

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY)
UTILITIES, INC. FOR APPROVAL OF) CASE NO. 2005-00032
THE PROPOSED INCREASE IN RATES)

ORDER

East Kentucky Utilities, Inc. ("East Kentucky") has applied to the Commission for authority to adjust its rates. In its filing, East Kentucky has requested permission to deviate from certain filing requirements of Administrative Regulation 807 KAR 5:001.

East Kentucky has requested permission to deviate from the requirement of Administrative Regulation 807 KAR 5:001, Section 10(6)(n), that its application include a summary of its latest depreciation study with schedules by major plant accounts. East Kentucky states that it has not had a depreciation study performed and that the depreciation rates used in this application are the identical rates that were used in its last general rate case.

East Kentucky has also requested permission to deviate from the requirement of Administrative Regulation 807 KAR 5:001, Section 10(1)(b)(7), which requires submission of a tariff that contains an effective date not less than 30 days from the date of the application. East Kentucky requests that, pursuant to KRS 278.180, the Commission shorten the 30-day notice period to 20 days. In support of its request, East Kentucky states that the proposed rate increase is essential for it to maintain a

reasonable level of service and to cover its debt service. Therefore, implementation of the proposed rates as quickly as possible is critical to its financial condition.

Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. KRS 278.180 grants the Commission authority, for good cause shown, to shorten the required 30-day notice of rate changes to a period not less than 20 days. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviations are reasonable and should be granted.

IT IS THEREFORE ORDERED that East Kentucky's request for permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, Section 10(6)(n) and Section 10(1)(b)(7), is granted.

Done at Frankfort, Kentucky, this 3rd day of February, 2005.

By the Commission

ATTEST:



Executive Director