COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EAST KENTUCKY POWER COOPERATIVE, INC.'S MOTION FOR AN EXTENSION OF TIME TO FILE AMENDMENTS TO SPECIAL CONTRACTS FOR INTERRUPTIBLE LOAD	))))	CASE NO. 2013-00046

ORDER

On February 20, 2013, East Kentucky Power Cooperative, Inc. ("EKPC") filed a second motion to extend the time established by the Commission's December 20, 2012 Order in Case No. 2012-00169[1] to file amendments to existing special contracts to reflect that EKPC is authorized to bid customers' interruptible load into the PJM Interconnection, LLC ("PJM") Demand Response program. In approving EKPC's application to transfer functional control of certain transmission facilities to PJM, our December 20, 2012 Order in Case No. 2012-00169 directed EKPC to file within 30 days any needed amendments to its demand-side management ("DSM") contracts or tariffs. On January 18, 2013, EKPC filed its first motion for an extension of time, which was docketed as Case No. 2013-00046. That motion stated that EKPC will file amended DSM tariffs as directed within 30 days of the December 20, 2012 Order in Case No. 2012-00169, but that an extension of time through February

[1] Case No. 2012-00169, *Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC* (Ky. PSC Dec. 20, 2012).

28, 2013 was needed to finalize negotiations to execute and then file the amended DSM contracts.

EKPC did file its amended DSM tariffs on January 22, 2013, and the Commission's February 7, 2013 Order granted EKPC's first motion for an extension of time through February 28, 2013 to file its amended DSM contracts. EKPC's second motion states that a further extension of time through April 30, 2013 is necessary because the amended DSM contracts will need to be approved by the Boards of Directors of EKPC and the two distribution cooperatives serving the retail customers with DSM contracts before they can be filed with the Commission.

Based on the content of EKPC's second motion and its filing date's being within 20 days of our February 7, 2013 Order granting EKPC's first motion, we will consider this second motion as an application for rehearing under KRS 278.400 and will address it and related issues in this docket. Having considered the merits of this second motion, we find good cause to grant EKPC's requested extension of time through April 30, 2013 to file its amended DSM contracts. The Commission notes that the filing of the amended DSM contracts is governed by KRS 278.180(1), which requires 30 days' notice before the amended contracts can become effective, and the amended contracts are subject to suspension and investigation as provided for under KRS 278.190(2).

The Commission further finds that EKPC should file semi-monthly written reports setting forth the status of the negotiations on the amended DSM contracts and the dates for those contracts to be voted on by each requisite board of directors. The first report due is to be filed on March 15, 2013, with subsequent reports due every 15 days thereafter until the amended DSM contracts are filed with the Commission.

Finally, the Commission finds that the amended DSM tariffs filed by EKPC on January 22, 2013 through the Commission's electronic Tariff Filing System require additional investigation to determine their reasonableness. To achieve administrative efficiencies, the investigation of those amended DSM tariffs should be conducted in this docket, and EKPC should file with the Commission the original and four copies of its responses to the information request contained in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. EKPC's application for rehearing is granted and the due date for filing its amended DSM contracts relating to PJM Demand Response programs shall be April 30, 2013.

2. EKPC shall file the amended DSM contracts with the Commission in this docket.

3. EKPC shall file in this docket the semi-monthly status reports as described in the findings above, with the first report due on March 15, 2013.

4. EKPC shall file with the Commission, within 14 days of the date of this Order, the original and four copies of its responses to the information request contained in the Appendix to this Order. EKPC's responses shall be appropriately bound, tabbed and indexed; shall include the name of the witness responsible for responding to the questions related to the information provided; and shall be answered under oath or be

accompanied by a signed certification of the preparer or person supervising the preparation of the responses, that they are true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

By the Commission

ENTERED

MAR 11 2013

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Executive Director

Case No. 2013-00046

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00046 DATED MAR 1 1 2013

1. Refer to the proposed revisions to tariff Section DSM-3(a), the Direct Load Control Program. State the reasons for including the following provision in the Residential and Commercial programs: "If the appliances noted above are controlled or interrupted during the time of EKPC's monthly billing peak, no additional monetary adjustments will be made. If the appliances noted above are not controlled or interrupted during the time of EKPC's monthly billing peak, then EKPC will credit the Member System's bill by an amount which represents the savings that would have occurred had the control or interruption been made."

2. Is the language quoted in question No. 1 intended to be in place only temporarily until EKPC establishes a rate mechanism to pass through to its member cooperatives all PJM revenues and expenses?

3. How much revenue does EKPC expect to receive annually from PJM for bidding into the Demand Response market, and will this revenue automatically flow through to its member cooperatives absent the language quoted in question No. 1? If yes, explain how this will be done.

4. For each month of 2012, provide the amount of benefits received by each member cooperative in reduced kWs of billing demand and in dollars as a result of EKPC's operating the load-control switches.

5. By member cooperative, provide the number of water-heater switches, the number of air-conditioner and heat-pump switches, and the number of pool-pump switches operated by EKPC.

6. For each type of load-control switch referenced in question No. 5, state the maximum number of hours of interruption permissible under the proposed tariff per year, per month, and per day.

7. Explain why EKPC cannot continue to operate the load-control switches each month to reduce its monthly billing peak as it has in the past.

8. Provide an example of the accounting entries that EKPC would make each month to reflect the credit to be paid to the member cooperatives if the load control switches are not operated during EKPC's monthly billing peak.

9. If the load control switches are not operated during EKPC's monthly billing peak, will EKPC's monthly statistical reports reflect its monthly peak demand as actually incurred, or as adjusted after the peak demand credit?

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