

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO KENTUCKY'S PRESENT )  
AND FUTURE ELECTRIC NEEDS AND THE ) ADMINISTRATIVE  
ALTERNATIVES FOR MEETING THOSE NEEDS ) CASE NO. 308

O R D E R

In the October 9, 1986, Order which established this case, the Commission stated that it has two fundamental objectives in this inquiry. First, to examine all reasonable planning options and determine which of them might be cost-effective in Kentucky. Secondly, to develop a regulation that provides for the regular review of resource planning issues. In order to initiate this inquiry the Commission believes it should begin the preparation of a regulation to address these matters. The Commission finds that it is appropriate to place the emphasis on the preparation of a regulation for two reasons. First, a well thought out regulation will formalize the preparation, filing, review and analysis of the information which is necessary for this type of inquiry. Second, the Commission has determined that its first objective will also be furthered because the public scrutiny that goes along with the preparation and approval of a regulation assures that the appropriate consideration of alternative planning options will be identified during the process.

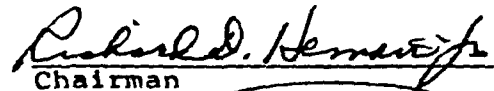
The Commission also believes that the assistance of a consultant to prepare a regulation would be valuable at this time. The consultant could review similar regulations and proposals in other states and determine which have been more successful than others and why. The consultant could help determine which provisions would best fit the specific circumstances in Kentucky and therefore be incorporated into a proposed regulation. The consultant could assist in the formulation of other innovative ideas, information and analysis which would be useful to include in a regulation. Also, a carefully selected consultant would add to the objectivity of the process and could provide a commitment to prepare the regulation in a timely manner.

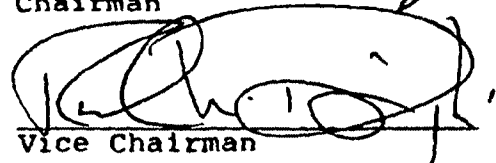
The Commission has previously indicated the need for this effort to "be carried out in as constructive and cooperative a spirit as possible." The Commission believes this can be accomplished by the creation of a task force to prepare a request for consultant's proposals ("RFP") for Commission approval. The task force would include representatives from the Attorney General's Utility and Rate Intervention Division, the utility companies, consumer groups and Commission staff. The Commission further believes that a conference to discuss these suggestions is appropriate. At the conference the subjects to be discussed would be the need for and the appropriate role of a consultant and, if it is agreed a consultant is needed, the desirability of creating a task force, as well as suggestions for membership and the role of a task force.

IT IS THEREFORE ORDERED that a conference to discuss the subjects described herein is scheduled for March 10, 1987, at 9:30 a.m., Eastern Standard Time, in the Commission's hearing room at Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 19th day of February, 1987.'

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director