

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION AND REVIEW OF )  
LOUISVILLE GAS AND ELECTRIC )  
COMPANY'S CAPACITY EXPANSION ) CASE NO. 9243  
STUDY AND THE NEED FOR TRIMBLE )  
COUNTY UNIT NO. 1 )

O R D E R

On November 4, 1985, Louisville Gas and Electric Company ("LG&E") filed a petition for rehearing of the Commission's Order entered October 14, 1985, where LG&E was ordered to delay the completion of Trimble County Unit No. 1 for at least 3 years. In its petition LG&E requested authorization to continue construction on its Trimble County Unit No. 1 so as to achieve a 1989 start up date or, alternatively, to plan its construction on a date certain but no later than 1991. LG&E also requested that it be allowed to submit its detailed action plan within 60 days of the date of a final Order on rehearing instead of the October 14, 1985, Order.

Responses in opposition to LG&E's petition for rehearing were filed by Consumer Advocacy Groups ("CAG"), Kentucky Industrial Utility Consumers ("KIUC"), and the Attorney General's Office ("AG").

LG&E alleges that it was denied procedural due process because the Commission based its findings on a report that LG&E

was not given an opportunity to cross-examine or respond to. LG&E argues that the report prepared by the Kentucky Joint Committee on Electric Power Planning Coordination entitled Summary of Loads, Capacities and Capacity Margins of the Member Companies provided the sole support for the "linchpin finding" of the Commission that LG&E did not need Trimble County Unit No. 1 in 1988. The Commission finds that LG&E's argument is based on a misinterpretation of the Order by singling out the Commission's reference to the report to the exclusion of all the other evidence. There is sufficient evidence without the report to sustain the Commission's finding that the Trimble County unit is not needed in 1988 and that a delay of at least 3 years is appropriate. Therefore, the Commission finds that there is no need to allow a rehearing to investigate all of the details of the report.

The Commission finds, however, that additional information is required to appropriately consider LG&E's request for a date certain for use in planning its construction of Trimble County Unit No. 1. Also the Commission notes that LG&E has recently filed a request for authorization to issue tax-exempt pollution control revenue bonds. The application alleges that the Commission must establish a date certain for the completion of Trimble County Unit No. 1 for the proposed financing to qualify for tax-exempt status under the Internal Revenue Service regulations. LG&E should provide to parties in this proceeding copies of all documents filed in Case No. 9460, Application Of Louisville Gas And Electric Company For An Order Authorizing The

Issue Of Securities And Assumption Of Obligations. All parties should have an opportunity to provide written comments concerning LG&E's request for a date certain to complete construction and to obtain tax-exempt financing. Also, since LG&E's detailed action plans on how it will accomplish the delay in construction will depend upon a decision of whether a specific date should be provided, the Commission finds that the time for LG&E to submit its action plan should be 60 days from the date of a final Order.

ORDERS

IT IS THEREFORE ORDERED that:

1. LG&E's request for rehearing on the issue of its need for a date certain to use in planning its construction of Trimble County Unit No. 1 and to obtain tax-exempt financing be and it hereby is granted. All parties shall have until January 6, 1986, to file comments on the appropriateness of establishing a date certain for the completion of Trimble County Unit No. 1 construction.

2. That portion of the Commission's Order entered October 14, 1985 requiring LG&E to file within 60 days a detailed action plan to accomplish a delay in the completion of Trimble County Unit No. 1 be and it hereby is modified to require the filing of the detailed action plan within 60 days of the date of a final Order in this proceeding.

3. All other issues set forth in LG&E's petition be and they hereby are denied.

Done at Frankfort, Kentucky, this 25th day of November, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Tompkins  
Chairman

[Signature]  
Vice Chairman

Spencer N. Willson  
Commissioner

ATTEST:

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Secretary