

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR APPROVAL OF (1) A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY TO MAKE THE CAPITAL	)	
INVESTMENTS NECESSARY TO CONTINUE	)	
TAKING CAPACITY AND ENERGY FROM THE	)	CASE NO.
MITCHELL GENERATING STATION AFTER	)	2025-00175
DECEMBER 31, 2028, (2) AN AMENDED	)	
ENVIRONMENTAL COMPLIANCE PLAN, (3)	)	
REVISED ENVIRONMENTAL SURCHARGE	)	
TARIFF SHEETS, AND (4) ALL OTHER	)	
REQUIRED APPROVALS AND RELIEF	)	

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 October 27, 2025. 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

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).

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 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 Supplemental Testimony of Alex Vaughan (Vaughan Supplemental Testimony), page 2, lines 13–18.

- a. State when the repairs were paused.
- b. Confirm that Unit 2 is operational during the pause of those repairs.

If this cannot be confirmed, explain.

2. Refer to the Vaughan Supplemental Testimony, page 3, lines 17–19. Confirm that Unit 2’s cooling tower will not be operational after 2026 unless the proposed repairs are completed. If this cannot be confirmed, explain.

3. Refer to the Supplemental Testimony of Alex E. Vaughan (Vaughan Supplemental Testimony), page 3, lines 17–19.

- a. Confirm that Kentucky Power owns an undivided 50 percent of the Mitchell Station which includes a 50 percent share of both Units 1 and 2.

- b. If Option 2, not repairing the Unit 2 cooling tower and retiring Unit 2, was chosen, explain how that puts Kentucky Power 800 MW short on capacity and energy beginning sometime in 2026.

4. Refer to the Vaughan Supplemental Testimony, page 4, Table AEV SD1.

- a. Confirm that the incremental capital costs represent Kentucky Power’s 50 percent share of the respective project costs. If not, explain why not.

- b. Under Option 4, explain what the effects on Unit 2 will be with a shortened cooling tower. Include in the response any operational changes, the operational reasons for or causes of any derates, whether there will be any effects of any operational changes on the efficiency of the Unit 2 and the relative competitiveness of the unit in the PJM energy market.

5. Refer to the Vaughan Supplemental Testimony, page 4, Table AEV-SD1.

a. Provide a breakdown of the construction timeline for each of the four options to repair the Mitchell Unit 2 cooling tower, including all key risks, benefits, and expected outages involved in each option.

b. If Mitchell Unit 2 is not operational while the repairs to the cooling tower are conducted, explain how Kentucky Power will address its capacity shortfall.

c. Explain whether the selection of an option with a lifespan shorter than the lifespan of Unit 2, such as option 1, precludes Kentucky Power from repairing the cooling tower again at the end of its useful life.

d. Explain how Unit 2 will operate until the cooling tower is repaired under each option.

6. Refer to the Vaughan Supplemental Testimony, page 7, lines 5–11. Provide the workpapers for the analysis referred to on those lines in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

7. Refer to the Vaughan Supplemental Testimony, page 7, lines 15–21; page 8, lines 1–9; and page 9, Table AEV SD2. Rerun both the original analysis filed in the Vaughan Direct Testimony and the breakeven analysis discussed in the present proceeding based on the assumption that Kentucky Power's undivided 50 percent share of the Mitchell station is reduced by the net book value (as of June 2025) of the ELG capital costs.

8. Refer to the Vaughan Supplemental Testimony, page 9, lines 6–9. Provide the most recent purchased power agreement estimates.

9. Refer to the Supplemental Testimony of Alex Vaughan, page 4, Table AEV-SD1; page 9, Table AEV SD2; and page 11, Table AEV SD3.

a. Provide a detailed itemized breakdown of the costs included in the second and third columns of Table AEV-SD1 and explain how each of those itemized cost estimates were determined and provide any supporting documentation relied on for the cost estimates.

b. Provide workpapers for Table AEV SD2 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Provide workpapers for Table AEV SD3 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible. Include in the workpapers the total annual revenue requirement effect and an itemized breakout of the annual revenue requirement effect for each year used to calculate the Present Value Revenue Requirement and the Avg Annual Revenue Requirement.

10. Refer to the Vaughan Supplemental Testimony Table, page 11, AEV SD3. For the last two columns (Options 3 and 4), explain why there is only a \$8 million difference between Avg Annual Revenue Requirement but a \$84 million difference in Up-Front Capital Cost.

11. Refer to Kentucky Power's response to the Attorney General's First Request for Information, Item 1, KPCO_R_AG_1_1_ConfidentialAttachment1, Tab "Cost Compare Summary – Table 1."

a. Provide an itemized breakdown of the annual amounts included in Excel line 7 of that spreadsheet tab in each year included therein.

b. Provide the workpapers for the amounts reflected in Excel line 7 of that spreadsheet tab and the itemized breakdowns of those amounts in in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Provide the annual revenue requirement effect of the Commission adopting Alternative 1 as compared to the status quo in 2026, 2027, and 2028, without any of the additional capital spending identified in the supplemental testimony and provide workpapers showing the calculation of those amounts in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

12. Refer to the Direct Testimony of Alex E. Vaughan, page 5, lines 4–7.

- a. Explain in detail how the fuel revenue requirement was determined.
- b. Explain in detail how the estimated energy margins were determined.
- c. Explain whether any estimated energy margins were included in

Alternative 2, and if not, explain why not.



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cc: Parties of Record

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