COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
TO REVISE LINE EXTENSIONS POLICY) 97-341
AND ADD SERVICE CATEGORIES SECTION)

ORDER

IT IS ORDERED that Grayson Rural Electric Cooperative Corporation ("Grayson") shall file the original and five copies of the following information with the Commission with a copy to all parties of record within 15 days from the date of this Order.

- 1. Refer to Paragraph 46, "Line Extensions."
- a. Explain Grayson's plan to "maximize its investment." Include a discussion of how this concept will conform to Commission regulation 807 KAR 5:041, Section 11.
- b. Provide Grayson's definition of the following terms as they are used in Paragraph 46:
 - (1) Year-round
 - (2) Life-sustaining
 - (3) Electric consuming facilities
 - (4) Beneficial to communities
 - (5) Contribution for facilities
 - (6) Personal, private use
 - (7) Convenience

c. Explain how Grayson's proposed tariff will provide service to its customers in a manner which is not arbitrary. Who will make cooperative decisions relative to the application of the terms listed in Question 1(b)?

2. Refer to Paragraph 47, "Service Categories (commercial & residential)."

a. Explain how Grayson's proposed tariff conforms with the Commission's regulation 807 KAR 5:041, Section 11, relative to the cooperative's obligation to provide service to its customers.

b. Define the terms "community" benefit, and "to construct non-power consuming facilities."

Done at Frankfort, Kentucky, this 2nd day of October, 1997.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director