

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

IN THE MATTER OF:

THE CONSIDERATION OF THE COST OF)	ADMINISTRATIVE
SERVICE STANDARD IN SECTION 111(d)(1))	CASE NO. 203
OF THE PUBLIC UTILITY REGULATORY)	(a) Kentucky Utilities Co.
POLICIES ACT)	(b) Louisville Gas & Electric Company
		(c) Union Light, Heat & Power Company
		(d) Kentucky Power Company

ORDER

I. INTRODUCTION

On January 26, 1981, the pre-hearing conference with regard to this case was conducted. There were three purposes to be accomplished at the pre-hearing conference. First, the Commission wanted to identify the level of interest in its cost-of-service proceedings. This information was needed to determine if any rescheduling of the hearing was needed. Second, the Commission wanted to be assured that communications between the Commission, the utility companies, and the intervenors had been established. Third, the Commission wanted to resolve any problems or clarify any misunderstandings concerning the rules for the discovery of information established by the Commission and/or the other issues addressed in the Commission's cost-of-service order (Order 203 (a)-(d)) of December 15, 1980.

II. SCHEDULE

Based on the interest expressed at the pre-hearing conference, the Commission sees no reason at this time to alter the schedule that was provided in Section II of the December 15, 1980 Order in this case.

III. RULES FOR THE DISCOVERY OF INFORMATION

Because of the short period of time that the utilities are given to respond to a data request, there was a considerable interest expressed at the pre-hearing conference to develop a procedure to facilitate the flow of the data requests to all of the parties involved. The Commission desires to accommodate this interest.

Attached to this Order in Appendix A is a mailing list representing all of the interests who appeared at the pre-hearing conference. The mailing list is separated by utility company. For this proceeding each party that requests data or information of a utility company will also forward a copy of the request to all of the parties listed for that particular company. For instance, under Kentucky Power Company, there are nine parties identified that must receive a copy of the request. It is understood that this list may need to be updated occasionally. It will be the responsibility of the Commission staff to update this list and make certain that all concerned parties are informed of any changes to it.

The Commission finds it unreasonable to require the utility company to provide the response to a request for information to all parties on the mailing list. Some intervenors would likely be receiving information that they were not interested in or already had. In addition, the Commission recognizes the awkward position in which it finds itself if an intervenor presents testimony based on information it has obtained through these discovery rules, but which the Commission did not possess.

Therefore, the Commission finds it reasonable that a response to a request for data or information by a utility should be provided to the party requesting the information according to the rules established in the previous Order in this case. The expense of copying the information will be borne by the party making the request. The rules should be amended so that a copy of the response should also be filed with the Secretary of this Commission. However, if the utility company is certain that the Commission already is in receipt of such information, then the utility should forward a statement detailing what was sent to the intervenor and when it was sent.

IV. PREFILING OF TESTIMONY

When prefiling testimony, the utility and intervenors in that utility's proceedings shall forward one copy of the testimony to each party listed in Appendix A for that company, except for the Secretary of this Commission who shall receive eight (8) copies.

V. MOTIONS TO INTERVENE

Two motions for leave to intervene and be made a party were filed at the pre-hearing conference. These were filed by:

1. Appalachian Research and Defense Fund in behalf of the Floyd County Citizens' Association and certain of its members.
2. Steer, Strauss and Tobias in behalf of Armco Inc.

Other participants at the pre-hearing included:

1. Attorney General's Office, Division of Consumer Intervention, which has already been given leave to intervene in Administrative Case 203.
2. Kentucky Retail Federation, Inc. which indicated it intends to file its motion to intervene soon.
3. E. K. Bristow, a member of and leader in various associations of retired persons, indicated he is investigating the possibility of seeking legal counsel so that these groups could be represented in the proceedings.
4. City Solicitor's Office of Covington which filed its motion to intervene prior to the pre-hearing and the Commission sustained this motion.
5. Northern Kentucky Legal Aid, Inc. which represents low income consumers of northern Kentucky indicated they would file a motion to intervene soon.

The Commission is pleased to see the interest in its proceedings. The Commission will entertain any of the motions mentioned above or similar motions when they are filed.

In accordance with its position announced informally, the Commission is denying requests (5) and (6) on page 2 of the motion to intervene by the Appalachian Research and Defense Fund of Kentucky, Inc. The Commission's position with regard to compensation to intervenors has been expressed in correspondence between the Commission and the Appalachian Research and Defense Fund and also it was expressed publicly in the Commission document entitled Energy Regulatory Commission PURPA Consideration

Procedures and Schedule For Sections 111 and 114. The Commission has determined that the Attorney General's Division of Consumer Intervention is an "alternative means" of insuring representation of consumers' interests in this proceeding.

VI. OTHER AMENDMENTS TO DECEMBER 15, 1980 ORDER

The Commission is hereby amending its December 15, 1980 Order in this case. On page 6 under Section 3 entitled the Average or Embedded Costs, two more questions are to be included. Between 3(b) and 3(c) include the following question:

3.(b1) How does this method functionalize costs between production, transmission, distribution and other functions?

Between 3(c) and 3(d) include the following question:

3.(c1) How does this method allocate costs across the rate classes?

ORDERS

On the basis of the matters hereinbefore set forth and the evidentiary record in this case: The Commission hereby ORDERS that the rules for discovery of information detailed in Section III of its December 15, 1980 Order be changed as specified in Section III of this Order.

It is FURTHER ORDERED that the prefiling of testimony be handled as described in Section IV of this Order.

IT IS FURTHER ORDERED that Section IV of the December 15, 1980 Order be amended as specified in Section VI of this Order.

It is FURTHER ORDERED that Armco, Inc. is hereby granted leave to intervene in this proceeding.

It is FURTHER ORDERED that City Solicitor's Office of Covington is hereby granted leave to intervene in this proceeding.

It is FURTHER ORDERED that the Floyd County Citizens' Association's Motion for Leave to Intervene is sustained as to requests 1-4 and denied as to requests 5-6 regarding compensation.

Done at Frankfort, Kentucky, this 2nd day of February, 1981.

ENERGY REGULATORY COMMISSION

~~_____~~
Chairman

~~_____~~
Vice Chairman

~~_____~~
Commissioner

ATTEST:

Secretary

APPENDIX A

Kentucky Power Company

1. Mr. Robert B. Bibb
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