

Kentucky Power Company

REQUEST

Refer to the Elliott Testimony regarding Kentucky Power's Environmental Compliance Plan, and to Kentucky Power's environmental surcharge for the test year.

- a. Provide in Excel spreadsheet format with formulas intact and cells unprotected the description and investment amount of the environmental controls installed at the Mitchell Plant, along with the associated in-service dates, complying with KRS 278.183 and per Kentucky Power's Tariff E. S. (Environmental Surcharge), as of September 30, 2013.
- b. Provide, by type of environmental control installed and in-service date, the monthly additions and retirements in environmental investment at the Mitchell Plant, as per the E.S. tariff, for October 2013 through September 2014.
- c. Provide in Excel spreadsheet format with formulas intact and cells unprotected, by type of environmental control installed, the accumulated depreciation of the environmental investment at the Mitchell Plant, per the E.S. tariff, as of September 30, 2013.
- d. Provide, by type of environmental control installed, the monthly depreciation of the environmental investment at the Mitchell Plant for October 2013 through September 2014.
- e. Provide in Excel spreadsheet format with formulas intact and cells unprotected, by type of environmental control installed, the deferred tax calculation for the environmental investment at the Mitchell Plant as of September 30, 2013.
- f. Provide, by type of environmental control installed, the monthly deferred tax calculation of the environmental investment at the Mitchell Plant for October 2013 through September 2014.

**KPSC 2014-00396 General Rate Adjustment
Commission Staff's Second Set of Data Requests
Dated January 29, 2015
Item No. 40
February 18, 2015 Supplemental Response
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RESPONSE

Kentucky Power recently performed an audit of all of the property accounting work orders created since 2008 for the Mitchell Plant to ensure that the Company has properly identified the work orders that comply with KRS 278.183 and are properly recoverable through the environmental surcharge. Because of the sheer volume of work orders, the audit was only completed on February 5, 2015, and required accounting work finalized on February 10, 2015. In light of the audit results, and the Company is proposing to revise the environmental base revenue requirement as originally filed within this case.

There has been insufficient time since February 10, 2015 for the Company to recalculate its monthly environmental base revenue requirement based on the findings from the internal audit.

The Company will supplement AJE-3 to revise its base revenue requirement and provide all workpapers associated with the revisions to the Mitchell environmental plant as soon as possible, but no later than Wednesday, February 18, 2015.

The change in the environmental property amounts used to establish the proper environmental base revenue requirement has no effect on the total revenue requirement as requested in the base rate case.

Because of the delay in the final response to this question, the Company will entertain data requests outside of the procedural schedule for this request.

a-b. Because the internal audit was completed so recently, the values have not been thoroughly reviewed. The Company will provide these as soon as possible.

c. Please see KPSC_1_17_Attachment197.xls for the FGD values. The amounts for the non-FGD values will be supplemented as soon as possible.

d. Please see the "Depreciation" tab within KIUC1_17_ML_ES_2014 for the depreciation calculation. This will be one of the attachments provided within the Company's supplemental response to this request.

e-f. Please see KIUC_1_17_Attachment169_ADFIT.xls for the Mitchell FGD DFIT calculations. The non-FGD information is available within the contents of KIUC_1_17_Attachment198_NonFGD_ADFIT. These attachments will also be included in the supplemental response to this request.

February 18, 2015 Supplemental Response

- a. Please see Attachment 1 to this supplemental response.
- b. Please see Attachment 2 to this supplemental response.
- c. Please see Attachment 1 to this supplemental response.
- d. Please see Attachment 3 to this supplemental response. Please see also the revised AJE-3 for the updated monthly base revenue requirement amounts.
- e-f. Please see Attachment 4 to this supplemental response.

WITNESS: Jeffrey B Bartsch and Amy J Elliott