agent shall be treated as an Owner in applying the provisions of this Article.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the date first above written.

KENTUCKY POWER COMPANY

By: _____
Gregory G. Pauley

Title: President & COO

WHEELING POWER COMPANY

By: Charles R. Patton
Charles R. Patton

Title: President

AMERICAN ELECTRIC POWER SERVICE CORPORATION

By: _____
Mark C. McCullough

Title: Executive Vice President - Generation

11.5 To the extent that a dispute involves the actions, inactions or responsibilities of Agent under this Agreement, the provisions of this Article shall be applicable to such dispute. For such purposes, Agent shall be treated as an Owner in applying the provisions of this Article.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their officers thereunto duly authorized as of the date first above written.

KENTUCKY POWER COMPANY

By: _____
Gregory G. Pauley

Title: President & COO

WHEELING POWER COMPANY

By: _____
Charles R. Patton

Title: President

AMERICAN ELECTRIC POWER SERVICE CORPORATION

By:  _____
Mark C. McCullough

Title: Executive Vice President - Generation

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_2 Identify the business entity that owns the Conner Run Fly Ash Impoundment and Dam.

RESPONSE

American Consolidated Natural Resources, formerly Murray Energy, owns the Conner Run Fly Ash Impoundment and Dam.

Witness: D. Brett Mattison

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_3 Explain how Kentucky Power proposes to reconcile any conflict that might arise if the Kentucky Public Service Commission and the West Virginia Public Service Commission reach conflicting decisions regarding the alternative proposals for environmental compliance projects for the Mitchell Generating Station (Mitchell).

RESPONSE

Without knowing how the Public Service Commission of Kentucky and the Public Service Commission of West Virginia will decide the applications for environmental compliance projects at the Mitchell Generating Station pending before them , or the respects in which or degree to which the commissions' decisions might conflict, the Company is unable to anticipate how it might resolve such conflict. As a general matter, however, the Company and Wheeling Power Company would analyze the environmental compliance, economic, and other impacts of the commissions' orders and would engage with one or both commissions, and corresponding parties, as appropriate based upon the commissions' orders, to determine how to proceed to resolve any conflicts.

Witness: D. Brett Mattison

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_4 Provide a copy of the current power coordination agreement (PCA) among Kentucky Power and sister American Electric Power (AEP) subsidiaries filed with the Federal Energy Regulatory Commission (FERC).

RESPONSE

Please see KPCO_R_KPSC_1_4_Attachment1 for the requested information.

Witness: D. Brett Mattison

20150402-5304 FERC PDF (Unofficial) 4/2/2015 4:58:03 PM

Sheet No. 1

RATE SCHEDULE No. 300

POWER COORDINATION AGREEMENT

among

**APPALACHIAN POWER COMPANY,
INDIANA MICHIGAN POWER COMPANY,
KENTUCKY POWER COMPANY,
WHEELING POWER COMPANY**

and

AMERICAN ELECTRIC POWER SERVICE CORPORATION

as Agent

Tariff Submitter: **Appalachian Power Company**
FERC Program Name: **FERC FPA Electric Tariff**
Tariff Title: **APCo Rate Schedules and Service Agreements Tariffs**
Tariff Proposed Effective Date: **06/01/2015**
Tariff Record Title: **Power Coordination Agreement**
Option Code: **A**
Record Content Description: **Rate Schedule No. 300**

POWER COORDINATION AGREEMENT

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2015, by and among Appalachian Power Company (“APCo”), Indiana Michigan Power Company (“I&M”), Kentucky Power Company (“KPCo”), Wheeling Power Company (“WPCo”) and American Electric Power Service Corporation (“AEPSC”) as agent (“Agent”) to APCo, I&M, KPCo and WPCo.

RECITALS:

WHEREAS, APCo, I&M, KPCo and WPCo (collectively the “Operating Companies” or individually “Operating Company”) own and operate electric generation, transmission and distribution facilities with which they are engaged in the business of generating, transmitting and selling electric power to the general public and to other electric utilities;

WHEREAS, the Operating Companies' electric facilities are now and have been for many years interconnected through their respective transmission facilities and transmission facilities of third parties at a number of points;

WHEREAS, APCo, I&M, KPCo and WPCo provide power to serve retail and wholesale customers in Indiana, Kentucky, Michigan, Tennessee, Virginia and West Virginia;

WHEREAS, APCo, I&M, KPCo and WPCo believe that they can continue to achieve efficiencies and economic benefits through (a) participation in the organized power markets of a regional transmission organization and (b) allocation of off-system sales and purchases with other parties on bases that fairly assign or allocate the costs and benefits of these transactions;

WHEREAS, the achievement of the foregoing will be facilitated by the performance of certain services by an Agent;

WHEREAS, AEPSC is the service company affiliate of APCo, I&M, KPCo and WPCo and as such performs a variety of services on their behalf in accordance with applicable rules and regulations of the Federal Energy Regulatory Commission (“Commission”); and

WHEREAS, AEPSC is willing to serve as Agent to APCo, I&M, KPCo and WPCo under this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Parties mutually agree as follows:

ARTICLE I DEFINITIONS

1.1 Agreement means this Power Coordination Agreement among APCo, I&M, KPCo, WPCo and Agent, including all Service Schedules and attachments hereto.

1.2 Capacity Auction means auctions implemented pursuant to a Capacity Market, and may include, but is not necessarily limited to, the Base Residual Auction and other incremental auctions conducted in accordance with the PJM Interconnection, LLC (“PJM”) Reliability Pricing Model market rules.

1.3 Capacity Market means any market of an applicable regional transmission organization under which the Operating Companies satisfy their capacity obligations as load serving entities, which would include, for example, the PJM capacity market as described in the PJM Reliability Assurance Agreement (“RAA”) and Attachment DD of the PJM Open Access Transmission Tariff (“PJM OATT”).

1.4 Dedicated Wholesale Customer means a wholesale customer whose load is served by an Operating Company that has undertaken, by contract, an obligation to serve that customer's partial or full requirements load and to acquire power supply resources and other resources necessary to meet those requirements.

1.5 Generation Hedge Transactions means Off-System Transactions entered into for the purpose of hedging the output of the generation assets of one or more of the Operating Companies.

1.6 Industry Standards means all applicable national and regional electric reliability council and regional transmission organization principles, guides, criteria, standards and practices.

1.7 Internal Load means all sales of power, plus associated line losses, by an Operating Company to its Retail Customers and Dedicated Wholesale Customers. As distinguished from Off-System Sales, Internal Load is principally characterized by the Operating Company assuming the load obligation as its own power commitment.

1.8 Off-System Sales means all wholesale power sales by an Operating Company other than sales to the Retail Customers and Dedicated Wholesale Customers that comprise the Operating Company's Internal Load. Sales of wholesale power by an Operating Company to another Operating Company are not governed by this Agreement, and will not be deemed Off-System Sales under this Agreement.

1.9 Off-System Purchases means wholesale power purchases by an Operating Company or Operating Companies for any of the following reasons: (a) to reduce power supply costs, (b) to serve load requirements, (c) to provide reliability of supply, (d) to satisfy state specific requirements or goals or (e) to engage in Off-System Sales. Purchases of wholesale power by an Operating Company from another Operating Company are not governed by this Agreement, and will not be deemed Off-System Purchases under this Agreement.

1.10 Off-System Transactions means Off-System Sales, Off-System Purchases and any other types of power-related wholesale transactions, whether physical or financial, on behalf of an Operating Company or Operating Companies, excluding sales to Internal Load customers.

1.11 Operating Committee means the administrative body established pursuant to Article VI for the purposes specified within this Agreement.

1.12 Party means each of APCo, I&M, KPCo, WPCo and Agent, individually, and **Parties** means APCo, I&M, KPCo, WPCo and Agent, collectively.

1.13 Retail Customer means a retail power customer on whose behalf an Operating Company has undertaken an obligation to obtain power supply resources in order to supply electricity to reliably meet the electric needs of that customer.

1.14 Service Schedules means the Service Schedules attached to this Agreement, as they may be amended from time to time, and those that later may be agreed to by the Parties and made part of a modified Agreement.

1.15 Spot Market means the day ahead, real time (balancing) or similar short-term energy market(s) operated by the applicable regional transmission organization(s), typically characterized by energy that is selected and delivered on an hourly, or more frequent, basis during that same day or the next calendar day.

1.16 System Emergency means a condition which, if not promptly corrected, threatens to cause imminent harm to persons or property, including the equipment of a Party or a Third Party, or threatens the reliability of electric service provided by an Operating Company to Retail Customers or Dedicated Wholesale Customers.

1.17 Third Party or Third Parties means any entity or entities that are not a Party or Parties.

1.18 Trading Transactions means Off-System Transactions that are not Generation Hedge Transactions or otherwise sourced or hedged from, dedicated to, or associated with the generation assets or Internal Load of the Operating Companies.

ARTICLE II TERM OF AGREEMENT

2.1 Term and Withdrawal. Subject to Commission approval or acceptance for filing, this Agreement shall take effect on June 1, 2015, or such other date permitted by the Commission, and shall continue in full force and effect until (a) terminated by mutual agreement or (b) upon no less than twelve (12) months' written notice by one Party to each of the other Parties, after which time the notifying Party will be withdrawn from the Agreement and the Agreement will continue in full force and effect for the remaining Parties except for such modifications necessary to remove the withdrawn Party.

