

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN AGREEMENT FOR ELECTRIC SERVICE BETWEEN)
GREEN RIVER ELECTRIC CORPORATION AND) CASE NO. 93-117
SCOTT PAPER COMPANY)

O R D E R

On March 15, 1993, Green River Electric Corporation ("Green River") filed a special contract for retail electric service to Scott Paper Company ("Scott"). Included in the contract is an economic development rate ("EDR") available to Scott in the form of demand charge credits. By Order entered March 31, 1993, the Commission suspended the contract pending further investigation and requested additional information regarding the term of the EDR and the adequacy of security to back-up the contract.

Green River's response, filed on April 6, 1993, stated that the proposed Scott contract was negotiated within the parameters set forth in the Commission's decision on EDRs in Administrative Case No. 327 ("Admin. 327").¹ The proposed EDR was designed to reflect the unique nature of Scott's gradual increase in load during its first five years of operation. Thus, while each increment of Scott's load triggers an incremental demand credit, no increment of credit will be paid for more than five years. In

¹ Administrative Case No. 327, An Investigation Into the Implementation of Economic Development Rates by Electric and Gas Utilities, Order dated September 24, 1990.

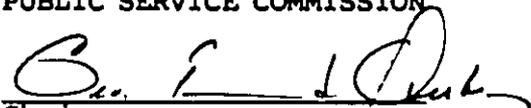
addition, Green River indicated that it fully analyzed Scott's financial condition and concluded that it was not a "shell" corporation but, rather, had substantial assets available to back-up its contractual obligations.

After consideration of the record in this case and being otherwise sufficiently advised, the Commission finds that the proposed contract is in substantial compliance with the Commission's decision in Admin. 327, is reasonable under the particular facts presented, and should be approved.

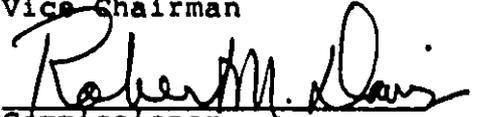
IT IS THEREFORE ORDERED that Green River's special contract with Scott be and it hereby is approved effective with the date of this Order.

Done at Frankfort, Kentucky, this 30th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director