

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE	)	CASE NO.
SERVICE, RATES AND FACILITIES OF	)	2021-00370
KENTUCKY POWER COMPANY	)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 22, 2024. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Rebuttal Testimony of Alex E. Vaughan (Vaughan Rebuttal Testimony), pages 2-4. Provide how much Kentucky Power has invested in each Mitchell unit and the station generally if not unit specific, annually, with specific regard to maintenance, since the Commission denied Kentucky Power's proposal for a Certificate

of Public Convenience and Necessity in Case No. 2021-00004.<sup>2</sup> Include in the response a breakdown for when investments were made, the amount of the investment, and the purpose of the investment. Also, segregate the maintenance expenditures by O&M and capital expenditures and whether the expenditures were made for planned outages, maintenance outages, forced outages, and derates while the unit is still in operation.

2. Refer to the Direct Testimony of Lane Kollen (Kollen Direct Testimony), page 5. Kentucky Power estimated that its undivided 50 percent interest in Mitchell has a \$343.1 million net book value as of December 31, 2028. Refer also to the Direct Testimony of Timothy Kerns (Kerns Direct Testimony), page 7. Kentucky Power states that its undivided 50 percent interest in Mitchell will terminate in 2028.<sup>3</sup>

a. Provide an updated book value and market value of Kentucky Power's undivided 50 percent interest in Mitchell.

b. Explain how Kentucky Power plans to terminate its undivided 50 percent interest in Mitchell. Include in the response if it plans to sell or transfer its interest to Wheeling Power Company, another AEP affiliate, or a non-AEP affiliated entity.

c. If the Commission were to deny Kentucky Power's request to sell/transfer/terminate its undivided 50 percent interest of the Mitchell units, explain how Kentucky Power would address selling/transferring/terminating its undivided 50 percent interest without Commission approval.

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<sup>2</sup> Case No. 2021-00004, *Electronic Application of Kentucky Power Company for Approval of a Certificate of Public Convenience and Necessity for Environmental Project Construction at the Mitchell Generating Station, an Amended Environmental Compliance Plan, and Revised Environmental Surcharge Tariff Sheets* (Ky. PSC July 15, 2021), Order.

<sup>3</sup> Direct Testimony of Timothy Kerns, page 7.

3. Refer to Vaughan Rebuttal Testimony, page 4. Refer also to Kollen's Direct Testimony, page 15. Provide the number of times that Kentucky Power's units were either in forced outage or planned outage or maintenance outage for December 2021 through March 2023. Include in the response the reasoning why the units were out of service.

4. Refer to Vaughan Rebuttal Testimony, pages 7-8. Provide a comparison for the generating prices of the Mitchell units and the market prices for purchased power for December 2022 through March 2023 that supports Kentucky Power's claim that in certain economic scenarios, its more economic to purchase power than to generate. Include in the response a breakdown for how each of the generating prices for the Mitchell units were determined.

5. Refer to Kerns Direct Testimony, page 4. Provide the Equivalent Demand Forced Outage Factor (EFORd) for each of the Mitchell units. Include in the response how the EFORd is calculated and whether and how Kentucky Power's coal conservation strategy affected the EFORd calculations and Kentucky Power's capacity obligations for subsequent PJM planning years.

6. Refer to Kentucky Power's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 7 and Case No. 2017-00179,<sup>4</sup> January 18, 2018 Order at 39.

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<sup>4</sup> Case No. 2017-00179, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All Other Required Approvals and Relief* (Ky. PSC Jan. 18, 2018).

a. Explain why Kentucky Power characterized the renewal of the Rockport UPA as a possible option if the contract did not provide Kentucky Power with an opportunity to renew.

b. Explain why Kentucky Power did not plan to acquire capacity coincident with the expiration of Rockport UPA.

7. Refer to Kentucky Power's response to Staff's Second Request, Item 11 and Kentucky Power's response to Commission Staff's First Request for Information, Item 1. Provide an update as to the internal evaluation process of selecting vendors including but not limited to any draft contracts or written evaluations.

8. Explain why Kentucky Power does not participate in a corporate borrowing program. Include in the explanation the results of the most recent cost evaluation supporting the position that it is more cost effective for ratepayers to have each regulated subsidiary to borrow money on its own versus American Electric Power Company (AEP) borrowing the money and for a corporate borrowing program. If AEP does not offer such programs, confirm that AEP does not offer those programs for any AEP regulated or unregulated subsidiary. If AEP does offer such programs, provide a list of all participating subsidiaries.



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DATED APR 25 2024

cc: Parties of Record

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