

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application Of Kentucky Power	)	
Company For (1) A General Adjustment Of Its	)	
Rates For Electric Service; (2) An Order	)	
Approving Its 2017 Environmental Compliance	)	Case No. 2017-00179
Plan; (3) An Order Approving Its Tariffs And	)	
Riders; And (4) An Order Approving Accounting	)	
Practices To Establish Regulatory Assets And	)	
Liabilities; And (5) An Order Granting All Other	)	
Required Approvals And Relief	)	

**Kentucky Power Company's Response To July 6, 2017 Deficiency Notice**

Kentucky Power Company for its response to the Commission's July 6, 2017 Deficiency

Notice states:

1. *"Tariff R.S. Current rate for tariff code 012 is \$5.090 in notice. Current tariff shows \$5.094."*

Response: Kentucky Power is publishing a supplemental notice displaying 5.094¢ as the current rate for tariff code 012. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017.

The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

Kentucky Power also is filing as part of Exhibit 2 to this response a revised tariff page (Sheet No. 6-3, Section II, Exhibit E) indicating 5.094¢ as the current rate for tariff code 012.

2. *"Tariff R.S. Current rate of tariff code 011 is \$5.209 in notice. Current tariff shows \$5.094."*

Response: Kentucky Power is publishing a supplemental notice displaying 5.094¢ as the current rate for tariff code 011. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

Kentucky Power also is filing as part of Exhibit 2 to this response a revised tariff page (Sheet No. 6-4, Section II, Exhibit E) showing a current rate for tariff code 011 of 5.094¢.

3. *“Tariff S.G.S. Current rates for tariff codes 211, 212, 225, 204, and 213 not included in notice.”*

Response: The Company respectfully submits it complied with the requirements of 807 KAR 5:001, Section 17(4) with respect to Tariff S.G.S. Kentucky Power proposes to eliminate Tariff S.G.S. and thus there are no proposed rates for the tariff. Conversely, Tariff G.S. is a new tariff and there are no current rates for that tariff.

Based upon discussions at the July 7, 2017 informal conference, to ensure the notice complies fully with 807 KAR 5:001, Section 17(4), and to eliminate any customer confusion, Kentucky Power is publishing a supplemental notice displaying the current rates for tariff codes 211, 212, 225, 204, and 213 along with the proposed Tariff G.S. rates.

Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

4. *“Tariff M.G.S. Current rates for tariff codes 215, 216, 218, 217, 220, 236, 214, and 223 not included in notice.”*

Response: The Company respectfully submits it complied with the requirements of 807 KAR 5:001, Section 17(4) with respect to Tariff M.G.S. Kentucky Power proposes to eliminate

Tariff M.G.S. and thus there are no proposed rates for the tariff. Conversely, Tariff G.S. is a new tariff and there are no current rates for that tariff.

Based upon discussions at the July 7, 2017 informal conference, to ensure the notice complies fully with 807 KAR 5:001, Section 17(4), and to eliminate any customer confusion, Kentucky Power is publishing a supplemental notice displaying the current rates for tariff codes 215, 216, 218, 217, 220, 236, 214, and 223.

Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

5. *“Tariff S.G.S. T.O.D. Current energy rates for tariff code 227 listed in notice differ from energy rates in current tariff.”*

Response: Kentucky Power is publishing a supplemental notice showing the current energy rates for tariff code 227 of 11.395¢ per kWh, 12.315¢ per kWh, and 8.667¢ per kWh. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

6. *“Tariff M.G.S. T.O.D. Current energy rates for tariff code 229 listed in notice differ from energy rates in current tariff.”*

Response: Kentucky Power is publishing a supplemental notice showing the current energy rates for tariff code 229 of 15.955¢ per kWh and 5.341¢ per kWh. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

7. *“Tariff M.W. Current rate for tariff code 540 is \$8.630 in notice. Current tariff shows \$8.515.”*

Response: Kentucky Power is publishing a supplemental notice showing the current rate for tariff code 540 of 8.515¢. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed no later than July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

8. *Tariff O.L.:*

a. *“Current Rate for Post Top Rate 111 is \$14.40 in notice. Current tariff shows \$14.10.”*

b. *“All proposed rates for Tariff O.L. differ from those included in the billing analysis found in the Application, Section II, Exhibit J. Rates used in the billing analysis were used to present the amounts in the two tables in the notice under the heading “Effect of Proposed Change in Customer Rates.”*

Response:

a. Kentucky Power is publishing a supplemental notice showing the current rate for tariff code 111 of \$14.10. The supplemental notice also will amend the proposed lamp rate for tariff code 109 from \$20.49 to \$18.76.

Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed no later than July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

The Company is filing as part of Exhibit 2 to this response a revised tariff sheet page (Sheet No. 14-1, Section II, Exhibit E) to reflect the current rate for tariff code 111 of \$14.10.

Kentucky Power also is filing as part of Exhibit 2 to this response revised tariff pages (Sheet No. 14-2, Section II, Exhibit D and Sheet No. 14-2, Section II, Exhibit E) for tariff code 109 to amend the proposed lamp rate from \$20.49 to \$18.76.

b. The Company respectfully submits that, with the exception of tariff code 109, it complied with the requirements of 807 KAR 5:001, Section 17(4) with respect to Tariff O.L. The proposed rates for Tariff O.L. in the notice, although differently described, are identical to the rates shown in the billing analysis, Application, Schedule II, Exhibit J, and to the rates that were used to present the amounts in the two tables in the notice. Please see Exhibit 3 for the reconciliation of the sum of the published rates, with the exception of tariff code 109, and those rates included in the billing analysis found in the Application, Section II, Exhibit J.

Based upon discussions at the July 7, 2017 informal conference, to ensure the notice complies fully with 807 KAR 5:001, Section 17(4), and to eliminate any customer confusion, Kentucky Power proposes to publish a supplemental notice detailing on a line-by-line basis for each tariff code the calculation of the proposed Tariff O.L. rates and their constituent components.

Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

Kentucky Power confirms that the rates included in the Billing Analysis found in Application, Section II, Exhibit J, as well as the amounts in the two tables in the notice under the heading "Effect of Proposed Changes in Customer Rates," accurately reflect the proposed rates.

Kentucky Power is filing as part of Exhibit 2 to this response revised tariff pages Sheet No. 14-1 and Sheet No. 14-2 in both Section II, Exhibit D and Section II, Exhibit E to reorganize

the sheets, to add the formula "+ \$0.02725 x kWh in Sheet 14-3 in the Company's tariffs" to each tariff code line, and to amend the "Base Fuel Rate" section of the tariff to reflect the addition of the formula to each tariff code line. The changes to Sheet No. 14-1 and Sheet No. 14-2 are in addition to those described above in connection with deficiency finding 8(a).

9. *Tariff S.L.:*

a. *"Current Rate for Overhead Service on Existing Distribution Poles, 100 Watt HPS, is \$7.85 in notice. Current tariff shows \$7.80."*

b. *"All proposed rates for Tariff S.L. differ from those included in the billing analysis found in the Application, Section II, Exhibit J. Rates used in the billing analysis were used to present the amounts in the two tables in the notice under the heading "Effect of Proposed Change in Customer Rates."*

Response:

a. Kentucky Power is publishing a supplemental notice showing the current rate for Overhead Service on Existing Distribution Poles, 100 Watt HPS, of \$7.80. Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed no later than July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

Kentucky Power also is filing as part of Exhibit 2 to this response a revised tariff page (Sheet No. 15-1, Section II, Exhibit E) to reflect a current rate of \$7.80 for Overhead Service on Existing Distribution Poles, 100 Watt HPS.

b. The Company respectfully submits it complied with the requirements of 807 KAR 5:001, Section 17(4) with respect to Tariff S.L. The proposed rates for Tariff S.L. in the notice, although differently described, are identical to the rates shown in the billing analysis,

Application, Schedule II, Exhibit J, and to the rates that were used to calculate the amounts in the two tables in the notice. Please see Exhibit 3 for the reconciliation of the sum of the published rates and those rates included in the billing analysis found in the Application, Section II, Exhibit J.

Based upon discussions at the July 7, 2017 informal conference, to ensure the notice complies fully with 807 KAR 5:001, Section 17(4), and to eliminate any customer confusion, Kentucky Power proposes to publish a supplemental notice detailing on a line-by-line basis for each tariff code the calculation of the proposed Tariff S.L. rates and their constituent components.

Kentucky Power is informed by the Kentucky Press Association that the first cycle of the publication of the supplemental notice will be completed July 20, 2017. The form of the proposed supplemental notice is attached as Exhibit 1 to this response.

Kentucky Power confirms that the rates included in the Billing Analysis found in Application, Section II, Exhibit J, as well as the amounts in the two tables in the notice under the heading "Effect of Proposed Changes in Customer Rates," accurately reflect the proposed rates.

