

May 22, 2018

ELECTRONICALLY FILED

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

Kenneth J. Gish, Jr.
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RE: Case No. 2017-00179

Dear Ms. Pinson:

Paragraph 11(a) of the Settlement Agreement approved with unrelated modifications by the Commission's January 18, 2018 order in the above reference case provides:

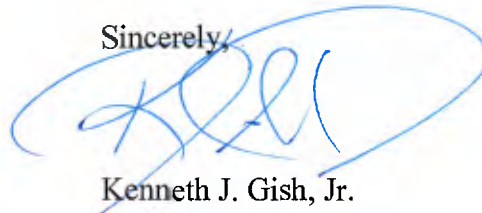
In order for Marathon Petroleum LP ("Marathon") to evaluate the economics of self or co-generation, Kentucky Power and Marathon will begin negotiations regarding the terms, conditions and pricing for backup and maintenance service within 30 days of a Commission Order approving this provision and will complete negotiations within the next 120 days. Prior to the start of the 120 day negotiation period, Marathon will provide Kentucky Power with specific information regarding the MW size of a potential self or co-generation facility and the type of generation technology being considered.

In its April 2, 2018 Report to the Commission, Kentucky Power reported that, consistent with the timeline established in the Settlement Agreement, it met with representatives from Marathon on February 15, 2018 to begin negotiations regarding the terms, conditions and pricing for backup and maintenance service. At the time of its April 2, 2018 Report, Kentucky Power negotiations with Marathon were ongoing.

Since April 2, 2018, Kentucky Power continued discussions with Marathon. On May 18, 2018, Marathon informed Kentucky Power that it would notify Kentucky Power when it was interested in resuming discussions to evaluate combined heat and power options for the refinery. Kentucky Power looks forward to resuming those discussions when Marathon is ready.

Kentucky Power provides this notice to the Commission that its obligations under Paragraph 11 of the Settlement Agreement are complete.

Sincerely,



Kenneth J. Gish, Jr.