

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE MECHANISM OF KENTUCKY)	CASE NO.
POWER COMPANY FOR THE TWO-YEAR)	2015-00280
BILLING PERIOD ENDING JUNE 30, 2015)	

COMMISSION STAFF'S THIRD 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 original in paper medium and an electronic version of the following information. The information requested herein is due on or before January 6, 2016. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response 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 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 it obtains information which indicates that 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 document containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to the response to Commission Staff's First Request for Information, Item 8.

a. Confirm that the increase of 46,563 allowances from the ending balance of December 2013 to the beginning balance of January 2014 reflects only the 2014 vintage allowances issued by the Environmental Protection Agency ("EPA"). If this cannot be confirmed, explain.

b. Explain why the dollar value of the inventory increased \$2,361,233 from the ending balance of December 2013 to the beginning balance of January 2014 if the EPA issues allowances at zero dollar value.

c. Explain why the response does not reflect the total allowance inventory as indicated on ES Form 3.11.

d. Explain why Kentucky Power records monthly allowance transactions using a unit cost that is significantly higher than the unit cost of the total allowance inventory.

2. Refer to the response to Commission Staff's Second Request for Information ("Staff's Second Request"), Item 2, Attachment 1. Explain the column titled "Allowances Available in Future Years."

3. Refer to the response to Staff's Second Request, Items 3 and 4. Explain why Kentucky Power continues to retain the Clean Air Interstate Rule NOx allowances at zero dollar value if the program was terminated with the implementation of the Cross-State Air Pollution Rule.



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Public Service Commission
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DATED DEC 22 2015

cc: Parties of Record

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