

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application Of Kentucky Power)	
Company For Approval Of Affiliate Agreements)	Case No. 2021-00421
Related To The Mitchell Generating Station)	

AMENDED APPLICATION

Kentucky Power Company (“Kentucky Power” or the “Company”) moves the Public Service Commission of Kentucky (the “Commission”), in conformity with its October 8, 2021 Order (“October 8 Order”) and October 28, 2021 Order (“October 28 Order”) in Case No. 2021-00370,¹ and the Commission’s March 3, 2022 Order (“March 3 Order”) in this proceeding, for all approvals necessary to authorize the Company to enter into the proposed Mitchell Plant Operations and Maintenance Agreement (“Operations Agreement”) (Exhibit DBM-2) and Mitchell Plant Ownership Agreement redrafted with Unit Interest Swap Transaction (“Ownership Agreement”) (Exhibit ~~DBM-3~~STH-S1) with respect to the Mitchell Plant located in Moundsville, West Virginia, ~~on or before February 17, 2022.~~ (Collectively the Ownership Agreement and the Operations Agreement are the “New Mitchell Agreements.”) The modified proposed Ownership Agreement submitted as Exhibit STH-S1 replaces and supersedes the original Ownership Agreement submitted as Exhibit DBM-3 on November 19, 2021. Exhibit STH-S2, submitted herewith, provides a redline comparison of proposed Exhibit STH-S1 and

¹ *In the Matter of: Electronic Investigation of the Service, Rates and Facilities of Kentucky Power Company*, Case No. 2021-00371 (Ky. P.S.C.).

original Exhibit DBM-3. This application also is filed in furtherance of the Commission’s July 15, 2021 Order in Case No. 2021-00004 (“July 15 Order”).²

Kentucky Power states in support of its application:

Applicant

1. Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing in Kentucky.³
2. The post office address of Kentucky Power is 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company’s electronic mail address is kentucky_regulatory_services@aep.com.
3. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. Kentucky Power serves approximately 165,000 customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. Kentucky Power also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined in KRS 278.010.
4. Kentucky Power is a wholly owned subsidiary of American Electric Power Company, Inc. (“AEP”). AEP is a multi-state public utility holding company that includes

² Order, *In the Matter of: Electronic Application Of Kentucky Power Company For Approval Of A Certificate Of Public Convenience For Environmental Project Construction At The Mitchell Generating Station, An Amended Environmental Compliance Plan, And Revised Environmental Surcharge Tariff Sheets*, Case No. 2021-00004 (Ky. P.S.C. July 15, 2021).

³ A certified copy of the Company’s Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company’s November 19, 2021 Certificate of Existence is filed as **EXHIBIT 1** of this Application.

utilities providing electric service to customers in parts of eleven states: Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.

Factual and Procedural Background

5. Kentucky Power and Wheeling Power Company (“Wheeling Power”) each own an undivided 50 percent interest in the 1,560 MW Mitchell Plant, located near Moundsville, West Virginia (“Mitchell” or the “Plant”). Wheeling Power also is a wholly owned subsidiary of AEP. Kentucky Power presently operates Mitchell Plant under the current Mitchell Plant Operating Agreement (“Current Mitchell Agreement”) (Exhibit DBM-1).

6. Kentucky Power filed an application with the Commission in Case No. 2021-00004 seeking a certificate of public convenience and necessity to undertake work at Mitchell to permit Mitchell to comply with EPA’s Coal Combustion Residuals (“CCR”) Rule and the ELG Rule (“Case 1”). The Company’s application also described a CCR-only option (“Case 2”). The Commission on July 15, 2021 granted Kentucky Power a certificate of public convenience and necessity authorizing the Company to undertake the work associated with Case 2. The Commission denied the Company’s request to undertake ELG upgrades proposed in Case 1.

