

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NORTHEAST KENTUCKY REGIONAL)	
INDUSTRIAL AUTHORITY, INC.)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2003-00279
)	
KENTUCKY POWER COMPANY D/B/A)	
AMERICAN ELECTRIC POWER)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

Kentucky Power Company d/b/a American Electric Power (AEP) is hereby notified that it has been named as defendant in a formal complaint filed on July 16, 2003, a copy of which is attached hereto.


Pursuant to 807 KAR 5:001, Section 12, AEP is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 31st day of July, 2003.

By the Commission

ATTEST:

Deputy

Executive Director



McCLOUD LAW OFFICES

(606) 833-2935
Fax:
(606) 834-9292

Brian C. McCloud, Attorney

RECEIVED

JUL 16 2003

PUBLIC SERVICE
COMMISSION
517 Greenup Avenue
Raceland, KY 41169
E-Mail: tbmcloud3@earthlink.com

July 12, 2003

RECEIVED

JUL 16 2003

PSC Consumer Services

Public Service Commission
C/O Com Tom Dorman
211 Sower Blvd
P.O. Box 615
Frankfort, Ky 40601

2003-00279
RE: Formal Complaint of AEP by Northeast Kentucky
Regional Industrial Authority, Inc.

Dear Com. Tom Dorman:

Please accept the enclosed formal complaint against AEP.

Thank you in advance for your time and consideration regarding this matter. If you have any questions or need any additional information please let me know.

Sincerely,

Brian C. McCloud

FORMAL COMPLAINT

The Northeast Kentucky Regional Industrial Authority, Inc., (NEKRIA) is a quasi-governmental entity formed, pursuant to KRS 154.50, by the interlocal agreement of Boyd, Carter, Elliot, Greenup and Lawrence counties of the Commonwealth of Kentucky. NEKRIA is the governing body of EastPark a 1,000 acre Industrial Park, made up of three sites located in Boyd, Carter & Greenup Counties. NEKRIA has two specific complaints against American Electric Power (AEP) and wishes to have both addressed by the Public Service Commission.

COUNT I

Initially AEP provided electrical service to EastPark and installed 34.5 KV overhead electrical distribution at rear of site A. The agreement for the cost of this service was for NEKRIA to advance \$421,500.00 and be refunded up to 100% over the next 10 years from the revenues received by AEP from that service.

At the time this service was provided at site A of EastPark there were no tenants at the park. However, today Cingular Wireless and the Cintas Corporation are located in site A and together employ more than 1,100. Cingular Wireless is located in a shell building constructed by the authority and sold for the inbound call center. That facility has over 400 tons of air conditioning and literally hundreds of computers. AEP also provided street lighting in site A, which was installed on metal poles with an underground conduit and conductor. The cost of each fixture installed was \$990.00.

Last November, NEKRIA, paid AEP \$187,352.00 to install 34.5 KV overhead electrical distribution at rear of site B. NEKRIA sought to continue with the previous advance and refund practice but was informed this was not available. NEKRIA had no choice but to submit the payment under protest in order to get electrical service available to the tenants in site B. The service at site B will serve Ohio Valley Wholesale, a \$2.7 million dollar project, the Kentucky Community and Technical College System (KCTCS), a \$10.4 million dollar project, and two shell buildings being built by NEKRIA, a \$3.8 million dollar project.

Moreover, last November NEKRIA paid AEP \$90,892.00 to install 53 NE 400 watt HPS street lights with underground service to site B. That price amounted to \$1,714.94 per light, or \$724.04 more per light than those provided at site A. Five months later NEKRIA was informed by AEP engineers that the \$90,892.00 provided did not include trenching or conduit. They have informed us that AEP can provide the trenching and conduit for an additional \$44,700.00. That additional cost amounts to \$2,558.34 per light, or \$1,567.44 more per light than those provided at site A.

NEKRIA feels that the service provided by AEP to site A and what has been requested for AEP to provide to site B is alike and contemporaneous service under the same or substantially the same conditions. However, the price for services demanded by AEP for site B is unreasonably different. The NEKRIA believes that these new costs violate KRS 278.170. Attached to this letter you will find documentation that supports the statements set forth herein.

NEKRIA believes that it is entitled to receive an advance and refund on the \$187,352.00 it paid to AEP in November of 2001 to install 34.5 KV overhead electrical distribution at site B. Moreover, NEKRIA believes that AEP should install the 53 NE 400 watt HPS street lights with underground service for the \$90,892.00 that was agreed to and paid to AEP in November 2001.

COUNT II

In November 2001, the Northeast Kentucky Regional Industrial Park Authority was required to pay \$278,244.00 to AEP for the above mentioned electric service and lighting. More than 6 months lapsed before the first power company workman showed up at the industrial park to begin construction on this project, and today the job is still not done. The AEP delays fly in the face of timely service especially considering the fact they held our funds all this time when we could have been earning interest on those monies.

The authority feels AEP owes it interest on the cost for the installation cost from the time it was paid until the project is completed, along with a timetable to complete the electric service installation at EastPark's Site B within the next 30-days.

NEKRIA respectfully requests that the PSC review these complaints and provide relief to the Authority.