

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE)
TARIFF FILING BY KENTUCKY) CASE NO. 2002-00346
UTILITIES COMPANY)
TO IMPLEMENT KRS 278.214)

O R D E R

The 2002 session of the General Assembly enacted a new provision of KRS Chapter 278 relating to service emergencies experienced on the transmission systems of jurisdictional electric utilities. The new law, codified as KRS 278.214, provides as follows:

Curtailment of service by utility or generation and transmission cooperative. When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

To ensure that Kentucky's jurisdictional electric utilities operate their respective transmission systems in compliance with KRS 278.214, they were notified by the Executive Director's Office to review their existing tariffs and to file revisions as necessary.

On August 29, 2002, Kentucky Utilities Company (KU) filed a new tariff, designated as Original Sheet No.31.3, setting forth the transmission priority requirements of KRS 278.214. However, that tariff also states that transmission priority requirements will be suspended upon the occurrence of certain conditions that are not set forth in KRS 278.214. Based on this review of KU s new tariff, the Commission finds that an investigation is necessary to determine whether the tariff is in compliance with KRS 278.214 and that investigation cannot be concluded prior to the tariff s effective date of September 29, 2002. Pursuant to KRS 278.190(2), the Commission will suspend the new tariff for 5 months through February 28, 2003.

IT IS THEREFORE ORDERED that:

1. KU s tariff Original Sheet No. 31.3 is suspended for 5 months from September 29, 2002, up to and including February 28, 2003.
2. KU shall file no later than October 21, 2002 an original and 5 copies of the information requested in Appendix A, attached hereto.
3. All requests for information and responses thereto shall be appropriately indexed. Any request for information from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and 5 copies to the Commission.
4. KU shall file no later than October 21, 2002 either:
 - a. A request for an evidentiary hearing, accompanied by its prepared direct testimony in verified form; or

b. A waiver of its right to an evidentiary hearing and a suggested schedule for briefs, if any.

Done at Frankfort, Kentucky, this 27th day of September, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00346 DATED September 27, 2002

1. Does KU believe that the transmission priority requirements set forth in KRS 278.214 cannot now be applied due to a present conflict with federal law, including rules or regulations? If yes, describe in detail the federal law, rules, or regulations that conflict with KRS 278.214.

2. Provide the names and titles of the individuals who have made, or will be responsible to make, the determination that the transmission priority requirements set forth in KRS 278.214 should not apply due to a conflict with either:

a. KU's Emergency Plan as set forth in its Electric Tariff Sheet Nos. 31-31.2; or

b. Federal law, including rules or regulations.

3. Explain in detail how the transmission priority requirements of KRS 278.214 could otherwise prevent KU from complying with federal law, including rules or regulations, if there is no conflict.