

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

**AN ELECTRONIC EXAMINATION)
OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF) Case No. 2022-00263
KENTUCKY POWER COMPANY FROM)
NOVEMBER 1, 2021 THROUGH APRIL 30, 2022)**

**DATA REQUEST RESPONSES OF THE ATTORNEY GENERAL AND KIUC TO
REQUESTS FROM COMPANY**

Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”) and Kentucky Industrial Utility Customers (“KIUC”), and submit these Data Request Responses to Kentucky Power Company (hereinafter “Kentucky Power” or “company”).

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on January 6, 2023, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 6th day of January, 2023.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is written in a cursive style with a horizontal line extending from the end.

Assistant Attorney General

Responses

1-1 Provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Lane Kollen in electronic format, with formulas intact and visible, and no pasted values.

Response:

Refer to the attached Excel workbook entitled "Tables for Kollen Testimony." Mr. Kollen also relied on the quantifications described by Mr. Futral in his direct testimony. Mr. Futral's electronic workpapers were filed with the Commission along with his testimony and exhibits.

Response provided by Lane Kollen

AN ELECTRONIC EXAMINATION OF THE APPLICATION OF THE FUEL ADJUSTMENT
CLAUSE OF KENTUCKY POWER COMPANY FROM NOVEMBER 1, 2021 THROUGH APRIL
30, 2022, Case No. 2022-00263

- 1-2 Provide all workpapers, source documents, and electronic spreadsheets used in the development of Mr. Kollen's testimony. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values.

Response:

Refer to the response to Item 1. Mr. Kollen also relied on the Company's testimony and responses to AG-KIUC and Staff discovery. Those responses are cited by Mr. Kollen in his testimony and, in some cases, replicated as exhibits to his testimony. Mr. Kollen also relied on prior Commission Orders, which were cited in his testimony and are publicly available.

Response provided by Lane Kollen

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1-3 If not already provided as part of your response to Data Request No. 1 or 2, please show the work of how Mr. Kollen calculated each value contained in his direct testimony such that his calculation(s) could be reproduced by the Company or the Commission if needed.

Response:

Refer to the response to Item 1.

Response provided by Lane Kollen

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1-4 Provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Randy A. Futral in electronic format, with formulas intact and visible, and no pasted values.

Response:

Refer to the attached Excel workbook entitled "Summary Tables for Futral Testimony." Mr. Futral's electronic workpapers were filed with the Commission along with his testimony and exhibits.

Response provided by Randy Futral

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1-5 Provide all workpapers, source documents, and electronic spreadsheets used in the development of Mr. Futral's testimony. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values.

Response:

Refer to the response to Item 4. Mr. Futral also relied on the Company's testimony and responses to AG-KIUC and Staff discovery. Specific responses are cited by Mr. Futral in his testimony and, in some cases, replicated as exhibits to his testimony.

Response provided by Randy Futral

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1-6 If not already provided as part of your response to Data Request No. 4 or 5, please show the work of how Mr. Futral calculated each value contained in his direct testimony such that his calculation(s) could be reproduced by the Company or the Commission if needed.

Response:

Refer to the response to Item 4.

Response provided by Randy Futral

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1-7 Confirm whether, prior to the submission of their respective direct testimonies on December 2, 2022, Mr. Kollen and Mr. Futral had fully reviewed the Commission's October 3, 2002 Order in Case No. 2000-00495-B.

Response:

Mr. Kollen and Mr. Futral were aware that the Commission had adopted a PUE approach in an Order prior to Case 2017-00179, but did not specifically review the referenced Order in conjunction with this proceeding.

Response provided by Lane Kollen and Randy Futral

- 1-8 Refer to the sentence beginning on Line 18 of Page 6 of Mr. Kollen's direct testimony.
- a. Please provide a definition for the "base unit equivalent methodology," and a citation for the definition provided, if applicable.
 - b. Please describe when the base unit equivalent ("BUE") methodology was first implemented and then subsequently used by Kentucky Power, as implied in Mr. Kollen's statement that he recommends that the Commission "re-implement" the BUE methodology.

Response:

- a. Mr. Kollen described the BUE as follows at page 6 of his direct testimony.

The BUE methodology I recommend sets the economy purchase price cap for all purchases in any hour above 100 mW at the actual fuel cost of the Company's highest cost base load generating unit (Mitchell 1 and 2, Rockport 1 and 2) during the month.

Mr. Kollen provided additional detail at pages 20-21 of his direct testimony.

I recommend that the Commission apply the PUE/BUE methodology, wherein it calculates the economy purchase price cap based on the PUE for the first 100 mW, and based on the BUE for purchases in excess of the first 100 mWh at the lower of the actual cost of purchased power or the highest fuel cost base load generating unit (Mitchell 1 and 2, Rockport 1 and 2) during the month.