7. Wheeling Power filed a companion application for a certificate of public convenience and necessity to complete CCR and ELG compliance work at the Mitchell Plant with the Public Service Commission of West Virginia (“West Virginia

Commission”).⁴ The West Virginia Commission granted a certificate authorizing Wheeling Power to complete both CCR and ELG work at Mitchell.⁵

8. In a subsequent order, the West Virginia Commission confirmed that West Virginia and Federal Energy Regulatory Commission (“FERC”) jurisdictional customers of Wheeling Power benefitting from the Plant beyond 2028 should pay ELG compliance costs and other capital investment and operations costs incurred to keep the Plant open after 2028.⁶ The West Virginia Commission conditioned that finding on Kentucky jurisdictional customers neither sharing in such costs nor sharing in the capacity and energy available from the Mitchell Plant after 2028.⁷ The West Virginia Commission further ordered that “changes in the Operating Agreement for the Mitchell plant or changes in ownership of the Mitchell plant necessary to accommodate the continued operation of the plant without the involvement of Kentucky Power or Kentucky jurisdictional customers shall be filed for approval by [the West Virginia] Commission.”⁸

9. This Commission issued its October 8 Order declaring that Wheeling Power is not required to obtain a certificate of public convenience and necessity from this Commission to complete ELG work. The October 8 Order also held that:

The Commission expects Kentucky Power and Wheeling to promptly seek modifications to the Mitchell operating agreement should Wheeling move forward with the ELG project, in particular the provisions designating Kentucky

⁴ *Application for the issuance of a Certificate of Public Convenience and Necessity for internal modifications at coal fired generating plants necessary to comply with federal environmental regulations*, WVPSC Case No. 20-1040-ECN (“*West Virginia CCR/ELG Case*”), Petition (Dec. 23, 2020).

⁵ *West Virginia CCR/ELG Case*, Order (Aug. 4, 2021).

⁶ *West Virginia CCR/ELG Case*, Order at 16 (Oct. 12, 2021) (collectively the two West Virginia Commission orders are the “West Virginia Orders”).

⁷ *Id.* at 15.

⁸ *Id.* at 16.

Power the operator of Mitchell and assigning it certain responsibilities in that role.⁹

~~11.10.~~ The Commission subsequently directed by the October 28 Order that “Kentucky Power should request Commission approval prior to any change to the Mitchell Operating Agreement.”¹⁰

~~12.11.~~ Kentucky Power ~~files this~~filed an application in conformity with the Commission’s October 8 Order and October 28 Order for all approvals necessary to authorize the Company to enter into the proposed New Mitchell Agreements (Exhibits DBM-2 and DBM-3~~).~~ on November 19, 2021. The New Mitchell Agreements also ~~are~~were in furtherance of the authority granted, limitations, and requirements of the Commission’s July 15 Order.

12. A number of parties filed testimony and other pleadings that raised objections to the Fair Market Buyout approach in Section 9.6 of the original version of the proposed Mitchell Plant Ownership Agreement (Exhibit DBM-3). Parties also objected to other provisions of the original Ownership Agreement, including those regarding the handling of decommissioning expense and tax implications. On February 9, 2022, Kentucky Power filed rebuttal testimony, including the Rebuttal Testimony of Stephan T. Haynes. Mr. Haynes’ rebuttal testimony indicated that the Company is open to an alternative backstop mechanism and proposed dividing the interests in the Mitchell Plant (the “Unit Interest Swap”) as that backstop.

⁹ Order, *In the Matter of: Electronic Investigation of the Service, Rates and Facilities of Kentucky Power Company*, Case No. 2021-00371 at 9 (Ky. P.S.C. Oct. 8, 2021).

¹⁰ Order, *In the Matter of: Electronic Investigation of the Service, Rates and Facilities of Kentucky Power Company*, Case No. 2021-00371 at 1-2 (Ky. P.S.C. October 28, 2021).

13. The Commission held the first day of hearing in this matter on March 1, 2022. The Company’s Unit Interest Swap proposal was the subject of considerable testimony and cross-examination during that hearing.