ARTICLE III [INTENTIONALLY OMITTED]

ARTICLE IV SCOPE AND RELATIONSHIP TO OTHER AGREEMENTS AND SERVICES

4.1 Scope. This Agreement is not intended to preclude the Parties from entering into other arrangements between or among themselves or with Third Parties. This Agreement is intended to operate in addition to, not in lieu of, power market transactions and settlements that occur between each Operating Company, or the Operating Companies collectively, and any applicable regional transmission organizations.

4.2 Transmission. This Agreement is intended to apply to the coordination of the power supply resources of, and loads served by, the Operating Companies. It is not intended to

apply to the coordination of transmission facilities owned or operated by the Operating Companies.

ARTICLE V AGENT

5.1 Agent. The Agent will perform the activities and duties specified by this Agreement and any other activities or duties pertaining to this Agreement that may be requested from time to time by one or more Operating Companies, subject to the receipt of any necessary regulatory approvals. The Operating Companies delegate to AEPSC, as the Agent, and AEPSC hereby accepts responsibility and authority for the duties specified in this Agreement and shall perform each of those duties under the direction of the Operating Companies. With the prior written consent of the Operating Companies, AEPSC may delegate all or a part of its responsibilities under this Agreement to another entity.

ARTICLE VI COMPOSITION AND DUTIES OF THE OPERATING COMMITTEE

6.1 Operating Committee. By written notice to the other Parties, each Party shall name one representative ("Representative") to act for it in matters pertaining to this Agreement and its implementation. A Party may change its Representative at any time by written notice to the other Parties. The Representatives of the respective Parties shall comprise the Operating Committee. The Agent's Representative shall act as the chairman of the Operating Committee ("Chairman"). All decisions of the Operating Committee shall be by a simple majority vote of the Representatives. There shall be only five voting representatives on the Operating Committee. No Party may delegate its vote to another entity.

6.2 Meeting Dates. The Operating Committee shall hold meetings at such times, means, and places as the members shall determine. Minutes of each Operating Committee meeting shall be prepared and maintained.

6.3 Duties. The Operating Committee shall have the duties listed below:

- (a) reviewing and providing direction concerning the equitable sharing of costs and benefits under this Agreement among the Operating Companies;
- (b) administering this Agreement and proposing amendments hereto, including such amendments that are proposed in response to a change in regulatory requirements applicable to one or more of the Operating Companies or changes concerning an applicable regional transmission organization, provided that any amendments will be subject to Section 13.2; and
- (c) reviewing and, if necessary, proposing changes to the duties and responsibilities of the Agent, subject to Section 5.1.

In the event that an action of the Operating Committee results in a change to the settlement process(es) among the Operating Companies, such modified settlement will normally occur on a prospective basis only, however, this may include past billing periods back to the beginning of the first full billing month preceding the date of action of the Operating Committee. Such modifications will be subject to the terms of Article IX as applicable.

ARTICLE VII OPERATING COMPANY PLANNING AND OPERATIONS

7.1 Operating Company and System Planning. Each Operating Company will be individually responsible for its own capacity planning. Consistent with the requirements of PJM or the applicable regional transmission or reliability organization, each Operating Company will be responsible for maintaining an adequate level of power supply resources to meet its own

Internal Load requirements for capacity and energy, including any required reserve margins, and shall bear all of the resulting costs. The Agent shall assess the adequacy of the power supply resources of the Operating Companies and make recommendations to each Operating Company regarding (1) the need for additional power supply resources and (2) whether each Operating Company has power supply resources in excess of its needs (short-term or long-term) that could be made available to the other Operating Companies or Third Parties either through separate contracts or through the power markets of the applicable regional transmission organization. The actual addition or disposition of power supply resources will be conditioned on compliance with all applicable state and other regulatory requirements and requirements of the applicable regional transmission organization.

7.2 Generation Resource Outage Planning. The Agent, on behalf of the Operating Companies, will coordinate the scheduling of planned generation resource outages in order to support reliability and manage costs.

7.3 Generation Resource Dispatch. The generation resources of each of the Operating Companies will be individually dispatched by the Agent in accordance with the direction of the applicable regional transmission organization.

7.4 Regional Transmission Organization Transactions. The Agent will administer the participation of the Operating Companies in the power markets of the applicable regional transmission organization. Each Operating Company shall be individually responsible for charges it incurs and credits it receives due to its participation in the power markets of a regional transmission organization. Such costs and revenues will be assigned or allocated directly by the applicable regional transmission organization or its agent where practical. The Operating Companies may collectively participate from time to time in specific markets of the regional

transmission organization or to meet certain regional transmission or reliability organization requirements, in which case the allocation of resulting revenues and/or costs, if any, will be performed as specified herein. The election of whether each Operating Company's load and generation resources will participate in the Capacity Market of PJM through the Reliability Pricing Model auctions or through the Fixed Resource Requirement alternative, either collectively or individually, for any planning year is not governed by this Agreement.

7.5 Off System Transactions. The Agent will engage in Off-System Transactions on behalf of or at the direction of the Operating Companies and will assign or allocate the costs and revenues of Off-System Transactions to the Operating Companies in the manner specified below.

7.5.1 Capacity Purchases and Sales with Third Parties. Except as described in Section 7.5.2 related to the PJM Capacity Auctions: (1) Off-System Transactions of capacity undertaken for an individual Operating Company will be directly assigned to that Operating Company; (2) Off-System Purchases of capacity undertaken for more than one Operating Company will be allocated among those Operating Companies ratably in proportion to the total capacity needed by each Operating Company minus each Operating Company's total capacity resources; and (3) Off-System Sales of capacity undertaken for more than one Operating Company will be allocated among those Operating Companies ratably in proportion to the total capacity resources of each Operating Company minus the total capacity obligation of each Operating Company (including any holdback required by the applicable regional transmission organization).

7.5.2 Capacity Purchases and Sales in the PJM Capacity Auctions And Related Issues. When an Operating Company participates individually in the Reliability Pricing Model or the Fixed Resource Requirement alternative, Off-System Transactions

of capacity related to a PJM Capacity Auction will be directly assigned to the specific Operating Company based on the results of such auctions.

When two or more Operating Companies collectively participate in the Fixed Resource Requirement alternative, any Off-System Transactions of capacity related to a PJM Capacity Auction will be allocated to each participating Operating Company ratably in proportion to the total capacity resources of each Operating Company minus the total capacity obligation of each Operating Company (including any holdback required by PJM) for the applicable planning year(s), and Service Schedule A will apply to delivery year and post-delivery year obligations of the participating Operating Companies associated with the Fixed Resource Requirement alternative.

7.5.3 Directly Assigned Energy Purchases and Sales with Third Parties.

Off-System Transactions of energy will be directly assigned to the applicable Operating Company. Costs and revenues associated with each Operating Company's Off-System Sales of energy and Internal Load energy purchases from the applicable regional transmission organization in the Spot Market, including the purchase of any energy deficits or sales of any energy surpluses, will be directly assigned to that Operating Company.

7.5.4 Generation Hedge Transactions and Trading Transactions. Revenues and costs associated with Generation Hedge Transactions, including revenues and costs associated with the settlement of Generation Hedge Transactions in the Spot Market or other markets of the applicable regional transmission organization, will be allocated among the Operating Companies by the Agent as specified under Service Schedule B.

Revenues and costs associated with Trading Transactions, including revenues and costs associated with the settlement of Trading Transactions in the Spot Market or other markets of the applicable regional transmission organization, will be allocated among the Operating Companies by the Agent as specified under Service Schedule C.

7.6 Emergency Response. In the event of a System Emergency, no adverse distinction shall be made between the customers of any of the Operating Companies. Each Operating Company shall, under the direction of the applicable regional transmission organization, make its power supply resources available in response to a System Emergency. Notwithstanding the foregoing, it is understood that transmission constraints or other factors may limit the ability of an Operating Company to respond to a System Emergency.

**ARTICLE VIII
ASSIGNMENT OF COSTS AND BENEFITS
OF COORDINATED OPERATIONS**

8.1 Service Schedules. The costs and revenues associated with coordinated operations as described in Article VII shall be distributed among the Operating Companies in the manner provided in the Service Schedules utilizing the billing procedures described in Article IX. It is understood and agreed that all such Service Schedules are intended to establish an equitable sharing of costs and/or benefits among the Operating Companies, and that circumstances may, from time to time, require a reassessment of the relative costs and benefits of this Agreement, or of the methods used to apportion costs and benefits under the Service Schedules. Upon a proposal of the Operating Committee, any of the Service Schedules may be amended as of any date agreed to by the Operating Committee by majority vote, subject to Section 13.2.

**ARTICLE IX
BILLING PROCEDURES**

9.1 Records. The Agent shall maintain such records as may be necessary to determine the assignment of costs and revenues of coordinated operations pursuant to this Agreement. Such records shall be made available to the Parties upon request for a period not to exceed three (3) years.

9.2 Monthly Net Billing Statements. As promptly as practicable after the end of each calendar month, the Agent shall prepare a statement setting forth the monthly summary of costs and revenues allocated or assigned to the Operating Companies in sufficient detail as may be needed for settlements under the provisions of this Agreement. As required, the Agent may provide such statements on an estimated basis and then adjust those statements for actual results.

