

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF KENTUCKY POWER)	
COMPANY D/B/A AMERICAN ELECTRIC)	CASE NO. 2000-279
POWER FOR DEVIATION FROM)	
807 KAR 5:054, SECTION 5(1)(a) AND (2))	

O R D E R

On June 2, 2000, Kentucky Power Company d/b/a American Electric Power (“AEP/Kentucky”) filed a motion to deviate from the Commission’s Small Power Production and Cogeneration regulation, 807 KAR 5:054, Section 5(1)(a) and (2). Pursuant to Section 5(1)(a), AEP/Kentucky is required biannually to file data from which its avoided costs may be derived. Pursuant to Section 5(2), AEP/Kentucky is required to file estimated avoided costs on its system with respect to the energy component of its avoided costs.

AEP/Kentucky supports its motion by stating that since 1982, when the filing requirement commenced, it has not had any customers qualifying as small power production facilities or possessing cogeneration facilities. It also states that under such circumstances the biannual reports required by 807 KAR 5:054, Section 5(1)(a) and (2) may not be of benefit to the Commission. AEP/Kentucky claims that granting the requested deviation to discontinue filing the biannual reports will be of ultimate benefit to its ratepayers, without any impediment to the regulatory authority of the Commission.

AEP/Kentucky pledges to maintain its records so that the information necessary to create the biannual reports specified by 807 KAR 5:054, Section 5(1)(a) and (2) is available even if the reports are not produced or filed. AEP/Kentucky also commits to continue maintaining its existing cogeneration tariff.

Based on a review of the motion, the Commission finds that the avoided cost data filed pursuant to the regulation is not essential due to AEP/Kentucky's lack of experience with customers able or willing to maintain their own generation facilities. In addition, no prejudice will result from discontinuing the filings since AEP/Kentucky has committed to continue maintaining its records so that the information necessary to file the avoided cost reports is available. Therefore, the Commission finds that AEP/Kentucky's request for a deviation is reasonable and should be granted.

IT IS THEREFORE ORDERED that:

1. AEP/Kentucky is granted a deviation from 807 KAR 5:054, Section 5(1)(a) and (2), to the extent that it need not file biannual reports on its avoided costs.

2. AEP/Kentucky shall maintain its records so that the information necessary to create the avoided cost reports specified by 807 KAR 5:054, Section 5(1)(a)(2), is available in the event the Commission or an interested person has a need for such information in the future.

Done at Frankfort, Kentucky, this 4th day of August, 2000.

By the Commission

ATTEST:



Executive Director, Acting