14. On March 3, 2022, the Commission issued an Order directing the Company to “notify the Commission before March 16, 2022, whether or not Kentucky Power intends to file a proposed amendment to the Mitchell [Plant] Ownership Agreement.”¹¹ The March 3 Order further provided that, “[i]f Kentucky Power decides to file a proposed amendment to the Mitchell [Plant] Ownership Agreement, Kentucky Power shall include in the notice the dates its counsel and representatives are available for an informal conference and a hearing.”¹² Finally, the Commission ordered that, “[i]f Kentucky Power decides to file a proposed amendment, the briefing schedule established by [the March 3] Order shall be stricken.”¹³

15. Kentucky Power files this Amended Application in conformity with the Commission’s March 3 Order.

Current And Proposed Mitchell Plant Agreements

A. The Current Mitchell Agreement

~~13.16.~~ The Current Mitchell Agreement, since becoming effective on December 31, 2014, has governed the operation and maintenance and joint ownership rights and obligations of the Company and Wheeling Power. The Company and Wheeling Power (collectively the “Owners”) are each entitled under the Current Mitchell Agreement to equal share of the capacity and energy of the Mitchell Plant. They also are responsible for

¹¹ March 3 Order at 1.

¹² Id.

¹³ Id.

all of the costs of operations, maintenance, and capital improvements. These costs and capital improvements generally are apportioned under the Current Mitchell Agreement between the companies based on their proportionate share of plant dispatch in the case of costs of operation and maintenance, or their ownership in the case of capital investments.

~~14.17.~~ The Companies and American Electric Power Service Corporation (“AEPSC”) each have a representative on the Mitchell Operating Committee. The Mitchell Operating Committee controls the Mitchell Plant, approves budgets for the Mitchell Plant, and makes major decisions affecting plant operations. Voting power on the Mitchell Operating Committee is equally divided between the Company and Wheeling Power. The AEPSC representative lacks a vote.

~~15.18.~~ The Current Mitchell Agreement appoints the Company as the Operator. As Operator, most environmental and other permits are held in the name of the Company on behalf of both Owners.

~~16.19.~~ The Current Mitchell Agreement is a tariff that has been authorized by and is on file with the FERC as Kentucky Power Rate Schedule No. 303. The cost allocation methodologies in the Current Mitchell Agreement constitute a FERC-approved cost allocation methodology as that term is used in KRS 278.2207.

~~17.20.~~ The Current Mitchell Agreement was agreed to by Kentucky Power and Wheeling Power when their objectives and plans for the Mitchell Plant, including its retirement date and the their type and level of investment were congruent. With the two companies’ differing responsibilities, limitations, and requirements as a result of the July 15 Order and the West Virginia Orders, the objectives and interests of Kentucky Power and Wheeling Power with respect to the Mitchell Plant no longer coincide.

B. The New Mitchell Agreements.

~~18-21.~~ In furtherance of the July 15 Order, and in conformity with the October 8 Order and the October 28 Order, the Company, with the concurrence of Wheeling Power, proposes to terminate the Current Mitchell Agreement and replace it with the New Mitchell Agreements. The New Mitchell Agreements also will be filed with FERC as tariffs for approval.

~~19-22.~~ The negotiation of the New Mitchell Agreements unfolded as orders affecting the future of the Mitchell Plant were issued by this Commission and the WVPSC. That process included meetings of the Mitchell Operating Committee to discuss necessary changes to the Current Mitchell Agreement and review of new contractual terms required to address those changes and the two commissions' orders related to Mitchell.

~~20-23.~~ AEP announced on October 27, 2021 the sale of Kentucky Power to Liberty Utilities Company ("Liberty") through a stock transaction. However, the need for and terms of the New Mitchell Agreements are a direct result of the Kentucky and West Virginia Commissions' previously-described orders. Those orders necessitate replacement of the Current Mitchell Agreement with the New Mitchell Agreements to ensure that future investment in and operation of the Mitchell Plant are undertaken consistent with each company's ownership and participation with respect to the Mitchell Plant, as well as to ensure that costs are appropriately allocated and assigned between Mitchell's owners. In short, the changes reflected in the proposed New Mitchell Agreements are necessary regardless of the identity of Kentucky Power's corporate parent.¹⁴ In addition, the New Mitchell Agreements are appropriate to govern the relationship regarding the Mitchell Plant

¹⁴ Nonetheless, the Company understands that Kentucky Power's proposed acquirer, Liberty Utilities Co., has agreed to and accepted the terms of the New Mitchell Agreements as part of the sale transaction.

whether or not the ownership of the Company changes, as they address the requirements of this Commission and the West Virginia Commission.

