COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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PADDLEWHEEL ALLIANCE OF LOUISVILLE AND
UTILITY RATECUTTERS OF KENTUCKY, INC.

COMPLAINANTS

V.

CASE NO. 9854

LOUISVILLE GAS AND ELECTRIC COMPANY

DEFENDANT

ORDER TO SATISFY OR ANSWER

Louisville Gas and Electric Company ("LG&E") is hereby notified that it has been named as Defendant in a formal complaint filed on January 13, 1987, a copy of which is attached hereto. Paddlewheel Alliance of Louisville, Kentucky, ("PWA") and the Utility Ratecutters of Kentucky, Inc., ("URCK") filed a complaint against LG&E regarding LG&E's decision to retire Cane Run Unit No.

3. PWA requests "that the Commission order LG&E to not retire Cane Run Unit No. 3 until the Commission investigates, either on its own or by hiring an independent consultant of the Commission's choice, whether Cane Run No. 3 is no longer of service to LG&E's customers." (Complaint, page 2). The complaint also raised the issue of possible rehabilitation of Cane Run Units No. 1 and No. 2.

Upon review of the complaint and the issues raised therein, the Commission believes that to resolve this complaint and to determine if a Commission investigation is warranted LG&E should

respond. Also, LG&E should provide a detailed explanation of its current plans for Cane Run Unit No. 3 and any studies which support LG&E's plans. LG&E should also provide a detailed explanation of its decision to retire Cane Run Units No. 1 and No. 2 and any studies which supported this decision, as well as any studies or information which relate to the possible rehabilitation of these retired units. Finally, LG&E should provide any additional information which it believes would assist the Commission in determining whether an investigation is warranted.

IT IS THEREFORE ORDERED that:

- 1. LG&E shall satisfy the matters complained of herein or file a written answer to the complaint within 10 days from receipt of this Order pursuant to 807 KAR 5:001, Section 12.
- 2. LG&E shall provide the other information described herein within 30 days from receipt of this Order.

Done at Frankfort, Kentucky, this 4th day of February, 1987.

PUBLIC SERVICE COMMISSION

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Vice Chairman

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ATTEST: