

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG RIVERS)
ELECTRIC CORPORATION,)
LOUISVILLE GAS AND ELECTRIC)
COMPANY, WESTERN KENTUCKY)
ENERGY CORP., WESTERN) CASE NO. 97-204
KENTUCKY LEASING CORP.,)
AND LG&E STATION TWO INC. FOR)
APPROVAL OF WHOLESALE RATE)
ADJUSTMENT FOR BIG RIVERS)
ELECTRIC CORPORATION AND FOR)
APPROVAL OF TRANSACTION)

O R D E R

On August 1, 1997, PacifiCorp Power Marketing, Inc. ("PacifiCorp") filed a motion for full intervention which states that it has a special interest in this case due to the following: 1) its status as a customer of one of Big Rivers Electric Corporation's ("Big Rivers") member distribution cooperatives; 2) its offer to lease Big Rivers' generating facilities and maintain and dispatch its transmission system, which would produce greater value for Big Rivers and its members than the transaction proposed in this case; and 3) concerns that the proposed transaction could be anticompetitive to its power marketing business.

Big Rivers, Western Kentucky Energy Corporation, Western Kentucky Leasing Corporation, LG&E Station Two, Inc., and Louisville Gas and Electric Company filed objections to the intervention, claiming that: 1) PacifiCorp's interest as a customer is already adequately represented; 2) PacifiCorp's business proposal was not accepted by the United States Bankruptcy Court, the entity with exclusive jurisdiction over Big Rivers'

plan of reorganization; and 3) any impact on competition will be in wholesale markets which are regulated by the Federal Energy Regulatory Commission, not this Commission.

Based on the motion, the objections, and being otherwise sufficiently advised, the Commission finds that intervention is typically granted to customers and there has been no showing that PacifiCorp's interest as a customer is adequately represented by any other intervenor. While the Commission may not have jurisdiction over Big Rivers' plan of reorganization, the Commission does have exclusive jurisdiction over Big Rivers' rates. To the extent that PacifiCorp can present evidence or develop issues that relate to rates, it should have an opportunity to do so. However, since this Commission's jurisdiction does not encompass wholesale sales by power marketers, any such anticompetitive issues appear to be properly raised in another forum.

IT IS THEREFORE ORDERED that:

1. PacifiCorp's motion for full intervention is granted.
2. PacifiCorp shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.
3. Should PacifiCorp file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 13th day of August, 1997.

ATTEST:



Executive Director

PUBLIC SERVICE COMMISSION



For the Commission