1. The Proposed Ownership Agreement

21-24. The Ownership Agreement addresses the overall rights and responsibilities of the Company and Wheeling Power as fifty-percent co-owners of the Mitchell Plant through 2028. These include entitlements to capacity and energy, investments in and utilization of fuel, allocation of expenditures on capital and operations and maintenance, approval of budgets, ownership transfers, and dispute resolution.

22-25. The Ownership Agreement appoints Wheeling Power as the Operator of the Mitchell Plant. Wheeling Power's role, duties, and authority as Operator of the Mitchell Plant are commensurate with those of Kentucky Power as operator of the Mitchell Plant under the Current Mitchell Agreement. The Mitchell Operating Committee retains control of the Mitchell Plant under the Ownership Agreement.

23-26. The Ownership Agreement expressly addresses the allocation of costs necessary to enable the Company to comply with the July 15 Order. It also enables Wheeling Power to comply with the West Virginia Order by making the investment necessary to comply with both the CCR and ELG rules so as to enable Wheeling Power to operate the Mitchell Plant after 2028.

24-27. The Ownership Agreement provides a mechanism for allocating future capital costs between Kentucky Power and Wheeling Power in light of the differing authority granted by, and the requirements of, the July 15 Order and the West Virginia Orders. The Ownership Agreement also provides for an independent third-party expert to assess the proper assignment of CCR and ELG compliance costs between the Companies.

25-28. The Ownership Agreement creates ~~a procedure~~procedures, subject to all required regulatory approvals, ~~for Wheeling Power that provide the option to acquire from~~ Kentucky Power ~~at a future date~~to: (i) negotiate the Company's sale of its fifty-percent Mitchell ownership interest to Wheeling Power if Wheeling Power elects to continue operating the Mitchell Plant beyond 2028; (ii) mutually agree with Wheeling Power to retire the plant; (iii) split the Mitchell units and operate its unit with an additional agreement to utilize Wheeling Power's ELG assets; (iv) split the Mitchell units and sell its unit with an additional agreement to utilize Wheeling Power's ELG assets; or (v) split the units and close its unit and pay for decommissioning either at the time of its unit's closure or when the entire plant retires and record applicable tax benefits at the time of the disposition of Kentucky Power's ownership interest. These procedures do not presently effect a transfer of Kentucky Power's 50 percent undivided interest in the Mitchell Plant to Wheeling Power.

26-29. A more detailed description of the proposed Ownership Agreement can be found in the ~~testimony of Company Witness Mattison.~~ Direct Testimony of Company Witness Mattison filed November 19, 2021 (originally proposed Ownership Agreement), and the Supplemental Testimony of Stephan T. Haynes filed contemporaneously with this Amended Application. Mr. Haynes' supplemental testimony details Unit Interest Swap alternative and the procedures described in paragraph 28 above.

2. The Proposed Operations Agreement

27-30. The Operations Agreement provides a mechanism by which Wheeling Power would manage the day-to-day operations and maintenance of the Mitchell Plant, including dispatch, environmental, and NERC compliance, on behalf of the Owners. It also

addresses topics including Operator responsibilities and the budget and reporting processes supported by the operator.

28.31. A more detailed description of the proposed Mitchell Operations and Maintenance Agreement can be found in the testimony of Company Witness Mattison.

The Requested Authority

29.32. The New Mitchell Agreements are fair, in the public interest, and reasonable.

30.33. The New Mitchell Agreements allow Kentucky Power to undertake the work authorized by the Commission in the July 15 Order in a fashion consistent with the requirements and limitations of the July 15 Order.

31.34. The New Mitchell Agreements assign the full cost of all capital investment required to enable Wheeling Power to comply with the ELG Rule, and ELG-related operation and maintenance expenses to Wheeling Power in furtherance of the July 15 Order. The New Mitchell Agreements likewise assign capital costs and other expenses associated with the operation of the Mitchell Plant after 2028 exclusively to Wheeling Power. Finally, the New Mitchell Agreements reasonably and fairly allocate the costs required for the Mitchell Plant to operate through 2028 between Kentucky Power and Wheeling Power in a fashion consistent with the Current Mitchell Agreement.

