#### **DATA REQUEST**

KPSC 2\_1 Refer to Kentucky Power's response to Attorney General's First Request for Information (Attorney General's First Request), Item 1, KPCO\_R\_AG\_1\_1\_Attachment8.xlsx. Confirm the accuracy of the installed capacity (ICAP) values provided in Tab "2029 NBV Starting Point" of the Excel file. If unable to confirm, provide updated values and explain.

#### **RESPONSE**

The referenced ICAP values of Kentucky Power's and Wheeling Power's undivided 50% interests in the Mitchell Plant should be shown as 780 and 780 instead of 770 and 790. The values shown (770 and 790) are the installed capacities of Mitchell Unit 1 and Unit 2, respectively, and those values were inadvertently not updated in the file before production of the Company's responses. The ICAP values have no impact on any of the formulas or conclusions in the workbook.

Witness: Alex E. Vaughan

### **DATA REQUEST**

Refer to Kentucky Power's response to Attorney General's First Request, Item 1, KPCO\_R\_AG\_1\_1\_Attachment8.xlsx, Tab "2029 NBV Starting Point" and KPCO\_R\_AG\_1\_1\_PublicAttachment1xlsx, Tab "2029 NBV Starting Point".

a. Explain why the amounts in the "Capital Forecast" and the "Estimated NBV" columns in the "2029 NBV Starting Point" Tab of each of the Excel sheets have been calculated differently, including why the totals for the Mitchell Plant are different.

b. Explain the different ICAP values in those spreadsheets.

#### **RESPONSE**

a. KPCO\_R\_AG\_1\_1\_Attachment8 takes into account an additional year of capital and an additional year of depreciation to calculate a NBV at the end of 2029, while KPCO R AG 1 1 PublicAttachment1 calculates a NBV at the end of 2028.

b. Please see the Company's response to KPSC 2\_1.

Witness: Alex E. Vaughan

#### **DATA REQUEST**

KPSC 2\_3 Refer to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 5(b). Refer also to Kentucky Power's Response to Attorney General's First Request's Request, Item 2. Explain what factors have delayed Kentucky Power's plan to file a request to build a new 450 MW natural gas combustion turbine at the Big Sandy site before 2026.

#### **RESPONSE**

The Company respectfully disagrees with the premise of the request. There has been no delay in the Company's plan to file a request to build a new 450 MW natural gas combustion turbine at the Big Sandy site. As explained in the Company's response to KPSC 1\_4, the Company entered into negotiations to acquire an existing generation asset as part of its 2023 All Source RFP. Had those negotiations been successful, that resource would have provided sufficient capacity to cover the Company's summer and winter capacity needs. However, after those negotiations were unsuccessful, the Company immediately began re-evaluating generation options, which resulted in this Application and the Company's current plan to construct a new 450 MW natural gas combustion turbine at the Big Sandy site, including the plan to file an application for certificate of convenience and necessity no later than the first quarter of 2026.

Witness: Tanner S. Wolffram

#### **DATA REQUEST**

KPSC 2\_4 Refer to Kentucky Power's Response to Staff's First Request, Item 2, KPCO\_R\_KPSC\_1\_2\_Attachment1.xlsx. Explain how Kentucky Power plans to address its capacity shortfall between 2026 and 2031, before the projected additional 450 MW natural gas combustion turbine generator at the Big Sandy site is approved and placed in service.

#### **RESPONSE**

The Company currently plans for its capacity needs based on PJM capacity requirements, which generally require Kentucky Power to own or procure sufficient capacity to meet its summer peak, plus a reserve margin. The capacity provided by the Big Sandy Plant and the Michell Plant typically meet those requirements annually. When necessary, the Company can rely on capacity provided through the Power Coordination Agreement ("PCA"), and it can also make short-term market purchases for the small amount of additional capacity that may be needed. The Company is actively working to plan to its winter capacity needs, based on the Commission's communicated preference for it to do so. If this Application is approved, then the Company will have enough capacity to meet its PJM required summer peak and a large portion of the Company's capacity needs for the winter peak would be covered by the capacity provided by the Mitchell Plant such that the Company would need to procure only approximately 280MW of additional capacity either through the PCA, through short-term market purchase of capacity, or a combination. If this Application is not approved, then the Company would need to procure an additional approximately 600MW of capacity to meet its summer capacity needs and approximately 880 MW of capacity to cover its winter capacity needs. The Company has not yet made a final decision as to how it will address its capacity needs between PJM planning year 2026/2027 and PJM planning year 2030/2031 as the plan is necessarily dependent upon the result of this matter.

Witness: Tanner S. Wolffram

# **DATA REQUEST**

**KPSC 2\_5** Refer to Kentucky Power's response to Staff's First Request, Item 14, referring to the Power Coordination Agreement with affiliates. Provide a copy of the Power Coordination Agreement referred to therein.

# **RESPONSE**

Please refer to KPCO R KPSC 2 5 Attachment1 for the requested document.

Witness: Alex E. Vaughan

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

KPSC Case No. 2025-00175 Commission Staff"s Second Set of Data Requests Dated September 08, 2025 Item No. 5 Attachment 1

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

Sheet No. 2

Page 2 of 23

#### 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;

Item No. 5 Attachment 1 Page 3 of 23

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

Sheet No. 3

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.

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests

Dated September 08, 2025 Item No. 5 Attachment 1 Page 4 of 23

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

Sheet No. 4

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.

> Item No. 5 Attachment 1 Page 5 of 23

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

Sheet No. 5

1.10 Off-System Transactions means Off-System Sales, Off-System Purchases and

of an Operating Company or Operating Companies, excluding sales to Internal Load customers.

any other types of power-related wholesale transactions, whether physical or financial, on behalf

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.

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

Parties.

