

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In The Matter Of:

The Application Of Kentucky Power Company For:)
(1) The Approval Of The Terms And Conditions Of The)
Renewable Energy Purchase Agreement For Biomass)
Energy Resources Between The Company And)
EcoPower Generation-Hazard LLC; (2) Authorization)
To Enter Into The Agreement; (3) The Grant Of Certain)
Declaratory Relief; And (4) The Grant Of All)
Other Required Approvals and Relief)

Case No. 2013-00 144

VERIFIED APPLICATION

Kentucky Power Company (“Kentucky Power” or the “Company”) moves the Public Service Commission of Kentucky (“Commission”) for an Order pursuant to KRS 278.300, 807 KAR 5:001, Section 14, and 807 KAR 5:001, Section 17: (i) approving the terms and conditions of the Renewable Energy Purchase Agreement For Biomass Energy Resources (“REPA”) between Kentucky Power and EcoPower Generation-Hazard LLC (“EcoPower”); (ii) approving and authorizing Kentucky Power to enter into the REPA; (iii) declaring that the concurrent recovery by means of a monthly rider or surcharge to Kentucky Power’s rates of all costs associated with the REPA is appropriate;¹ and (iv) granting all other required relief or approvals.

¹ 807 KAR 5:001, Section 18 authorizes applications for declaratory orders. The regulation appears to be directed principally to stand-alone requests for declaratory relief, and thus provides for an expedited briefing of any such application. For example, absent a contrary Order from the Commission, any response to the request for declaratory relief would be due 21 days after the request is filed. 807 KAR 5:001, Section 18(4). Where, as here, the request for declaratory relief is coupled with an application for other substantive relief that typically involves a longer procedural schedule, the declaratory relief may be better handled in conformity with any procedural schedule that is entered in connection with the Company’s request for the other substantive relief (in this case KRS 278.300). To the extent the Commission determines to the contrary, Kentucky Power also requests a deviation, pursuant to 807 KAR 5:001, Section 21, from the schedule established by 807 KAR 5:001, Section 18 for applications for declaratory orders.

In support thereof Kentucky Power states:

Introduction

1. In connection with its plan to chart a course to energy and capacity self-sufficiency and to meet the evolving burdens of environmental regulations, Kentucky Power has a unique opportunity to satisfy a portion of its needs by procuring energy and capacity from Kentucky-based biomass-fueled generation. Specifically, Kentucky Power has entered into, subject to further action by the Commission, the EcoPower REPA for 58.5 MW (net) of energy and capacity from biomass. The EcoPower REPA is associated with a facility to be located in the Company's service territory, will help diversify Kentucky Power's fuel use and generation portfolio, and should foster local economic development. Finally, the REPA is consistent with Strategy Two of Governor Beshear's November 2008 "Intelligent Choices For Kentucky's Future" Energy Plan. The EcoPower REPA is a reasonably necessary and appropriate way for Kentucky Power to diversify its fuel base and meet its customers' needs.

Applicant

2. Kentucky Power is an electric utility organized as a corporation under the laws of the Commonwealth of Kentucky in 1919. A certified copy of Kentucky Power's Articles of Incorporation and all amendments thereto was attached to the Joint Application in Case No. 99-149² as Exhibit 1. The post office address of Kentucky Power is 101A Enterprise Drive, P.O. 5190, Frankfort, Kentucky 40602-5190. Kentucky Power is engaged in the generation, purchase, transmission, distribution, and sale of electric power. Kentucky Power serves approximately 173,000 customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter,

²*In the Matter of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149.