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October 17, 2016

Kenneth J. Gish, Jr.
Stites & Harbison, PLLC
250 West Main Street
Suite 2300
Lexington, KY 40507-1758

Re: Case No. 2015-00152 Second Quarter 2016 Status Report

Dear Mr. Gish:

Commission Staff acknowledges receipt of Kentucky Power Company's response to its September 19, 2016 letter. That letter requested additional information regarding Kentucky Power's Second Quarter 2016 Status Report filed on August 15, 2016 in compliance with the directives of the Commission's January 27, 2016 Order in Case No. 2015-00152.¹ Upon review of the responses, Commission Staff has the following clarifying question:

- Kentucky Power states in its response to Item 2 that the projected cost estimate for Overheads related to the Big Sandy ash pond closure project is \$1,195,000. In Case 2015-00152, Exhibit JGD-3 to the Direct Testimony of Joseph G. Deruntz listed the components and associated revised cost estimates for the project, but did not include a line item for "Overheads." However, the quarterly reports include a line item for Overheads but show a zero cost estimate. Exhibit JGD-3 shows a total projected cost estimate of the project of \$62,326,753. State whether that amount has now increased to \$63,521,753 with the addition of Overheads of \$1,195,000. If not, explain why it does not impact the estimated total cost of the project.

Commission Staff requests that Kentucky Power submit a response within 14 days of the date of this letter. Should you have any questions, please feel free to contact Quang Nguyen, Assistant General Counsel, at (502) 782-2586. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Talina R. Mathews".

Talina R. Mathews
Executive Director

¹ Case No. 2015-00152, Application of Kentucky Power Company for: (1) A Certificate of Public Convenience and Necessity Authorizing the Company to Close the Big Sandy Coal Ash Impoundment; and (2) All Other Required Approvals and Relief (Ky. PSC Jan. 27, 2016).

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