

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

AUG 28 2014

IN THE MATTER OF:

PUBLIC SERVICE
COMMISSION

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
EAST KENTUCKY POWER COOPERATIVE,)
INC. FROM NOVEMBER 1, 2013 THROUGH)
APRIL 30, 2014)

CASE NO. 2014-00226

**RESPONSE AND OBJECTION TO KIUC’S MOTION TO INTERVENE
AND MOTION TO AMEND THE PROCEDURAL SCHEDULE**

Comes now East Kentucky Power Cooperative, Inc. (“EKPC”), by and through counsel, and hereby tenders its response and objection to the motion to intervene and the motion to amend the procedural schedule filed by Kentucky Industrial Utility Customers, Inc. (“KIUC”) in this matter. KIUC filed the motions on August 22, 2014. The grounds for EKPC’s objection are as follows:

KIUC’s stated purpose for intervening “stems from a need to compare EKPC’s approach [to allocating fuel costs among native load customers and off-system sales] with that of Kentucky Power Company.”¹ Without such intervention, KIUC states that its members’ interests will not be adequately represented and matters being decided in this proceeding may have a significant impact on the rates KIUC’s members pay for electricity. However, KIUC goes on to state that it has “no reason to believe that EKPC’s fuel cost allocation approach was

¹ KIUC’s Petition to Amend Procedural Schedule, p. 1

unreasonable.”² The information gathered in this proceeding will apparently be used in KIUC’s dispute with Kentucky Power Company over that utility’s fuel cost allocation practices.

EKPC respects the interest of its industrial customers to be informed of the operation and effect of EKPC’s fuel adjustment clause. However, the basis of KIUC’s motions do not appear to have anything to do with “the examination of the application of the fuel adjustment clause” of EKPC, which is the exclusive purpose of this case. Instead, KIUC appears to be questioning whether Kentucky Power Company’s fuel adjustment clause cost allocation practices are fair, just and reasonable, which is a completely separate question from whether EKPC has correctly applied its fuel adjustment clause during the period in review. KIUC has the opportunity to question whether Kentucky Power Company’s fuel adjustment clause was correctly applied in the context of Case No. 2014-00225, which is currently pending and in which it has been granted leave to intervene.³ Indeed, the Commission has previously recognized that even if a potential intervenor has an interest in a proceeding, intervention may not be necessary in that proceeding if a “more appropriate docket” is also currently pending.⁴

To the extent that KIUC desires to demonstrate that Kentucky Power Company’s fuel adjustment clause is unfair, unjust or unreasonable, it has a statutorily-granted opportunity to do so in accordance with KRS 278.260, *et seq.* Seeking to compel EKPC’s Members to incur the time and expense of assisting KIUC in marshaling its arguments against another utility is not

².*Id.*

³ See *In the Matter of an Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company From November 1, 2013 Through April 30, 2014*, Order, Case No. 2014-00225 (Ky. P.S.C., Aug. 26, 2014).

⁴ See *In the Matter of the Joint Application of Kentucky Power Company, American Electric Power Company, Inc. and Central and Southwest Corporation Regarding a Proposed Merger*, Order, Case No. 1999-00149, p. 2 (Ky. P.S.C., May 20, 1999).

consistent with the recognized grounds for intervention in 807 KAR 5:001, Section 4(11) and is an unreasonable request.

EKPC believes that allowing KIUC to intervene in this proceeding, only to gather information to be used in a different proceeding would be setting bad precedent for intervention in future cases. Accordingly, EKPC respectfully requests that the motion to intervene and the petition to amend the procedural schedule in this proceeding should be denied.

This 28th day of August 2014.

Respectfully submitted,



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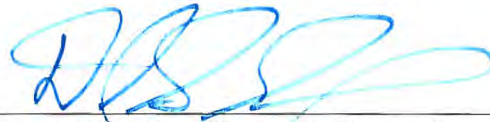
Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is certify that a true and correct copy of the foregoing has been served by depositing same in the custody and care of the U.S. Mails, postage-prepaid, on this the 28th day of August, 2014, addressed to the following:

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