

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE)	
TARIFF FILING BY KENTUCKY)	
POWER COMPANY D/B/A)	CASE NO. 2002-00349
AMERICAN ELECTRIC POWER)	
TO IMPLEMENT KRS 278.214)	

O R D E R

The 2002 session of the General Assembly enacted a new provision of KRS Chapter 278 relating to service emergencies experienced on the transmission systems of jurisdictional electric utilities. The new law, codified as KRS 278.214, provides as follows:

Curtailment of service by utility or generation and transmission cooperative. When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

To ensure that Kentucky's jurisdictional electric utilities operate their respective transmission systems in compliance with KRS 278.214, they were notified by the

Executive Director's Office to review their existing tariffs and to file revisions as necessary.

On August 30, 2002, Kentucky Power Company d/b/a American Electric Power (Kentucky Power) filed revisions to its existing Capacity and Energy Control Program to reflect minor technical changes in language and to include the transmission priority requirements set forth in KRS 278.214. The tariff filing is designated Sheet Nos. 3-1 through 3-9, and the provision to reflect the transmission priority requirements is set forth in Paragraph 14 of Sheet No. 3-4. A review of this provision indicates that it does not specify the specific transmission priority requirements as set forth in KRS 278.214, and it provides that Kentucky Power will comply with the transmission priority requirements only to the extent possible under federal law and regulation and applicable reliability council requirements. Kentucky Power's tariff does not set forth the specific transmission priority requirements mandated by KRS 278.214. The omission of the specific curtailment requirements appears to violate Administrative Regulation 807 KAR 5:011, Section 2, which requires a utility to have all of its rules and regulations on file in a tariff. In addition, the tariff states that Kentucky Power will not comply with the transmission priority requirements under certain conditions that are not set forth in KRS 278.214.

Based on this review of Kentucky Power's tariff, the Commission finds that an investigation is necessary to determine whether the tariff is in compliance with KRS 278.214 and all applicable Commission regulations, and that investigation cannot be concluded prior to the tariff's effective date of September 29, 2002. Although the tariff bears an effective date of August 30, 2002, the actual earliest effective date for

such tariff is September 29, 2002 due to the requirement that 30 days notice be given pursuant to KRS 278.180(1). Pursuant to KRS 278.190(2), the Commission will suspend the revised tariff for 5 months through February 28, 2003.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's revised tariff Sheet Nos. 3-1 through 3-9 are suspended for 5 months from September 29, 2002, up to and including February 28, 2003.

2. Kentucky Power shall file no later than October 21, 2002 an original and 5 copies of the information requested in Appendix A, attached hereto.

3. All requests for information and responses thereto shall be appropriately indexed. Any request for information from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and 5 copies to the Commission.

4. Kentucky Power shall file no later than October 21, 2002 either:

a. A request for an evidentiary hearing, accompanied by its prepared direct testimony in verified form; or

b. A waiver of its right to an evidentiary hearing and a suggested schedule for briefs, if any.

Done at Frankfort, Kentucky, this 27th day of September, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00349 DATED September 27, 2002

1. Explain in detail why Kentucky Power's revised tariff, Sheet No. 3-4, should not include the specific curtailment of service requirements as set forth in KRS 278.214 or, alternatively, refile the tariff to include the specific curtailment of service requirements.

2. Does Kentucky Power believe that it can comply with the transmission priority requirements set forth in KRS 278.214 under current federal law, federal regulation, and applicable reliability council requirements? If no, provide a detailed explanation of the extent to which Kentucky Power believes that it cannot comply with the requirements of KRS 278.214, and cite the specific federal law, federal regulation, or applicable reliability council requirements which make full compliance impossible.

3. Provide the names and titles of the individuals who have made, or will be responsible to make, the determination of whether compliance with KRS 278.214 is possible under federal law, federal regulation, and applicable reliability council requirements.