

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
REVISED SPECIAL CONTRACT WITH)
NORTH AMERICAN STAINLESS, L.P.) CASE NO. 2003-00137

O R D E R

On March 31, 2003, Kentucky Utilities Company ("KU") filed a revised special contract for electric service to North American Stainless, L.P. ("NAS") for use at its steel mill melt shop in Carrollton, Kentucky. The revised contract was intended to supersede the parties' original contract dated July 24, 2000 and was requested to be effective retroactively to June 1, 2002. Based on a review of the revised contract, the Commission found that, except for the retroactive effective date, all other terms and conditions were reasonable. With respect to the retroactive effective date, the Commission found that the contract proposed changes in rates and that, pursuant to KRS 278.180(1), changes in rates can be made prospectively only. Consequently, the Commission's April 28, 2003 Order accepted and approved the revised contract to be effective prospectively only.

NAS subsequently filed a petition for rehearing, claiming that the original contract was the result of a mutual mistake on the part of KU and NAS, and that under such circumstances the revised contract could properly be made effective retroactively. By Order dated June 2, 2003, the Commission granted NAS's petition for rehearing on the basis that the evidentiary record needed to be further developed to determine whether

the revised contract should be effective beginning June 1, 2002. In granting rehearing, the Commission required KU to file additional information and subsequently held an informal conference on July 2, 2003. At the informal conference, the parties indicated a general agreement as to most of the operative facts, and suggested that a stipulation of facts could be developed and filed with the Commission. Although a significant amount of time has passed since that informal conference, no stipulation of facts has been filed. Therefore, the Commission finds that a procedural schedule should be established to process this rehearing.

IT IS THEREFORE ORDERED that the procedural schedule set forth in Appendix A hereto shall be followed in this case.

Done at Frankfort, Kentucky, this 23rd day of January, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00137 DATED January 23, 2004

KU and NAS shall file direct testimony
in verified prepared form no later than..... 02/03/04

All requests for information to KU and
NAS shall be filed no later than 02/13/04

KU and NAS shall file responses to
requests for information no later than..... 02/24/04

Public hearing To be scheduled