

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX )  
REFORM ACT OF 1986 ON THE RATES ) CASE NO. 9779  
OF KENTUCKY POWER COMPANY )

O R D E R

On July 21, 1987, the Commission issued its Order in this proceeding granting the petition for rehearing of Kentucky Power Company ("Kentucky Power"). The rehearing granted Kentucky Power pertains to the method of treating customer advances and contributions in aid of construction.

The Commission, on its own motion, has initiated Administrative Case No. 313<sup>1</sup> to further explore the effects the Tax Reform Act of 1986 has on these items and the manner in which these effects should be handled.

Since the rehearing granted Kentucky Power in this proceeding and Administrative Case No. 313 will address the same issues the Commission is of the opinion that the rehearing granted Kentucky Power should be incorporated into the hearings to be set for Administrative Case No. 313.

IT IS THEREFORE ORDERED that Kentucky Power's rehearing granted by the Commission by its Order dated July 21, 1987, in

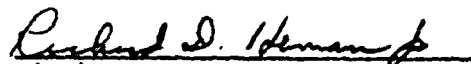
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<sup>1</sup> The Effects of the Tax Reform Act of 1986 on Contributions in Aid of Construction and Customer Advances.

this proceeding be and hereby is incorporated into Administrative  
Case No. 313.

Done at Frankfort, Kentucky, this 14th day of August, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director