

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. FOR THE APPROVAL OF A) CASE NO.
SPECIAL CONTRACT) 2015-00422

ORDER

On December 18, 2015, East Kentucky Power Cooperative, Inc. ("EKPC") filed with this Commission an application requesting approval of a special contract among EKPC, Nolin Rural Electric Cooperative Corporation ("Nolin") and AGC Automotive Americas ("AGC"). Having reviewed EKPC's application, the Commission finds that an investigation will be necessary to determine the reasonableness of the special contract and that investigation cannot be completed within 30 days of the date of the filing of the special contract with the Commission. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the special contract for five months.

IT IS HEREBY ORDERED that:

1. The proposed special contract between EKPC, Nolin, and AGC is suspended for five months, up to and including June 16, 2016.
2. EKPC shall file responses to the request for information attached as an Appendix to this Order within 14 days of the date of this Order.
3. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for

responding to questions related to the information provided, with copies to all parties of record, and the original and one copy to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or 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. Any party shall make timely amendment to any prior response 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 request 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.

e. Any party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

By the Commission

ATTEST:



Executive Director

ENTERED
JAN 14 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00422 DATED **JAN 14 2016**

1. Refer to the application, Exhibit A, page 2, numbered paragraph 1, which states that the Agreement shall become effective as of November 1, 2015, and be in effect for one year. State whether EKPC, Nolin, and AGC consider the first year of the contract to begin on November 1, 2015, or the date the Commission approves the contract.

2. Refer to the application, Exhibit A, page 3. Explain why the demand charge, energy rate, and customer charge set forth on this page differ from the demand charge, energy rate, and customer charge currently in effect for AGC as shown in Nolin's tariff filing effective June 1, 2011.

3. Provide a schedule showing by month for the period July 1, 2014, through June 30, 2015, the following information:

a. The customer charge, demand charge per kW, interruptible demand credit per kW, and energy rate per kWh as charged by Nolin to AGC.

b. AGC's billed kW of demand, billed kW of interruptible demand credit, and billed kWh of energy.

c. The revenue produced by Nolin's billing to AGC for the customer charge, demand charge, interruptible demand credit, and energy charge.

4. Provide a schedule showing by month for a hypothetical 12-month period, the following information:

a. The customer charge, demand charge per kW, interruptible demand credit per kW, and energy rate per kWh that will be charged by Nolin to AGC under the special contract filed in this case.

b. AGC's billed kW of demand, billed kW of interruptible demand credit, and billed kWh of energy for the period July 1, 2014, through June 30, 2015, as if those billed amounts will be the same for the hypothetical 12-month period.

c. The revenue that would be produced by Nolin's billing to AGC for the customer charge, demand charge, interruptible demand credit, and energy charge during the hypothetical 12-month period.

5. Has Nolin performed a cost-of-service study to support the rates included in the AGC special contract filed in this case? If so, file a copy of the cost-of-service study. If not, explain in detail why such a study was not performed and why the rates proposed for AGC appear to be lower than the rates that it has been paying since June 1, 2011.

*East Kentucky Power Cooperative, Inc.
4775 Lexington Road
P. O. Box 707
Winchester, KY 40392-0707

*Mark David Goss
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504