9.3 Billings and Payments. The Agent shall be responsible for all billing between the Operating Companies and other entities with which they engage in Off-System Transactions pursuant to this Agreement. Payments among the Operating Companies, if any, shall be made by remittance of the net amount billed or by making appropriate accounting entries on the books of the Parties. The entire amount shall be paid when due.

9.4 Taxes. Should any federal, state, or local tax, surcharge or similar assessment, in addition to those that may now exist, be levied upon the electric capacity, energy, or services to be provided in connection with this Agreement, or upon the provider of service as measured by the electric capacity, energy, or services, or the revenue there from, such additional amount shall be included in the net billing described in Section 9.3.

9.5 Undelivered and Unpaid Monthly Billing Statements. Within one (1) year from the date on which a billing statement should have been delivered, if a Party's records reveal that the bill was not delivered, then the Agent shall deliver to the appropriate Party a bill within

one (1) month of this determination. Any amounts collected or reimbursed due to such delay shall not include interest.

9.6 Billing Errors and Disputes. If a Party discovers a billing error pertaining to a prior billing for reasons including, but not limited to, missing or erroneous data or calculations, including those caused by meter, computer or human error, a correction adjustment will be calculated through the second full month preceding discovery of the error. The Parties shall have the right to dispute the accuracy of any bill or payment for a period not to exceed two months from the date on which the bill or, if applicable, the corrected bill was initially delivered. Following this two-month period, the right to dispute a bill is permanently waived for any and all reasons including but not limited to, (a) errors, (b) omissions, (c) Agent's actions, and (d) the Operating Committee's decisions, Agreement interpretations and direction in the administration of the Agreement. Any amounts collected or reimbursed due to such disputes shall not include interest.

ARTICLE X FORCE MAJEURE

10.1 Events Excusing Performance. No Party shall be liable to another Party for or on account of any loss, damage, injury, or expense resulting from or arising out of a delay or failure to perform, either in whole or in part, any of the agreements, covenants, or obligations made by or imposed upon the Parties by this Agreement, by reason of or through strike, work stoppage of labor, failure of contractors or suppliers of materials (including fuel, consumables or other goods and services), failure of equipment, environmental restrictions, riot, fire, flood, ice, invasion, civil war, commotion, insurrection, military or usurped power, order of any court or regulatory agency granted in any *bona fide* legal proceedings or action, or of any civil or military

authority either *de facto* or *de jure*, explosion, Act of God or the public enemies, or any other cause reasonably beyond its control and not attributable to its neglect. A Party experiencing such a delay or failure to perform shall use due diligence to remove the cause or causes thereof; however, no Party shall be required to add to, modify or upgrade any facilities, or to settle a strike or labor dispute except when, according to its own best judgment, such action is advisable.

ARTICLE XI DELIVERY POINTS

11.1 Delivery Points. All electric energy delivered under this Agreement shall be of the character commonly known as three-phase sixty-cycle energy, and shall be delivered at the various points where the transmission systems of the Operating Companies are interconnected, either directly or through transmission facilities of third parties, at the nominal unregulated voltage designated for such points, and at such other points and voltages as may be determined and agreed upon by the Operating Companies.

ARTICLE XII GENERAL

12.1 Adherence to Industry Standards. The Parties agree to make their best efforts to conform to Industry Standards as they affect the implementation of and conduct pertaining to this Agreement.

12.2 No Third Party Beneficiaries. This Agreement does not create rights of any character whatsoever in favor of any person, corporation, association, entity or power supplier, other than the Parties, and the obligations herein assumed by the Parties are solely for the use and benefit of the Parties. Nothing in this Agreement shall be construed as permitting or vesting, or attempting to permit or vest, in any person, corporation, association, entity or power supplier,

other than the Parties, any rights hereunder or in any of the resources or facilities owned or controlled by the Parties or the use thereof.

12.3 Waivers. Any waiver at any time by a Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this Agreement, shall not be deemed a waiver of such right.

12.4 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties only, and their respective successors and assigns, and shall not be assignable by any Party without the written consent of the other Parties except to a successor in the operation of its properties by reason of a reorganization to comply with state or federal restructuring requirements, or a merger, consolidation, sale or foreclosure whereby substantially all such properties are acquired by or merged with those of such a successor.

12.5 Liability and Indemnification. SUBJECT TO ANY APPLICABLE STATE OR FEDERAL LAW THAT MAY SPECIFICALLY RESTRICT LIMITATIONS ON LIABILITY, EACH PARTY (AN "INDEMNIFYING PARTY") SHALL RELEASE, INDEMNIFY, AND HOLD HARMLESS THE OTHER PARTIES (EACH AN "INDEMNIFIED PARTY"), THEIR DIRECTORS, OFFICERS AND EMPLOYEES FROM AND AGAINST ANY AND ALL LIABILITY FOR LOSS, DAMAGE OR EXPENSE (1) ALLEGED TO ARISE FROM, OR BE INCIDENTAL TO, INJURY TO PERSONS AND/OR DAMAGE TO PROPERTY IN CONNECTION WITH THE INDEMNIFYING PARTY'S FACILITIES OR THE PRODUCTION OR TRANSMISSION OF ELECTRIC ENERGY BY OR THROUGH THE INDEMNIFYING PARTY'S FACILITIES OR (2) RELATED TO PERFORMANCE OR NON-

PERFORMANCE OF THIS AGREEMENT OR (3) RELATED TO ANY NEGLIGENCE ARISING UNDER THIS AGREEMENT. IN NO EVENT SHALL ANY PARTY BE LIABLE TO ANOTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY CLAIM ARISING OUT OF THIS AGREEMENT.

12.6 Headings. The descriptive headings of the Articles, Sections and Service Schedules of this Agreement are used for convenience only, and shall not modify or restrict any of the terms and provisions thereof.

12.7 Notice. Any notice or demand for performance required or permitted under any of the provisions of this Agreement shall be deemed to have been given on the date such notice, in writing, is deposited in the U.S. mail, postage prepaid, certified or registered mail, addressed to the Parties at their principal place of business at 1 Riverside Plaza, Columbus, Ohio 43215, or in such other form or to such other address as the Parties may stipulate.

12.8 Interpretation. In this Agreement: (a) unless otherwise specified, references to any Article or Section are references to such Article or Section of this Agreement; (b) the singular includes the plural and the plural includes the singular; (c) unless otherwise specified, each reference to a requirement of any governmental entity or regional transmission organization includes all provisions amending, modifying, supplementing or replacing such governmental entity or regional transmission organization from time to time; (d) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; (e) unless otherwise specified, each reference to any tariff or agreement includes all amendments, modifications, supplements, and restatements made to such tariff or agreement from time to time which are not prohibited by this Agreement; (f) the descriptive headings of the various Articles

and Sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict the terms and provisions thereof; and (g) “herein,” “hereof,” “hereto” and “hereunder” and similar terms refer to this Agreement as a whole.

ARTICLE XIII REGULATORY APPROVAL

13.1 Regulatory Authorization. This Agreement is subject to and conditioned upon its approval or acceptance for filing without material condition or modification by the Commission. In the event that this Agreement is not so approved or accepted for filing in its entirety or without conditions or modifications unacceptable to any Party, or the Commission subsequently modifies this Agreement upon complaint or upon its own initiative (as provided for in Section 13.2), any Party may, irrespective of the notice provisions in Section 2.1, withdraw from this Agreement by giving thirty (30) days’ advance written notice to the other Parties.

13.2 Changes. It is contemplated by the Parties that it may be appropriate from time to time to change, amend, modify, or supplement this Agreement, including the Service Schedules and any other attachments that may be made a part of this Agreement, to reflect changes in operating practices or costs of operations or for other reasons. Any such changes to this Agreement shall be in writing executed by the Parties and subject to approval or acceptance for filing by the Commission.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and attested by their duly authorized officers on the day and year first above written.

APPALACHIAN POWER COMPANY

By: _____

Title: _____

INDIANA MICHIGAN POWER COMPANY

By: _____

Title: _____

KENTUCKY POWER COMPANY

By: _____

Title: _____

WHEELING POWER COMPANY

By: _____

Title: _____

AMERICAN ELECTRIC POWER SERVICE CORPORATION

By: _____

Title: _____

**SERVICE SCHEDULE A
COLLECTIVE PARTICIPATION IN THE
FIXED RESOURCE REQUIREMENT ALTERNATIVE**

A1– Duration. This Service Schedule A shall become effective and binding when the Agreement of which it is a part becomes effective, and shall continue in full force and effect throughout the duration of the Agreement unless terminated or suspended.

A2 – Availability of Service. This Service Schedule A governs the administration and settlement of capacity during such times that multiple Operating Companies are participating, on a collective basis, in the Fixed Resource Requirement alternative.

A3 – Delivery Year and Post-Delivery Year Settlement. During a given PJM planning year (i.e., the delivery year), the Agent will manage the capacity resources needed to meet the combined Operating Companies' capacity obligations and commitments to PJM.