Kentucky Power is filing as part of Exhibit 2 to this response revised tariff pages Sheet No. 15-1, Section II, Exhibit D and Sheet Nos. 15-1 and 15-2, Section II, Exhibit E to reorganize the sheets, to add the formula "+ \$0.02725 x kWh in Sheet 15-2 in the Company's tariffs" to each tariff code line, and to amend the "Base Fuel Rate" section of the tariff to reflect the addition of the formula to each tariff code line. The Company also is amending Sheet No. 15-2, Section II, Exhibit D to remove references to Kentucky Economic Development Surcharge in the "Adjustment Clauses" section of the tariff.

These changes to Sheet No. 15-1 are in addition to those described above in connection with deficiency finding 9(a).

10. *“Rider A.F.S. Proposed rate in notice is \$5.86. Application, Section II, Exhibit D (clean-version tariff) shows \$5.86 while Exhibit E. (redline version tariff) shows \$6.31.”*

Response: The rate in the notice is correct. Kentucky Power is filing as part of Exhibit 2 to this response a revised tariff page (Sheet No. 32-2, Section II, Exhibit E) showing a proposed rate of \$5.86.

11. *“Tariff R.S.D. Notice states customer’s demand will be taken monthly to be the highest registration of a 60 minute integrating demand meter or indicator during the on-peak period. Application, Section II, Exhibits D and E show ‘15 minute’ rather than ‘60 minute.’”*

Response: The 60-minute period in the notice is correct. Kentucky Power is filing as part of Exhibit 2 to this response revised tariff pages (Sheet No. 6-10, Section II, Exhibit D and Sheet No. 6-14, Section II, Exhibit E) showing the 60-minute period. The Company also is filing as Exhibit 4 to this response an amended Exhibit AEV-6 to reflect the 60-minute period.

Kentucky Power also is filing as part of Exhibit 2 to this response the following substitute tariff sheets:

(a) Sheet No. 7-3, Section II, Exhibit D and Sheet No. 7-3, Section II, Exhibit E (To amend “Optional Unmetered Service Provision” to change reference from Tariff SGS to Tariff GS and to include 10 kW limit on demand eligible to be served under the provision);

(b) Sheet No. 8-5, Section II, Exhibit E (To restate the proposed energy charges as 18.181¢ and 6.418¢);



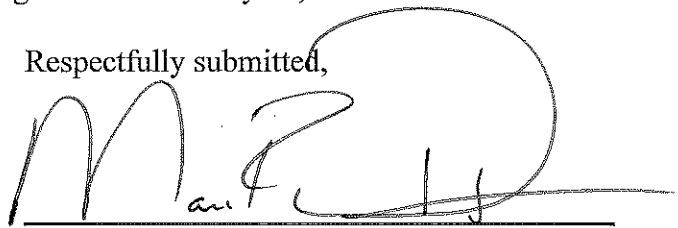
(c) Sheet No. 14-3, Section II, Exhibit D (To remove references to Kentucky Economic Development Surcharge and Home Energy Assistance Program in the “Adjustment Clauses” section of the tariff);

(d) Sheet No. 28-1, Section II, Exhibit D and Sheet No. 28-1, Section II, Exhibit E (To restate current rates. The Company is not seeking in this case to amend the current rates on Sheet 28-1); and

(e) Sheet No. 39-1, Section II, Exhibit E (To restate current rates. Kentucky Power is proposing in this case to eliminate Sheet 39-1 and Sheet No. 39-2 (Big Sandy 1 Operation Rider)).

Kentucky Power respectfully requests that an order be issued finding that with the actions described above the Company’s application is deemed to meet the minimum filing requirements and that the application be accepted for filing no later than July 20, 2017.

Respectfully submitted,



---

Mark R. Overstreet  
Katie M. Glass  
STITES & HARBISON PLLC  
421 West Main Street  
P. O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
Facsimile: (502) 223-4124  
[moverstreet@stites.com](mailto:moverstreet@stites.com)  
[kglass@stites.com](mailto:kglass@stites.com)

Kenneth J. Gish, Jr.  
STITES & HARBISON PLLC  
250 West Main Street, Suite 2300  
Lexington, Kentucky 40507  
Telephone: (859) 226-2300  
Facsimile: (859) 253-9144  
[kgish@stites.com](mailto:kgish@stites.com)

COUNSEL FOR KENTUCKY POWER  
COMPANY