

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY FOR ENVIRONMENTAL PROJECT)	CASE NO.
CONSTRUCTION AT THE MITCHELL)	2021-00004
GENERATING STATION, AN AMENDED)	
ENVIRONMENTAL COMPLIANCE PLAN, AND)	
REVISED ENVIRONMENTAL SURCHARGE)	
TARIFF SHEETS)	

ORDER

On February 18, 2025, Kentucky Power Company (Kentucky Power) filed a motion in the post-case correspondence of this proceeding requesting that the Commission reopen this case as well as convene an informal conference. Kentucky Power stated that the purpose of an informal conference would be to discuss its decision “to seek the necessary regulatory approvals to make the capital investments required to continue taking capacity and energy from the Mitchell Plant after December 31, 2028, and to request an expedited procedural schedule to facilitate the Commission’s review and approval of the Company’s proposals.”¹ No other additional testimony or information was filed.

Kentucky Power’s original application in this case was filed on February 8, 2021, and requested approval of Certificates of Convenience and Necessity (CPCN) for two large scale environmental projects to comply with the Effluent Limitations Guidelines

¹ Kentucky Power’s Motion to Reopen Case and Request for Informal Conference at 1.

(ELG) rules and the Coal Combustion Residuals (CCR) rules, “Case 1.”² Alternatively, Kentucky Power proposed a CCR-only compliance option, labeled “Case 2” throughout the application and case.³

Following an extensive administrative process, including intervenor testimony and arguments from the Attorney General and other intervenors, several rounds of information requests, a formal hearing, and briefing by the parties, the Commission approved the Case 2 CPCN CCR compliance option.⁴ On August 19, 2021, the Commission granted Kentucky Power’s limited request for rehearing, and in its May 3, 2022, rehearing final Order, approved Kentucky Power’s requests to: (1) use a 20 percent depreciation rate for the Mitchell CCR compliance project; and (2) establish a regulatory asset for ELG costs incurred at the Mitchell plant prior to the Commission’s July 15, 2021, final Order. With the issuance of the May 3, 2022, rehearing final Order, the case was closed and removed from the Commission’s docket.⁵

Based upon Kentucky Power’s motion, the Commission finds it appropriate to reopen this case for the limited purpose of scheduling an informal conference to discuss Kentucky Power’s remaining requests. Any other decisions as to the merits of Kentucky Power’s motion, will be addressed in a subsequent Order.

² Application at 12.

³ Application at 12.

⁴ Order (Ky. PSC July 15, 2021) at 19-20. Notably, three major parties, the Attorney General, Kentucky Industrial Utility Customers (KIUC), and the Sierra Club all agreed that Kentucky Power’s fundamental modeling assumptions “significantly overstated the projected cost of other generation resources, which artificially created the appearance that the ELG project is more cost-effective than the alternatives.” Order at 22.

⁵ Order at 13 (Ky. PSC May 3, 2022).

IT IS THEREFORE ORDERED that:

1. This case is reopened for administrative purposes.
2. Kentucky Power's motion for an informal conference is granted.
3. An informal conference is scheduled on March 6, 2025, at 10 a.m. Eastern Standard Time at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

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