32.35. The New Mitchell Agreements also provide a pathway for Kentucky Power to exit Mitchell Plant operations by December 31, 2028, consistent with recent Commission orders and in a manner that protects Kentucky Power's valuable ownership interests in the Mitchell Plant while simultaneously protecting its customers. They further respond to the concerns raised by the parties to this proceeding and provide Kentucky

Power with multiple other options for the disposition of its current interest in Mitchell, subject to Commission approval, and thereby provide flexibility and future optionality to adapt to changed facts and circumstances. Finally, they provide multiple means of addressing the Company's responsibility for decommissioning costs and timing, and the tax implications of the disposition of Kentucky Power's ownership interest in the Mitchell Plant in the future.

~~33.~~—The New Mitchell Agreements allow Wheeling Power to comply with the West Virginia Orders.

A. The New Mitchell Agreements Conform To KRS 278.2207

~~34.~~~~36.~~ KRS 278.2207 provides for the pricing of products and services between affiliated entities. It authorizes a utility such as Kentucky Power to provide products and services to an affiliate in accordance with a FERC-approved cost allocation methodology. Absent a FERC-approved, or other federally-approved cost-allocation methodology, Kentucky Power is required by KRS 278.2207 to provide products and services to Wheeling Power at the higher of Kentucky Power's fully-distributed costs or market.

~~35.~~~~37.~~ The Current Mitchell Agreement provides for the allocation between Kentucky Power and Wheeling Power, in conformity with the agreement's FERC-approved cost allocation methodology, of the costs of services and products provided by Kentucky Power on behalf of Wheeling Power in connection with Kentucky Power's operation of the Mitchell Plant.

~~36.~~~~38.~~ The cost of products and services used or provided by Kentucky Power on behalf of Wheeling Power in connection with Kentucky Power's operation of the Mitchell Plant are priced at Kentucky Power's fully-distributed cost. Because the products and

services provided by Kentucky Power under the Current Mitchell Agreement are provided to the sole co-owner of the Mitchell Plant there is no higher market price for the products and services.

37.39. The allocation of costs and services between Kentucky Power and Wheeling under the New Mitchell Agreements are the same in concept as those required by the Current Mitchell Agreement, except as required to conform to the July 15 Order and the West Virginia Orders.

38.40. The cost of products and services to be used or provided by Wheeling Power on behalf of Kentucky Power under the New Mitchell Agreements in connection with Wheeling Power's operation of the Mitchell Plant will be priced at Wheeling Power's fully-distributed cost.¹⁵

39.41. Because the products and services provided by Wheeling Power under the New Mitchell Agreements will be provided only to Kentucky Power as the sole co-owner of the Mitchell Plant there is no higher market price for the products and services. Third-party services and products to be used or acquired by Wheeling Power in connection with operation of the Mitchell Plant will be acquired by Wheeling Power at market and provided to Kentucky Power without mark-up.

40.42. Kentucky Power and Wheeling Power will file the New Mitchell Agreements with FERC for approval as tariffs. Kentucky Power anticipates that FERC will approve the New Mitchell Agreements, including their cost allocation methodologies. The expected approval by FERC of the cost allocation methodologies of the New Mitchell

¹⁵ Section 7.2.1 of the proposed Mitchell Operations and Maintenance Agreement provides that "the Non-Operator Owner [Kentucky Power] shall reimburse Operator for its allocated share in accordance with the Ownership Agreement of the fully distributed costs incurred (whether paid or accrued) in the provision of Services." See Exhibit DBM-2 at Section 7.2.1.

Agreements provides an alternative basis for the New Mitchell Agreements' conformity to KRS 278.2207.

~~41.43.~~ The allocation methodology and pricing of products and services to be provided by Wheeling Power under the New Mitchell Agreements are reasonable. They mirror the pricing of products and services provided by Kentucky Power, as current operator of the Mitchell Plant, to Wheeling Power since December 31, 2014.

~~42.44.~~ The New Mitchell Agreements provide transparency, clarity, and certainty with respect to Kentucky Power's continued ownership of the Mitchell Plant, as well as the Mitchell Plant's continued operations, environmental compliance, cost allocation, and ownership.

~~43.45.~~ The New Mitchell Agreements permit Kentucky Power to implement the authority granted Kentucky Power by the July 15 Order in a fashion consistent with the limitations and requirements of that Order.

~~44.—~~The New Mitchell Agreements also provide a reasonable and transparent process by which Kentucky Power shall ~~transfer~~dispose of its undivided interest ~~to Wheeling Power in 2028 or earlier at a to-be agreed upon price absent an Early Retirement Event. If an agreement cannot be reached, the Mitchell Plant will be transferred at fair market value as determined by three independent appraisers.~~

~~45.46.~~ ~~Any transfer by Kentucky Power of its undivided 50 percent interest in the Mitchell Plant in accordance with the New Mitchell Agreements will remain,~~ subject to all required future regulatory approvals, including ~~this Commission's~~any required future determination by this Commission under KRS 278.218 that ~~the~~ transfer of Kentucky Power's interest is for a proper purpose and consistent with the public interest.

46.47. Approval of the New Mitchell Agreements, including any deviation from the affiliate pricing requirements of KRS 278.2207(1)(b), also is in the public interest for the reasons identified in paragraphs 2932 through 4447 above.

B. The New Mitchell Agreements Do Not Require Approval Under KRS 278.218.

47.48. KRS 278.218 mandates Commission approval for the change in ownership of, control, or the right to control, Kentucky Power's 50 percent undivided interest in the Mitchell Plant. Approval is required upon the Commission's finding that the transaction is for a proper purpose and consistent with the public interest.

48.49. The New Mitchell Agreements do not effect a change in ownership of, control, or the right to control, Kentucky Power's 50 percent undivided interest in the Mitchell Plant. Kentucky Power retains full ownership under the New Mitchell Agreements of its 50 percent undivided interest in the Mitchell Plant.

49.50. The New Mitchell Agreements, including their provisions appointing Wheeling Power as Operator of the Mitchell Plant, likewise do not effect a change in control or the right to control the Mitchell Plant. Control of the Mitchell Plant under the New Mitchell Agreements remains with the Operating Committee. Under the New Mitchell Agreements, the membership of the Operating Committee remains unchanged, including Kentucky Power's status as one of the two Operating Committee members. Kentucky Power retains its equal vote with Wheeling Power on all Operating Committee matters.

50.51. The New Mitchell Agreements are for a proper purpose. The New Mitchell Agreements permit Kentucky Power to implement the authority granted to Kentucky Power

by the July 15 Order in a fashion consistent with the limitations and requirements of that Order.

51-52. The New Mitchell Agreements permit the Company to implement the authority granted to Kentucky Power by the July 15 Order in a fashion that provides transparency, clarity, and certainty with respect to Kentucky Power's continued ownership of the Mitchell Plant. They also facilitate the Mitchell Plant's continued operations and environmental compliance, while providing for fair and reasonable cost allocation, and protecting Kentucky Power's ownership of its 50 percent undivided interest in the Mitchell Plant.

52-53. The New Mitchell Agreements allow this Commission to retain regulatory control of Kentucky Power's 50 percent undivided interest in the Mitchell Plant.

53-54. The New Mitchell Agreements, including any change in ownership, control, or the right to control Kentucky Power's undivided 50 percent interest in the Mitchell Plant is consistent with the public interest for the reasons identified in paragraphs 4649 through 5154 above.

Requested Decision Date

54-55. The October 8 Order and the October 28 Order direct that the operation of the Plant and ELG permits be placed in Wheeling Power's name. Kentucky Power requests a decision as soon as possible, ~~but no later than by February 17, 2022~~ to ensure the timely transfer of permits, ordering of equipment and materials, and to enable the physical ELG work to be completed by Wheeling Power by the necessary permit deadlines.