KPSC Case No. 2025-00175 Commission Staff''s Second Set of Data Requests Dated September 08, 2025 Item No. 5 Attachment 1 Page 6 of 23

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

Sheet No. 6

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 <u>Term and Withdrawal</u>. 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** <u>Transmission.</u> 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

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

Sheet No. 7

Attachment 1 Page 7 of 23

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

#### ARTICLE V AGENT

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

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.

Item No. 5 Attachment 1 Page 8 of 23

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

Sheet No. 8

**6.2** <u>Meeting Dates.</u> 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

KPSC Case No. 2025-00175

Attachment 1

Page 9 of 23

Commission Staff's Second Set of Data Requests Dated September 08, 2025 Item No. 5

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

Sheet No. 9

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

Item No. 5 Attachment 1 Page 10 of 23

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

Sheet No. 10

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

**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.

collectively or individually, for any planning year is not governed by this Agreement.

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

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests

Dated September 08, 2025 Item No. 5 Attachment 1 Page 11 of 23

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

Sheet No. 11

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.

Item No. 5 Attachment 1 Page 12 of 23

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

Sheet No. 12

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

ARTICLE VIII

limit the ability of an Operating Company to respond to a System Emergency.

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.

KPSC Case No. 2025-00175 Commission Staff"s Second Set of Data Requests Dated September 08, 2025 Item No. 5 Attachment 1

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

Sheet No. 13

Page 13 of 23

#### 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 <u>Monthly Net Billing Statements</u>. 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 <u>Billings and Payments.</u> 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 <u>Taxes.</u> 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** <u>Undelivered and Unpaid Monthly Billing Statements</u>. 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

Item No. 5
Attachment 1
Page 14 of 23

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

Sheet No. 14

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

Item No. 5 Attachment 1 Page 15 of 23

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

Sheet No. 15

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

ARTICLE XI DELIVERY POINTS

strike or labor dispute except when, according to its own best judgment, such action is advisable.

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,

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests

Dated September 08, 2025 Item No. 5 Attachment 1 Page 16 of 23

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

Sheet No. 16

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 <u>Waivers.</u> 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 <u>Successors and Assigns</u>. 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-

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests

Dated September 08, 2025 Item No. 5 Attachment 1 Page 17 of 23

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

AGREEMENT.

Sheet No. 17

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

- **12.6** <u>Headings.</u> 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 <u>Interpretation</u>. 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

Item No. 5 Attachment 1 Page 18 of 23

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

Sheet No. 18

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.

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests Dated September 08, 2025 Item No. 5 Attachment 1 Page 19 of 23

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

Sheet No. 19

**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:
m'.1

Sheet No. 20

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

KPSC Case No. 2025-00175 Commission Staff's Second Set of Data Requests Dated September 08, 2025 Item No. 5 Attachment 1 Page 21 of 23

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.

ptember 08, 2025 Item No. 5 Attachment 1 Page 22 of 23

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

Sheet No. 22

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.

Sheet No. 23

#### SERVICE SCHEDULE C TRADING TRANSACTIONS

<u>C1 – Duration.</u> 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.

<u>C2 – Service</u>. 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.

## **DATA REQUEST**

Refer to the Application, page 2, paragraph 4. Refer also to Kentucky Power's response to Staff's First Request, Item 2,

KPCO\_R\_KPSC\_1\_2\_Attachment1.xlsx. Explain why Kentucky Power is only estimating 593-607 MW of capacity from Mitchell Units 1 and 2, when Kentucky Power's 50 percent undivided share of the Mitchell Plant comprises 780 MW of nameplate capacity.

#### **RESPONSE**

The referenced values (593-607 MW) represent Kentucky Power's 50 percent portion of the accredited capacity for the Mitchell units over recent PJM planning years. Nameplate capacity is different than accredited capacity, which is based on a generating resource's effective load carrying capability ("ELCC"). ELCC is a metric used by PJM to evaluate the capacity that generating resources can reliably contribute to the system, particularly during times of peak demand. ELCC captures the expected performance of resources during tight RTO-wide system operation hours that can be caused by high loads and/or poor resource performance. Please also see page 4, footnote 2, of Company Witness Vaughan's Direct Testimony and KPCO\_R\_AG\_1\_1\_ConfidentialAttachment1 on the "ML UCAP" tab for the ELCC ratings for various resource types, including coal.

Witness: Alex E. Vaughan

#### **DATA REQUEST**

KPSC 2\_7 If Kentucky Power were to construct a Natural Gas Combined Cycle (NGCC) unit, state the earliest date on which Kentucky Power would anticipate being able to bring the unit online, and explain the basis for your response, including the estimated dates or time periods in which it could complete each major step.

#### **RESPONSE**

The Company is unable to provide an exact date as requested. However, as stated in Company Witness Vaughan's Direct Testimony on page 9, "It is estimated that a new build generation resource could not be placed in-service until at least 2031," which would include a NGCC unit. This estimate is based on the Company's best current estimates of time required to complete the following non-exhaustive tasks: permitting, interconnection with PJM, acquiring equipment, and construction.

Witness: Alex E. Vaughan

#### **VERIFICATION**

My Commission Expires N/A

Notary ID Number \_\_\_\_\_

#### VERIFICATION

The undersigned, Tanner S. Wolffram, being duly sworn, deposes and says he is the Director of Regulatory Services 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.

		Tamey & Wolfm
		Tanner S. Wolffram
Commonwealth of Kentucky	)	
County of Boyd	)	Case No. 2025-00175

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tanner S. Wolffram, on September 16, 2005.

Morary Public O Morarde Caldwell

My Commission Expires  $\frac{5/7/2627}{}$ 

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL Notary Public Commonwealth of Kentucky Commission Number KYNP71841 My Commission Expires May 5, 2027