

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP. FOR)	
ACCEPTANCE AND EXPEDITED)	CASE NO.
IMPLEMENTATION OF AN AMENDMENT TO)	2009-00142
SPECIAL WHOLESALE CONTRACT FOR THE)	
SALE OF TIER 3 ENERGY)	

O R D E R

Kenergy Corp. ("Kenergy") is an electric distribution cooperative organized under KRS Chapter 279. Kenergy purchases power at wholesale from Big Rivers Electric Corporation ("Big Rivers") under the terms of a long-term contract, except for certain quantities of power purchased at market rates for resale to Kenergy's two largest customers, Alcan Primary Products Corporation ("Alcan") and Century Aluminum of Kentucky General Partnership ("Century"). Kenergy's sale of market power to Alcan and Century is known as TIER 3 Energy. On November 29, 2007, Kenergy and Big Rivers entered into two special wholesale contracts in which Big Rivers agreed to sell and Kenergy agreed to purchase in 2008 certain volumes of TIER 3 Energy. One of the wholesale contracts is for TIER 3 Energy to be resold to Alcan, and the other contract is for TIER 3 Energy to be resold to Century.

On March 27, 2009, Kenergy filed an amendment to the wholesale contract involving the resale of TIER 3 Energy to Century. The wholesale contract amendment is designated as Amendment to Agreement for Tier 3 Energy (Century). The

amendment to the wholesale contract consists of two documents: (1) a Consent signed by Century agreeing to the amendment; and (2) the wholesale contract amendment.

Because Century plans to shut down one of its aluminum production potlines at its Hawesville facility, Kenergy and Big Rivers entered into the instant amendment establishing certain curtailment provisions in order to provide Kenergy opportunities for added flexibility and economy in serving Century. The details of this amendment are as follows:

1. Kenergy may designate all or any portion of Block A Energy, Block B Energy, or Block A-1 Energy which Big Rivers is otherwise obligated to deliver to Kenergy as "Customer Curtailed Energy."

2. If Kenergy designates an amount of energy as Customer Curtailed Energy, Big Rivers will attempt to market that energy into the wholesale power market on a day-ahead basis.

3. Big Rivers agrees to make the following credits to an invoice issued to Kenergy under this contract for any billing month during which Kenergy has made Customer Curtailed Energy available to Big Rivers for sale into the wholesale power market:

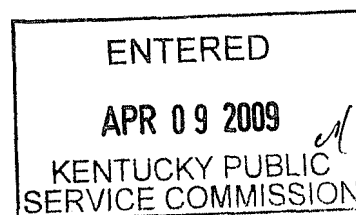
- a. \$20.327 per MWh; and
- b. All proceeds received by Big Rivers from the sale of the Customer Curtailed Energy into the wholesale power market, net of all costs incurred by Big Rivers in making that sale.

Pursuant to KRS 278.180(1), Kenergy must give the Commission 30 days' notice prior to implementing this amendment to the special wholesale contract for the resale of

TIER 3 Energy. Kenergy has requested that the notice period be reduced, as permitted by the statute. Since the retail customer affected by this amendment has consented in writing to all of the contract terms, the Commission finds good cause to reduce the notice period to 20 days. Consequently, the contract amendment will be accepted to become effective on April 16, 2009.

IT IS THEREFORE ORDERED that the amendment to Kenergy's special wholesale contract with Big Rivers for the purchase of TIER 3 Energy for resale to Century is accepted for service effective April 16, 2009.

By the Commission



ATTEST:



Executive Director

Honorable Frank N King, Jr.
Attorney at Law
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