

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 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 original in paper medium and an electronic version of the following information. The information requested herein is due on or before November 6, 2015. 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 ("Staff First Request"), Item 4, Attachment 1-4.

a. Refer to the schedule titled Uncollected Accounts. It appears there is an error in the formula summing columns 3, 4, and 5, and thus the calculation of the three-year average for each column. Provide a corrected Uncollected Accounts schedule and all other schedules in the response affected by this error in Excel spreadsheet format with the formulas intact and unprotected.

b. Kentucky Power's testimony and its response to Staff's First Request, Item 4, did not specify the rate of return that it was requesting be used on a prospective basis in its monthly environmental surcharge filings. Provide the rate of return that Kentucky Power is requesting the Commission to approve to be used prospectively in the monthly environmental surcharge reports.

c. Uncollected accounts charged off for the 12 months ended April 30, 2015 increased \$908,355 over the 12-month period ending April 30, 2014. Explain the reasons for an increase of this magnitude, and Kentucky Power's expectations for the future level of uncollected accounts.

d. For each year indicated, provide an analysis of uncollected accounts by customer class.

2. Refer to Kentucky Power's response to Staff's First Request, Item No. 8, Attachment 1-8.

a. Using the format in Attachment 1-8, provide a revised schedule for SO<sub>2</sub> allowances that shows the allowance inventory and transactions for Big Sandy and Rockport only, and separately shows the allowance inventory and transactions for Mitchell. In addition to the electronic filing, provide the information in Excel spreadsheet format with the formulas intact and unprotected.

b. Reconcile the ending balance of Attachment 1-8 with the ending balance as shown on ES Form 3.11 for April 2015 in the monthly environmental surcharge filing.

3. Refer to the monthly environmental surcharge filings for the expense months of January 2015 through April 2015, ES Forms 3.12A and 3.12B.

a. Explain why the dollar value of the allowance inventories is reported as zero.

b. Explain whether the allowance quantities indicated represent allowances received as a result of the Clean Air Interstate Rule ("CAIR"), or the Cross-

State Air Pollution Rule ("CSAPR"). If both, provide a breakdown by each type of allowance.

4. Explain Kentucky Power's treatment of its existing CAIR allowances, since the implementation of CSAPR made certain emission allowances received under the CAIR program invalid.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED           **OCT 23 2015**          

cc: Parties of Record

\*Amy J Elliott  
Kentucky Power Company  
101 A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602

\*Kentucky Power Company  
101 A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602

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

\*Judy K Rosquist  
Kentucky Power Company  
101 A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602