

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In The Matter Of:

The Application Of Kentucky Power Company For)
(1) Approval Of An Economic Development Rider;)
(2) For Any Required Deviation From The)
Commission's Order In Administrative Case No. 327;)
And (3) All Other Required Approvals And Relief)

Case No. 2014-00336

Motion To Deviate From Requirements Of 807 KAR 5:011, Section 8

Kentucky Power Company moves the Public Service of Commission Of Kentucky for leave to deviate from the publication requirement of 807 KAR 5:011, Section 8(4)(d) and 807 KAR 5:011, Section 8(4)(b)-(d). The Company states in support of its motion:

807 KAR 5:011, Section 8(4)(d)

1. By its accompanying application Kentucky Power seeks authority to implement an economic development rider through Tariff E.D.R. Tariff E.D.R. is applicable to customers receiving service under Tariff L.G.S., Tariff Q.P., and Tariff C.I.P.-T.O.D.
2. Tariff E.D.R. is applicable to new customers who contract for a monthly base maximum billing demand of at least 500 kW.
3. The average monthly demand for customers taking service under Tariff L.G.S. is 210 kW.
4. 807 KAR 5:011, Section 8(4)(d) directs that the notice required by 807 KAR 5:011, Section 8 illustrate "the effect on average bill for each customer classification to which the proposed rates will apply."

5. A new customer taking service under Tariff L.G.S. at the average customer demand for that customer classification would not be eligible for the discounts provided by Tariff L.G.S. Accordingly, the Company's notice illustrates the applicable discount for a Tariff L.G.S. customer taking service at the minimum (500 kW) monthly demand level under Tariff E.D.R.

6. Because it is not possible to illustrate, consistent with the terms of Tariff E.D.R., the effect on the average bill for Tariff L.G.S. the Company requires a deviation from the requirements of 807 KAR 5:011, Section 8(4)(d). The use of the minimum monthly demand level for eligibility for Tariff E.D.R. most closely approximates the requirements of 807 KAR 5:011, Section 8(4)(d).

7. The inability to illustrate "the effect on average bill for each customer classification to which the proposed rates will apply" for Tariff L.G.S. customers in a fashion consistent with the requirements for Tariff E.D.R. constitutes good cause for the requested deviation.

807 KAR 5:011, Section 8(4)(b)-(d)

8. 807 KAR 5:011, Section 8(4)(b)-(d) require that the identified information be provided for each customer classification.

9. Tariff E.D.R. comprises two discounts: the Incremental Billing Demand provides differing discounts for five different contract terms; the Supplemental Billing Demand Discount provides additional discounts at two different levels based upon the number of permanent jobs created. In addition, Tariff E.D.R. is a rider applicable to three different tariffs (Tariff L.G.S.

Tariff Q.P., and Tariff C.I.P.-T.O.D.) To provide the required information for each possible permutation of the three tariffs, two discounts, five contract terms, and two levels of jobs would have required showing at least $3 \times 2 \times 5 \times 2$ or 60 calculations for each of the three subsections of the regulation.

10. The Company determined that complexity of presenting 180 (60 permutations x 3 regulations) different permutations or calculations would have rendered any notice containing all of the required information of limited or no use.

11. In lieu of presenting 180 different permutations or calculations, the Company provided the required information for each tariff class assuming a ten year contract. In addition, the Company explained that lesser contract terms would yield smaller discounts.

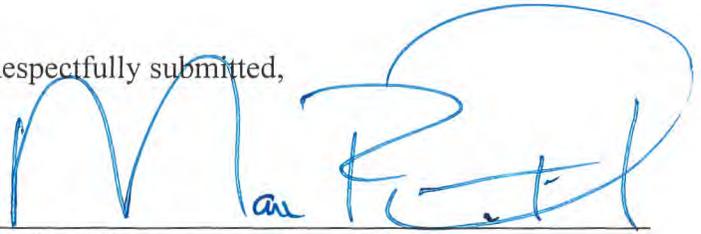
12. The need to present the effect of the proposed tariff in an understandable fashion constitutes good cause for the requested deviation.

Wherefore, Kentucky Power Company respectfully requests that the Commission issue an Order granting the Company leave to deviate from:

(a) the requirements of 807 KAR 5:011, Section 8(4)(d) and to instead illustrate in its legal notice the effect of the proposed tariff on a L.G.S customer taking service at the minimum monthly billing demand under Tariff E.D.R.; and

(b) the requirement of 807 KAR 5011, Section 8(4)(b)-(d) to allow the Company to provide the required information assuming a ten year contract term, with further written explanation.

Respectfully submitted,



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COUNSEL FOR:
KENTUCKY POWER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served as indicated below upon:

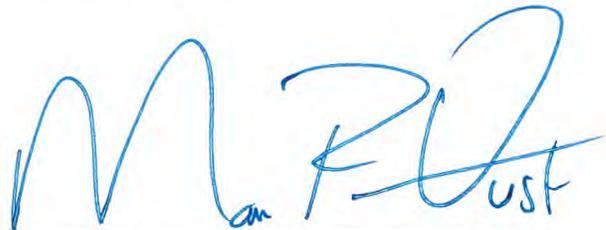
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By Overnight Delivery

on this the 18st day of September, 2014.



Mark R. Overstreet