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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER COMPANY) CASE NO.
FOR GENERAL ADJUSTMENT OF ITS EXISTING RATES) 2013-00197

ATTORNEY GENERAL'S
RESPONSE TO KENTUCKY POWER'S
MOTION TO SUSPEND PROCEDURAL SCHEDULE

Comes now the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and in response to the motion by Kentucky Power Co. ("KPCo" or "the Company") to suspend the September 16, 2013 procedural schedule in this proceeding until the latter of the expiration of the period for seeking rehearing in Case No. 2012-00578, or the conclusion of the rehearing proceedings, if any, in Case No. 2012-00578, states as follows:

On August 27, 2013, the Attorney General filed with the Commission its motion to hold this matter in abeyance pending a resolution of all proceedings relating to Case No. 2012-00578. On September 16, 2013, the Commission denied the Attorney General's motion finding "that a decision in the Mitchell transfer case would have a significant impact on the rate increase proposed in this case but would not render this case moot..." Further, pursuant to KRS 278.190 and the Commission's Order dated July 30, 2013, the period of suspension of the rates requested will expire on January 18, 2014, unless the Commission issues an order declaring that the rates proposed are not fair, just and reasonable.

As stated in its original motion to hold this matter in abeyance, the Attorney General agrees with Kentucky Power that it has inextricably linked this matter to the final resolution of the Company's proposed transfer of a 50% interest in the Mitchell Generating Station. Similarly, the Attorney General believes that this rate case – which seeks a 31% increase from residential ratepayers – was filed prematurely and was clearly intended to serve as a tactic to enhance the Company's position with respect to the resolution of the Mitchell Transfer case. Nonetheless, the Company *opposed* the Attorney General's motion to hold this matter in abeyance pending the outcome of Case No. 2012-00578, and both the parties and this Commission have already expended resources to seek necessary discovery from the Company relevant to this matter.

The Attorney General, as the only party who did not agree to the Company's terms in the partial Stipulation and Settlement Agreement, which this Commission approved with modifications, is entitled under KRS 278.400 to seek rehearing and/or appeal in Case No. 2012-00578. Further, the Attorney General and the other parties to this rate proceeding are entitled to seek additional discovery from Kentucky Power regarding its application for an immediate rate increase. Any desire by Kentucky Power to prevent and/or delay information from one proceeding bleeding over into the other proceeding should be ignored, since it was Kentucky Power's decision to file this rate proceeding prematurely.

As such, the Attorney General requests that the Commission deny Kentucky Power's motion to suspend the procedural schedule or, alternatively, dismiss this matter with prejudice.

WHEREFORE, the Attorney General requests an Order from the Commission consistent with his positions as set forth herein.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

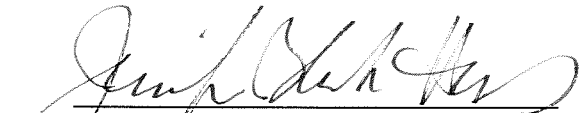
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this 18th day of October, 2013.


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