

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE TARIFF FILING)	CASE NO.
BY BIG RIVERS ELECTRIC CORPORATION)	2002-00347
TO IMPLEMENT KRS 278.214)	

O R D E R

On September 27, 2002, the Commission entered its Order suspending the tariff of Big Rivers Electric Corporation (Big Rivers) and requiring the submission of certain information pertaining to the tariff. The tariff in question was filed in conjunction with Big Rivers efforts to adopt the transmission priority requirements set forth in KRS 278.214. The September 27, 2002 Order required Big Rivers to file, no later than October 21, 2002, a request for an evidentiary hearing, together with prefiled direct testimony, or a waiver of its right to such hearing and a suggested schedule for briefs. On October 7, 2002, the Commission granted intervention to Kentucky Industrial Utility Customers, Inc. (KIUC). To date, no request for a hearing has been received.

Big Rivers response to the September 27, 2002 Order states, among other things, that it does not believe either an evidentiary hearing or briefing schedule is required. It waives its right to an evidentiary hearing in this matter and states that its tariff filing complies with KRS 278.214. To date, no response to Big Rivers filing or request for hearing has been filed by KIUC.

KRS 278.214, enacted by the 2002 General Assembly, provides as follows:

When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission

cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

KRS 278.214.

Big Rivers states that the tariff suspended in this matter was not filed to implement the requirements of KRS 278.214 or to establish curtailment priorities. Instead, the proposed tariff addresses procedures to be used to restore the system during an emergency, clarifying that sectionalizing fault line sections will be done in a manner that will minimize disruption of wholesale power to Big Rivers member distribution cooperatives. Big Rivers also states that its Open Access Transmission Tariff (OATT), which is subject to our jurisdiction but is on file with the Federal Energy Regulatory Commission (FERC), has been revised to directly implement the provisions of KRS 278.214 by providing that wholesale transactions to non-native load customers and to interruptible customers will be curtailed prior to transactions for native load customers.

Big Rivers explains that its Kentucky tariff provision for minimizing impacts to the extent practical simply takes into account the technical reality that a given emergency condition might be resolvable only by the sectionalization of certain lines; thus, curtailment only of non-member transactions might not be possible. A review of Big Rivers OATT, specifically Revised Sheet Nos. 42, 43, 43a, 52, 53, and 53a, indicates that service to native load retail customers is afforded the transmission priority required under KRS 278.214.

Based on the foregoing, the Commission finds that Big Rivers has established sufficient support for the reasonableness of its Kentucky tariff and its revised OATT and that Big Rivers is in full compliance with KRS 278. 214.

IT IS THEREFORE ORDERED that:

1. Big Rivers Tariff PSC No. 22, First Revised Sheet Nos. 7-9A, is effective as of the date of this Order.
2. Big Rivers Revised OATT, specifically Revised Sheet Nos. 42, 43, 43a, 52, 53, and 53a, are approved as in compliance with KRS 278.214.
3. This case is closed and is removed from the Commission s docket.

Done at Frankfort, Kentucky, this 6th day of February, 2003.

By the Commission

ATTEST:


Executive Director