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JUN 26 2012

PUBLIC SERVICE
COMMISSION

Via Overnight Mail

June 25, 2012

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

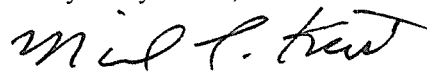
Re: Case No. 2012-00226

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the REPLY OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC for filing in the above-referenced docket.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,

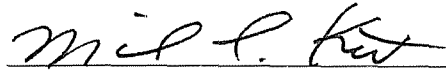


Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody M. Kyler, Esq.
BOEHM, KURTZ & LOWRY

MLKkew
Attachment
cc: Certificate of Service
Faith Burns, Esq.
Richard Raff, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and regular U.S. Mail to all parties on this 25TH day of June, 2012.



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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF: THE APPLICATION OF :
KENTUCKY POWER COMPANY TO WITHDRAW ITS :
TARIFF RTP PENDING SUBMISSION BY THE : **Case No. 2012-00226**
COMPANY AND APPROVAL BY THE COMMISSION :
OF A NEW REAL-TIME PRICING TARIFF :

**REPLY OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

Kentucky Industrial Utility Customers, Inc. (“KIUC”) submits this Reply to the Response of Kentucky Power Company (“Kentucky Power”) to KIUC’s Motion for Clarification (“Response”) filed June 22, 2012 at the Kentucky Public Service Commission (“Commission”). In its Response, Kentucky Power asserts that the Commission should deny KIUC’s Motion for Clarification because “*there is nothing unclear about the Commission’s June 21, 2012 Order.*”¹ Kentucky Power notes that it “*requested, and the Commission has yet to decide, that [Tariff RTP] be suspended for all customers during the pendency of this proceeding.*”² KIUC merely seeks clarification that Kentucky Power is correct in its assertion that the Commission has not decided to suspend existing Tariff RTP until the Commission’s investigation in this proceeding is complete.

Kentucky Power requests that the Commission suspend Tariff RTP after July 1, 2012 during the pendency of this proceeding.³ But suspension of existing Tariff RTP during the pendency of this proceeding would deprive Kentucky Power’s customers of at least five months of potential benefits that those customers carefully bargained for in the Unanimous Settlement Agreement approved by the

¹ Response at 1.

² Response at 2.

³ Response at 3.

Commission in Kentucky Power's last rate case, Case No. 2009-00459 ("Settlement"). The Commission should not condone Kentucky Power's violation of the Settlement by depriving customers of the benefits of the Settlement during the Commission's investigation in this case.

Existing Tariff RTP is a lawful filed rate and the Commission has not yet conducted its investigation into whether withdrawal of existing Tariff RTP is reasonable. By prohibiting Kentucky Power's customers from taking service under existing Tariff RTP during its investigation, the Commission would be effectively pre-deciding this case since, in essence, the Commission would be finding that existing Tariff RTP should be withdrawn for at least the five-month investigation period. It is not appropriate to prohibit customers from taking service under existing Tariff RTP until the Commission makes a final determination that withdrawal of existing Tariff RTP is reasonable, if the Commission ever makes such a determination.

Therefore, the Commission should grant KIUC's Motion for Clarification and should expressly state that customers who gave notice of their desire to take service under existing Tariff RTP prior to July 1, 2012 will be permitted to take service under existing Tariff RTP during the Commission's investigation in this proceeding.

Respectfully submitted,



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JUNE 25, 2012