

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENTS IN ELECTRIC)
RATES OF KENTUCKY POWER COMPANY)

CASE NO.
8734

ORDER

On March 31, 1983, the Kentucky Power Company ("KPC") filed with the Commission an application requesting a general adjustment in electric rates. In Section V of the application at workpaper S-2, page 38, KPC has requested a cash return on \$72,570,272 of construction work in progress associated with the Hanging Rock-Jefferson 765 KV Project.

In Case No. 6019, In the Matter of The Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity Authorizing It To Construct Additional 765 KV Transmission Facilities, the application states that:

6. . . . The other operating companies of the AEP System will compensate the Company for an appropriate part of the carrying charges associated with ownership of that portion of the proposed Hanging Rock-Jefferson 765-KV line that will be located in Kentucky.


Further, at a hearing held before the Commission on May 7, 1974, Mr. Waldo S. LaFon, Executive Vice President of KPC, testified that the other companies will pay KPC 95 percent of the construction, operation and maintenance cost. 1/

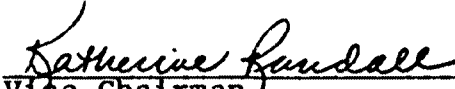
1/ T.E., May 7, 1974, page 8.


IT IS THEREFORE ORDERED that KPC shall file testimony explaining the apparent inconsistencies between this application and Case No. 6019 with respect to KPC's cost for the Hanging Rock-Jefferson 765 KV project.

Done at Frankfort, Kentucky, this 11th day of July, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary