

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER)
COMPANY FOR A CERTIFICATE OF) CASE NO. 8271
PUBLIC CONVENIENCE AND NECESSITY)

O R D E R

On November 28, 1983, Intervenor Air Products and Chemicals, Inc., Armco, Inc., Ashland Oil, Inc., Huntington Alloys, Inc., and Kentucky Electric Steel Company ("Air Products and Chemicals, Inc., et al.") filed a document entitled "statement of issues and scope of testimony of David E. Young." On December 6, 1983, Kentucky Power Company ("KPC") filed a motion to limit the testimony of Air Products and Chemicals, Inc., et al. to include only the issues set forth in the Commission's Orders entered September 20, 1983, and November 15, 1983.

KPC's motion specifically objects to the following issues set forth in Air Products and Chemicals, Inc., et al.'s statement:

1. Issue No. 2, the appropriateness of KPC's purchase of a 15 percent ownership interest in Rockport. KPC argues that this issue encompasses the need for capacity, the advantages of Rockport and the availability of construction alternatives.

2. Issue 2a, the American Electric Power Company's need for Rockport. KPC argues that this is beyond the jurisdiction of this Commission and irrelevant to this proceeding.

3. Issue 2b, KPC's need for a direct ownership interest in Rockport. KPC argues that this issue should be limited to its need for Rockport in light of its responsibility for 100 percent of the cost of the Hanging Rock-Jefferson transmission line and its ability to purchase unit power.

4. Issue 2c, the appropriateness of a 15 percent ownership interest in Rockport as opposed to a different percentage. KPC argues that this issue has already been decided by the Commission.

5. Issue 2e, whether the AEP Interconnection Agreement mandates, either expressly or through implied threat of loss of membership, KPC's purchase of Rockport. KPC argues that the Interconnection Agreement speaks for itself and that KPC never maintained that it would be removed from the pool but that some adverse reaction would be expected by the other pool members.

Based on the evidence of record and being advised, the Commission is of the opinion and hereby finds that:

1. Issues 2, 2b and 2c of Air Products and Chemicals, Inc., et al.'s statement of issues are relevant to KPC's need to purchase an interest in Rockport to fulfill its generating capacity requirements. Consequently, KPC's motion to limit testimony should be denied with respect to these issues.

2. Issue 2a of Air Products and Chemicals, Inc., et al.'s statement of issues is beyond the jurisdiction of this Commission

and consequently, KPC's motion to limit testimony should be granted.

3. Issue 2e of Air Products and Chemicals, Inc., et al.'s statement of issues is relevant to the issue of whether KPC's ownership of 765-KV transmission lines would insure its membership in the AEP pool without purchasing an interest in Rockport, as set forth in the Commission's Order entered September 20, 1983. Consequently, KPC's motion to limit testimony on this issue should be denied.

IT IS THEREFORE ORDERED that KPC's motion to limit the testimony of Air Products and Chemicals, Inc., et al., be and it hereby is granted with respect to issue 2a and denied with respect to issues 2, 2b, 2c and 2e.

Done at Frankfort, Kentucky, this 22nd day of December, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary