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January 19, 2018

HAND DELIVERY

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

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JAN 19 2018

PUBLIC SERVICE
COMMISSION

RE: **Case No. 2017-00472**

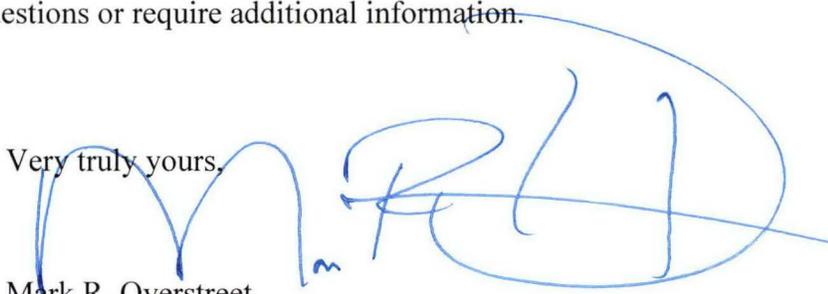
Dear Ms. Pinson:

Please find enclosed and accept for filing the original and ten copies of Kentucky Power Company's answer in the above matter.

Please contact me if you have any questions or require additional information.

Very truly yours,

Mark R. Overstreet



MRO
cc: David Samford

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

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In the Matter of:

JAN 19 2018

Riverside Generating Company, L.L.C.
COMPLAINANT

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v.

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Kentucky Power Company
DEFENDANT

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PUBLIC SERVICE
COMMISSION

Case No. 2017-00472

ANSWER OF KENTUCKY POWER COMPANY

For its Answer to the December 13, 2017 Complaint of Riverside Generating Company, L.L.C. (“Riverside” or “Complainant”) Defendant Kentucky Power Company (“Kentucky Power” or “Company”) states as follows:

1. Kentucky Power is without information sufficient to admit or deny the allegations in Paragraph 1 of the Complaint and therefore denies the same.

2. Kentucky Power admits the allegations in Paragraph 2 of the Complaint.

3. Kentucky Power denies the allegations contained in the first sentence of Paragraph 3 of the Complaint. Kentucky Power is without information sufficient to admit or deny the remaining allegations in Paragraph 3 of the Complaint and therefore denies the same; except that Kentucky Power admits that generating units in the Zelda portion and the Foothills portion of the Riverside site have separate connections to the Kentucky Power system at the Baker substation. Kentucky Power expressly denies that the allegations contained in Paragraph 3 of the Complaint are relevant to or determinative of the issues presented in this action.

4. Kentucky Power denies so much of Paragraph 4 of the Complaint as alleges that the facility described in Paragraph 3 of the Complaint constitutes “two (2) generating sites.”

Kentucky Power admits the remaining allegations contained in Paragraph 4 of the Complaint, except that with respect to service rendered before June 30, 2015 Kentucky Power states it provided service to Riverside under Tariff Q.P. (Quantity Power).

5. Kentucky Power admits so much of Paragraph 5 of the Complaint as alleges a dispute exists between Riverside and Kentucky Power concerning the meaning and applicability of Tariff N.U.G. to Riverside's operations. With respect to Riverside's allegations regarding the changes to Tariff N.U.G. proposed in Case No. 2017-00179, Riverside's motion to intervene in that proceeding, and the Commission's August 3, 2017 Order in Case No. 2017-00179 denying Riverside's motion to intervene, Kentucky Power refers to each for its terms and denies all allegations inconsistent therewith. Kentucky Power expressly denies that Riverside is entitled under Tariff N.U.G. to self-supply remotely and take service under PJM's OATT.

6. Paragraph 6 of the Complaint contains legal conclusions regarding Kentucky Power's Tariff N.U.G. and PJM's Open Access Transmission Tariff ("OATT") to which no response is required. With regard to the allegations in Paragraph 6 of the Complaint regarding the interconnection of the Riverside units to the wholesale transmission grid, the Riverside units' relative production of energy as compared consumption, and any cost savings that would accrue to Riverside, Kentucky Power is without information sufficient to admit or deny the allegations and therefore denies the same. Kentucky Power expressly denies that Riverside is entitled under Tariff N.U.G. to self-supply remotely and take service under PJM's OATT. Further, with regard to the allegations in Paragraph 6 of the Complaint regarding costs savings accruing to Riverside, Kentucky Power admits that Riverside's erroneous interpretation of Tariff N.U.G. would shift costs to Kentucky Power's other customers.

7. Kentucky Power denies the allegations in Paragraph 7 of the Complaint.

8. Kentucky Power is without information sufficient to admit or deny the allegations in Paragraph 8 of the Complaint and therefore denies the same; except that Kentucky Power admits that there are separate meters for the Zelda units and Foothills units and separate connections for each at the Company's Baker substation, and further states that the Riverside facility has been served by Kentucky Power under a single customer account since it began taking service on November 2, 2001. Kentucky Power expressly denies that Riverside is entitled under Tariff N.U.G. to self-supply remotely and take service under PJM's OATT.

9. Kentucky Power denies the allegations in Paragraph 9 of the Complaint, except that Kentucky Power admits that Riverside contends it is eligible to take Station Power under PJM's OATT. Kentucky Power expressly denies that Riverside is entitled under Tariff N.U.G. to self-supply remotely and take service under PJM's OATT.

10 Kentucky Power denies the first sentence of Paragraph 10 of the Complaint. Kentucky Power further denies its application of Tariff N.U.G to Riverside is unfair, unjust, or unreasonable, contrary to the statutes cited therein, or other applicable law. With respect to the determination Riverside seeks in this proceeding, Kentucky Power refers to the Complaint for its terms and denies all allegations inconsistent therewith; except that Kentucky Power expressly denies that Riverside is entitled under Tariff N.U.G. to self-supply remotely and take service under PJM's OATT. Kentucky Power admits that Riverside's erroneous interpretation of Tariff N.U.G. would shift costs to Kentucky Power's other customers.

11. Kentucky Power denies all allegations made by Riverside in all Paragraphs in the Complaint following the unnumbered paragraph that states "WHEREFORE, Riverside respectfully requests the following relief:"

12. Kentucky Power denies each and every allegation of the Complaint not expressly admitted herein.

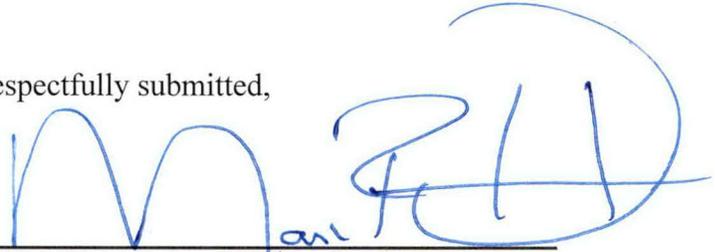
Second Defense

13. Riverside's claims are barred by the Filed Rate Doctrine, KRS 278.018, KRS 278.160, and the terms of Tariff N.U.G.

Third Defense

14. Riverside's Complaint fails to state a claim upon which relief may be granted, and thus the facts as alleged in the Complaint, even if proven by Riverside, do not entitle Riverside to self-supply remotely and take service under PJM's OATT.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing answer was served this 19th day of January, 2018 by U.S. Mail, First Class, postage prepaid upon:

David S. Samford
M. Evan Buckley
Goss Samford, PLLC
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Lexington, Kentucky 40504



Mark R. Overstreet