

December 21, 2015

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HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

DEC 21 2015

PUBLIC SERVICE
COMMISSION

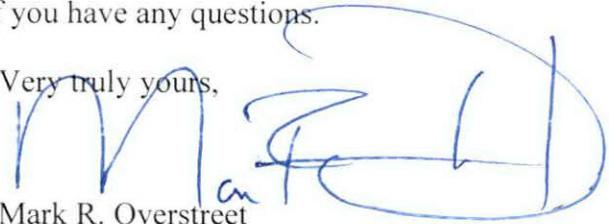
RE: Case No. 2013-00144 (To Be Retained In Kentucky Power's General Correspondence File)

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power's Company's December 21, 2015 Status Report. It is being filed in conformity with paragraph 12 of the Commission's October 10, 2013 Order.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


Mark R. Overstreet

MRO

cc: Counsel of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In The Matter Of:

PUBLIC SERVICE
COMMISSION

The Application Of Kentucky Power Company For:)
(1) The Approval Of The Terms And Conditions Of The)
Renewable Energy Purchase Agreement For Biomass)
Energy Resources Between The Company And) Case No. 2013-00144
ecoPower Generation-Hazard LLC; (2) Authorization)
To Enter Into The Agreement; (3) The Grant Of Certain)
Declaratory Relief; And (4) The Grant Of All)
Other Required Approvals and Relief)

December 21, 2015 Status Report

In conformity with Paragraph 12 of the Commission's October 10, 2013 Order,¹ Kentucky Power Company submits its fifth status report regarding ecoPower's construction of the Biomass Facility, subject to the terms and conditions of the Biomass REPA, as amended:

1. On December 20, 2015, ecoPower confirmed there has been no further work at the site since, as reported in the January 3, 2014 status report, site work was suspended on October 24, 2013. Consistent with prior status reports, ecoPower indicates that it does not anticipate any further construction during the pendency of the appeal by Kentucky Industrial Utility Customers, Inc. of the Commission's October 10, 2013 Order. ecoPower further confirmed that resumption of construction work by ecoPower is conditioned upon, among other items, ecoPower's Financial Closing as set forth in the Biomass REPA.

¹ The October 10, 2013 Order currently is being appealed by the Kentucky Industrial Utility Customers, Inc. ("KIUC"). On February 18, 2015, in Civil Action No. 13-CI-1372, the Franklin Circuit Court upheld the Commission's October 10, 2013 Order. KIUC filed a notice of appeal of the Franklin Circuit Court's order to the Kentucky Court of Appeals. The Biomass REPA, as amended, that is the subject of the Order and appeal remains, amongst other items, subject to the Conditions Precedent set forth in Article 6 of the REPA. The parties have fully briefed the case, but the Court of Appeals has not yet scheduled oral argument.

2. The construction schedule and resulting commercial operation date are subject to the resolution of the current appeal of the REPA and the satisfaction of the requisite conditions precedent of the Biomass REPA, as amended², being met.

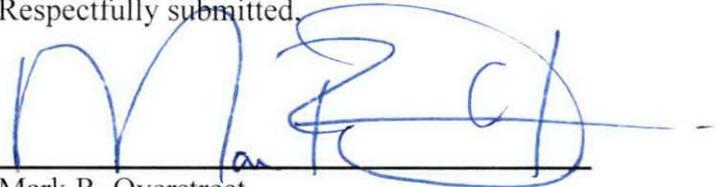
3. On December 20, 2015 ecoPower again confirmed that site grading, access roads, and foundation work will commence upon financial close of the project. ecoPower also reported that, subject to the conditions precedent of the REPA, a four to six month due diligence period will be required after a final non-appealable order before financial close occurs. ecoPower stated that upon final notice to proceed to the Engineering, Procurement and Construction contractor, the work schedule calls for a thirty-two month construction and start-up period prior to commercial operation.

4. Representatives of ecoPower confirmed on December 20, 2015 that construction permits necessary for the construction of the Biomass Facility currently remain in place. As described in prior status reports, ecoPower submitted an application for renewal of the Title V Air Permit on November 12, 2014. The Kentucky Division for Air Quality (“KDAQ”) deemed the application complete as of December 11, 2014 and issued a Proposed Permit on April 22, 2015. The Proposed Permit authorizes operation and construction of the Biomass Facility in accordance with the terms and conditions of the permit. The EPA 45 day review period of the Proposed Permit expired on June 13, 2015, and KDAQ issued a Final Permit on June 24, 2015. ecoPower confirmed that it will seek modification of the existing construction waste water permit prior to physical resumption of site work.

² Kentucky Power filed with the Commission on June 18, 2015 an application in Case No. 2015-00190 seeking approval of the Sixth Amendment to the ecoPower REPA. By Order dated August 27, 2015, the Commission dismissed the Company’s application without prejudice pending resolution of KIUC’s appeal of the Commission’s October 10, 2013 Order in Case No. 2013-00144.

5. Representatives of ecoPower confirmed on December 20, 2015 that it had not yet re-submitted an interconnection request to PJM. As discussed in prior status reports, PJM completed a System Impact Study based on ecoPower's prior request and tendered a draft Facilities Study Agreement for consideration on October 6, 2014. Upon review of all reasonable alternatives and the schedule and cost of each, ecoPower notified PJM in November 2014 that it was withdrawing from the current queue and would re-apply in a future queue in order to accommodate the project delay associated with the continuing appeal of the Commission Approval Order of October 10, 2013.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by U.S. Mail, postage prepaid, upon the following parties of record, this 21st day of December, 2015.

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