

August 25, 2016

**ELECTRONICALLY FILED**

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

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

RE: **Case No. 2014-00396** (Post-Case Referenced Correspondence File)

Dear Dr. Mathews:

This letter constitutes the Read1st file required by 807 KAR 5:001, Section 8(5).

Kentucky Power today is filing corrections to its August 15, 2016 Annual Update of the Big Sandy Retirement Rider (BSRR\_2016 Annual\_Update.xls) and supporting documentation. The corrections *do not* modify the B.S.R.R. total revenue requirement or the 2016-2017 residential B.S.R.R. factor.

The error resulted from the Company's use in the August 15, 2016 filing of an incorrect non-fuel revenue amount (\$291,929,806) as the divisor for the calculation of the B.S.R.R. factor for the "All Other Classes" customers. Specifically, the fuel revenue amount that is removed from the total "All Other Classes" revenue used in calculating the B.S.R.R. factor as filed on August 15, 2016 included system sales revenues and excluded base fuel revenues.

The corrected calculation of the "All Other Classes" fuel revenue amount properly excludes system sales revenues and includes base fuel revenues. It yields a corrected "All Other Classes" revenue amount of \$189,699,420. The revised 2016-2017 B.S.R.R. factor for "All Other Classes" is 5.4339% and not the 3.5310% factor filed on August 15, 2016. The residential factor, which is calculated separately, is unchanged.

(a) General Description of the Filing – In accordance with paragraph 6(e) of the April 30, 2015 Settlement Agreement approved by the Commission's June 22, 2015 Order in the above proceeding, Kentucky Power Company is electronically filing today the following materials:

- (i) The Read1st file required by 807 KAR 5:001, Section 8(5);

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(ii) Kentucky Power Company's revised 2016 Annual Update of the Big Sandy Retirement Rider (BSRR\_2016 Annual\_Update\_Revised.xls); and

(iii) BSRR\_2016\_Support\_3\_Rev\_Revised.xls.

(b) Materials Not Included In The Electronic Filing – Kentucky Power is filing in paper format only:

(i) The paper medium copy of the electronic mail message required to be filed by 807 KAR 5:001, Section 8(5)(a).

(c) Attestation – The electronically-filed documents are a true representation of the original documents.

(d) Service – There are no parties to this proceeding who have been excused from electronic filing procedures [807 KAR 5:001, Section 8(7)(c)]. A copy of the materials identified above was filed using the Public Service Commission of Kentucky's electronic filing service, which will send an e-mail message to:

Michael L. Kurtz  
Kurt J. Boehm  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
[mkurtz@bkllawfirm.com](mailto:mkurtz@bkllawfirm.com)  
[kBoehm@bkllawfirm.com](mailto:kBoehm@bkllawfirm.com)  
[jkylercohn@bkllawfirm.com](mailto:jkylercohn@bkllawfirm.com)

Rebecca Goodman  
Lawrence W. Cook  
Angela Goad  
Samantha M. Faulkner  
Kent A. Chandler  
Kentucky Attorney General's Office  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204  
[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)  
[larry.cook@ky.gov](mailto:larry.cook@ky.gov)  
[angela.goad@ky.gov](mailto:angela.goad@ky.gov)  
[Samantha.Faulkner@ky.gov](mailto:Samantha.Faulkner@ky.gov)  
[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)

Don C. A. Parker  
Spilman Thomas & Battle, PLLC  
300 Kanawha Blvd., East  
Charleston, WV 25301  
[dparker@spilmanlaw.com](mailto:dparker@spilmanlaw.com)

Derrick Price Williamson  
Carrie M. Harris  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Blvd., Suite 101  
Mechanicsburg, PA 17050  
[dwilliamson@spilmanlaw.com](mailto:dwilliamson@spilmanlaw.com)  
[charris@spilmanlaw.com](mailto:charris@spilmanlaw.com)

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Matthew R. Malone  
William H. May, III  
Hurt, Crosbie & May PLLC  
127 West Main Street  
Lexington, Kentucky 40507  
[mmalone@hcm-law.com](mailto:mmalone@hcm-law.com)  
[bmay@hcm-law.com](mailto:bmay@hcm-law.com)

(e) Other Matters – A CD containing an electronic copy of the filing is also being served by overnight delivery on counsel above as required by paragraph 6(e) of the Settlement Agreement.

Very truly yours,



Mark R. Overstreet

MRO