

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR APPROVAL OF A)	CASE NO.
SPECIAL CONTRACT BETWEEN EKPC, OWEN)	2013-00174
ELECTRIC COOPERATIVE, AND GALLATIN)	
STEEL COMPANY)	

ORDER

On April 30, 2013, East Kentucky Power Cooperative (“EKPC”) filed an application for approval of a new special service contract with Owen Electric Cooperative (“Owen”) and Gallatin Steel Company (“Gallatin Steel”) to be effective June 1, 2013. The new contract sets forth rates, terms, and conditions for service to Gallatin Steel and is required to be filed with the Commission pursuant to KRS 278.160 and 807 KAR 5:011, Section 13.

EKPC states that it will integrate into PJM Interconnection, L.L.C. (“PJM”) on June 1, 2013, that this integration will affect EKPC’s and Owen’s supply obligations under the terms of their existing service contract with Gallatin Steel, and that this new service contract is needed to address the changes resulting from integration into PJM. The application includes an explanation of certain provisions in the new service contract, as well as a copy of the new service contract itself. The cover letter accompanying the application requested Commission approval of the new service contract by May 15, 2013, to enable EKPC to bid Gallatin Steel’s interruptible load into PJM’s annual Demand Response program. However, on May 9, 2013, EKPC filed a

motion to amend its application to extend the date for Commission approval to May 30, 2013. The motion states that due to the complexity of the changes in the new service contract with Gallatin Steel, EKPC recognizes that the Commission will likely need additional time to analyze the impacts of the new contract and that delaying approval beyond May 15, 2013 will not impair EKPC's ability to bid into PJM's annual Demand Response program this year. Further, the motion requests that, pursuant to KRS 278.180(1), the statutory notice period for this new contract be shortened from 30 days to 20 days.

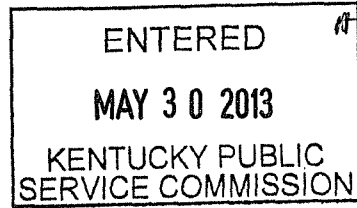
Based on a review of the motion and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the new service contract with Gallatin Steel, and those proceedings cannot be concluded by the proposed effective date of June 1, 2013. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the new service contract for one day and allow it to go into effect on June 2, 2013 subject to change prospectively. The Commission will use its best efforts to expedite the investigation of this new service contract and suggests that an informal conference be scheduled within 14 days of the date of this Order to allow EKPC to present an overview of the contents of the new service contract.

IT IS THEREFORE ORDERED that:

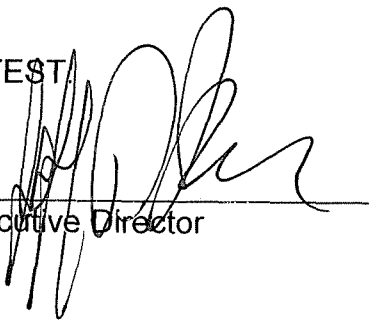
1. EKPC's and Owen's new service contract with Gallatin Steel is suspended for one day from its effective date of June 1, 2013, and shall be effective on June 2, 2013, subject to change prospectively.

2. EKPC's request to shorten the 30-day statutory notice period to 20 days is denied as moot.

By the Commission



ATTEST



Executive Director

Case No. 2013-00174

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