COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF BIG RIVERS CORPORATION'S WHOLESALE POWER CONTRACT WITH HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.	))))	CASE NO. 93-163

O R D E R

On April 6, 1993, Big Rivers Electric Corporation ("Big Rivers") filed a wholesale power contract for the sale of peaking capacity and energy from the Wilson Generating Plant Unit No. 1 ("Wilson") to Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier Energy") commencing June 1, 1993.

Based on a review of the contract and being advised, the Commission hereby finds that it is necessary to conduct an investigation to determine the reasonableness of the contract and such investigation cannot be concluded prior to the effective date.

IT IS THEREFORE ORDERED that:

1. Big Rivers' proposed power contract with Hoosier Energy be and it hereby is suspended for five months up to and including October 31, 1993.

2. Within 10 days of the date of this Order, Big Rivers shall file an original and 10 copies of its responses to the request for information set forth in Appendix A. Each copy of the data requested should be placed in a bound volume with each item tabbed. When numerous sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of

6. Careful attention should be given to copied material to ensure that it is legible.

Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 30th day of April, 1993.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-163 DATED APRIL 30, 1993

1. Provide a dated and executed copy of the power sale contract with Hoosier Energy or a detailed explanation as to why the contract has not yet been executed.

2. Provide a schedule showing through 1999 the annual off system sales revenue targets contained in the Workout Plan and the off system sales revenue expected to be received from Hoosier Energy from the proposed sale of Wilson unit peaking capacity. Provide a detailed explanation of how the shortfall, if any, will be recovered.

3. The load and resource information set forth in Big Rivers' 1991 Integrated Resource Plan, Table 7.2a, indicates that the capacity sale to Hoosier Energy would result in a 12.9 percent reserve margin for Big Rivers in 1999. Provide a detailed explanation of Big Rivers' annual reserve margin criteria through 1999 and discuss the limitations that the Hoosier Energy sale will place on Big Rivers' ability to make higher load factor capacity sales during this period for durations longer than the four months of June through September.

4. The proposed sale to Hoosier Energy of Wilson unit peaking capacity when combined with the prior sale to Hoosier Energy of the 65 MW Reid Combustion Turbine peaking capacity, results in 235 MW of peaking capacity being sold to Hoosier Energy by 1999. Provide a detailed explanation of Hoosier Energy's need for this quantity of peaking capacity and how Big Rivers fits into Hoosier Energy's long-term resource plans.