

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF EAST)	CASE NO.
KENTUCKY POWER COOPERATIVE, INC.)	2014-00226
FROM NOVEMBER 1, 2013 THROUGH APRIL)	
30, 2014)	

ORDER

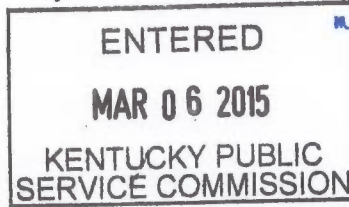
Pursuant to 807 KAR 5:056, the Commission established this case on August 13, 2014, to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of East Kentucky Power Cooperative, Inc. ("East Kentucky") for the six-month period that ended on April 30, 2014. On January 30, 2015, the Commission issued an Order which disallowed purchase power costs of \$8,538,787 in excess of East Kentucky's own highest-cost generating unit available to be dispatched to serve native load during the reporting expense month. The Commission directed East Kentucky to refund \$2,134,696.75, each month for four consecutive months, to customers through the FAC.

On February 19, 2015, East Kentucky filed a petition for rehearing. In its petition, East Kentucky argues that the Commission's Order misapplies 807 KAR 5:056, is inconsistent, did not address arguments made by East Kentucky in its post-hearing brief, and creates multiple unintended consequences. Grayson Rural Electric Cooperative Corporation ("Grayson") was granted intervention in this matter and filed a response on March 3, 2015 objecting to the petition and requesting that it be denied.

Having reviewed the petition and Grayson's March 3, 2015 response, the Commission finds that rehearing should be granted to allow for further evaluation of the issues presented.

IT IS THEREFORE ORDERED that rehearing is granted to allow for further evaluation of the issues presented.

By the Commission



ATTEST:

Stephanie Bell for J.D.

Executive Director

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