If capacity resource performance charges are assessed by PJM for a given delivery year, the total net charge will be allocated among the Operating Companies ratably in proportion to each Operating Company's contribution to the total charge, taking into account the effect of collective participation of the Operating Companies in the Fixed Resource Requirement alternative. Each Operating Company's contribution to the total net charge will be determined by the Agent by computing a total MW position for each Operating Company by subtracting its total capacity obligation in MWs from its total capacity resources in MWs. This result will be further adjusted by adding or subtracting as applicable the net total MWs of actual under-performance or over-performance of each Operating Company's capacity resources during the delivery year as computed by PJM. Any Operating Company with a resulting net short MW position, meaning that its capacity obligation MWs are greater than its capacity resource MWs including any MWs of over-performance or under-performance, will be allocated a share of the

20150402-5304 FERC PDF (Unofficial) 4/2/2015 4:58:03 PM

Sheet No. 21

total net performance charge from PJM based on the Operating Company's net short MW position. Any performance charge not allocated as set forth above will be directly assigned to the Operating Company that caused the performance charge.

**SERVICE SCHEDULE B
GENERATION HEDGE TRANSACTIONS**

B1 – Duration. This Service Schedule B shall become effective and binding when the Agreement of which it is a part becomes effective, and shall continue in full force and effect throughout the duration of the Agreement unless terminated or suspended.

B2 – Service. This Service Schedule B governs energy-related Off-System Transactions made pursuant to Section 7.5.4 of the Agreement that are associated with Generation Hedge Transactions as defined in Section 1.5. The total monthly net costs and revenues from the settlement of Generation Hedge Transactions will be allocated among the Operating Companies ratably in proportion to the total of each Operating Company's surplus MWhs for the month, as determined by the Agent. Surplus MWhs will be computed as the total of all MWs in hours in which an Operating Company's MW output of its generation assets and energy purchases exceeded that Operating Company's Internal Load.

If the above allocation would result in any Operating Company being allocated revenues or costs associated with more than one hundred and fifteen percent (115%) of its monthly surplus MWhs as computed above, such excess(es) above that amount will be allocated to all of the Operating Companies ratably in proportion to the sum of each Operating Company's hourly MW output of its generation assets for the month.

**SERVICE SCHEDULE C
TRADING TRANSACTIONS**

C1 – Duration. This Service Schedule C shall become effective and binding when the Agreement of which it is a part becomes effective, and shall continue in full force and effect throughout the duration of the Agreement unless terminated or suspended.

C2 – Service. This Service Schedule C governs the financial allocation and settlement of Off-System Transactions made pursuant to Section 7.5.4 of the Agreement that are associated with Trading Transactions as defined in Section 1.18. All Trading Transactions settled for a given month will be allocated among the Operating Companies ratably in proportion to each Operating Company's total common shareholder equity balance. The total common shareholder equity balance for each Operating Company as of the end of the previous calendar year will be as stated in the FERC Form 1, currently page 112 (Total Proprietary Capital). These balances will then be applied to allocate settled Trading Transactions among the Operating Companies during the subsequent twelve-month period beginning June 1 and ending May 31.

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_5 Refer to the Application, page 3. Explain whether Kentucky Power's decision not to renew the Rockport Unit Power Agreement (UPA) is final.

RESPONSE

Yes, Kentucky Power's decision not to renew the Rockport UPA is final.

Witness: D. Brett Mattison

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

- KPSC 1_6** Refer to the Direct Testimony of Brett Mattison (Mattison Testimony), page 6, lines 9–12. Also, refer to the Direct Testimony of Mark A. Becker (Becker Testimony), in general.
- a. Explain whether Kentucky Power expects the Mitchell units to produce less energy in the future, once the Coal Combustion Residual (CCR) and Effluent Limitation Guidelines (ELG) rules investments have been made.
 - b. Explain and compare the anticipated cost of energy produced at Mitchell with the anticipated energy market clearing prices in PJM Interconnection, LLC (PJM) AEP Zone.
 - c. Provide a table illustrating the percentage of time per month that each Mitchell unit's bid in energy price has been equal to or below the PJM AEP Zone locational marginal price (LMP) for the previous three years.

RESPONSE

- a. Mitchell would be expected to produce less energy in the future, once CCR and ELG investments are made, if actual PJM market energy prices are similar to those used in Kentucky Power's analysis. Capacity factor alone is not a good indicator of the overall value of a given resource. The Mitchell Plant is a valuable resource for Kentucky Power.
- b. See the ST existing unit info worksheet contained in the PLEXOS output fields presented in Witness Becker's workpapers presented in KIUC-AG 1-2 for the information regarding the cost of energy produced by Mitchell. Information regarding the projected energy market prices were provided in KIUC-AG 1-2 in Company Witness Trecuzzi fundamental forecast workpapers.
- c. Please see KPCO_R_KPSC_1_6_Attachment1.

Witness: Mark A. Becker

Witness: Jason M. Stegall

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_7 Refer to the Mattison Testimony, page 8, lines 3–14. Explain when Kentucky Power began evaluating compliance strategies for the ELG and CCR Rule.

RESPONSE

The Company began evaluating potential compliance strategies based on draft rule language in October 2019. The CCR and ELG rules were finalized in August 2020. The Company began evaluating compliance strategies for the final ELG and CCR Rules in August 2020 after the rules were finalized.

Witness: D. Brett Mattison

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_8 Refer to Mattison Testimony, page 8, lines 15–17. Confirm that Kentucky Power's capacity requirement of approximately 1,000 MW is its PJM obligation and not its requirement to meet its winter peaks.

RESPONSE

Confirmed, the 1,000 MW capacity requirement referred to by Company Witness Mattison was based on the Company's PJM obligation.

Witness: Mark A. Becker

Witness: D. Brett Mattison

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 1 of 2

DATA REQUEST

KPSC 1_9 Refer to Mattison Testimony, page 9, lines 1–5.

- a. Confirm that Kentucky Power's customers pay the PJM AEP East Zonal LMP for energy every hour. If not, explain when and under what circumstances its customers pay a different energy price.
- b. Explain how the Mitchell generating station serves as a physical energy hedge such that Kentucky Power's customers are shielded from potentially volatile energy costs.
- c. Confirm that through the PCA, Kentucky Power purchases energy during the winter heating season when it does not have sufficient capacity to serve its native load and that the prices paid to sister AEP East companies is the PJM AEP East Zonal LMP. If not, explain how Kentucky Power serves its customers during the winter season when it is capacity short and what prices are paid for energy.

RESPONSE

- a. The Company cannot confirm this statement. The Company's internal load settles in PJM at the AEP Kentucky Residual Load aggregate LMP (AEPKY_RESID_AGG in PJM's LMP model) every hour. Customers pay the lower of LMP and the Company's internal cost of generating energy through a combination of base fuel rates, the fuel adjustment clause and the System Sales Clause.
- b. This statement is based on the concept that if utilities within an RTO such as PJM own their own resources, especially coal resources, they can produce electricity at a cost that is more certain than the price which will be incurred buying energy from the PJM market. Coal resources have actual fuel on site which can be used to generate power at a known cost. This on site fuel at coal plants owned by a utility is what is meant by a physical energy hedge. Without Mitchell, Kentucky Power would be acquiring energy in the PJM market in far more hours than the Company does with Mitchell. These market energy prices are often set during periods of high demand by dispatchable gas-fired peaking resources, which do not have fuel on site, and thus are exposed to the volatile prices of gas needed to make power. Higher gas prices generally lead to higher power prices in PJM.

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 2 of 2

The recent events in SPP and ERCOT during February of 2021, with power prices above \$1,000 per MWH for a sustained period of several days, is an example of volatile energy costs. Those prices were driven by a scarcity of gas which drove Henry Hub gas prices into the hundreds of dollars per MMBTU. Those gas prices impacted the cost of gas and power in the PJM region as well. For example at Kentucky Power's sister company Appalachian Power Company's Dresden combined cycle gas unit, the price of gas reached \$8/MMBTU one day during that event.

c. Energy needed to serve internal load does not get purchased and sold between the AEP companies pursuant to the PCA. Kentucky Power buys that energy in the PJM market in every hour in which its own resources produce less energy than the Company's load. This energy is priced at the AEP Kentucky Residual Load aggregate. This availability of energy from the PJM market at all times of the year, including during winter peak times, is one of the primary benefits to Kentucky Power of PJM membership.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_10 Refer to the Direct Testimony of Lerah M. Scott, page 13, line 4, and Exhibit LMS-3, page 1. Confirm that construction work in progress (CWIP) is currently included in Kentucky Power's environmental surcharge rate base in Line 1, "Utility Plant at Original Cost." If confirmed, state whether CWIP related to projects other than Project 22 would also be included in the proposed Line 13, "Construction Work in Progress (CWIP)." If this cannot be confirmed, explain whether Kentucky Power includes allowance for funds used during construction in its environmental surcharge rate base.

RESPONSE

There is no Construction Work in Progress currently included in Kentucky Power's environmental surcharge rate base in Line 1, "Utility Plant at Original Cost." AFUDC is included in the environmental rate base via Line 1 "Utility Plant at Original Cost," which contains any AFUDC that was accrued prior to the asset being placed in service.

Witness: Lerah M. Scott

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_11 Refer to the Direct Testimony of Gary O. Spitznogle (Spitznogle Testimony), page 6, lines 3–5. Explain and describe what a bioreactor is and how it will treat flue gas desulfurization (FGD) wastewater streams.

RESPONSE

The bioreactor proposed for Mitchell is a low hydraulic resistance time (LRTR) attached growth anoxic/anaerobic bioreactor from Frontier Water Systems. The bioreactor system consists of a two stage reactor process. Each reactor stage contains a packed bed of granular activated carbon (GAC). Bacteria is seeded into the reactors where microbes attach to the surface and pores of the GAC to form a biofilm. In absence of dissolved oxygen in the wastewater, the microbes will use oxygen bonded to contaminants such as selenite and selenate for microbial respiration. Therefore, the microbes reduce selenite and selenate to elemental selenium which is then contained within the GAC biofilm as elemental selenium particles. The reactors are backwashed to remove the elemental selenium particles and sent to the front end of the existing physical-chemical treatment system for final removal and disposal in the landfill. If any of the elemental selenium particles inadvertently leave with the bioreactor effluent, those particles are captured by the downstream ultrafiltration system.

Witness: Brian D. Sherrick

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_12 Refer to Spitznogle Testimony, page 7, lines 1–7. Also, refer to the Becker Testimony, in general. Explain how each of Kentucky Power's sister AEP East operating companies in the PCA are complying with the CCR and ELG rules for each of their affected generating stations. Include in the explanation whether the cost benefit analyses for those affected generation stations were made with the same assumptions used in the Mitchell station analyses. If not, explain why not and provide a comparison of the different assumptions for each station.

RESPONSE

Taking into account plant specific requirements, the proposed projects for the Amos and Mountaineer plants are the same systems as proposed for the Mitchell Plant to comply with the CCR and ELG requirements, subject to regulatory approval.

An economic analysis based on PLEXOS simulations similar to that prepared by Company witness Becker for Kentucky Power was also prepared for AEP affiliates Wheeling Power Company (co-owner of Mitchell) and Appalachian Power Company (APCo). The APCo analysis covered the Amos and Mountaineer plants under the same three fundamental forecasts and the same replacement resource options used for the Company's Mitchell analysis.

An economic analysis of ELG investments was not prepared for Rockport unit 1 because that unit was already committed to retire by 2028 and thus prior to the EPA's final CCR/ELG rules. The owners of Unit 1 have elected to make CCR investments at Rockport 1 to allow it to operate through 2028.

Rockport Unit 2 is not owned by Kentucky Power or its affiliates.

Witness: Mark A. Becker

Witness: Brian D. Sherrick

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_13 Refer to Spitznogle Testimony, page 7, lines 1–7. Provide the docket numbers for state commission regulatory proceedings filed by AEP East operating company in the PCA that are making similar CCR and ELG compliance filings in their respective states.

RESPONSE

Appalachian Power Company is making a similar CCR and ELG compliance filing in Virginia (PUR-2020-00258). Appalachian Power Company and Wheeling Power Company are making a similar CCR and ELG compliance filing in West Virginia (20-1040-E-CN).

Witness: Gary O. Spitznogle

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_14 Refer to Spitznogle Testimony, page 8, lines 13–16. Explain the “specific limitations” applicable to Kentucky Power on FGD wastewater and bottom ash transport water discharge incurred if Kentucky Power were to utilize the ELG Rule retirement option.

RESPONSE

Per the ELG Rule for units selecting this option, this refers to the technology based limits cited in 40 CFR 423.13(k)(2)(ii) for bottom ash transport water (which in turn refers to 40 CFR 423.12(b)(4) for Total Suspended Solids), and cited in 40 CFR 423.13(g)(2)(i) for FGD wastewater (which in turn refers to 40 CFR 423.12(b)(11) for Total Suspended Solids.)

Witness: Gary O. Spitznogle

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

- KPSC 1_15** Refer to Becker Testimony, page 3, lines 5–13.
- a. Explain and compare the assumptions supporting the base and low fundamentals forecast.
 - b. Explain what price of carbon was used in the analyses and whether the same price has been used on all other AEP East PCA operating companies' CCR or ELG compliance cost benefit analyses. If not, explain the differences.
 - c. Refer also to the Direct Testimony of Connie S. Trecuzzi, page 7, lines 5–17. State whether Kentucky Power has determined the likelihood of an additional cost associated with CO₂ emissions.

RESPONSE

- a. To complement the Base EIA-based Fundamentals Forecast, three associated cases were also created: the Lower Band, Higher Band, and the Base with Carbon scenarios. The associated cases were designed to define a plausible range of outcomes surrounding the Base EIA-based Fundamentals Forecast. The Lower and Higher Band forecasts consider lower and higher North American demand for electric generation and fuels and, consequently, lower and higher fuels prices, respectively. In the Higher Band and Lower Band scenarios, fossil fuel prices vary one standard deviation above and below Base values, respectively. The Base with Carbon scenario assumes there will be an additional cost (burden) associated with CO₂ emissions commencing in 2028 and remain in effect throughout the remaining forecast period.
- b. The CO₂ emission burden, assumed only in the Base with Carbon scenario, employed a CO₂ dispatch burden on all existing fossil fuel-fired generating units that escalates 3.5% per annum from \$15 per metric ton commencing in 2028. This CO₂ emission burden is applied across all AEP Operating Companies including AEP East.
- c. The Company's Base Case carbon price proxy is intended to reflect the risks and costs associated with the regulation of carbon dioxide emissions from fossil fuel-fired power plants. As such, the Company's CO₂ dispatch burden represents the possibility of both lesser and greater CO₂ emission burden values.

Witness: Connie S. Trecuzzi

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_16 Refer to Becker Testimony, page 4, lines 1–4, and page 11, lines 1–4. Explain whether modeling CCR or ELG compliance cost benefit analyses on a combined unit basis at the PCA level was conducted, and whether this type of analysis would result in different outcomes as opposed to modeling on an individual generation station basis.

RESPONSE

Analysis was not completed at the PCA level because each PCA member company has an obligation to conduct its own capacity planning and to own or control enough capacity to meet its own capacity obligations.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_17 Refer to Becker Testimony, page 4, lines 1–4. Explain whether the AEP East companies participating in the PCA possess sufficient generation capacity to cover the retirement of any one fossil unit affected by CCR and ELG compliance.

RESPONSE

Each of the four PCA companies would need to obtain replacement capacity to enable each to meet its PCA obligation if any of the units at Amos, Mitchell, Mountaineer or Rockport were to retire. This could change in the future given changes in load, or the composition of each company's entire fleet of resources.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

- KPSC 1_18** Refer to Becker Testimony, page 5, lines 11–19.
- a. Explain whether there are any known or anticipated generation unit retirements within the AEP East Zone or neighboring Zones as a result of CCR and ELG compliance requirements.
 - b. Explain how the forward energy and capacity prices within the AEP East Zone are being affected by anticipated CCR and ELG compliance actions.
 - c. Because purchased power is procured on an hourly basis at the AEP East Zone LMP, explain how the energy value of resources were netted out of purchased power costs. Include in the explanation how the energy value of resources and the purchased power costs were determined.

RESPONSE

- a. The Company is not aware of and has not studied whether any non-AEP companies in AEP East Zone or neighboring zone announced retirements resulting from CCR and ELG compliance requirements.
- b. The Company does not have a forecast that isolates the impact of CCR or ELG compliance on PJM market energy and capacity prices. There are numerous factors that influence prices, including but not limited to changes in capacity and energy market rules, regional fleet composition, fuel cost and availability, tax incentives, transmission, and other federal and state regulatory mandates, which make isolation of price effects of any one factor impossible.
- c. Energy sales revenues and purchased power are computed separately from each other, to mimic how PJM settlements are done, and then added together after the fact to determine the net impact. This is done every hour regardless of what the Company's load is relative to its available generation. For the purchased power, the analysis assumes that all of the Kentucky Power's hourly energy requirement (i.e. load) is purchased hourly at forecasted hourly PJM market energy prices. For the energy revenue, on an hourly basis, the model compares the dispatch cost of Kentucky Power's generating units to the forecasted PJM market energy price. In a given hour, when Kentucky Power's generating unit variable costs (i.e. fuel cost, variable o&m, emission costs) are less than the PJM market energy price, the generating unit will dispatch, subject to its operating limitations, selling its energy into the PJM energy market and producing energy sale revenues and margin on these sales.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 1 of 2

DATA REQUEST

- KPSC 1_19** Refer to Becker Testimony, page 5, lines 10–23 and page 6, lines 1–17.
- a. Explain whether all Mitchell retirement costs were included in the analysis, and if not, explain why not.
 - b. Provide tables illustrating the capability, load, and reserve (CLR) analyses results annually over the forecast period.
 - c. Confirm that the peak demand target is the PJM minimum capacity reserve margin requirement and is not based on Kentucky Power's winter peak or historic peak.
 - d. If not provided elsewhere, explain what wide range of resource options were considered in the analyses.
 - e. Explain whether transmission upgrades or other transmission related costs were considered in the analyses. If included, provide the transmission related costs included in the analyses. If not included, explain why the transmission related costs were not included in the analyses.
 - f. Explain the potential or estimated effects that CCR and ELG compliance is having or is expected to have on fuel prices, and whether these effects were included in the analyses.
 - g. Explain whether the Unity Aluminum (formerly known as Braidy Industries) rolling mill is still forecasted to be completed and whether this will require an increase in Kentucky Power's capacity requirement.

RESPONSE

- a. Mitchell retirement costs (demolition, removal, and site closure costs) were excluded from the analysis because these costs will be incurred regardless of any CCR/ELG investment made.
- b. Please see Company Witness Becker's two CLR workpaper files provided in KIUC_AG 1_2 (KPCO_R_KIUC_AG_1_2 CONFIDENTIAL Attachment 11 and 12) for the requested information.
- c. Confirmed.
- d. Please see Section IV of Mr. Becker's direct testimony for a discussion of the replacement resource options considered in the analyses. All of the resources listed in his Table 3 were considered except for the coal and nuclear options, given the high capital

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 2 of 2

costs for the coal and nuclear options. The resources listed in Table 3 were selected from options provided by the EIA. See K PCO_R_KIUC_AG_1_029_Attachment2 for the Sargent and Lundy study commissioned by EIA which provides detailed information on 25 options including the nine options listed in Table 3 selected for this analysis.

e. Retirement of Mitchell is expected to create thermal and voltage violations within the transmission system and thus transmission investment will be required prior to retirement. Please see Section VII of Mr. Becker's direct testimony for a discussion of the transmission upgrades and related costs which were considered in the analyses.

f. The impacts CCR or ELG compliance will have on coal costs are unknown and the Company cannot estimate them.

g. Unity Aluminum confirmed it continues to work to secure financing to complete construction of the facilities described in the contract. Unity indicated it currently is unable to provide an estimate of when sufficient financing would be secured to complete construction of its facilities described in the Contract for Firm Electric Service Between Kentucky Power Company and Braidy Industries, Inc. n/k/a Unity. Unity Aluminum going into service will require an increase in the Company's Capacity requirement because Unity Aluminum was not included in the load forecast used in the analysis.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_20 Refer to the Becker Testimony, page 8, lines 19–20. Explain the statement, “The cumulative net savings under Case 2 (CCR Only) reaches between \$62 million and \$139 million by 2050.”

RESPONSE

Please refer to Figure 1 of Witness Becker's direct testimony. In 2050, the bars shown on the graph are at approximately -\$62 million for the Base No Carbon and Low No Carbon case and -\$139 million for the Base with Carbon case. This indicates that Case 2 (CCR Only) produces a cumulative savings for customers over Case 1 (CCR&ELG) in that range by 2050.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_21 Refer to Becker Testimony, page 9, lines 2–3. Describe any foreseeable circumstances (if any), barring CCR or ELG compliance, in that the Mitchell plant would retire prior to the 2040 planned date under Case 1.

RESPONSE

The CLR analysis referenced in the referenced testimony is not used to identify the circumstances under which the Mitchell generating station would continue to operate. Rather, it examines whether Kentucky Power would have sufficient capacity to meet its PJM capacity requirements in the event the Mitchell generating station were to retire.

The Company is seeking a certificate of public convenience and necessity in this proceeding to undertake the construction required to continue to operate the Mitchell generating station through 2040 (Case 1). The Company would be required to retire the Mitchell generating Station earlier if its application (Case 1) were denied, or, if the Commission were to approve only the work required for CCR compliance (Case 2). Other circumstances under which the Company might be required to retire the Mitchell generating prior to 2040 are too speculative to identify.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_22 Refer to Becker Testimony, page 11, lines 18–22. Explain what rate was used to produce the levelized values in the Plexos model.

RESPONSE

A 20 year levelized fixed charge rate of 12.55% was applied to the CCR and ELG capital in Case 1 to produce the carrying costs for those expenditures. A 30 year levelized fixed charge rate of 10.95% was applied to all new resource capital expenditures. In the Case 2 CCR-only scenarios, a 10 year levelized fixed charge rate of 17.2% was used.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

- KPSC 1_23** Refer to Becker Testimony, page 12, lines 1–8.
- a. Explain what different revenue streams and charges are received as a result of the Mitchell units' operation and participation in PJM. Include in the explanation the associated revenue and charge PJM billing line item codes.
 - b. Explain whether the same potential revenue streams and charges were also attributed to the potential replacement resources in the Plexos modeling, and if not, explain why.

RESPONSE

- a. Other than energy revenues, which were included in the analysis for all existing and new resources, the Company's portion of Mitchell has averaged approximately \$500,000 of revenues annually in recent years for providing ancillary services in PJM. Those revenues were not included in the analysis. PJM charges, such as administrative fees related to Mitchell, were also not included.
- b. The Company did not include ancillary service revenues or generation related charges for new resource options, as it does not have a forecast of these items by resource type, and forecasting them would be speculative. The Company also did not include possible revenue streams for new renewable resources such as Renewable Energy Credit sales or capacity revenues. Forecasting REC sales would be speculative both as to the quantity available for sale and price. Capacity revenues would not be expected under these resource plans because the analysis solved for the least cost ways to obtain the minimum level of capacity needed to fulfill the capacity obligation plus a reserve margin, leaving no excess capacity to sell. As an FRR entity in PJM, owned capacity up to the level of load obligation is used to meet the obligation and thus can't be sold.

Witness: Mark A. Becker

Witness: Alex E. Vaughan

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_24 Refer to Becker Testimony, page 14, Table 3, and page 15, lines 1–14. Explain whether the small modular nuclear power plant and the ultra-super critical coal unit were the only resource options not included in the analysis.

RESPONSE

Confirmed. The small nuclear power plant and the ultra-super critical coal unit were the only resource options listed in Table 3 not included in the analysis.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 1 of 2

DATA REQUEST

- KPSC 1_25** Refer to Becker Testimony, page 15, lines 9–23.
- a. Explain how economic market capacity and energy opportunities are being modeled.
 - b. Explain whether Kentucky Power is aware of any economic market capacity or energy opportunities that may exist either inside or outside the AEP East companies.
 - c. Because Kentucky Power does not have sufficient capacity to cover all its energy needs during the winter, explain whether the potential capacity and energy available to Kentucky Power through the PCA has been incorporated into the modeling.
 - d. Because the Rockport UPA was a multiyear purchase power agreement (PPA), explain the rationale for modeling only single year PPAs and as capacity only.

RESPONSE

- a. Those opportunities are not being explicitly modeled because RFPs for those resources had not been issued at the time the analysis was conducted.
- b. Kentucky Power is not aware of any economic market capacity or energy opportunities at this time that may exist either inside or outside the AEP East companies. However, once the disposition of the Mitchell units is known, RFPs for those resources may be issued by the Company to acquire additional resources, if necessary.
- c. The Company expects to have sufficient capacity to meet its winter peak load through December 7, 2022. Each PCA company is required to maintain capacity meet its own capacity obligations from resources other than those of other PCA companies. The PCA does not contain provisions for supply of energy or capacity needed to meet internal load between the PCA companies. Energy needed to serve load in any hour in which load is greater than available generation from the Company's resources is purchased from the PJM energy market.
- d. Numerous resources which come with both capacity and energy were offered into the PLEXOS model in this proceeding for use in developing resource plans, as discussed in Company witness Becker's direct testimony. The capacity-only PPA option was provided as an inexpensive additional kind of resource, in order to determine that if such a resource exists if it could be part of a least cost resource plan.

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 2 of 2

If the Company were to ever find itself in a position whereby capacity was available under a PPA at the time it is was needed at an attractive price versus owned options the Company would seek to enter multi-year PPA's. Single year PPA's would not be a preferred means of meeting long term capacity requirements. The single year PPA option used in this analysis is a proxy for planning purposes for multiyear PPA's. The capacity only option was selected rather than a capacity an energy option to test if energy market prices were at a level that a capacity only option could be deemed to be an economic component of an overall resource plan. In addition, the PPA option was limited to 400 MW total in 50 MW increments to cover small MW requirements without the need for large blocks of resources. The PLEXOS model had already been given small sized capacity and energy options including the 240 MW gas combustion turbine and 20 MW reciprocating engine (RICE) options which would serve as proxies for what a capacity and energy PPA for a small number of megawatts would cost.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 1 of 3

DATA REQUEST

- KPSC 1_26** Refer to Becker Testimony, page 16, lines 6–23, and page 17, Table 4.
- a. Given the uncertainty and risk introduced into the modeling, explain why it is reasonable to include a continuing series of one year capacity only PPAs when the capacity replacement exercise is a long-term capacity problem.
 - b. Explain how the additional risk and uncertainty introduced into the model solutions compares to model runs without the PPA option, and how Kentucky Power would mitigate the uncertainty and risk.
 - c. Explain whether the capacity values for solar and wind listed in Table 4 are what would be counted toward Kentucky Power's PJM required minimum reserve margin or are the values nameplate capacity.
 - d. Since renewable resources are intermittent and the PPA is capacity only, under the Case 1 and Case 2 scenarios in Table 4, explain and show on a monthly basis how each of the six solutions satisfy Kentucky Power's energy needs. Include in the explanation the role that the PCA plays in satisfying energy needs.
 - e. Explain when the resources listed in Table 4 would come online in each of the six scenarios once Big Sandy Unit 1 and then Mitchell facilities are retired.

