Matthew G. Bevin Governor

Charles G. Snavely Secretary **Energy and Environment Cabinet**



Commonwealth of Kentucky **Public Service Commission** 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

Michael J Schmitt Chairman

Robert Cicero Vice Chairman

Daniel E. Logsdon Jr. Commissioner

February 28, 2017

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

RE: Case No. 2015-00152 Fourth Quarter 2016 Status Report

Dear Mr. Kish:

Commission Staff acknowledges receipt of Kentucky Power Company's Fourth Quarter 2016 Status Report filed on February 15, 2017. Upon review of the status report, Commission Staff has the following requests:

- Page 2 of the status report shows that the "Geotextiles" category has a "Project-To-Date" balance of \$993.706.24. The amount budgeted for this category is \$89,968.52. Explain the reason for the cost increase.
- 2. Kentucky Power's First Quarter 2016 Status Report filed on March 13, 2016, included a column showing the "Revised Estimate" for each category of the Big Sandy Ash Pond Closure project ("Ash Pond Closure Project"). Subsequent status reports have not included this column. Future status report filings should include the "Revised Estimate" column showing the original estimated cost, as revised, for each category of the Ash Pond Closure Project.

Commission Staff requests that Kentucky Power submit its response to Item No. 1, above 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,

Garon D- Gremold Talina R. Mathews

Executive Director



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