

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF KENERGY CORP.)	
FOR ACCEPTANCE AND EXPEDITED)	
IMPLEMENTATION OF A SPECIAL)	CASE NO. 2008-00542
RETAIL CONTRACT 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 December 12, 2008, Kenergy filed a special wholesale contract in which Big Rivers agreed to sell and Kenergy agreed to purchase certain volumes of TIER 3 Energy in 2009. The wholesale contract for TIER 3 Energy is to be resold to Century. Kenergy also filed a retail contract consisting of three documents: (1) a request for power signed by Century; (2) a wholesale contract; and (3) a consent signed by Century agreeing to the power purchase. The wholesale contract, among other things, provides that Big Rivers would sell to Kenergy 50 MW firm L.D. (Liquidated Damages) TIER 3 Energy for resale to Century, commencing January 1, 2009 and continuing through February 28, 2009.

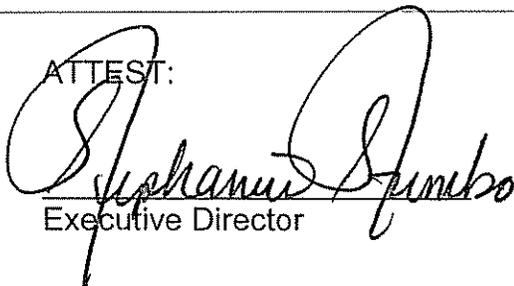
Pursuant to KRS 278.180(1), Kenergy must give the Commission 30 days' notice prior to implementing this retail rate contract. Kenergy has requested that the notice period be reduced, as permitted by the statute. Since the only retail customer affected by this contract has consented in writing to all of the contract terms, the Commission finds good cause to reduce the notice period to 20 days. Consequently, the amendment to the retail service contract will become effective on January 1, 2009.

IT IS THEREFORE ORDERED that Kenergy's special wholesale contract with Big Rivers for the purchase of TIER 3 Energy for resale to Century, and Kenergy's corresponding retail contract with Century, are accepted for service effective January 1, 2009.

Done at Frankfort, Kentucky, this 22nd day of December, 2008.

By the Commission

ATTEST:


Stephanus Dumbo
Executive Director

Honorable Frank N King, Jr.
Attorney at Law
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