



COMMONWEALTH OF KENTUCKY  
STATE SENATE

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PUBLIC SERVICE  
COMMISSION

September 27, 2013

Mr. David Armstrong, Chairman  
Mr. James W. Gardner, Vice Chairman  
Ms. Linda Breathitt, Commissioner  
Public Service Commission  
P O Box 615, Sower Blvd.  
Frankfort, KY 40602

RE: 2012 – 00578

Dear Chairman Armstrong:

We write to urge the Commission to reject the application by Kentucky Power to transfer 50% of the assets and liabilities of the Mitchell Generating Station to Kentucky Power's rate payers. The severely negative impact upon Kentucky's economy and the citizens of Eastern Kentucky of accepting the Mitchell power plant and subsequent closing of the Big Sandy 2 generating plant are too great to accept the narrow focus of this application before the Commission. Some questions need to be asked. What is the extent of the liabilities of the Mitchell plant? Have the costs of scrubbing Big Sandy 2 versus transfer of the Mitchell plant been thoroughly and fairly examined in this proceeding?

As demonstrated in the Big Rivers/Century Aluminum case, recently decided by the Commission, less expensive power is available on today's power markets. Should Kentucky Power's rate payers be saddled with a 10% rate of return premium paid to Kentucky Power and its parent American Electric Power when least cost power may be available to the rate payers for the foreseeable future?

We urge the Commission to reject this application and undertake its own initiative to carefully consider these most important issues for Kentucky.

Sincerely,

Jerry Rhoads  
Senate Minority Whip

Sincerely,

Dorsey Ridley  
State Senator

cc: Governor Steven Beshear