The PUE methodology will continue to be used to set the economy purchase cap, but only up to 100 mW per hour, consistent with the physical limitation of the hypothetical PUE. The BUE methodology will be used to set the economy purchase cap for all purchases in any hour above 100 mW using the lesser of the actual purchased power costs or the Company's highest cost base load generating unit (Mitchell or Rockport) during the month. The pricing under the BUE methodology would exclude unusual costs or costs not related to the operation of the generating units in order to avoid an unreasonable cost for the base load generating unit.

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- b. The BUE is the same methodology set forth in the FAC rule applicable to the Company in the absence of the PUE approach.

Response provided by Lane Kollen

1-9 Refer to the sentence beginning on Line 7 of Page 13 of Mr. Kollen's direct testimony. Please identify all facts relied upon and/or all record evidence supporting Mr. Kollen's assertion that the Company adjusts its market offers to PJM to address "AEP's CO2 systemwide emissions and its closely watched ESG scores." Please provide any analysis and supporting workpapers that support Mr. Kollen's assertion. If there are no facts, evidence, analysis, or workpapers that support this statement, please confirm.

Response:

The question misstates and incorrectly characterizes Mr. Kollen's direct testimony. The *entirety* of Mr. Kollen's testimony regarding AEP's CO2 emissions is as follows: "In fact, AEPSC may have a disincentive to make such sales because of the effects on AEP's CO2 systemwide emissions and its closely watched ESG scores."

Response provided by Lane Kollen

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1-10 Please confirm that, as a member of PJM, PJM directs the Company to dispatch its generation. If your response is anything other than an unqualified confirmation, please provide a detailed explanation of your response.

Response:

Denied. PJM does not unilaterally direct the Company to dispatch its generation with no input or involvement by the Company. PJM dispatches the Company's generation based on the cost and other information provided by the Company. The Company controls the dispatch of its generation through the market offer curves, cost and other information that it provides to PJM. For example, the Company admits that it included a premium in its market offer curves in excess of its actual cost curve intended to limit the dispatch and generation of its coal-fired generating units. See direct testimony of Mr. Stegall at 9.

Response provided by Lane Kollen

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1-11 Refer to the sentence beginning on Line 10 of Page 11 of Mr. Kollen's direct testimony. Please explain in detail all ramifications for all affected parties if the Company did not preserve the coal it had in inventory and instead PJM had dispatched the company's coalfired units and thereby depleted its coal supply.

Response:

This question incorrectly presumes that the Company had no control over its coal inventory. The only party that can control its coal inventory is the Company, or its agent for that purpose, AEPSC. The Commission has no control over the Company's coal inventory. The Company's customers have no control over the Company's coal inventory. The Company's own actions or inactions resulted in insufficient coal inventory to operate its coal-fired generating units when it would have been economic for it to do so, which then forced it to manage its inadequate inventory in order to minimize the consequences of its own actions or inactions.

Response provided by Lane Kollen

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1-12 Confirm whether you agree that the PJM locational marginal pricing (“LMP”) is the most precise indicator of what the Company actually pays for energy purchases.

Response:

Mr. Kollen does not know what the term “most precise indicator” means in the context of the question. PJM locational marginal pricing is the most significant factor for the cost of market energy purchases, but there are other factors, including whether the purchases were made in the real time market or in the day ahead market and whether the utility engages in hedging practices.

Response provided by Lane Kollen

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- 1-13 Please provide a sample calculation that fully demonstrates the concept of the PUE/BUE methodology supported by Mr. Kollen and Mr. Futral using the Company's actual historical data during the review period. Please provide this demonstrative in electronic format, with formulas intact and visible, and no pasted values.

Response:

Refer to the response to Item 4. The PUE/BUE calculations performed for each hour, utilizing the Company's actual historical data during the review period, are included in the electronic workpapers that were filed with the Commission along with Mr. Futral's testimony and exhibits. Mr. Futral's testimony describes each of the changes made to the Company's actual historic electronic data files in order to demonstrate the concept of the PUE/BUE methodology.


Response provided by Lane Kollen and Randy Futral

AFFIDAVIT

STATE OF GEORGIA)


COUNTY OF FULTON)

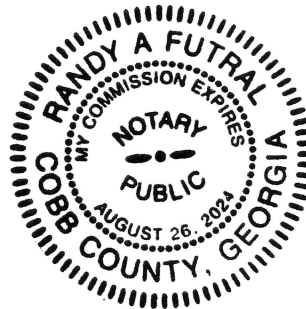
LANE KOLLEN, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.



Lane Kollen

Sworn to and subscribed before me on this
6th day of January 2023.



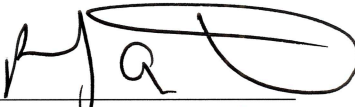
Notary Public

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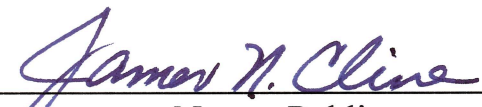
STATE OF GEORGIA)

COUNTY OF FULTON)

RANDY A. FUTRAL, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.


Randy A. Futral

Sworn to and subscribed before me on this
6th day of January 2023.


Notary Public
my commission expires 02/10/26

James N Cline
Notary Public
Gwinnett County, Georgia
My Comm. Expires
02/10/2026