

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CONTRACT FILING OF GRAYSON)	
RURAL ELECTRIC COOPERATIVE CORPOR-)	CASE NO. 91-140
ATION WITH COOK FAMILY FOODS, LTD.)	

O R D E R

On April 10, 1991, Grayson Rural Electric Corporative Corporation ("Grayson") filed with the Commission a proposed Industrial Power Agreement ("Agreement") to serve Cook Family Foods, Ltd. ("Cook Foods"). The Agreement sets forth rates, terms, and conditions for electric service and requires Grayson's supplier, East Kentucky Power Cooperative, Inc. ("East Kentucky"), to build a new substation to supply Cook Foods.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed Agreement. Specifically, East Kentucky, a third party beneficiary under the Agreement, is obligated to expend \$160,000 to construct a new substation, but Cook Foods is not obligated to guarantee repayment of the substation's cost.

IT IS THEREFORE ORDERED that:

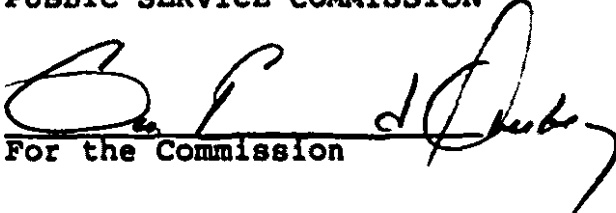
1. The proposed Agreement be and it hereby is suspended for five months from May 10, 1991 up to and including October 9, 1991.
2. Within 20 days of the date of this Order, Grayson shall file the original and 12 copies of its responses to the

information request, which is attached hereto and incorporated herein as Appendix A.

3. Nothing in this Order shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 10th day of May, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-141 DATED 5/10/91

The following information shall be filed by Grayson within 20 days of the above date.

1. A detailed description of the facilities (substation size, transmission line size, etc.) that presently serve Cook Foods.

2. The date when Cook Foods began receiving service from Grayson.

3. A detailed description of the facilities referenced in Paragraph No. 13 of the Agreement (substation size, etc.).

4. The date when Cook Foods will begin receiving service from the facilities referenced in Paragraph No. 13 of the Agreement.

5. The monthly KW demands recorded for Cook Foods for the period beginning with the month identified in response to Item No. 2 above and ending with April 1991.

6. The tariffs on which Cook Foods has been served since the date identified in response to Item No. 2. Indicate when and why Cook Foods changed tariffs.

7. The load data which shows that Cook Foods will utilize approximately one-half of the capacity of the substation facilities referenced in Paragraph No. 13 of the Agreement.

8. The load data for the customers that will be using the remaining capacity of the substation referenced in Paragraph No. 13 of the Agreement.

9. Explain the decision to rely on the provisions of Paragraph No. 13 in the case of a default by Cook Foods rather than to require a guarantee by Cook Foods for reimbursement of East Kentucky's investment.