

Kentucky Power Company  
KPSC Case No. 2021-00370  
AG/KIUC's First Set of Data Requests  
Dated October 16, 2023  
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**DATA REQUEST**

**AG-KIUC**      In its Order dated June 23, 2023 in this proceeding, the Commission  
**1\_1**                stated:

“It is clear to the Commission from the records of Case Nos. 2022-00283 and 2023-00145 that Kentucky Power does not have sufficient capacity available to serve customers' energy needs, has been aware of that shortcoming for a significant amount of time, understands the detriment that insufficiency can cause customers, has described the speed and ease by which it could fix that shortcoming, and yet has chosen not to address its inadequacy of service.”

a. Provide all evidence that the Company had sufficient capacity and energy from owned and/or contract purchased capacity and energy, as opposed to as-available market priced energy, after the expiration of the Rockport UPA in December 2022 necessary to meet its load requirements, including the effects of extreme weather.

b. Provide a copy of all analyses, studies, reports, and correspondence developed by or on behalf of the Company prior to the expiration of the Rockport UPA that addressed the Company's capacity and energy requirements, the alternatives considered to meet those requirements, the risk exposures of inadequate and/or insufficient owned or contract purchased capacity and energy and the cost of purchasing as-available energy.

c. Provide a narrative description of the Company's decision making process and the decision(s) made not to acquire additional capacity whether owned or under contract after the termination of the Rockport UPA, including energy attributes of the capacity. Provide all supporting evidence relied on for the decision(s) that were made, including, but not limited to, the decision that the resources owned and under contract were adequate and sufficient to meet the Company's capacity and energy requirements and manage and mitigate the risk exposures of inadequate and/or insufficient owned or contract purchased capacity and energy and the cost of purchasing as-available energy.

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**RESPONSE**

a. The question contains a false premise that as-available market energy, which is available to the Company by contract with PJM as an RTO member, does not also qualify as “sufficient capacity and energy” for purposes of the Company’s service obligations under Kentucky law. The Company has had and does have sufficient energy and capacity secured to serve its customers’ load requirements. The professed shortcoming does not exist as evidenced by the Company’s continued ability to provide electric service to its customers through winter and summer peak periods (including the period of historically high demand during Winter Storm Elliott), prior to and after the expiration of the Rockport UPA.

The Company has had no interruptions of service due to inadequate power supply and has met the FERC approved reserve margin requirements of the RTO in which it participates. This is inclusive of all the Company’s peak power supply requirements throughout the year, not just the summer RTO peak requirements. The Company has met its customers’ power needs during all periods through its owned and contracted for resources, which include its membership in the PJM RTO which provides access to the energy supply within the entire RTO. The Company’s strategy has also proved in reality to be more durable from a reliability standpoint when compared to that of other load serving entities within Kentucky, as more than one has had to interrupt service to customers because of inadequate power supply.

b. Please refer to the Company’s 2019 IRP (Case No. 2019-00443) for the alternatives considered to replace the capacity deficit that resulted from the expiration of the Rockport UPA. The Company’s decision to replace the unforced capacity (UCAP) MW shortfall in the short-term with market purchases of one-year terms was included in the IRP and was supported by KIUC and the AG in their comments. Please refer to AG/KIUC’s comments on the Company’s IRP at pages 6-15, where they notably state: “This is further evidence that the Company should adjust its Preferred Plan to include additional MPs (market purchases), and it should not be overlooked that we have been in a low-cost environment for more than ten years with no indication this will change any time soon”. Additionally, please see the Company’s 2023 IRP and subsequent RFP that was issued for long-term resources to meet the Company’s future capacity needs and to replace the short-term capacity purchases the Company has engaged in. This aligns with the Company’s 2019 IRP preferred plan. Furthermore, the AEPSC Commercial Operations team continually monitors fuel, purchased power and capacity needs of Kentucky Power and the associated markets for such products to assure the Company’s needs are met in a prudent manner.

c. Please see the Company's response to parts A and B.

**February 7, 2024 Supplemental Response**

The Company objects to this request on the basis that it is argumentative, overly broad, unduly burdensome, and not reasonably calculated to the discovery of admissible evidence. Subject to and without waiving these objections, the Company provides the following response.

a. The question contains a false premise that as-available market energy, which is available to the Company by contract with PJM as an RTO member, does not also qualify as "sufficient capacity and energy" for purposes of the Company's service obligations under Kentucky law. The Company has had and does have sufficient energy and capacity secured to serve its customers' load requirements. The professed shortcoming does not exist as evidenced by the Company's continued ability to provide electric service to its customers through winter and summer peak periods (including the period of historically high demand during Winter Storm Elliott), prior to and after the expiration of the Rockport UPA.

The Company has had no interruptions of service due to inadequate power supply and has met the FERC approved reserve margin requirements of the RTO in which it participates. This is inclusive of all the Company's peak power supply requirements throughout the year, not just the summer RTO peak requirements. The Company has met its customers' power needs during all periods through its owned and contracted for resources, which include its membership in the PJM RTO which provides access to the energy supply within the entire RTO. The Company's strategy has also proved in reality to be more durable from a reliability standpoint when compared to that of other load serving entities within Kentucky, as more than one has had to interrupt service to customers because of inadequate power supply.

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b. Please refer to the Company's 2019 IRP (Case No. 2019-00443) for the alternatives considered to replace the capacity deficit that resulted from the expiration of the Rockport UPA. The Company's decision to replace the unforced capacity (UCAP) MW shortfall in the short-term with market purchases of one-year terms was included in the IRP and was supported by KIUC and the AG in their comments. Please refer to AG/KIUC's comments on the Company's IRP at pages 6-15, where they notably state: "This is further evidence that the Company should adjust its Preferred Plan to include additional MPs (market purchases), and it should not be overlooked that we have been in a low-cost environment for more than ten years with no indication this will change any time soon". Additionally, please see the Company's 2023 IRP and subsequent RFP that was issued for long-term resources to meet the Company's future capacity needs and to replace the short-term capacity purchases the Company has engaged in. This aligns with the Company's 2019 IRP preferred plan. Furthermore, the AEPSC Commercial Operations team continually monitors fuel, purchased power and capacity needs of Kentucky Power and the associated markets for such products to assure the Company's needs are met in a prudent manner.

c. Please see the Company's response to parts A and B.

Witness: Brian K. West

Witness: Alex E. Vaughan

Preparer: Counsel (as to the objections)




**VERIFICATION**

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

  
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Brian K. West

Commonwealth of Kentucky )  
  )     Case No. 2021-00370  
County of Boyd                    )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian K. West, on February 6, 2024

  
\_\_\_\_\_  
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP 71841

