

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION)	
_____)	CASE NO.
)	2003-00405
)	
ALLEGED FAILURE TO COMPLY WITH)	
ADMINISTRATIVE REGULATIONS)	
807 KAR 5:006, SECTION 24 AND)	
807 KAR 5:041, SECTION 3)	

O R D E R

On November 25, 2003, the Commission issued an Order requiring South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”) to appear at the Commission’s offices to show cause why it should not be subject to penalties pursuant to KRS 278.990(1) for its alleged failure to comply with 807 KAR 5:041, Section 3, and 807 KAR 5:006, Section 24.

On December 12, 2003, South Kentucky responded to the allegations. South Kentucky representatives met with Commission Staff on February 11, 2004. On March 17, 2004, South Kentucky and Commission Staff executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of the agreement.

After reviewing the Settlement Agreement and in consideration of South Kentucky’s commitments as recited in the agreement, the Commission finds that the

Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement appended hereto is incorporated into this Order as if fully set forth herein.

2. The terms and conditions of the Settlement Agreement are adopted and approved.

3. South Kentucky is assessed a penalty of \$1,000.00. Within 10 days of the date of this Order, South Kentucky shall pay to the Commonwealth of Kentucky the sum of \$750.00 in the form of a cashier's check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602. The remaining \$250.00 shall be suspended for a period of three months. If, at the end of three months, South Kentucky has complied with this Settlement Agreement, this portion of the penalty shall be vacated. If, at the end of the three months, South Kentucky has not complied with the terms of the Settlement Agreement, the remaining \$250.00 shall be immediately due and payable in the form described above.

4. Upon payment of the assessed penalty as described above, this case shall be removed from the Commission's docket without further Order.

Done at Frankfort, Kentucky, this 21st day of April, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00405 DATED April 21, 2004

(See document named "200300405_04212004apx.pdf" for Settlement Agreement.)