

## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

## In the Matter of:

SETTING RATES AND TERMS
AND CONDITIONS OF PURCHASE OF ELECTRIC POWER
FROM SMALL POWER PRODUCER
AND COGENERATOR BY
REGULATED ELECTRIC
UTILITIES

CASE NO. 8566

(A) Kentucky Power Company

(B) Kentucky Utilities Company

(C) Berea College Electric Utility (D) Louisville Gas and Electric

Company
(E) Union Light, Heat and Power
Company

(F) Big Rivers Electric Corporation, Green River Electric Corporation, Henderson-Union RECC, Meade County RECC, Jackson Purchase Electric Corporation

(G) East Kentucky Power Cooperative, Inc., Big Sandy RECC, Bluegrass RECC, Clark RECC, Cumberland Valley RECC, Farmers RECC, Fleming-Mason RECC, Fox Creek RECC, Grayson RECC, Harrison RECC, Inter-County RECC, Jackson County RECC, Licking Valley RECC, Nolin RECC, Owen County RECC, Salt River RECC, Shelby RECC, South Kentucky RECC, Taylor County RECC

## ORDER

On October 22, 1982, the Union Light, Heat and Power Company (ULH&P) filed with the Commission a motion for written comments and staff conference. The motion requested the Commission staff to provide written comments and then meet informally with the parties to the proceeding. The Commission, having considered and being advised, is of the opinion that the procedure described in the ULH&P motion would not be very productive. Therefore, the Commission denies the motion.

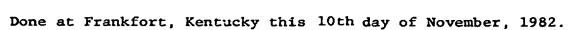
The Commission is aware that the issues addressed are new, technical and complicated, and that it needs a procedure to complete its consideration in this proceeding. The Commission is of the opinion that the procedure utilized in Administrative Case 203, The Determinations with Respect to the Ratemaking Standards Identified in Section 111(d)(1)-(6) of the Public Utility Regulatory Policies Act of 1978, is preferred to that proposed by ULH&P. The procedure would be for the Commission to issue a draft Order and then allow approximately three weeks for comments from all parties. After consideration of the comments, a final Order will be issued.

ULH&P in its motion addresses the type of procedure the Commission prefers. The motion states that the procedure "would place a very onerous burden on the Company, or any other party, to convince the Commission that a change is warranted." The Commission's experience with this procedure in Administrative Case 203 does not support the motion's claim. After the parties commented on the draft Order, there were several significant changes and modifications made in the final Order.

IT IS THEREFORE ORDERED that the ULH&P motion be and it hereby is denied.

IT IS FURTHER ORDERED that the following procedure be and it hereby is adopted to complete the Commission's consideration in this proceeding: the Commission shall prepare a draft Order to which all parties shall comment in a timely manner. Then, after consideration of all the comments, a final Order will be issued.





By the Commission

Chairman

Vide Chairman

Commissioner

ATTEST:

Secretary