

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INVESTIGATION OF EAST KENTUCKY)
UTILITIES, INC. FOR FAILURE TO) CASE NO. 90-011
COMPLY WITH KRS 278.300)

O R D E R

East Kentucky Utilities, Inc. ("East Kentucky") filed for approval of rates and service charges pursuant to KRS 278.023 and 807 KAR 5:069 and KRS 271.161 through 274.390. In addition, the County of Floyd filed for approval of a mortgage and security agreement executed to the Department of Local Government Gas Restoration Account.

On December 18, 1989, the executive director of the Public Service Commission rejected East Kentucky's filing pursuant to 807 KAR 5:001, Section 2(2), because the application did not comply with KRS 278.023 or the applicable regulation 807 KAR 5:069.

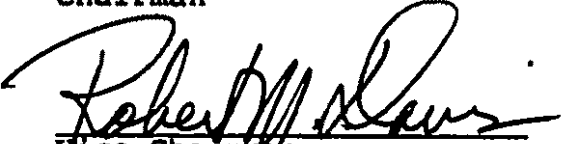
The Commission finds that the documents received in the above-described filing establish that a prima facie showing has been made that East Kentucky sought and obtained financing without Commission approval and in violation of the provisions of KRS Chapter 278.

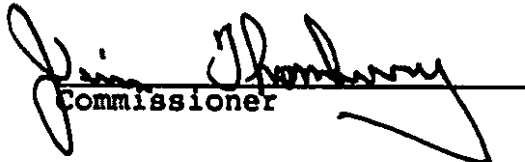
IT IS THEREFORE ORDERED that East Kentucky shall appear and show cause, if any it can, why it should not be penalized under KRS 278.990 for violating provisions of KRS Chapter 278 including KRS 278.300 at a hearing scheduled for February 22, 1990 in Hearing Room No. 1 of the Commission's offices, 730 Schenkel Lane, Frankfort, Kentucky at 10 a.m., Eastern Standard Time.

Done at Frankfort, Kentucky, this 23rd day of January, 1990.

PUBLIC SERVICE COMMISSION

Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director