

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

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

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on October 28, 2022. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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

¹ 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 when made or, though correct when made, is now incorrect 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 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 Direct Testimony of Jason M. Stegall (Stegall Testimony), page 3, lines 15–17. Regarding the market parameters and other characteristics defined in PJM Interconnection, LLC (PJM) protocols, provide the following:

a. An example of the typical market parameters during the period under review that Kentucky Power or any of the related American Electric Power Company, Inc. (AEP) subsidiaries would provide to PJM for each of Kentucky Power's generating units; and

b. The “other characteristics defined in PJM protocols” that Kentucky Power or any of the related AEP subsidiaries would provide to PJM for each of Kentucky Power’s generating units.

2. Refer to the Stegall Testimony, page 5, lines 12–17.

a. Explain whether PJM has ever requested that any of Kentucky Power’s generating units be moved to the Maximum Emergency status.

b. Explain whether PJM ever went into an Emergency Event during the period under review. If so, explain how Kentucky Power was impacted.

3. Refer to the Stegall Testimony, page 6, Figure 1. Provide the data table and the source used to produce the graph shown in Figure 1.

4. Refer to the Stegall Testimony, page 5, lines 17–21. Explain whether Kentucky Power was subjected to any performance penalties by PJM during the period under review.

5. Refer to the Direct Testimony of Kimberly K. Chilcote (Chilcote Testimony), page 9, lines 14–17.

a. Explain further the circumstances under which Kentucky Power agreed to add a fuel surcharge to the agreement with Case Coal Sales, LLC (Case Coal Sales).

b. Explain how the fuel surcharge will assist the mine operator with which Case Coal Sales is working to produce coal under its contract.

c. Footnote 3 does not explain how the surcharge is applied. Explain the fuel charge rate.

d. Explain whether the updated coal contract with Case Coal Sales and that includes the additional fuel surcharge and any other changes to the terms and conditions of the contract has been filed with the Commission.

6. Refer to Kentucky Power's Response to Commission Staff's First Request for Information (Staff's First Request), Item 3. Explain why the Mitchell station has an excess of high sulfur coal inventory of 22 days.

7. Refer to Kentucky Power's Response to Staff's First Request, Item 4. Between the two solicitations sent during the review period to over 65 vendors, no more than 7 vendors responded.

a. Explain whether Kentucky Power is aware of the reasons the non-respondents did not reply. For example, they were at capacity and had no additional supplies available or there was not sufficient transportation available.

b. Refer also to the confidential Attachment. Explain why a vendor would submit a bid, only to have the company not select the vendor because the "mine was in development, visit scheduled" and "tons not available."

8. Refer to Kentucky Power's Response to Staff's First Request, Item 15, Attachment 1, page 1.

a. Explain the term "reserve shutdown," how it compares to the other listed designations, and when the last time Kentucky Power used that designation to classify an outage.

b. Explain how power purchases are treated when a unit is in reserve shutdown and whether it makes a difference if the unit is offline for the entire month or online for part of the month.

c. For the hours a unit is in reserve shutdown, explain whether the company is eligible for and collects any PJM ancillary service revenues. If so, explain which ancillary services.

d. Explain whether PJM places a unit into reserve shutdown or AEP or Kentucky Power requests PJM to place a unit into reserve shutdown.

e. If applicable, explain what impact a reserve shutdown has on coal inventory.

9. Refer to Kentucky Power's Response to Staff's First Request, Item 15, Attachment 1. For Kentucky Power's Generating Usage Outage report, there appears to be inconsistencies for the use of a reserve shutdown. On February 11, 2022, Kentucky Power placed Mitchell 1 in reserve shutdown from 2:00 AM until 7:50 AM. Then Kentucky Power placed Mitchell 1 in reserve shutdown from February 16, 2022 to March 9, 2022. Explain the analysis used to determine the length of time Kentucky Power places its units into reserve shutdown.

10. Refer to Kentucky Power's Response to Staff's First Request, Item 15, Attachment 1. Kentucky Power placed Mitchell 1 in reserve shutdown on February 16, 2022. Refer to KPCO_R_KPSC_1_16_Attachment4, tab 02-22 KPCo Gen Data. On February 16, 2022, Kentucky Power had Mitchell 1 Control Mode as offline. Explain the rationale for opting for reserve shutdown rather than to bring a unit back online.

11. Refer to Kentucky Power's Response to Staff's First Request, Item 23, Attachment 1, page 1. There appears to be two entries for certain allowable Billing Line Items (BLI) (i.e., 1250 and 1250a, Meter Correction Charge). For those BLI entries with an "a" designation, explain the purpose of the second entry.

12. Refer to Kentucky Power's Response to Staff's First Request, Item 32. Explain how a unit can be in reserve shutdown and available for dispatch. Include in the response a description of the steps that if called upon by PJM, must be taken to dispatch the unit.

13. For each month of the review period, provide the total amount of fuel related cost that occurred during a forced outage that was disallowed pursuant to 807 KAR 5:056, or that Kentucky Power was unable to collect via any other means.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED OCT 14 2022

cc: Parties of Record

*Amy J Elliott
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Jody M Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*John G Horne, II
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Katie M Glass
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634