

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO WEST KENTUCKY)
RURAL TELEPHONE COOPERATIVE CORPORATION,) CASE NO. 10058
INC.'S FAILURE TO COMPLY WITH KRS 278.020)

O R D E R

On February 29, 1988, West Kentucky Rural Telephone Cooperative Corporation, Inc., ("West Kentucky") and Commission Staff ("Staff") signed an Agreement which proposes a final resolution of the allegations and issues contained in the Orders dated October 16, 1987, and October 30, 1987. This Agreement is attached.

The Commission is of the opinion and finds that:

1. The attached Agreement contains statements and conditions which form a reasonable resolution to the concerns in the instant case;
2. The Agreement between West Kentucky and Staff should be accepted and incorporated into the final Order in this case; and
3. The fine should be paid by certified check or money order made payable to the Kentucky State Treasurer within 30 days of the date of this Order. This payment should be mailed to Frankie Bertrand, Office of General Counsel, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

IT IS THEREFORE ORDERED that the attached Agreement be and it hereby is accepted and incorporated into this Order and that the fine of \$1000 shall be paid as described above.

Done at Frankfort, Kentucky, this 11th day of March, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
Chairman

Robert M. Davis
Vice Chairman

Spencer N. Williams
Commissioner

ATTEST:

Executive Director

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AGREEMENT

Come the following and jointly file this Agreement with the Commission for its review: West Kentucky Rural Telephone Cooperative Corporation, Inc., (hereinafter "West Kentucky") and the Public Service Commission Staff (hereinafter "Staff").

This Agreement contains the understandings between and the recommendations of the parties. It is the purpose of West Kentucky and Staff to express their agreement on a satisfactory resolution of the issues addressed in the Commission's Orders to Show Cause dated October 16, 1987, and October 30, 1987. It is understood that this Agreement is not binding on the Commission.

The Staff has alleged that West Kentucky failed to comply with the mandate in KRS 278.020 which states that:

No person, partnership, public or private corporation or combination thereof shall begin the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010, except retail electric supplies for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business, until such person has obtained from the public service commission a certificate that public convenience and necessity require such construction.

At an informal conference held December 17, 1987, company representatives and Staff discussed the issues involved in the Show Cause Orders.

West Kentucky and Staff agree that:

1. West Kentucky is a utility subject to the jurisdiction of the Kentucky Public Service Commission pursuant to KRS 278.010.

2. Such jurisdiction mandates that West Kentucky seek prior approval from the Kentucky Public Service Commission of construction projects which are not in the ordinary course of business, pursuant to KRS 278.020.

3. West Kentucky commenced construction of facilities, including a microwave facility, without prior approval of the Kentucky Public Service Commission.

4. Violations of KRS 278.020, have occurred and that the maximum fine set forth in KRS 278.990 is \$1,000 for each offense.

5. West Kentucky has implemented procedures which will lessen the likelihood of similar violations in the future.

6. West Kentucky will send a certified check or money order for \$1000.00, made payable to the Kentucky State Treasurer, within the time directed by the Commission to the Office of General Counsel, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

7. West Kentucky and Staff agree that upon the payment of this fine the issues addressed in the Commission's Show Cause Orders will be resolved and therefore no hearing is necessary.

West Kentucky and Staff request that this Agreement be admitted into the record. West Kentucky and Staff agree that this

Agreement is submitted for the purposes of this case only and is not binding on the parties in any other current proceeding or in any future proceeding. Should the Commission fail to adopt this Agreement as its final Order in Case No. 10058, West Kentucky has not waived any rights concerning the issues addressed in the Show Cause Orders of October 16, 1987, and October 30, 1987.

Entered into this day and submitted to the Commission on this 29th day of February, 1988.

AGREED:

Jordan B. Blum
Attorney for West Kentucky

February 23, 1988
Date

Amy E. Dougherty
For the Commission Staff

February 29, 1988
Date