

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE AND APPLICATION OF JACKSON)
PURCHASE ELECTRIC COOPERATIVE)
CORPORATION FOR PERMISSION TO FLOW)
THROUGH A PORTION OF THE GENERAL) CASE NO. 97-224
RATE DECREASE FILED BEFORE THE)
KENTUCKY PUBLIC SERVICE COMMISSION)
BY BIG RIVERS ELECTRIC CORPORATION,)
CASE NO. 97-204)

O R D E R

Southwire Company and Alcan Aluminum Corporation ("the Smelters") have petitioned for full intervenor status in this proceeding. Finding that they lack the requisite requirements for full intervenor status, the Commission denies the petition.

Administrative Regulation 807 KAR 5:001, Section 8, provides that a party should be granted leave to intervene if it has "a special interest in the proceeding which is not otherwise adequately represented" or intervention "is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings."

The Smelters allege an interest in this proceeding based upon their relationship to Big Rivers Electric Corporation ("Big Rivers"). Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") is a member distribution cooperative of Big Rivers. The Smelters are the two largest electric customers that Big Rivers indirectly serves through its four member distribution cooperatives. As part of Big Rivers Plan of

Reorganization, they have reached agreements with Big Rivers regarding their rates. The Smelters argue that the Commission's action on Jackson Purchase's proposed rates, which are intended to pass on to Jackson Purchase customers a portion of Big Rivers' proposed rate reductions, could affect Big Rivers' plan of reorganization. They further argue that Jackson Purchase will be a party to Stand-by Power Agreement whereby LG&E Energy entities ensure Big Rivers' performance.

The Commission finds little merit to the Smelters' arguments. Simply put, the Smelters have no "special interest" in this proceeding. Neither Smelter is a customer of Jackson Purchase. Neither will be directly affected by the Commission's action on the utility's proposed rates. No Commission action in this proceeding, moreover, will affect Big Rivers' Plan of Reorganization. The fate of that plan will be determined in a separate proceeding to which the Smelters have already been afforded full intervenor status.¹ As to suggestions that a Stand-by Power Agreement confers the Smelters an interest in this proceeding, the Commission notes that Jackson Purchase has not requested Commission approval of any such agreement in this proceeding. The Commission further finds that the Smelters have made no showing that their participation in this proceeding would assist the Commission.

IT IS THEREFORE ORDERED that the Smelters' petition for full intervenor status is denied.

¹ Case No. 97-204, 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 (July 10, 1997).

Done at Frankfort, Kentucky, this 19th day of September, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breastwitt
For the Commission

ATTEST:

Don Mills

Executive Director