Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

October 12, 2012

David L. Armstrong Chairman

James W. Gardner Vice Chairman

> Linda Breathitt Commissioner

Ranie K. Wohnhas Managing Director, Regulatory & Finance Kentucky Power Company 101A Enterprise Drive P. O. Box 5190 Frankfort, KY 40602-5190

RE: Case No. 1999-00149

Dear Mr. Wohnhas:

We are in receipt of your letter dated October 8, 2012, regarding a series of future filings to be made by the American Electric Power Service Corporation at the Federal Energy Regulatory Commission (FERC). Your letter, which references Case No. 1999-00149, states that the future filings will be made on behalf of Kentucky Power Company (Kentucky Power) and several of its affiliates and are designed in part to implement an internal corporate reorganization of one affiliate, Ohio Power Company. The filings will include a new power pooling agreement, a bridge agreement effective during a transition period, and a request to transfer certain generating assets to Kentucky Power and another affiliate.

Your letter further states that you "expect the filings to be very similar in most respects to the series of filings" that were made earlier this year and subsequently withdrawn, and you request that your October 8, 2012 letter be accepted as 30 days advance notice of the future filings.

Case No. 1999-00149 involved a joint application filed by Kentucky Power, American Electric Power Company, Inc., and Central and South West Corporation relating to a merger. By Order issued June 14, 1999, the Commission approved the indirect change in control of Kentucky Power and adopted and approved a Stipulation and Settlement Agreement that was entered into by all parties to the case. That Stipulation and Settlement Agreement, which was set forth as an appendix to the June 14, 1999 Order, included numerous commitments made by Kentucky Power, including the provision at page 11, paragraph 8.T., which provides as follows:

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Thirty (30) days prior to filing any affiliate contract (including service agreements) with the SEC or the FERC an AEP operating company shall submit to each affected State Commission a copy of the proposed filing.

Based on the explicit language of this merger commitment, the Executive Director's Office has no authority to accept your October 8, 2012 letter as a substitute for Kentucky Power's obligation to submit a copy of the proposed FERC filing 30 days in advance. If Kentucky Power chooses to request a waiver or a deviation from this merger commitment, the request must be set forth in a formal filing which contains a detailed explanation of the reasons why the proposed filing cannot be submitted 30 days in advance of filing at FERC and demonstrates good cause to justify the relief being requested from the Commission.

Sincerely føuen tive Director

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