RESPONSE

- a. See the Company's response to KPSC 1-25(d). A series of one year PPAs is a proxy for multi-year PPAs.
- b. The Company does not believe the choice of modeling a series of one year PPAs as a proxy for multi-year PPAs, rather than using multi-year PPAs introduces more risk into the analysis. In fact the opposite is true. The Company limited the amount of PPAs because of the substantial uncertainty of availability of such capacity for any period of years. Assuming PPA capacity would be available for any duration of time, especially long period of time, at a price below fully embedded new resource cost is speculative. In PJM the RPM auction is the alternative that capacity providers would use to decide whether to offer a given asset to a single party. That auction is only held one-year at a time to procure capacity 3 years in advance, auction prices are volatile, and the rules change every year. Currently, major elements of the PJM capacity market construct are under review. This uncertainty leads capacity sellers to shy away from long term PPA transactions, because it is uncertain how PPAs will compare to the long term opportunity to remain a participant in the RPM auction.

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 2 of 3

Any time that capacity is needed, the Company would expect to obtain that capacity through market solicitations within requests for proposal processes, some of which could include self-build options, and present those capacity options to this Commission for consideration. This process of testing the market to see what resources are available would mitigate risks to both the Company and its customers.

c. The capacity values shown in Table 4 are based on nameplate capacity. See Exhibit MAB-2 (and the underlying workpapers submitted with KIUC-AG 1-2) for the UCAP firm capacity values of each of those resources each year of the analysis period for each resource. The UCAP values are what will be credited towards the Company's PJM capacity obligation. Note that on Exhibit MAB-2, both nameplate and UCAP values are shown each year for wind and solar, with nameplate in the two far right columns. The UCAP values reflect the forecasted application of the PJM ELCC methodology for wind and solar. For the gas CT option selected in all cases, the UCAP value is assumed to be 99% of nameplate. The 480 MW CT capacity in table 4 equates to 476 MW of capacity in Exhibit MAB-2.

d. PLEXOS does not report forecasted energy production information monthly. The available annual information by resource type is shown at a summary level for all six scenarios by resource type in the non-confidential "Becker Exhibit MAB 1 and Testimony Tables" file provided in AG KIUC 1-2 Attachment4. Negative numbers in the Energy Surplus column AE on those worksheets represent market energy purchases. The actual energy production data for each new and existing resource that rolls up to that summary information is shown on the LT New Units Info, ST Existing Units Info and ST Physical Contracts tabs in the six files containing the PLEXOS annual outputs in Company witness Becker's confidential workpapers provided in the Company's response to AG KIUC 1-2. That information is on the rows 2-31 labeled Generation on those tabs. Market purchased energy is not shown on those worksheets. In Case 2 if Mitchell were to retire in 2028, the modeling would suggest that 60-85% of the Company's annual energy will be provided from the PJM market over the years 2029-2050 under the least cost plans prepared for each of the three fundamental forecasts.

The PCA does not play a role in satisfying internal load energy needs. It is not an energy supply arrangement. The PCA exists primarily to facilitate sharing of capacity amongst the four member companies for the purpose of meeting a PJM capacity obligation as a group. By sharing of capacity resources for this purpose it mitigates risks to each company compared to what risks would be if each company were required to use only its own resources to meet its PJM obligations. Energy needs not met by the Company's own resources in each hour is provided from the PJM market, which eliminates the need for KPCo to own or contract for enough capacity to meet its winter peak load obligations. This avoidance of the cost of the peaking resources which would be required in the

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 3 of 3

absence of being able to access the PJM energy market is extremely valuable to Kentucky Power.

e. Exhibit MAB-2 shows the timing of the additions of resources for the six scenarios listed in Table 4.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

- KPSC 1_27** Refer to Becker Testimony, page 17, Table 4; page 18, lines 19–28; and page 19, lines 8–10.
- a. Under the three scenarios included in Case 1 on Table 4, Kentucky Power retires both of its baseload units and replaces that with natural gas peaking units, intermittent renewable generation and a series of one year capacity only PPAs. Explain why and how each of the three scenarios satisfies PJM's minimum capacity reserve margin analysis.
 - b. Because the Case 1 scenarios would result in a very heavy reliance on the PJM energy market for the energy needed to serve customers and up to roughly one-third of its capacity would be provided through one year capacity-only PPAs, explain whether Kentucky Power is going to alter its participation in PJM from Fixed Resource Requirement (FRR) to Capacity Market (RPM).

RESPONSE

- a. The replacement units selected by PLEXOS as part of the optimal least cost plans on all 3 scenarios provide capacity in quantities needed to replace Mitchell and meet the Company's summer peak load requirement (as defined by PJM) regardless of how much energy produce. PJM's capacity requirement is not based on energy production.

Also see the Company's response to KIUC-AG 1-30 for a discussion of one year PPAs. These are a proxy for longer term capacity only PPAs in planning analyses such as this one. The Company does not recommend and does not plan to rely on a series of one-year capacity-only PPAs in the future. It would prefer to own resources.

- b. Both Case 1 and Case 2 rely heavily on the PJM market for energy under all three fundamental forecasts. As stated in a., the use of one year PPAs as a proxy for longer term resources for planning purposes does not indicate that this will be Company's preferred resource planning strategy. The use of this resource option in a planning analysis should not be construed as a signal that the Company is considering switching from FRR to RPM as the means to obtain the required supply of capacity. Based on forecasted energy prices, regardless of whether it chooses to meet its PJM capacity obligation under either the FRR or RPM options, the Company would expect heavy reliance on the PJM market for energy to be a large part of a least cost long term plan of serving its customers. At the time capacity is needed the Company will consider any and all options (capacity only or capacity and energy resources) that would enable the Company to serve its customers at the least cost, while also balancing the risks and benefits of shorter term verses longer term resources.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 1 of 2

DATA REQUEST

- KPSC 1_28** Refer to the Becker Testimony, page 17, Table 4; page 19, lines 13–15; and page 20, lines 1–23.
- a. Explain whether the modelling for CCR and ELG compliance analyses for the Amos Generating Station (Amos) owned by Appalachian Power Company also selected some combination of natural gas peaking units, intermittent renewable resources, and one year capacity-only PPAs as optimal solutions for the potential retirement of the Amos similar to Table 4. If not, provide the table analogous to Table 4 that was filed in the Amos environmental compliance project case pending in the West Virginia Public Service Commission.
 - b. Explain whether the estimated transmission system upgrade costs from the retirement of Amos and Mitchell are based on the no replacement resources being made or after one of the scenarios in Table 4 plus the addition of any replacement resources for the Amos station.

RESPONSE

a. There are differences between APCo and Kentucky Power, such as relative capacity position, overall fleet composition, future unit retirements, forecasted load, etc. that could contribute to differences in results which could limit the comparability of the results as requested. That said, the modeling results for the Amos analysis prepared for the referenced West Virginia proceeding resulted in similar replacement resource selections by fuel/resource type. Both analyses used the same fundamentals forecasts and same pool of replacement resource options. Amos is 2,900 MW and Kentucky Powers share of Mitchell is 780MW, so obviously more resources were needed to replace Amos. The caps placed on certain resource types (such as the capacity-only PPA) resulted in differences in the percentage of the replacement fleet comprised of any one resource type. Notable similarities between the Amos and Mitchell analyses were as follows:

1. Gas CTs were selected as the majority of the optimal replacement portfolios.
2. Gas combined cycles (CCs) were not selected in any cases. Both APCo and KPCo would be expected to benefit from heavy reliance on the PJM energy market for energy under the forecasted assumptions. This is based on the combination of forecasted energy prices and costs of Gas CT peaking capacity being lower than building a resource like a Gas-fired CC which could provide high amounts of both energy and capacity value.

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021
Page 2 of 2

3. Wind was only selected in cases in which a carbon burden was included in the fundamental forecasts.
4. Significant levels of solar resources were selected in all cases.
5. At least some of the short term capacity-only PPA option was selected in all cases.

See KPCO_R_KPSC_1_28_Attachment1 for the APCo version of Table 4, which has been extracted from Appalachian Power/Wheeling Power witness Martin's direct testimony in that proceeding. Note that cases were prepared for APCo which also included Mountaineer retiring in 2028. APCo case 2 is the case in which only Amos was modeled to retire in 2028.

b. The transmission upgrade costs were prior to assuming any replacement resources were added for any of the retiring plants, in order to isolate the impacts of unit retirements.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_29 Refer to Becker Testimony, page 21, lines 12–21. Explain how a cost advantage of siting gas assets at the Mitchell and Amos plant locations versus resources located elsewhere was incorporated into the modeling.

RESPONSE

This was not incorporated into the modeling. The generic resources offered into PLEXOS are not tied to specific sites, so it would have been speculative to attempt to build in a transmission cost advantage to a gas plant sited at Mitchell for this purpose. All resources followed EIA's recommended transmission interconnection costs, which were a new one mile interconnection line sized to match the number of megawatts of each option. These interconnection costs are detailed for each option in the EIA new technology report relied upon by witness Becker which has been provided in the Company's response to KIUC-AG 1-29 within KPCO_R_KIUC_AG_1_029_Attachment2.

The comment was limited to a reference to the transmission element of a resource siting decision. Site-specific transmission issues, including deliverability, interconnection costs, and the possible avoidance of transmission upgrades in the event Mitchell retires will be evaluated once specific sites are identified through solicitations for any new resource the Company considers. It is possible that an avoidance of upgrades at Mitchell through siting at that location will be a factor in new resource selection. Another consideration will be the transportation cost of supplying gas to any given site versus other sites at which gas plants are proposed.

