COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF KENTUCKY POWER COMPANY FOR A GENERAL ADJUSTMENT OF ELECTRIC RATES | ) ) ) | CASE NO. 2013-00197 |

ORDER

The matter is before the Commission upon a motion filed by Kentucky Power Company ("Kentucky Power") requesting that the current procedural schedule, as set forth in the Commission's September 16, 2013 Order, be suspended until the later of the period of time in which seeking rehearing in Case No. 2012-00578[1] has expired, or at the conclusion of the rehearing proceedings, if any, in that case.

In support of its motion, Kentucky Power states that, on October 7, 2013, the Commission issued the Final Order in Case No. 2012-00578 approving, with modifications, the Stipulation and Settlement Agreement ("Stipulation") concerning Kentucky Power's proposal to acquire 50 percent of the Mitchell Generating Station ("Mitchell Station"). The Office of the Attorney General ("AG") was a party to that proceeding, but did not enter into the Stipulation. Pursuant to the terms of the Stipulation, Kentucky Power has committed to withdraw the instant base rate case.[2]

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[1] Case No. 2012-00578, *Application of Kentucky Power Company for (1) a Certificate of Public Convenience and Necessity Authorizing the Transfer to the Company of an Undivided Fifty Percent Interest in the Mitchell Generating Station and Associated Assets; (2) Approval of the Assumption by Kentucky Power Company of Certain Liabilities in Connection with the Transfer of the Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred in Connection with the Company's Efforts to Meet Federal Clean Air Act and Related Requirements; and (5) All Other Required Approvals and Relief* (Ky. PSC Oct. 7, 2013).

[2] *Id.*, October 7, 2013 Order, Appendix A, page 5, paragraph 3.

Kentucky Power avers that suspending the current procedural schedule would "eliminate the need for further effort in this case that is likely to prove unnecessary."[3]

On October 18, 2013, the AG filed a response, objecting to Kentucky Power's request. In his response, the AG points out that the Commission had previously denied a prior similar motion filed by the AG on August 27, 2013, requesting to hold this case in abeyance pending the resolution of Case No. 2012-00578.[4] The AG notes that the Commission's denial was based on a finding that any resolution of Case No. 2012-00578 would not have rendered the instant matter moot.[5] The AG contends that the parties have already expended resources and are entitled to seek additional discovery from Kentucky Power in the instant proceeding without further delay. The AG, therefore, asks that Kentucky Power's motion be denied or, in the alternative, dismissed with prejudice.

Kentucky Power filed a reply in support of its motion on October 21, 2013. Kentucky Power noted that the AG does not contend that he would suffer any prejudice as a result of the procedural schedule being suspended. Kentucky Power reiterates that the parties should not "be required ... to squander their resources in what most likely will prove to be unnecessary further litigation of this case."[6] Kentucky Power also points out that when the AG's August 27, 2013 motion to hold the case in abeyance was filed, the Commission had not yet entered its Final Order approving the Stipulation, nor

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[3] Kentucky Power Company's Motion to Suspend September 16, 2013 Procedural Schedule, p. 2, paragraph 7 (filed Oct. 17, 2013).

[4] Attorney General's Response to Kentucky Power's Motion to Suspend Procedural Schedule, p. 1 (filed Oct. 18, 2013).

[5] Case No. 2012-00578, September 16, 2013 Order, p. 2.

[6] Kentucky Power Company's Reply in Support of Its Motion to Suspend September 16, 2013 Procedural Schedule, first [unnumbered] page (filed Oct. 21, 2013).

had Kentucky Power accepted the modifications to the Stipulation. Kentucky Power states that, unless the Commission's Order in Case No. 2012-00578 is modified in response to request for rehearing, it will withdraw its application in the instant case. Kentucky Power avers that suspending the procedural schedule now will further administrative efficiency in this case, and notes that, even if the procedural schedule is suspended and this case ultimately moves forward, the parties will still be able to exercise their full discovery rights in the instant proceeding.

Having reviewed the pleadings and being otherwise sufficiently advised, the Commission finds that Kentucky Power has established good cause to suspend the current procedural schedule. As Kentucky Power points out, the circumstances surrounding its instant request is distinguishable from the AG's August 27, 2013 request to have this matter held in abeyance. The AG's request was to have this case held in abeyance or, in the alternative, for an extension of time to file discovery. In granting the AG's alternative relief, our September 16, 2013 Order stated that a resolution of Case No. 2012-00578 would not render moot the issues in this rate case because there were rate adjustments being proposed that were unrelated to the purchase of the Mitchell Station. Since that time, a final decision was rendered on October 7, 2013 in Case No. 2012-00578 approving the purchase of 50 percent of the Mitchell Station, subject to certain commitments, one of which was that Kentucky Power withdraw the instant rate case. By letter dated October 14, 2013, Kentucky Power formally accepted and agreed to be bound by all of the commitments in that October 7, 2013 Order. Thus, this rate case will be rendered moot if the October 7, 2013 Order in Case No. 2012-00578 is not modified on rehearing. If a rehearing is granted in Case No. 2012-00578, suspending the procedural schedule in the instant matter for a period of time to process that

rehearing furthers the interest of administrative economy and efficiency. Such a rehearing would most likely result in either Kentucky Power withdrawing its instant rate application or a narrowing of the scope of the instant matter. In either event, suspension of the procedural schedule would prevent the parties from expending what may be unnecessary resources. Additionally, none of the parties would be prejudiced by a temporary suspension of the procedural schedule since the parties' ability to seek additional discovery will not be impaired should a further procedural schedule be adopted.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's motion to suspend the September 16, 2013 procedural schedule is granted.

2. The procedural schedule shall be suspended until the expiration of the time period for the AG to seek rehearing in Case No. 2012-00578, or until the conclusion of any rehearing proceedings in that matter.

3. All other provisions of the Commission's July 30, 2013 Order that do not conflict with this Order shall remain in full force and effect.

By the Commission

ENTERED
OCT 24 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

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