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PUBLIC SERVICE
COMMISSION

July 18, 2007

HAND DELIVERED

Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

RE: P.S. Case No. 2006-0507

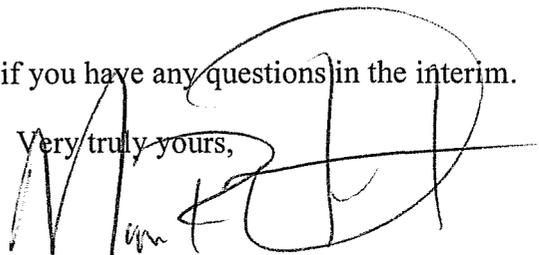
Dear Ms. O'Donnell:

Kentucky Power Company recently discovered metering problems at its 69 kV Leach to South Neal tie line with Appalachian Power Company ("APCo") and its Bellefonte 69 kV tie line with Ohio Power Company ("OPCo"). Kentucky Power continues to evaluate the situation and determine the effect of the metering problems.

In light of the effect the metering problems may have on the issues before the Commission in this proceeding, Kentucky Power recommends this case be continued generally until Kentucky Power can conclude its inquiry. Once the impact is fully evaluated, probably within four to six weeks, Kentucky Power will move the Commission for an informal conference to discuss steps to address the issue further.

Please do not hesitate to contact me if you have any questions in the interim.

Very truly yours,



Mark R. Overstreet

cc: Michael L. Kurtz
Dennis G. Howard, II

KE057:KE189:15801:2:FRANKFORT