

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR AN EXTENSION OF) CASE NO.
TIME IN WHICH TO FILE A COST ALLOCATION) 2001-089
MANUAL)

AND

APPLICATION OF KENTUCKY ASSOCIATION OF)
ELECTRIC COOPERATIVES, INC., ON BEHALF OF) CASE NO.
JURISDICTIONAL ELECTRIC COOPERATIVES,) 2001-112
FOR AN EXTENSION OF TIME IN WHICH TO FILE)
A COST ALLOCATION MANUAL)

O R D E R

East Kentucky Power Cooperative, Inc. ("East Kentucky") has moved the Commission for an extension of time through July 2, 2001 in which to file a Cost Allocation Manual ("CAM"). Also, on April 11, 2001, the Commission received the application of the Kentucky Association of Electric Cooperatives, Inc. ("KAEC"), filed on behalf of its members, requesting an extension to file CAMs until July 2, 2001.

East Kentucky, and the members of KAEC, are required by KRS 278.2205 to develop and maintain a CAM. That statute further requires these utilities to file the CAM with the Commission within 270 days of July 14, 2000.¹ Pursuant to KRS 278.2219, the Commission may grant a waiver or deviation from the provisions of KRS 278.2201-2213 if it finds that compliance therewith is impracticable or unreasonable.

¹ March 31, 2001.

East Kentucky states that it has experienced difficulties in interpreting certain provisions of the statutes applicable to CAMs and that it needs additional time to adequately reconcile its concerns before a final CAM can be developed.

KAEC states that its members have requested it to file this application on their behalf.² KAEC notes that East Kentucky is the only exception. KAEC states further that in late spring of 2000 a committee was established to assist the members in the preparation of the CAMs. This committee has met several times and discussed this issue with Commission Staff. Because of the number of members, KAEC states that the committee needs more time to prepare a model CAM and seek approval by its members.

We note that the statutes regarding CAMs became effective July 14, 2000, and that ample time has passed in which utilities may begin to prepare their CAMs. However, this Commission is in the process of promulgating a regulation regarding CAMs, and recognizes the complexities inherent in adapting to the new statutory scheme. Therefore, the Commission finds that it is impracticable for East Kentucky and the members of KAEC to file CAMs within the statutory period and finds that their requests for an extension should be granted.

² KAEC's members that are regulated by the Commission are: Big Rivers Electric Corporation; Big Sandy RECC; Blue Grass Energy Cooperative Corporation; Clark Energy Cooperative, Inc.; Cumberland Valley Electric; East Kentucky Power Cooperative, Inc.; Farmers RECC; Fleming-Mason Energy Cooperative; Grayson RECC; Harrison Electric Cooperative; Inter-County Energy Cooperative Corporation; Jackson Energy Cooperative Corporation; Jackson Purchase Energy Corporation; Kenergy Corporation; Licking Valley RECC; Meade County RECC; Nolin RECC; Owen Electric Cooperative; Salt River Electric Cooperative Corporation; Shelby Energy Cooperative, Inc.; South Kentucky RECC; and Taylor County RECC.

IT IS THEREFORE ORDERED that:

1. The requested deviations are granted, and East Kentucky and the members of KAEC shall have until July 2, 2001 in which to file their CAMs.

2. A copy of this Order shall be served upon all jurisdictional electric cooperatives doing business in this state.

Done at Frankfort, Kentucky, this 21st day of May, 2001.

By the Commission

ATTEST:


Executive Director