

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER	)	
COMPANY FOR AUTHORITY PURSUANT TO	)	CASE NO.
KRS 278.300 TO ISSUE AND SELL	)	2014-00210
PROMISSORY NOTES OF ONE OR MORE	)	
SERIES, AND FOR OTHER AUTHORIZATIONS	)	

ORDER

This matter arises upon the motion of the Attorney General of the Commonwealth of Kentucky ("AG"), by and through his Office of Rate Intervention, pursuant to KRS 278.300(2), to continue the proceeding for a term beyond the 60-day statutory deadline. In support of his request, the AG states that he will need the additional time in order to issue discovery on Kentucky Power Company's ("Kentucky Power") financing application. The AG asserts that certain aspects of Kentucky Power's financing proposal relate to the Mitchell Generating Station and that the proposed capital investments could impact the total rate increase associated with Kentucky Power's recent acquisition of a 50 percent interest in the Mitchell Generating Station. The AG maintains that Kentucky Power's ratepayers are entitled to know whether the proposed financing would alter the rate impact related to the Mitchell Generation Station acquisition. Lastly, the AG states that Kentucky Power, without waiving its objections to the instant motion, has agreed to a procedural schedule that would allow the AG an opportunity to issue supplemental requests for information and to file comments for the Commission's consideration in its final decision in this matter. The proposed procedural

schedule was attached to the AG's motion, which schedule also indicated that Kentucky Power would be requesting that an order be issued by September 30, 2014.

On August 15, 2014, Kentucky Power filed a response objecting to the AG's request for an extension. Kentucky Power contends that the AG has failed to demonstrate that good cause exists for the extension. Kentucky Power notes that the issues the AG identified in his motion are not relevant to a review of Kentucky Power's financing application under KRS 278.300. Kentucky Power further notes that the AG failed to explain why these issues could not have been raised and addressed within the initial 60-day statutory period.

In the alternative, and if the Commission finds that good cause exists for the extension, Kentucky Power states that it and the AG have agreed to the procedural schedule referenced in the AG's motion and that an evidentiary hearing is not required. Lastly, Kentucky Power requests that the Commission enter an order approving the application on or before September 30, 2014, in order for Kentucky Power to have sufficient time to close the lending transactions prior to November and December 2014. Kentucky Power avers that borrowing costs continue to be at or near a historic low, and that any delay could result in higher borrowing costs.

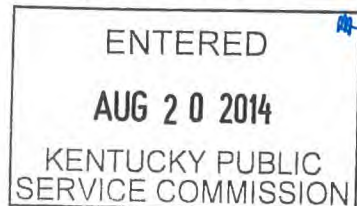
Having reviewed the pleadings and being otherwise sufficiently advised, the Commission finds that KRS 278.300(2) imposes a 60-day statutory deadline in which the Commission must adjudicate a financing application unless it is necessary for good cause to continue the application. The Commission further finds that the AG has established good cause to continue the application beyond the 60-day period specified in KRS 278.300(2). The Commission will also accept the procedural dates as provided

in the attachment to the AG's motion. The Commission will also endeavor to accommodate Kentucky Power's request for an issuance of a final order by September 30, 2014.

IT IS THEREFORE ORDERED that:

1. The AG's motion for a continuance and agreed scheduling order is granted.
2. Kentucky Power's financing application is to be continued beyond the 60-day period specified in KRS 278.300(2).
3. The following procedural dates shall be established for this matter:
  - a. Requests for information to Kentucky Power shall be filed on or before August 15, 2014.
  - b. Kentucky Power shall file its responses to requests for information on or before August 22, 2014.
  - c. The AG shall file written comments, if any, on or before September 5, 2014.

By the Commission



ATTEST

  
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Executive Director

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