

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

SETTING RATES AND TERMS)	CASE NO. 8566
AND CONDITIONS OF PUR-)	(F) Big Rivers Electric Corporation,
CHASE OF ELECTRIC POWER)	Green River Electric Corporation,
FROM SMALL POWER PRODUCER)	Henderson-Union RECC, Meade
AND COGENERATOR BY REGU-)	County RECC, Jackson Purchase
LATED ELECTRIC UTILITIES)	Electric Corporation

On August 27, 1982, the Big Rivers Electric Corporation ("Big Rivers") on behalf of itself and its four member distribution cooperatives (Henderson-Union Rural Electric Cooperative Corporation, Green River Electric Corporation, Meade County Rural Electric Cooperative Corporation, and Jackson Purchase Electric Cooperative Corporation) filed a motion requesting the Commission to apply to the Federal Energy Regulatory Commission ("FERC") for a waiver of several FERC cogeneration and small power production regulations. 18 C.F.R. §292.403. In particular, Big Rivers has requested that this Commission apply to FERC for a waiver of the requirement that Big Rivers must sell electricity to qualifying facilities and that the Big Rivers member distribution cooperatives must purchase the output of qualifying facilities.

Big Rivers has no certified retail service territory pursuant to KRS 278.016. The Commission agrees that the member distribution cooperatives, and not Big Rivers, should sell electri-

city to small power producing and cogeneration facilities. This avoids the possible loss of tax exempt status as well as other corporate organization problems raised by Big Rivers.

The Commission disagrees that it is necessary for Big Rivers to purchase the power from the qualifying facilities. Big Rivers presently supplies power supply planning and coordination services to the member distribution cooperatives and can continue to do so when the member distribution cooperatives begin to purchase power from the qualifying facilities. There is no reason for the member distribution cooperatives to duplicate the resources required to perform these services.

The Commission is of the opinion that the waiver from FERC proposed by Big Rivers is not necessary. Further, the Commission finds that the member distribution cooperatives should purchase power from and sell power to small power producers and cogenerators.

IT IS THEREFORE ORDERED that the Motion of Big Rivers and its member distribution cooperatives for this Commission to seek a waiver from FERC pursuant to 18 C.F.R. §292.403 be and it hereby is denied.

IT IS FURTHER ORDERED that the Big Rivers member distribution cooperatives shall purchase power from and sell power to any qualifying small power producer or cogenerator within their certified retail territories.

Done at Frankfort, Kentucky, this 13th day of September, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

Katherine Randall
Vice Chairman

Dent Carrigan
Commissioner

ATTEST:

Secretary