

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|------------------------------------|---|---------------------|
| THE REVISION OF COGENERATION AND |) | |
| SMALL POWER PURCHASE RATES OF EAST |) | CASE NO. 2008-00128 |
| KENTUCKY POWER COOPERATIVE, INC. |) | |

ORDER

On March 31, 2008, East Kentucky Power Cooperative, Inc. (“East Kentucky”) filed proposed revisions to its Tariff for Qualified Cogeneration and Small Production Facilities (“cogen tariff”) as directed in the Commission’s Order in Case No. 2006-00472.¹ The rates proposed in the cogen tariff, based on its higher avoided costs, will increase the amount East Kentucky pays cogeneration customers for electricity.

The Commission finds that, pursuant to KRS 278.190, which, inter alia, allows the Commission to suspend a proposed tariff for a period up to 5 months, further proceedings are necessary to determine the reasonableness of the proposed tariff revisions and that such proceedings cannot be completed prior to the proposed effective date. The Commission will, therefore, suspend the rates for a period of one month in order to allow the distribution cooperatives served by East Kentucky sufficient time to file their companion cogen tariffs but, in turn, to allow the affected customers to begin receiving the revised higher payment as soon as possible.

¹ Case No. 2006-00472, General Adjustment of Electric Rates of East Kentucky Power Cooperative, Inc., Order dated December 5, 2007.

IT IS THEREFORE ORDERED that:

1. The proposed rates are hereby suspended for a period of one month from May 1, 2008 to May 31, 2008, to be effective subject to change, with service rendered on and after June 1, 2008.

2. The procedural schedule set forth in Appendix A, which is attached hereto and incorporated herein, shall be followed.

a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and 6 copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

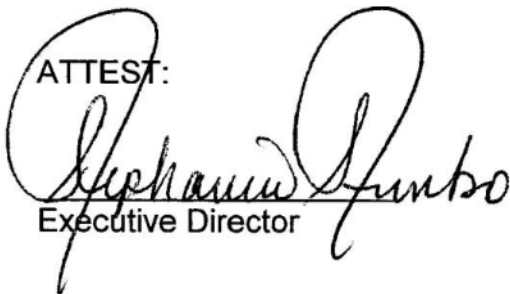
3. Each distribution cooperative that East Kentucky serves is hereby made a party to this proceeding.

4. Each distribution cooperative served by East Kentucky shall file its revised cogen tariffs reflecting East Kentucky's proposed rates with the Commission no later than May 11, 2008 with an effective date of June 1, 2008.

Done at Frankfort, Kentucky, this 28th day of April, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00128 DATED APRIL 28, 2008

All initial requests for information to East Kentucky
shall be filed no later than 05/12/2008

East Kentucky shall file responses to initial requests
for information no later than 05/21/2008

All supplemental requests for information to
East Kentucky shall be filed no later than..... 05/30/2008

East Kentucky shall file responses to supplemental
requests for information no later than..... 06/09/2008