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February 12, 2016

*Via Hand-Delivery*

Mr. Jeffrey Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

**RECEIVED**

**FEB 12 2016**

**PUBLIC SERVICE  
COMMISSION**

Re: In the Matter of: The Application of East Kentucky Power Cooperative, Inc.  
For Deviation from Obligation Resulting from Case No. 2012-00169  
PSC Case No. 2015-00358

Dear Mr. Derouen:

Enclosed please find for filing with the Commission in the above-referenced case an original and ten (10) copies of East Kentucky Power Cooperative, Inc.'s Motion for Extension of Period of Abeyance. Please return a file-stamped copy to me.

Do not hesitate to contact me if you have any questions.

Very truly yours,

Mark David Goss

Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 12 2016

PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

APPLICATION OF EAST KENTUCKY POWER )  
COOPERATIVE, INC. FOR DEVIATION ) CASE NO.  
FROM OBLIGATION RESULTING FROM ) 2015-00358  
CASE NO. 2012-00169 )

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**EAST KENTUCKY POWER COOPERATIVE, INC.'S  
MOTION FOR EXTENSION OF PERIOD OF ABEYANCE**

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Comes now East Kentucky Power Cooperative, Inc. ("EKPC"), by counsel, and moves the Kentucky Public Service Commission ("Commission") for an Order extending by ninety (90) days the time period during which this proceeding is held in abeyance. In support of this Motion, EKPC states as follows:

1. In its Application filed herein on October 30, 2015, EKPC requested relief from an obligation contained in the Commission's Order entered December 20, 2012, in Case No. 2012-00169 (the "PJM Integration Order").<sup>1</sup> Among other things, the PJM Integration Order required EKPC to file, "no later than November 30, 2015, an application for approval of a rate mechanism to flow back to customers the capacity market benefits expected to accrue from membership in PJM."<sup>2</sup> It is the obligation to file for approval of the rate mechanism by November 30, 2015, that is the subject of the instant case.

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<sup>1</sup> *In the Matter of the Application of East Kentucky Power Cooperative, Inc. to Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, LLC* (Ky. P.S.C. Dec. 20, 2012).

<sup>2</sup> *Id.* at p. 20.

2. Following an Informal Conference held in this matter on November 20, 2015,<sup>3</sup> EKPC moved the Commission for an Order holding this proceeding in abeyance for a period of ninety (90) days. The purpose of the requested period of abeyance was to allow the Parties an opportunity to develop a mutually-agreeable proposal related to the structure and implementation of the capacity benefits mechanism required by the PJM Integration Order.<sup>4</sup> The Commission granted EKPC's motion by Order entered November 30, 2015.

3. Additional Informal Conferences involving the Parties and Commission Staff took place on December 22, 2015, and January 29, 2016. At each of these Informal Conferences, the participants engaged in good-faith discussions concerning the various methods available to flow the subject capacity benefits back to EKPC's Owner-Members. These discussions, which have included extensive exploration of the benefits and challenges presented by each method, have proven beneficial to all parties involved.

4. Although substantial progress has been and continues to be made toward achieving a final proposal for the design and implementation of the capacity benefits mechanism required by the PJM Integration Order, additional time is needed to complete further analysis and modeling. Additionally, an extension of the abeyance of these proceedings will allow EKPC to continue to engage Commission Staff, KIUC, the AG, EKPC's Owner-Members, and EKPC's Board of Directors in substantive discussions that EKPC believes will result in the satisfactory resolution of this matter.

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<sup>3</sup> Attendees of this Informal Conference included representatives of EKPC and Commission Staff, as well as intervenors Kentucky Industrial Utility Customers, Inc. ("KIUC"), and the Attorney General of the Commonwealth of Kentucky (the "AG") (EKPC, KIUC, and the AG are referred to herein as the "Parties").

<sup>4</sup> See EKPC's Motion to Hold Case in Abeyance (filed Nov. 25, 2015).

5. In light of the foregoing, EKPC requests that this case be held in abeyance for an additional ninety (90) days beyond the existing abeyance period, *to wit*, through May 28, 2016. Further, EKPC requests that the requirement of the PJM Integration Order for EKPC to file by November 30, 2015, a rate mechanism to flow back capacity market benefits to customers continue to be temporarily suspended while this case is in abeyance.

6. In accordance with the Commission's Order entered November 30, 2015, EKPC filed in the record of this matter an interim status report on January 14, 2016, and will file a second status report on February 28, 2016. Should the Commission grant the relief requested herein, EKPC commits to file additional status reports on or before April 13, 2016, and May 28, 2016, respectively.

7. In light of the good-faith discussions of the Parties and the reasonable nature of the abeyance and temporary suspension described herein, good cause exists to grant EKPC's requested relief.

WHEREFORE, EKPC respectfully requests that the Commission enter an Order:

1. Extending the period during which this matter is held in abeyance for an additional ninety (90) days, *to wit*, through May 28, 2016;
2. Continuing the temporary suspension of the PJM Integration Order's requirement regarding the filing of a capacity benefits mechanism; and
3. Granting all other relief to which EKPC may appear entitled.

This 12<sup>th</sup> day of February, 2016.

Respectfully submitted,



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*Counsel for East Kentucky Power Cooperative, Inc.*

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the foregoing has been served, by delivering same to the custody and care of the U.S. Postal Service, postage pre-paid, this 12<sup>th</sup> day of February, 2016, addressed to the following:

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Kurt J. Boehm  
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