

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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AUG 15 2014
PUBLIC SERVICE
COMMISSION

In The Matter Of:

The Application Of Kentucky Power Company)
For Authority Pursuant To KRS 278.300 To Issue)
And Sell Promissory Notes Of One Or More Series) Case No. 2014-00210
And For Other Authorizations)

Kentucky Power Company's Response To The
"Attorney General's Motion For Continuance
And Agreed Scheduling Order"

For its response to the "Attorney General's Motion For Continuance
And Agreed Scheduling Order" Kentucky Power Company states:

1. The Attorney General requests that the Commission extend the period for issuing an order in this proceeding beyond the sixty-day period provided for by KRS 278.300(2). Although the Attorney General identifies issues he proposes to investigate through his intervention, he fails to indicate how the issues relate to the standards set forth in KRS 278.300(3) for reviewing the Company's application, or why they could not have been raised and addressed within the sixty-day period provided for by KRS 278.300(2). As a result, the Attorney General has failed to demonstrate that good cause exists for the extension as required by KRS 278.300(2). Kentucky Power does not agree to the extension.
2. If the Commission nevertheless concludes that good cause exists for the extension, Kentucky Power and the Attorney General have agreed that the procedural schedule set forth in the Attorney General's August 11, 2014 "Amended Motion for Continuance and Agreed Scheduling Order" provides adequate time for the Attorney General to take discovery and comment on the application. An evidentiary hearing is not required.

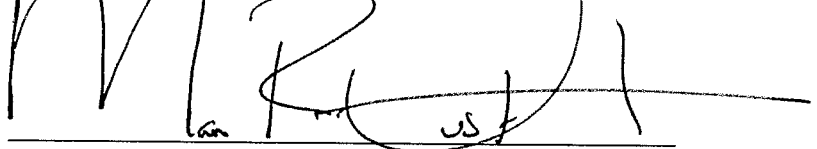
3. If the Commission grants the Attorney General's motion for a continuance, Kentucky Power requests that the Commission enter its Order approving the Company's application at the earliest practicable time and, in any event, no later than September 30, 2014. It is in the Company's customers' interest that the requested authority be granted prior to the last two months of 2014.

4. An Order approving the application on or before September 30, 2014 is required to permit the Company to close the lending transactions prior to November and December 2014. Borrowing costs continue at or near the bottom of an historic low, and a delay of a month or two in the Company's ability to close could result in higher borrowing costs. This is particularly a concern as the US Federal Reserve System is ending its quantitative easing program and there is a broad expectation that borrowing costs will increase and associated terms and conditions will become more difficult for borrowers.

5. In addition, it traditionally is more difficult to consummate bank credit transactions in the final two months of any year because of the holidays and the difficulty of convening credit committees during this period. Moreover, some lenders may limit year-end lending to await the developments of the following year.

Wherefore, Kentucky Power Company respectfully requests that the Commission deny the Attorney General's motion for a "continuance;" in the alternative the Company requests that the Commission enter the procedural schedule agreed to by Attorney General and Kentucky Power. Further, the Company respectfully requests that the Commission enter its Order approving the Company's application at the earliest practicable time and, in any event, no later than September 30, 2014.

Respectfully submitted,



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COUNSEL FOR:
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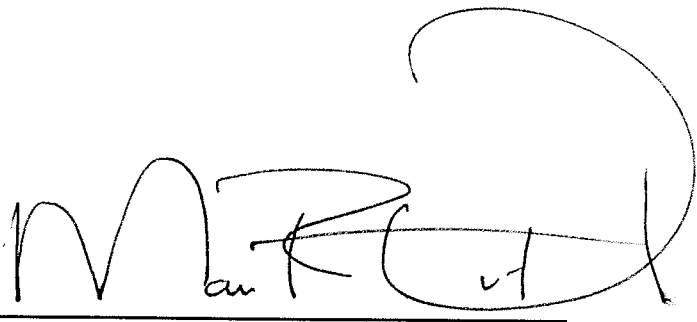
CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served as by United States mail, postage prepaid, and by electronic transmission, on the following:

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on this the 15th day of August, 2014.



Mark R. Overstreet