

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF ELECTRIC)	CASE NO.
RATES OF EAST KENTUCKY POWER)	2008-00409
COOPERATIVE, INC.)	

O R D E R

On October 31, 2008, East Kentucky Power Cooperative, Inc. ("East Kentucky"), tendered for filing an application for an adjustment of its electric rates based on a forecasted test period. The application proposed that the new rates become effective on December 1, 2008. In addition, East Kentucky has moved the Commission for approval to create a regulatory asset relating to unrecovered revenues or, in the alternative, to shorten the statutorily permitted suspension period. Based on a review of East Kentucky's rate application and its motion, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates as well as the request to establish a regulatory asset. We find that the investigation cannot be completed by December 1, 2008 and that the suspension period should not be shortened. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for 6 months.

The Commission expects the parties to use their best efforts to informally resolve any discovery disputes or requests for extensions of time. Any objection or motion for extension should be filed at least 4 business days prior to the established due date. If this deadline is not met, the filing party should include in the written objection or motion a full and complete explanation for such failure.

IT IS THEREFORE ORDERED that:

1. East Kentucky's motion seeking approval to establish a regulatory asset shall be addressed by further order of this Commission, but its request in the alternative to shorten the suspension period is denied.

2. East Kentucky's proposed rates are suspended for 6 months, up to and including May 31, 2009.

3. The procedural schedule set forth in Appendix A, which is attached hereto and incorporated herein, shall be followed in matters pertaining to East Kentucky's proposed increase in rates.

4. The procedural schedule set forth in Appendix B, which is attached hereto and incorporated herein, shall be followed in matters pertaining to East Kentucky's request to establish a regulatory asset related to unrecovered revenues.

5. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and 10 copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

6. Any party filing testimony shall file an original and 10 copies with the Commission, with copies to all parties of record.

7. East Kentucky shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, East Kentucky shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any objections or motions relating to discovery or procedural dates shall be filed with 4 business days' notice or the filing party shall explain, in writing, why such notice was not possible.

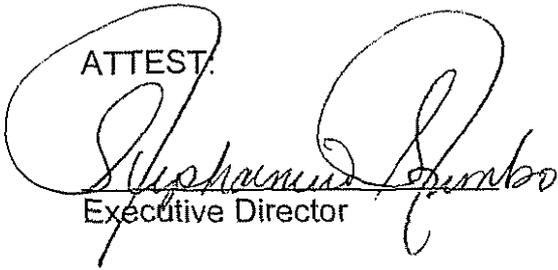
10. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

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

Done at Frankfort, Kentucky, this 26th day of November, 2008.

By the Commission

ATTEST.


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00409 DATED NOVEMBER 26, 2008

All requests for information to East Kentucky
shall be filed no later than..... 12/15/08

East Kentucky shall file responses to requests for
information no later than 01/08/09

All supplemental requests for information to East Kentucky
shall be filed no later than..... 01/23/09

East Kentucky shall file response to supplemental requests
for information no later than..... 02/06/09

Intervenor testimony, if any, in verified prepared
form shall be filed no later than..... 02/20/09

All requests for information to Intervenors shall
be filed no later than 03/05/09

Intervenors shall file responses to requests for
information no later than 03/19/09

East Kentucky shall file, in verified form, its rebuttal
testimony no later than 04/01/09

Last day for East Kentucky to publish notice of hearing To be scheduled

Public Hearing to be held in Hearing Room 1
of the Commission's offices at 211 Sower Boulevard,
Frankfort, Kentucky, for the purpose of cross-examination
of witnesses of East Kentucky and Intervenors To be scheduled

Simultaneous Briefs, if any To be scheduled

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00409 DATED NOVEMBER 26, 2008

All requests for information to East Kentucky
shall be filed no later than..... 12/04/08

East Kentucky shall file responses to requests for
information no later than..... 12/12/08

Written comments on East Kentucky's request to
establish a regulatory asset shall be filed no later than 12/22/08

East Kentucky shall file reply comments no later than..... 01/05/09