

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INDUSTRIAL POWER AGREEMENT)
FILING BETWEEN SHELBY RURAL)
ELECTRIC COOPERATIVE CORPORATION)
AND THE BEKAERT CORPORATION) CASE NO. 90-407

O R D E R

By Order dated March 14, 1991, the Commission denied approval of a proposed Industrial Power Agreement ("Agreement") between Shelby Rural Electric Cooperative Corporation ("Shelby") and the Bekaert Corporation ("Bekaert"). Therein, the Commission found that the Agreement did not adequately provide for reimbursement to East Kentucky Power Cooperative, Inc. ("East Kentucky"), Shelby's wholesale power supplier, for its investment of approximately \$500,000 in substation and transmission facilities specifically constructed to serve Bekaert. The Commission indicated approval would be granted when the Agreement was modified to include a financial guarantee from Bekaert for reimbursement to East Kentucky.

On April 3, 1991, Shelby filed a motion for rehearing of the Commission's decision. Therein, Shelby contends that the Commission erred in concluding that a substation was being constructed primarily to serve Bekaert. Shelby's motion indicates that the existing substation's capacity is inadequate to serve the load projected for this summer and that a new substation is needed

to meet existing load and serve another new industry that will locate in the area.

Based on the motion and being advised, the Commission hereby finds that a rehearing should be granted. The Commission further finds that Shelby makes general references to substation capacity and projected demands in support of its motion that warrant further review.

IT IS THEREFORE ORDERED that:

1. Shelby's motion for rehearing be and it hereby is granted.

2. Shelby shall provide, no later than May 10, 1991, an original and ten copies of the following information:

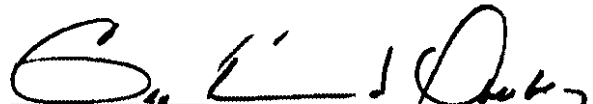
a. The peak demands on the Logan substation for each year from 1988 through 1990.

b. A detailed analysis of the Logan substation's 1991 projected demand showing the customer-specific demands which make up the total substation demand of 17 to 20 MVA. Include narrative explanations and descriptions as needed.


c. A detailed comparison of the projected 1991 demand and the actual 1990 demand on the Logan substation which shows the specific demand increases and/or additions which account for the difference between the two demands. Include narrative explanations and descriptions as needed.

Done at Frankfort, Kentucky, this 22nd day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director