

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HENDERSON UNION )  
ELECTRIC CORPORATION FOR A ) CASE NO.  
DECREASE IN EXISTING RATES AND FOR ) 97-220  
APPROVAL OF CONTRACTS )

O R D E R

Alcan Aluminum Corporation ("Alcan") has applied for rehearing on the Commission's Order of May 6, 1998. Alcan 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. Alcan argues that Henderson Union Electric Corporation ("Henderson Union") and it had agreed that the adder, which Alcan 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. Alcan 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.

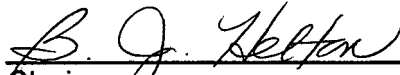
rates set forth in the May 6, 1998 Order fail to reflect this action. This failure is the result of a clerical error. The Commission finds that the rates set forth in Appendix A to this Order accurately reflect the intent of the Commission's Orders of April 30, 1998 and May 6, 1998 and should be implemented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

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

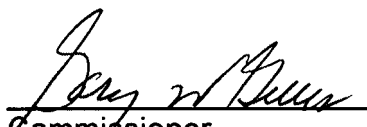
1. Appendix A to the Commission's Order of May 6, 1998 is stricken and replaced with the Appendix set forth herein.
2. All other provisions of the Commission's Order of May 6, 1998 remain in full force and effect.

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

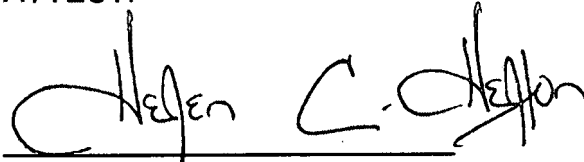
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-220 DATED JUNE 2, 1998

The following rates and charges are prescribed for the customers in the area served by Henderson Union Electric Cooperative 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.

SCHEDULE A  
RESIDENTIAL

Monthly Rate:

Customer Charge	\$7.91
Energy Charge per KWH	.0569440

SCHEDULE B  
FARM, GOVERNMENT OR COMMERCIAL

Monthly Rate:

Customer Charge Single Phase	\$11.50
Customer Charge Three-Phase	18.00
Energy Charge Per KWH	.0596500

SCHEDULE B-1  
FARM OR COMMERCIAL

Monthly Rate:

Customer Charge per Delivery Point	\$25.00
Demand Charge per KW	3.50
Energy Charge	
First 200 KWH/KW of Billing Demand	.0538000
Next 200 KWH/KW of Billing Demand	.0462000
Over 400 KWH/KW of Billing Demand	.0392000

SCHEDULE B-2  
GRAIN DRYING SERVICE

Monthly Rate:

Customer Charge per Delivery Point	\$18.00
Energy Charge per KWH	.0718000

SCHEDULE LP-3  
(501 TO 2000) KVA  
NON-DEDICATED DELIVERY POINTS

Monthly Rate:

Customer Charge per Delivery Point	\$100.00
Demand Charge	
First 500 KW of Billing Demand, per KW	8.75
Over 500 KW of Billing Demand, per KW	7.80
Energy Charge	
First 200 KWH/KW of Billing Demand	.0310000
Next 200 KWH/KW of Billing Demand	.0255000
Over 400 KWH/KW of Billing Demand	.0230000

SCHEDULE LP-3 OFF PEAK RATE RIDER  
LARGE POWER  
NON-DEDICATED DELIVERY POINTS

Monthly Rate:

Customer Charge per Delivery Point	\$100.00
Demand Charge	
First 500 KW of Billing Demand, per KW	8.75
Over 500 KW of Billing Demand, per KW	7.80
Energy Charge	
First 200 KWH/KW of Billing Demand	.0310000
Next 200 KWH/KW of Billing Demand	.0255000
Over 400 KWH/KW of Billing Demand	.0230000

SCHEDULE LP-4  
DEDICATED DELIVERY POINT

Monthly Rate:

Customer Charge per Delivery Point	\$100.00
Demand Charge per KW of Billing Demand	10.15
Energy Charges	
First 5,000 MWH per Month	.0182750
All over 5,000 MWH per Month	.0167750

SMELTER

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
January 1, 2011 through December 31, 2011	\$0.02336

Tier 3

Energy Rate per KWH	\$.01958
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Transmission Rate	Transmission Provider's Open Access Tariff Charge
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Each kilowatt hour purchased by Alcan Aluminum Company 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 Alcan Aluminum Company or Henderson Union.

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 any 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, 2011.

SCHEDULE SL  
STREET LIGHTS

Monthly Rate:

Sodium or Mercury Vapor Lamp	
8,000 Lumen	\$4.30
20,000 Lumen	8.10

SCHEDULE D  
SECURITY LAMP

Monthly Rate:

Sodium or Mercury Vapor Lamp	
8,000 Lumen	\$6.95
20,000 Lumen	10.00