Witness: Mark A. Becker

Kentucky Power Company
KPSC Case No. 2021-00004
Commission Staff's First Set of Data Requests
Dated March 10, 2021

DATA REQUEST

KPSC 1_30 Explain whether the retirement of Big Sandy Unit 1 has any effect on the integrity of the transmission system.

RESPONSE

The Company has not evaluated the effect, if any, of retirement of Big Sandy 1 on the integrity of the transmission system.

Witness: Mark A. Becker



Becker Verification_March 2021.docx

DocVerify ID: 2B540170-FD2E-4CB8-BE63-B0CB16705857
Created: March 23, 2021 17:50:13 -8:00
Pages: 1
Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

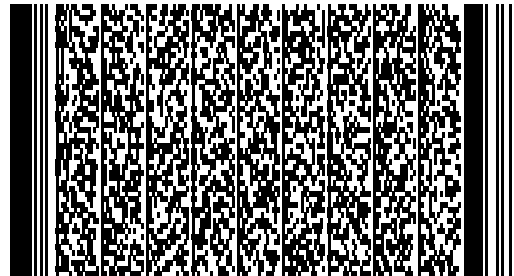
E-Signature Summary

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

March 24, 2021 07:11:07 -8:00 [F2E5E3CABDCE] [167.239.221.84]
mabecker@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 24, 2021 07:11:07 -8:00 [2D07D8BAD4C7] [161.235.221.80]
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 2021/03/24 07:11:07 -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 24th day of March 2021.



S. Smithhisler
Signed on 2021/03/24 07:11:07 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

2B540170-FD2E-4CB8-BE63-B0CB16705857 --- 2021/03/23 17:50:13 -8:00 --- Remote Notary





Mattison Verification_March 2021.docx

DocVerify ID: 897A9C14-484E-4D88-AA72-3099256F73E6
Created: March 24, 2021 10:47:57 -8:00
Pages: 1
Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Deryle Brett Mattison (DBM)

March 25, 2021 08:04:20 -8:00 [E3738518746C] [167.239.2.88]
bmattison@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 25, 2021 08:04:20 -8:00 [CA1A8F4713F5] [161.235.221.80]
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.

Deryle Brett Mattison
Signed on 2021/03/25 08:04:20 -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 25th day of March 2021.



S. Smithhisler
Signed on 2021/03/25 08:04:20 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

897A9C14-484E-4D88-AA72-3099256F73E6 --- 2021/03/24 10:47:57 -8:00 --- Remote Notary





Scott Verification.docx

DocVerify ID: FE491FED-29E9-4F81-8396-7B325A477F07
 Created: March 24, 2021 06:22:58 -8:00
 Pages: 1
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Lerah Scott (LS)

March 24, 2021 11:05:21 -8:00 [D309E15B6E22] [161.235.2.86]
 lmscott@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 24, 2021 11:05:21 -8:00 [7CACE11CD0B0] [161.235.221.80]
 srsmithhisler@aep.com
 I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Lerah M. Scott, being duly sworn, deposes and says she is a Regulatory Consultant for Kentucky Power Company, that she 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 her information, knowledge and belief after reasonable inquiry.

Lerah Scott
Signed on 2021/03/24 11:05:21 -8:00

Lerah M. Scott

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 Lerah M. Scott, this 24th day of March 2021.



S. Smithhisler
Signed on 2021/03/24 11:05:21 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

FE491FED-29E9-4F81-8396-7B325A477F07 --- 2021/03/24 06:22:58 -8:00 --- Remote Notary





Sherrick Verification_March 2021.docx

DocVerify ID: 8FD58910-8D38-48B8-B14E-3B78F7A92246
 Created: March 23, 2021 17:56:12 -8:00
 Pages: 1
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Brian D. Sherrick (BDS)

March 25, 2021 05:03:37 -8:00 [48FCD9623913] [167.239.2.87]
 bdsherrick@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 25, 2021 05:03:37 -8:00 [8FD32BDADE75] [161.235.221.80]
 srsmithhisler@aep.com

I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Brian D. Sherrick, being duly sworn, deposes and says he is the Managing Director of Projects 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.

Brian D. Sherrick
Signed on 2021/03/25 05:03:37 -8:00

Brian D. Sherrick

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
Brian D. Sherrick this 25th day of March 2021.



S. Smithisler
Signed on 2021/03/25 05:03:37 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

8FD58910-8D38-48B8-B14E-3B78F7A92246 --- 2021/03/23 17:56:12 -8:00 --- Remote Notary





Spitznogle Verification.docx

DocVerify ID: 48048086-272A-4080-BBCC-BF0B4042223D
 Created: March 24, 2021 06:25:13 -8:00
 Pages: 1
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Gary O. Spitznogle (GOS)

March 25, 2021 12:04:53 -8:00 [8DA7D257C42F] [167.239.2.87]
 gospitznogle@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 25, 2021 12:04:53 -8:00 [42BBB75D3259] [161.235.221.80]
 srsmithhisler@aep.com
 I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Gary O. Spitznogle, being duly sworn, deposes and says he is the Vice President – Environmental Services 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.

Gary O. Spitznogle
Signed on 2021/03/25 12:04:53 -8:00

Gary O. Spitznogle

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
Gary O. Spitznogle, this 25th day of March 2021.



S. Smithhisler
Signed on 2021/03/25 12:04:53 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

48048086-272A-4080-BBCC-BF0B4042223D --- 2021/03/24 06:25:13 -8:00 --- Remote Notary





Stegall Verification_March 2021.docx

DocVerify ID: 0D837FC7-46A9-444C-BC9F-CA77B27C9BFA
Created: March 24, 2021 15:14:28 -8:00
Pages: 1
Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

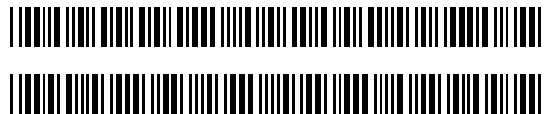
E-Signature Summary

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

March 25, 2021 07:32:43 -8:00 [244432020B7E] [167.239.221.82]
jmstegall@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

March 25, 2021 07:32:43 -8:00 [5BCCB3B13289] [161.235.221.80]
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 Manager-Regulatory Pricing & Analysis 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 2021/03/25 07:32:43 -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 25th day of March 2021.




Signed on 2021/03/25 07:32:43 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

My Commission Expires: April 29, 2024

0D837FC7-46A9-444C-BC9F-CA77B27C9BFA --- 2021/03/24 15:14:28 -8:00 --- Remote Notary





Trecazzi Verification_March 2021.docx

DocVerify ID: E2A95763-737D-42C1-A1E2-3AEDBC483D22
 Created: March 25, 2021 05:36:29 -8:00
 Pages: 1
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Connie Trecazzi (CST)

March 25, 2021 06:33:08 -8:00 [B2D3299CDF5A] [24.192.79.123]
 cstrecazzi@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)


March 25, 2021 06:33:08 -8:00 [EFA5F7819686] [161.235.221.80]
 srsmithhisler@aep.com

I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Connie Trecazzi, being duly sworn, deposes and says she is a Staff Economic Forecast Analyst, Fundamentals Analysis for American Electric Power Service Corporation, that she 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 her information, knowledge and belief after reasonable inquiry.


Signed on 2021/03/25 06:33:08 -8:00

Connie Trecazzi

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
25th
Connie Trecazzi, this _____ day of March 2021.




Signed on 2021/03/25 06:33:08 -8:00

Notary Public

Notary ID Number: 2019-RE-775042

E2A95763-737D-42C1-A1E2-3AEDBC483D22 --- 2021/03/25 05:36:29 -8:00 --- Remote Notary





Vaughan ML CPCN DR.docx

DocVerify ID: C3E1B59A-D81A-46F6-BBF2-CD57DBDDA88E
 Created: March 25, 2021 09:15:22 -8:00
 Pages: 2
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to www.docverify.com at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

E-Signature Summary

E-Signature 1: Alex E Vaughan (AEV)

March 25, 2021 11:34:11 -8:00 [AC40187DFF5B] [167.239.2.88]
 aevaughan@aep.com (Principal) (Personally Known)

E-Signature Notary: Brenda Williamson (BW)

March 25, 2021 11:34:11 -8:00 [96BF72DF2474] [167.239.2.88]
 bgwilliamson@aep.com
 I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is a Director-Regulatory Pricing & Renewables 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.

Alex E Vaughan
Signed on 2021/03/25 11:34:11 -8:00

Alex E. Vaughan

STATE OF OHIO

)

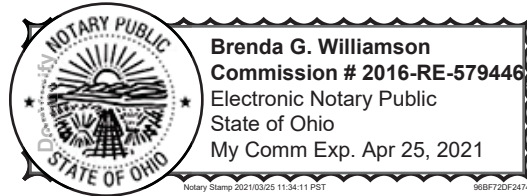
) Case No. 2021-00004

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan this ____ day of March 2021.
03/25/2021

Brenda Williamson
Signed on 2021/03/25 11:34:11 -8:00
Notary Public



C3E1B59A-D81A-46F6-BBF2-CD57DBDDA88E --- 2021/03/25 09:15:22 -8:00 --- Remote Notary

