

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 97-209
FOR A DECREASE IN EXISTING RATES)

O R D E R

On July 1, 1997, Meade County Rural Electric Cooperative Corporation ("Meade County RECC") applied for approval of tariffs which reflect proposed reductions in the rates of its wholesale supplier Big Rivers Electric Corporation ("Big Rivers"). Meade County RECC requests that these rates be effective for service rendered on and after September 1, 1997. Since filing its application, Meade County RECC has moved for leave to revise its application to reflect a different methodology for calculating the passthrough of its wholesale power costs.

In Case No. 97-204,¹ Big Rivers has applied for, inter alia, Commission approval of interim and permanent rates for its distribution cooperatives. It has requested that its interim rates be effective for service rendered on and after September 1, 1997, and remain in place until the earlier of August 31, 1998 or the closing of its plan of reorganization. Finding that further proceedings were necessary to investigate their reasonableness, the Commission has suspended Big Rivers' proposed interim rates for one day and allowed them to become effective, subject to change, for service rendered on and after September 2, 1997. The Commission has further found that Big Rivers' interim rates should remain

¹ Case No. 97-204, The Application of Big Rivers Electric Corporation, Louisville Gas and Electric Company, Western Kentucky Energy Corp., Western 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 (filed June 30, 1997).

in effect only until the issuance of a final order determining the reasonableness of the proposed permanent rates.

Based upon its review of Meade County RECC's application and its actions in Case No. 97-204, the Commission finds that further proceedings are necessary to determine the reasonableness of Meade County RECC's proposed rates and that such proceedings cannot be completed prior to September 1, 1997. The Commission further finds that Meade County RECC customers should be allowed the benefits of the lower rates on an interim basis while the merits of the utility's application are considered. Accordingly, the Commission will suspend the interim rates for one day and allow them to become effective, subject to change, for service rendered on and after September 2, 1997. Any change will operate prospectively only, thereby eliminating any potential for retroactive adjustments.

IT IS THEREFORE ORDERED that:

1. Meade County RECC's Motion to Amend Application is granted.
2. Meade County RECC's interim rates and tariffs bearing an issue date of June 27, 1997, as revised on August 26, 1997, are suspended for one day, to be effective, subject to change, with service rendered on and after September 2, 1997.
3. Within 20 days of the date of this Order, Meade County RECC shall file its revised tariff sheets setting forth the interim rates and tariffs made effective herein with a notation at the bottom of each page reflecting the effective date and the statement, "Interim rates subject to change."

Done at Frankfort, Kentucky, this 29th day of August, 1997.

ATTEST:



Executive Director

PUBLIC SERVICE COMMISSION



For the Commission