

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP.)	
FOR ACCEPTANCE AND EXPEDITED)	
IMPLEMENTATION OF AMENDMENTS TO)	CASE NO. 2008-00218
SPECIAL RETAIL CONTRACTS FOR THE)	
SALE OF TIER 3 ENERGY)	

O R D E R

Kenergy Corp. (“Kenergy”) is an electric distribution cooperative organized under KRS Chapter 279. Kenergy purchases power at wholesale from Big Rivers Electric Corporation (“Big Rivers”) under the terms of a long-term contract, except for certain quantities of power purchased at market rates for resale to Kenergy’s two largest customers, Alcan Primary Products Corporation (“Alcan”) and Century Aluminum of Kentucky General Partnership (“Century”). Kenergy’s sale of market power to Alcan and Century is known as TIER 3 Energy. On November 29, 2007, Kenergy and Big Rivers entered into two special wholesale contracts in which Big Rivers agreed to sell and Kenergy agreed to purchase in 2008 certain volumes of TIER 3 Energy on designated days and hours, including TIER 3 Energy denominated as Block A Energy for delivery during on-peak hours on Mondays through Fridays, but excluding North American Electric Reliability Corporation (“NERC”) holidays. One of the wholesale contracts is for TIER 3 Energy to be resold to Alcan and the other contract is for TIER 3 Energy to be resold to Century.

On June 10, 2008, Kenergy filed amendments to the two special wholesale contracts with Big Rivers and the two retail contracts, one with Alcan and the other with Century, which track Kenergy's wholesale purchases of TIER 3 Energy. The two wholesale contract amendments are designated as First Amendment to Agreement For TIER 3 Energy Dated November 29, 2007, and the power to be purchased is designated as Block A-1 Energy. The two retail contract amendments, one for Alcan and one for Century, each consist of three documents: a Request For Power signed by Alcan or Century, respectively; their respective wholesale contract amendments; and a Consent signed by Alcan or Century, respectively, agreeing to the power purchase.

The details of these amendments are as follows:

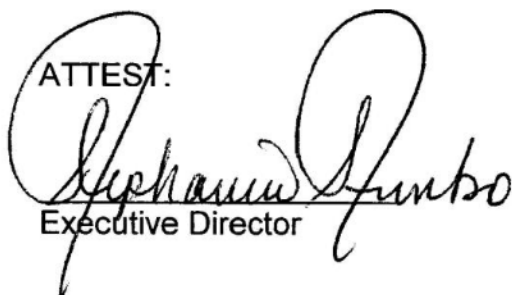
1. 50 MW block firm sale by Big Rivers to Kenergy, for resale to Alcan, for delivery during on-peak hours on Saturdays, Sundays, and NERC holidays during the 10-week period from July 1, 2008 through September 9, 2008.
2. 63 MW block firm sale by Big Rivers to Kenergy, for resale to Century, for delivery during on-peak hours on Saturdays, Sundays and NERC holidays during the 10-week period from July 1, 2008 through September 9, 2008.

Pursuant to KRS 278.180(1), Kenergy must give the Commission 30 days' notice prior to implementing these amendments to the special wholesale and retail contracts for the sale of TIER 3 Energy. Kenergy has requested that the notice period be reduced, as permitted by the statute. Since the two retail customers affected by these amendments have consented in writing to all of the contract terms, the Commission finds good cause to reduce the notice period to 20 days. Consequently, all four contract amendments will be accepted to become effective on July 1, 2008.

IT IS THEREFORE ORDERED that the amendments to Kenergy's special wholesale contracts with Big Rivers for the purchase of TIER 3, Block A-1 Energy for resale to Alcan and Century, and the corresponding amendments to Kenergy's retail contracts with Alcan and Century, are accepted for service effective July 1, 2008.

Done at Frankfort, Kentucky, this 27th day of June, 2008.

By the Commission

ATTEST:

Executive Director