Exhibits And Testimony

~~55-56.~~ The Company ~~submit~~submitted the following exhibits ~~to this with its~~
original application in this case:

EXHIBIT 1 - The Company’s November 19, 2021 Certificate of Existence

EXHIBIT 2 - Summary of Principal Terms of Proposed Mitchell Plant Operations and Maintenance Agreement

EXHIBIT 3 - Summary of Principal Terms of Proposed Mitchell Plant Ownership Agreement

~~56-57.~~ The Company also ~~submit~~submitted with ~~this~~its original application the following testimony with exhibits, which ~~are~~were incorporated by and made a part of ~~this Application~~its original application:

Witness	Brief description of testimony	Exhibits	Brief description of exhibits
D. Brett Mattison	Provide an overview of the public service commission decisions giving rise to this Application	DBM-1	Mitchell Plant Operating Agreement – FERC Rate Schedule No. 303
	Discuss Kentucky Power’s involvement in the negotiations that produced the Agreements	DBM-2	Mitchell Plant Operations and Maintenance Agreement (Proposed)
	Describe the Agreements and the need to transition to those Agreements	DBM-3	Mitchell Plant Ownership Agreement (Proposed)
	Provide an overview of the options for the Mitchell Plant before the end of 2028, and the process for Kentucky Power to exit the Mitchell Plant in 2028		
	Demonstrate that the Agreements comply with Kentucky law and are otherwise reasonable, in the public interest, and will result in rates that are fair, prudent, and reasonable		

Timothy C. Kerns	Describe the Mitchell Plant and how the proposed changes to the Mitchell Operating Agreement will impact operation of the plant	None	N/A
	Describe Wheeling Power Company's ability to safely and reliably operate the Mitchell Plant through 2028 and beyond		
	Describe how the proposed changes to the Mitchell Operating Agreement will not affect the costs to operate the Plant.		

58. The Company submits with this Amended Application the following

Supplemental Testimony with exhibits, which are incorporated by and made a part of this

Amended Application:

<u>Witness</u>	<u>Brief description of Supplemental Testimony</u>	<u>Exhibits</u>	<u>Brief description of exhibits</u>
<u>Stephan T. Haynes</u>	<u>Present additional information about the Unit Interest Swap alternative backstop structure in the modified Mitchell Plant Ownership Agreement.</u>	<u>STH-S1</u>	<u>Mitchell Plant Ownership Agreement redrafted with Unit Interest Swap Transaction</u>
	<u>Sponsor the modified Mitchell Plant Ownership Agreement.</u>	<u>STH-S2</u>	<u>Redline of Mitchell Plant Ownership Agreement redrafted with Unit Interest Swap Transaction as compared to the originally filed proposed Mitchell Plant Ownership Agreement)</u>
<u>Timothy C. Kerns</u>	<u>Affirm that the Unit Interest Swap alternative can be carried out operationally.</u>	<u>None</u>	<u>N/A</u>

Communications

57.59. Kentucky Power respectfully requests that communications in this matter be addressed to the e-mail addresses identified on Kentucky Power’s November 5, 2021 Notice of Election of Use of Electronic Filing Procedures.

WHEREFORE, Kentucky Power Company requests that the Commission issue an Order ~~on or before February 17, 2022~~:

(1) Granting Kentucky Power all approvals required by and consistent with the Commission’s October 8, 2021 Order and October 28, 2021 Order in Case No. 2021-00370, to authorize the Company to enter into the proposed Mitchell Plant Ownership Agreement and the Mitchell Plant Operations and Maintenance Agreement with respect to the Mitchell Plant located in Moundsville, West Virginia; and

(2) Granting Kentucky Power such other relief as may be appropriate.

Respectfully submitted,



Mark R. Overstreet
Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 779-8349
moverstreet@stites.com
kglass@stites.com

John C. Crespo (pro hac vice)
Christen M. Blend (pro hac vice)

Hector H. Garcia-Santana (*pro hac vice*)
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Telephone: (614) 716-3727 (Crespo)
jccrespo@aep.com
cblend@aep.com
hgarci1@aep.com

Counsel for Kentucky Power Company