

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On August 19, 1993, the Kentucky Industrial Utility Customers and the Attorney General's Office, Utility and Rate Intervention Division, filed a joint motion requesting the Commission to defer the previously established procedural schedule and to hold this case in abeyance until at least January 1, 1994 to allow for a final decision on or before June 1, 1994. The motion argues that Big Rivers Electric Corporation's ("Big Rivers") pending sale of unit power from its Wilson Generating Plant ("Wilson") to Hoosier Energy Rural Electric Cooperative, Inc. ("Hoosier Energy") cannot be fully investigated until certain other issues are resolved by the Commission. Those issues allegedly include whether Big Rivers should scrub or fuel switch at Station Two during Phase I under the Clean Air Act Amendments of 1990; whether Big Rivers' proposed contract amendments to extend its purchase power agreement with the city of Henderson for Station Two are reasonable; whether Big Rivers' procurement of a coal contract with Green River Coal Company ("Green River") to supply Wilson was reasonable; whether Big Rivers could receive a higher price for the sale of power if

the Green River coal contract is rescinded; and the fact that Big Rivers' 1993 Integrated Resource Plan, which will include information on all off-system sales and purchases of power, will be filed within the month. The motion also claims that the requested delay will have no adverse impact on Big Rivers or Hoosier Energy.

On August 27, 1993, Big Rivers filed an objection to the deferral of the procedural schedule. Big Rivers states that the Commission must conclude its investigation within ten months of receipt of the Hoosier Energy contract and thus a final order must be issued by the end of February 1994. Any objections to the merits of the power sale contract, opines Big Rivers, should be raised by the intervenors in their direct testimony. Big Rivers also argues that if its power costs are lowered by terminating the Green River coal contract or Commission action in the fuel procurement investigation pending in Case No. 90-360C¹, such cost reductions would be beneficial to Big Rivers because the Hoosier Energy contract includes fixed rates. Further, Big Rivers points out that any information regarding its off-system sales and purchases were subject to discovery in this case and its compliance with the Clean Air Act Amendments of 1990 will not be affected by the Hoosier Energy contract.

Based on the motion and the objection and being advised, the Commission hereby finds that the Hoosier Energy contract was filed

¹ Case No. 90-360C, The Examination By the Public Service Commission of the Application of Big Rivers Electric Corporation from November 1, 1991 to April 30, 1992.

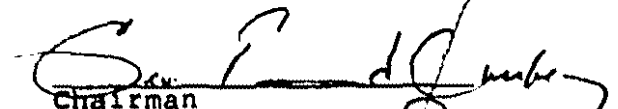
on April 6, 1993. Pursuant to KRS 278.190(3), our investigation must be concluded by February 6, 1994. In addition, it is questionable whether many of the outstanding issues cited in the motion will be resolved by early 1994. We note that a motion to defer the procedural schedule was recently filed in the Big Rivers fuel procurement investigation, Case No. 90-360C and our July 30, 1993, 1993 Order in Case No. 93-065² declined to review at this time Big Rivers' purchase power contract amendments with the City of Henderson. In any event, the motion to defer raises issues which go to the merits of the Hoosier Energy contract and those issues are more properly presented in testimony. As the procedural schedule required intervenors' testimony to be filed by August 31, 1993, a brief extension will be granted.

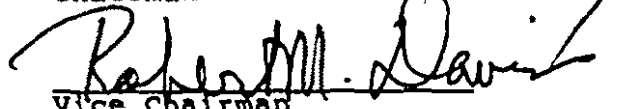
IT IS THEREFORE ORDERED that the motion to defer the procedural schedule be and it hereby is denied except that the filing date for intervenors' testimony shall be September 8, 1993.

² Case No. 93-065, City of Henderson, Kentucky, City of Henderson Utility Commission, and Big Rivers Electric Corporation Application for a Certificate of Public Convenience and Necessity and to File Plan for Compliance with Clean Air Act and Impose Environmental Surcharge.

Done at Frankfort, Kentucky, this 1st day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:



Executive Director