

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FUEL)
PROCUREMENT PRACTICES OF KENTUCKY) CASE NO. 9631
UTILITIES COMPANY)

O R D E R

On October 27, 1988, the Attorney General's Office, Utility and Rate Intervention Division ("AG"), filed a motion requesting the Commission to compel the consulting firm of RCG/Hagler, Bailly, Inc. ("Consultant") to provide full and complete responses to the AG's Request For Information, Item Nos. 3, 11, and 12.

In Item No. 3, the AG sought production of the Consultant's time sheets showing the time charged by each individual to the Kentucky Utilities Company ("KU") fuel investigation and the time charged to other projects during the course of the fuel investigation. The Consultant objected to the AG's request on the grounds of confidentiality but did provide a summary of billed and non-billed hours for each individual engaged in the fuel investigation.

In Item Nos. 11 and 12 the AG sought production of all correspondences and communications between the Consultant and KU from January 1, 1985 to the present. The Consultant provided all such documents since October 1, 1987 and stated that there is no record of any prior documents related to Energy and Resource

Consultants, Inc. ("ERC"), and KU. The Consultant's response explained that ERC was the entity hired by the Commission to perform the KU fuel investigation but on September 30, 1987 ERC merged with RCG/Hagler/Bailly, Inc. The AG's motion states that the object of its discovery is the relationship, if any, between KU and RCG/Hagler, Bailly, Inc. prior to its merger with ERC. The discovery is intended to explore the impartiality of RCG/Hagler, Bailly, Inc.

Based on the AG's motion and being advised, the Commission is of the opinion and hereby finds that the Consultant should be required to provide the time sheets requested by the AG. However, the Consultant may obliterate the name of any client that must not be disclosed pursuant to the terms of a specific confidentiality agreement with that client. The Commission further finds that the correspondences and communications between RCG/Hagler, Bailly, Inc., and KU from October 1, 1985 and September 30, 1987 are relevant to show the existence of potential conflicts of interests and, therefore, should be provided.

IT IS THEREFORE ORDERED that the Consultant shall file within 10 days of the date of this Order the time sheets, correspondences, and communications sought by the AG's Request for Information, Item Nos. 3, 11, and 12 subject to the terms of any confidentiality agreements prohibiting the disclosure of clients' names.

Done at Frankfort, Kentucky, this 9th day of November, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Weman, Jr.
Chairman

Robert M. Davis
Vice Chairman

Spencer N. Williams, Jr.
Commissioner

ATTEST:

Executive Director