

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)	2024-00136
FROM NOVEMBER 1, 2022 THROUGH APRIL)	
30, 2023)	

COMMISSION STAFF'S SECOND 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 September 23, 2024. 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 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 Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 6. Explain why Kentucky Power purchased 2,914,800 MMBTU's of natural gas as a spot contract. Include in the response the total price that Kentucky Power paid.

2. Refer to Kentucky Power's response to Staff's First Request, Item 17. Refer also to the Direct Testimony of Jason Stegall (Stegall Direct Testimony), at 7. Provide

the following in Excel spreadsheet format with all formulas, rows, columns, and cells unprotected and fully accessible:

- a. The hourly energy purchased (MW's) and at what price;
- b. The day ahead and real time locational marginal price (LMP) at each hour;
- c. The hourly bids for the Mitchell 1 and 2 units and the Big Sandy unit broken out by cost and coal adder. Include in the response a breakdown for how much of the cost-based offer is fuel costs;
- d. The price that PJM called each unit to run;
- e. Hourly generation hours for both Mitchell 1 and 2 and Big Sandy unit for each month.

3. Refer to Stegall Direct Testimony at 3-4. Kentucky Power explained that it intends to continue utilizing short-term capacity purchases to fulfil its obligations to PJM as an FRR entity until a long-term replacement solution is proposed by Kentucky Power.

- a. Explain when Kentucky Power anticipates filing a long-term capacity plan with the Commission outside of its 2024 IRP.
- b. Provide the average MWs purchased, along with the average price, every month under review that Kentucky Power purchases from the PJM market to meet its native load.

4. Refer to Stegall Direct Testimony, Figure JMS-1, at 5. Provide a comparison of the day ahead LMP and the real time LMP in a similar figure.

5. Refer to the Stegall Direct Testimony at 7.

a. Explain the process for how Kentucky Power would respond if the Mitchell station's coal supply dropped below the 15-day full burn threshold.

b. Explain how PJM penalizes utilities for its coal supply dropping below the required threshold. Include in the response if there is a monetary penalty and, if so, provide what that amount would be.

6. Refer to the Stegall Direct Testimony, Figure JMS-6, at 15.

a. Explain what Kentucky means by "Liquidated Price".

b. Provide the net total cost that Kentucky Power incurred specifically during Winter Storm Elliot. Include in the response the total costs associated with operating the Mitchell units and purchasing energy from the PJM market.

7. Refer to the Stegall Direct Testimony at 16. Provide which customers Kentucky Power curtailed, specifically large industrial customers and the specific amount of MWs.

8. Refer to Kentucky Power's response to Staff's First Request, Item 1 Attachment 1. Provide an update to the table showing which purchases were for high sulfur and for low sulfur.

9. Refer to Kentucky Power's response to Staff's First Request, Item 2, Attachment 1. Provide an update to the table showing which contract is for high sulfur and which is for low sulfur coal.

10. Refer to Kentucky Power's response to Staff's First Request, Item 3. For both high and low sulfur coal, provide a table in excel format showing the estimated monthly ending inventory level, amount of coal burned, coal received, high and low sulfur full burn days' supply and target levels for the period of April 2022 through April 2023.

11. Refer to Kentucky Power's response to Staff's First Request, Item 6, and Item 8.

a. Provide copies of the January 2023 and February 2023 requests for proposals and the bid tally sheets similar to those provided for coal solicitations showing which bids were taken and which were not taken.

b. For each gas contract, provide the contract number, when the contract was filed with the Commission and a copy of the contract.

c. Provide a table showing how each contracted gas price compares to spot gas price purchases.

12. Refer to Kentucky Power's response to Staff's First Request, Item 15.

a. Confirm that when a unit is in reserve shutdown status, no fuel is being consumed.

b. Explain whether the coal conservation strategy was still in place for Mitchell Unit 1, which resulted in the unit being placed in reserve shutdown for November 19, 2022 through November 29, 2022.

c. For Mitchell Unit 1, explain why the start-up failure on December 14, 2022, should not be classified as a forced outage.

d. Using the Mitchell Unit 1 for the 48 hours over the period December 13-14, 2022, as an example, explain the procedures and interactions between plant operators and the AEP/Kentucky Power personnel responsible for bidding in available generation units into the day ahead energy market that account for the unit being placed into reserve shutdown for approximately 12 hours.

13. Explain if Kentucky Power was subject to PJM Performance Assessment Interval penalties during the review period. If so, include an explanation for why and the amounts of the penalties.



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

DATED SEP 09 2024

cc: Parties of Record

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

*Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Kentucky Power Company
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KENTUCKY 40507

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

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