

Kentucky Power Company
KPSC Case No. 2025-00338
Commission Staff's Third Set of Data Requests
Dated March 5, 2026

DATA REQUEST

KPSC 3_1 Regarding the repeal of the “Endangerment Finding” in Section 202(a) of the Clean Air Act:

- a. Explain how its repeal affects Kentucky Power’s current and future planning in its environmental compliance strategy.
- b. Explain how its repeal affects Kentucky Power’s current and future operations of its existing facilities.
- c. Explain whether its repeal affects Kentucky Power’s current and future planning as it relates to controls for any pollutant limitations listed in the National Ambient Air Quality Standards (NAAQS).
- d. If not discussed above, explain whether Kentucky Power is aware of any pending relaxation of environmental control standards that may affect its current level of compliance related to fossil fuel generation.

RESPONSE

a., b. and c. On February 18, 2026, U.S. EPA finalized a rule that rescinded the EPA’s 2009 Endangerment Finding and repealed all greenhouse gas emission standards related to motor vehicles. This rule is only applicable to motor vehicles and does not apply to fossil fuel-fired power plants. This change is not anticipated to affect Kentucky Power’s current or future generation operations or planning.

d. In 2024, EPA established greenhouse gas emission standards for new and existing fossil fuel-fired power plants under Section 111 of the Clean Air Act (“111 Standards”). On June 11, 2025, EPA proposed to repeal these standards. A final rule is expected in 2026.

Witness: Lerah M. Kahn

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- KPSC 3_2** Refer to Kentucky Power's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 2.
- a. Once a forward fixed price physical fuel purchase (hedge) has been made, say at the 36-month milestone, explain whether this hedge is always retained until the anticipated use date(s). If not, explain how hedges are managed between the time of purchase and the anticipated use date(s).
- b. Purchasing the coal hedge appears to be different than Kentucky Power's coal purchases obtained through its usual bid solicitation process. If so, explain whether the coal purchase hedge is in addition to coal purchased through Kentucky Power's normal coal solicitation / procurement process.

RESPONSE

- a. The intent of any natural gas purchase is for consumption at the plant. If at some point between the purchase date and month of flow there is a change in expected plant operations (e.g., a planned outage has been added or adjusted) then a decision would be made on how to best manage the purchase obligation (i.e., sell a portion, or all of the purchase obligation). Selling natural gas into the market is a last resort alternative and is done to comply with and best manage the OBA position.
- b. The coal hedge is implemented through Kentucky Power's normal coal solicitation/procurement process (the coal RFP) and is not a separate, additional procurement stream.

Witness: Clinton M. Stutler

Witness: Kimberly K. Chilcote

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KPSC 3_3 Refer to Kentucky Power's response to Staff's Second Request, Item 3 attachment 03_KPCO_R_AG_1_2_Attachment1.xlsx. For the period November 22, 2023-December 4, 2023, it is not clear what the daily Operating Balancing Account (OBA) value is and what volumes Kentucky Power was required to sell to keep the OBA within Columbia Gas Transmission limits. Provide a more detailed explanation.

RESPONSE

Please see KPCO_R_KPSC_3_3_Attachment1. The "Ending Imbalance" column represents the daily ending positive or negative OBA position. The "Sale" column identifies days where natural gas sales were completed and the "Quantity (MMBtu)" column identifies the quantity of natural gas sold.

As discussed in Company Witness Stutler's Direct Testimony on page 17, there will always be a difference between natural gas purchased and natural gas consumed. The goal is to minimize the difference as much as possible. The OBA is meant to account for small differences and is not to be used as storage or a more elaborate balancing tool. Thus, under normal conditions (absent a ratable take requirement), the OBA requires the Company to cross 0 MMBtus twice per month. In the particular period referenced in the question, Kentucky Power had accumulated a positive OBA balance of 91,976 MMBtu by the end of gas day November 21, 2023, and was not expected to operate in the coming days. Because of the existing positive imbalance, the fact that Kentucky Power was subject to committed purchases of 32,000 MMBtu per day the Kentucky Power OBA positive imbalance position would have grown to more than 478,000 MMBtus by the time natural gas consumption resumed at the plant. This would have made it a virtual certainty that the Company would not have been able to get back to 0 MMBtus within the timeline expected by the pipeline operator. Thus, the only viable solution was to sell the prior committed natural gas in the market.

Witness: Clinton M. Stutler

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KPSC 3_4 Refer to Kentucky Power’s response to Staff’s Second Request, Item 7. For each of the actions taken to mitigate high inventory levels. For 2023 and 2024, explain and provide, for each contract modified or amended by Kentucky Power, as referenced in Kentucky Power’s Response to Staff’s Second Request, Item 7 the following: the amount of coal that was originally scheduled to be delivered; the amount deferred to what later date; the amount canceled; and cost to Kentucky Power for the contract modification or amendment.

RESPONSE

The table below contains the details of the tons deferred and removed in both 2023 and 2024. The ACNR 07-77-06-900 agreement was the only one in which costs were incurred. The 600,000 tons set for delivery from ACNR in 2024 were originally priced at \$37.50 per ton but as part of the restructure of the agreement the contract price was changed to \$41.75 per ton, an increase of \$4.25 per ton for the 600,000 tons. The total cost for this change was \$2.55 million.

2023	Supplier	Agreement	2023 Obligation	Tons Deferred
	ACNR	07-77-06-900	992,882	340,000
	Alliance	03-00-22-9M3	500,000	65,000
	BAMM	03-00-21-003	144,000	72,000
	Pocahontas	03-00-23-002	190,000	40,000
				517,000

			2023 Obligation	Tons Removed
	Blackhawk	03-00-21-9M1	175,000	54,181
		03-00-23-9M1	180,000	20,819
	RFI	03-00-22-001	126,000	101,308
				176,308

2024	Supplier	Agreement	2024 Obligation	Tons Deferred
	ACNR	07-77-06-900	600,000	290,000
	Pocahontas	03-00-23-002	190,000	96,000
				386,000

Witness: Kimberly K. Chilcote

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KPSC 3_5 For the years 2023 and 2024, and for each action, explain whether Kentucky Power incurred any additional transportation charges or credits as a result of each of its coal contract modifications or amendments referenced in Kentucky Power's response to Staff's Second Request, Item 7.

RESPONSE

Kentucky Power did not incur any additional transportation costs or credits as a result of the coal contract modifications and changes referenced in the Company's response to KPSC 2_7.

Witness: Kimberly K. Chilcote

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KPSC 3_6 If yes, explain how Kentucky Power recovers the cost for each of the contract modifications or amendments referenced in Kentucky Power's response to Staff's Second Request, Item 7.

RESPONSE

Please see the Company's responses to KPSC 3-4 and 3-5.

Witness: Kimberly K. Chilcote

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KPSC 3_7 Refer to Kentucky Power's response to Staff's Second Request, Item 10. Explain what is meant by "given the timing of the cities' request for quotes in April 2022 to replace the expiring contracts" as it relates to not submitting a new proposal for wholesale power contracts with Olive Hill and the city of Vanceburg after each of their respective contracts expired in May of 2025.

RESPONSE

The request for quotes issued in April 2022 were due by May 1, 2022. At that time, Case No. 2021-00481 and FERC Case No. EC22-26-000 were pending regarding the purchase of Kentucky Power Company by Liberty Utilities Co.

Witness: Lerah M. Kahn

