

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RESIDENTIAL CONSERVATION SERVICE)
PLAN FOR KENTUCKY UNDER THE) ADMIN. CASE NO. 245(5)
NATIONAL ENERGY CONSERVATION)
POLICY ACT OF 1978)

RECOMMENDATION RE REQUEST OF
GREEN RIVER ELECTRIC CORPORATION
FOR A TEMPORARY PROGRAM UNDER THE
PROVISIONS OF THE NATIONAL ENERGY
CONSERVATION POLICY ACT OF 1978
AND THE KENTUCKY RESIDENTIAL
CONSERVATION SERVICE PLAN

Green River Electric Corporation of Owensboro, Kentucky, (Green River) has filed a copy of its proposed application for a temporary program exemption from certain of the requirements of Section 215 of the National Energy Conservation Policy Act, P.L. 95-619 (NECPA) and the Residential Conservation Service Plan prepared by this commission pursuant to the NECPA mandate. Green River has asked that we support its temporary program request by making a favorable recommendation to the United States Department of Energy.

Green River is a rural electric distribution cooperative which serves some 20,000 residential consumers in a seven-county area of rural western Kentucky. The commission is familiar with Green River's unusual industrial load (which consumes 91% of the electricity sold by Green River) and the problems Green River has

encountered because of that load. With respect to the National Energy Act, Green River's kilowatt hour sales exceed the coverage threshold of NECPA and the Public Utility Regulatory Policy Act of 1978, Title I, solely because of sales to its industrial consumers. This commission has previously supported Green River's successful effort to obtain exemption from some of its obligations under PURPA, and its early effort to substitute the Rural Electrification Administration conservation program for the RCS program.

There is no objective methodology by which the commission can measure the effect of Green River's temporary program on the success of its conservation program. The departures from the Kentucky RCS plan proposed by Green River are not substantial. For example, even with the proposed changes in the program audit, Green River's audit program and techniques will remain subject to commission review to assure the validity of the results. Some of the proposed changes, such as increasing the number of program announcement mailings and eliminating the audit fee, should enhance the success of the program.

Green River is a small electric distribution cooperative which, under normal circumstances, would not be covered by NECPA. The commission finds that the temporary program proposed by it is reasonable and will result in the installation of program measures in at least as many residential buildings as would have been installed had Green River not been exempt from the requirements

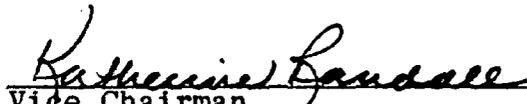
for which exemption is sought, [NECPA §218(d)(3); 10 CFR §456.207(e)(3)] while arguably reducing the costs to Green River's consumers of implementing the program.

The commission therefore recommends to the Assistant Secretary for Conservation and Renewable Energy of the United States Department of Energy that the temporary program proposal of Green River be approved for a period not to exceed three years.

Done at Frankfort, Kentucky, this 18th day of January, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary