

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY TO WITHDRAW ITS TARIFF RTP)	CASE NO.
PENDING SUBMISSION BY THE COMPANY)	2012-00226
AND APPROVAL BY THE COMMISSION OF A)	
NEW REAL-TIME PRICING TARIFF)	

ORDER

On June 28, 2010, the Commission issued an Order in Case No. 2009-00459¹ approving the continuation of Kentucky Power Company's ("Kentucky Power") experimental Real-Time Pricing ("RTP") tariff for three years, with customers able to enroll at any point during a year for a minimum period of 12 months.

On June 1, 2012, Kentucky Power filed an application for authority to withdraw its experimental RTP tariff. In support of its request to withdraw the tariff, Kentucky Power states that the tariff has not achieved its objective of encouraging customers to manage their energy costs by shifting their load periods. It further states that it will incur substantial losses if the customers who have expressed interest in having their load served under the RTP tariff were to do so. Kentucky Power states that based upon 2011 load data for the three customers who have inquired about the RTP tariff, it could experience a revenue loss of approximately \$10 million to \$20 million during the period

¹ Case No. 2009-00459, Application of Kentucky Power Company for a General Adjustment of Electric Rates (Ky. PSC June 28, 2010).

July 1, 2012 to June 30, 2013.² Kentucky Power states that it recognizes its obligation under the Commission's Order in Case No. 2009-00459 to offer a RTP tariff through June 29, 2013, recognizes the interest of both the Commission and certain customers in the continued availability of an RTP tariff, and commits to file, on or before June 11, 2012, a new RTP tariff.

On June 7, 2012, Kentucky Industrial Utility Customers, Inc. ("KIUC") filed a Response and Motion to Dismiss ("Response") in opposition to Kentucky Power's Application to withdraw its RTP tariff and a Petition to Intervene on behalf of Air Liquide Large Industries U.S. LP, AK Steel Corporation, Air Products & Chemicals, Inc., EQT Corporation and Catlettsburg Refining LLC, a subsidiary of Marathon Petroleum LP. KIUC's motion stated that it will supplement the names of additional intervenors when necessary. KIUC's Response argues that Kentucky Power's Application to withdraw the RTP tariff is in direct violation of the Commission approved Unanimous Settlement Agreement in Case No. 2009-00459,³ and is further not in the public interest. KIUC requests the Commission to dismiss Kentucky Power's Application, or, if the Application is not dismissed, to deny the Application as not being in the public interest. KIUC also argues that if the Commission opens an investigation into this matter, the three KIUC customers who are in the process of switching load to RTP should be allowed to do so

² Application, p. 4.

³ Case No. 2009-00459, Application of Kentucky Power Company for a General Adjustment of Electric Rates (Ky. PSC June 28, 2010).

under the existing RTP tariff, including capacity pricing at the current PJM Reliability Pricing Model (“RPM”) capacity rate of \$16.46/MW-day during the investigation.⁴

KRS 278.180(1) requires that no change shall be made by any utility in any rate except 30 days’ notice to the Commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect. The Commission may, based upon a showing of good cause, shorten the notice period from 30 days to a period of not less than 20 days. Kentucky Power has requested the Commission to shorten the notice period to no less than 20 days, and has requested the Commission to enter an Order authorizing it to withdraw its RTP tariff effective June 27, 2012. Kentucky Power also requests the Commission to suspend its RTP tariff, or otherwise prohibit any customers from taking service under RTP tariff in the event the Commission is unable to act on the Company’s request by June 27, 2012; or otherwise elects not to permit the RTP tariff to be withdrawn prior to the effective date of the Company’s to-be-filed RTP tariff.

Based on Kentucky Power’s June 1, 2012 request, and KIUC’s Response and Motion, the Commission finds that a date should be established for the filing of any other motions to intervene and responses to KIUC’s Response, and that the intervention of KIUC in this proceeding is likely to present issues and develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

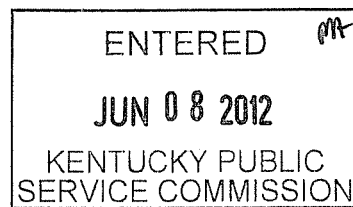
⁴ Response and Motion to Dismiss of Kentucky Industrial Utility Customers, Inc. in Opposition to Application to Withdraw Tariff RTP, filed June 7, 2012, p. 8.

IT IS HEREBY ORDERED that:

1. The petition of KIUC to intervene is granted.
2. KIUC shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. Should KIUC file documents of any kind with the Commission in the course of these proceedings, KIUC shall also serve a copy of said documents on all other parties of record.
4. All motions to intervene and any responses to KIUC's Response shall be filed no later than June 15, 2012.

Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

Stephanie Bell for Jeff Deen
Executive Director

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634