

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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|----------------------------|---|-----------------------|
| SETTING RATES AND TERMS |) | |
| AND CONDITIONS OF PUR- |) | |
| CHASE OF ELECTRIC POWER |) | CASE NO. 8566-C and F |
| FROM SMALL POWER PRODUCERS |) | |
| AND COGENERATORS BY REGU- |) | |
| LATED ELECTRIC UTILITIES |) | |

O R D E R

On September 28, 1982, the Kentucky Utilities Company ("KU") filed motions for leave to intervene, waiver of prefiling directive and postponement of hearing with respect to both the Berea College Electric Utility ("Berea") and Jackson Purchase Electric Corporation ("Jackson Purchase") proceedings in the above styled matter.

The KU pleadings are wrought with serious misunderstanding of the issues. For instance, in items 6 and 7 of the KU Motion to Intervene, KU addresses itself to "any attempt by the Kentucky Commission to either require or permit" Berea or Jackson Purchase to purchase power from outside sources or supplies. There is no such attempt by this Commission; rather, Section 210 of the Public Utility Regulatory Policies Act of 1978 requires all electric utilities, including Berea and Jackson Purchase, to purchase power from qualifying facilities. However, the rules adopted by the FERC pursuant to Section 210 require every state to implement those rules in order to encourage cogeneration and small power production.

In the KU motions for waiver of prefiling directive in both Berea and Jackson Purchase cases, KU contends that the Commission has not clarified its position on how it intends to deal with an electric distribution system without generation and therefore it does not know what questions and issues to present in prefiled testimony. In its July 22, 1982, Order in this proceeding the Commission's position with respect to distribution companies was explicitly stated. It is that the distribution companies are responsible for purchasing power from qualifying facilities. This position was reaffirmed in its September 13, 1982, Order responding to a Big Rivers Electric Corporation motion. In addition, the Commission's Order of July 22, 1982, specified the issues to be addressed in prefiled testimony and deadlines for filing intervenor testimony, and provided a schedule of hearings.

In conclusion, the Commission sees no reason to sustain KU's motions for waiver of prefiling directive or postponement of hearing. The Commission does sustain KU's motion for leave to intervene. However, the intervention will be limited to the cross-examination of witnesses with respect to the issues specified in the Commission's Order of July 22, 1982.

IT IS THEREFORE ORDERED that the Motions of KU for waiver of prefiling directive and postponement of hearing be and they hereby are denied.

IT IS FURTHER ORDERED that the Motions of KU for leave to intervene in both the Berea and Jackson Purchase hearings on the

above styled matter be and they hereby are sustained. However, the intervention will be limited to cross-examination of witnesses with respect to the previously specified issues.

Done at Frankfort, Kentucky, this 29th day of September, 1982

PUBLIC SERVICE COMMISSION

Marlin M. Cook
Chairman

Katherine Randall
Vice Chairman

Tom Carver
Commissioner

ATTEST:

Secretary