

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER ELECTRIC )  
CORPORATION FOR A DECREASE IN ) CASE NO.  
EXISTING RATES AND FOR APPROVAL OF ) 97-219  
CONTRACTS )

O R D E R

Southwire Company and NSA, Inc. (collectively "Southwire") have applied for rehearing on the Commission's Order of May 6, 1998. Southwire argues that the Commission erroneously included in the Tier 1 and Tier 2 Rates for Smelter customers a 0.5 mill adder effective April 30, 1998. Southwire argues that Green River Electric Corporation ("Green River") and it had agreed that the adder, which Southwire agreed to pay in exchange for the LG&E Parties' commitment to assume the risk of all unforeseen cost liability associated with the fixed Tier 1 and Tier 2 rates, would not become effective until the day after the closing date of the transaction between Big Rivers Electric Corporation and the LG&E Parties. Southwire requests that the Commission modify the Order of May 6, 1998 to reflect the terms of the parties' agreement.

In our Order of April 30, 1998 in Case No. 97-204,<sup>1</sup> the Commission approved the resolution of the unforeseen cost issue in principle and without modification. Our approval included those provisions related to the effective date of the 0.5 mill adder. In our Order of May 6, 1998, we affirmed the findings and conclusions of the April 30, 1998 Order. The

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<sup>1</sup> 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.

rates set forth in the May 6, 1998 Order fail to reflect this action. This failure is the result of a clerical error. The Commission finds that the rates set forth in Appendix A to this Order accurately reflect the intent of the Commission's Orders of April 30, 1998 and May 6, 1998 and should be implemented in accordance with the terms of the May 6, 1998 Order.

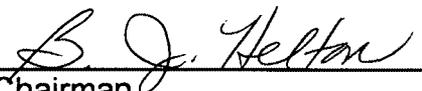
In reviewing our Order of May 6, 1998, the Commission has found other rates which, as a result of mathematical errors, incorrectly stated certain other rates for electric service provided by Green River. The rates set forth in Appendix A also correct these errors.

IT IS THEREFORE ORDERED, to be entered nunc pro tunc, that:

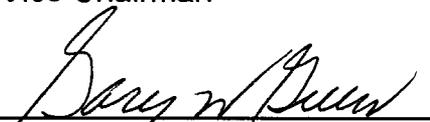
1. Appendix A to the Commission's Order of May 6, 1998 is stricken and replaced with the Appendix set forth herein.
2. All other provisions of the Commission's Order of May 6, 1998 remain in full force and effect.

Done at Frankfort, Kentucky, this 2nd day of June, 1998.

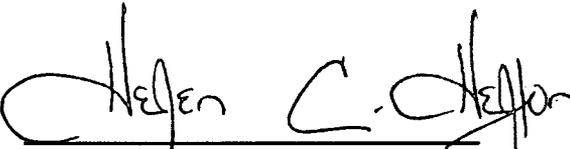
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC  
SERVICE COMMISSION IN CASE NO. 97-219 DATED 6/2/98

The following rates and charges are prescribed for the customers in the area served by Green River Electric Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RESIDENTIAL SERVICE (SINGLE PHASE & THREE PHASE)  
AND ALL OTHER SINGLE-PHASE SERVICE

Monthly Rate:

Customer Charge	\$7.91
Energy Charge per KWH	.056073

RESIDENTIAL ELECTRIC THERMAL  
STORAGE (ETS)

Monthly Rate:

Energy Charge per KWH	.033644
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COMMERCIAL, LARGE POWER AND PUBLIC BUILDINGS  
THREE-PHASE DEMAND LESS THAN 1,000 KW

Monthly Rate:

Customer Charge	\$25.00
Demand Charge per KW of billing demand	\$4.83
Energy Charges	
First 200 KWH/KW per KWH	.046496
Next 200 KWH/KW per KWH	.042098
All Over 400 KWH/KW per KWH	.040163

THREE-PHASE DEMAND – LARGE POWER  
1,000 KW AND ABOVE

Monthly Rate:

Option A – High Load Factor:	
Customer Charge	\$100.00
Demand Charges per KW of Billing Demand	\$7.80
Energy Charges:	
First 200 KWH per KW, per KWH	\$.0310
Next 200 KWH per KW, per KWH	.0255
All Over 400 KWH per KW, per KWH	.0230
Option B – Low Load Factor	
Customer Charge	\$100.00
Demand Charge per KW of Billing Demand	\$4.35
Energy Charges:	
First 150 KWH per KW, per KWH	.0399
All Over 150 KWH per KW, per KWH	.0367

STREET AND INDIVIDUAL CONSUMER LIGHTING

Monthly Rate:

175 Watt Mercury Vapor Lamps	\$7.09
250 Watt Mercury Vapor Lamps	8.20
400 Watt Mercury Vapor Lamps	9.69
100 Watt High Pressure Sodium Lamps	7.00
200 Watt High Pressure Sodium Lamps	9.75

DECORATIVE AREA LIGHTING

Monthly Rate:

	<u>Lumens</u>	<u>Rate Per Month</u>
1 Fixture	6,300	\$ 9.54
2 Fixtures	6,300 (per Lamp)	16.85

LARGE INDUSTRIAL CUSTOMERS SERVED  
UNDER SPECIAL CONTRACTS

Monthly Rate:

Commonwealth Industries and Willamette Industries	
Demand Change per KW of Billing Demand	\$10.15
Energy Charge per KWH	.014015
A-CMI and World Source	
Demand Change per KW of Billing Demand	\$10.40
Energy Charge per KWH	.016215
Kimberly-Clark	
Demand Change per KW of Billing Demand	\$10.20
Energy Charge per KWH	.014215
ALCOA – Hawesville Works	
Demand Change per KW of Billing Demand	\$10.40
Energy Charge per KWH	.030614

SMELTER CUSTOMERS SERVED UNDER  
SPECIAL CONTRACTS

Monthly Rate:

Tier 1

Energy Rate per KWH	\$0.03115
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Tier 2

Energy Rate per KWH for:	
Effective Date through December 31, 2000	\$0.02143
January 1, 2001 through December 31, 2001	\$0.02164
January 1, 2002 through December 31, 2002	\$0.02174
January 1, 2003 through December 31, 2003	\$0.02229
January 1, 2004 through December 31, 2004	\$0.02235
January 1, 2005 through December 31, 2005	\$0.02246
January 1, 2006 through December 31, 2006	\$0.02268
January 1, 2007 through December 31, 2007	\$0.02307
January 1, 2008 through December 31, 2008	\$0.02339
January 1, 2009 through December 31, 2009	\$0.02372
January 1, 2010 through December 31, 2010	\$0.02405

Tier 3

Energy Rate per KWH  
Transmission Rate per KW

\$ .01958  
Transmission Provider's Open  
Access Tariff Charge

Each kilowatt hour purchased by Customer shall also be subject to a fee of one-tenth of a mill (\$0.0001) payable monthly as part of the Monthly Charge, provided that, after December 31, 2000, the fee shall be subject to change by order of the Commission upon application of Customer or Green River Electric Corporation.

Effective at 12:01 a.m. on the day after the closing date of the transaction between Big Rivers Electric Corporation and LEC and its affiliates, each kilowatt hour purchased by Customer under Tier 1 and Tier 2 shall also be subject to a fee of one-half of a mill (\$0.0005) payable monthly as part of the Monthly Charge. The assessment of this fee shall cease at midnight on December 31, 2010.