

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF SOUTH)
KENTUCKY RURAL ELECTRIC) CASE NO. 8930
COOPERATIVE CORPORATION)

O R D E R

On June 6, 1984, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed its petition for reconsideration of the findings of the Commission's Order of May 18, 1984, regarding interest on loan funds drawn down subsequent to the test period. A response to South Kentucky's petition for reconsideration was filed by the Attorney General's Consumer Protection Division on June 13, 1984.

After consideration of the evidence of record in this matter, the Commission is of opinion that South Kentucky has not presented any additional information regarding the interest expense on post-test-period loan funds that was not fully considered in the May 18, 1984, Order.

South Kentucky noted on page 4 of the petition for reconsideration that the Commission stated in the Order of May 18, 1984, that the actual rate of return on South Kentucky's net investment rate base was 5.73 percent, whereas the computation based on the net investment established in the Order should

reflect a 4.89 percent rate of return. The Commission concurs with South Kentucky in that the actual rate of return was 4.89 percent. This was, however, a typographical error and causes no change in revenue requirements.


IT IS THEREFORE ORDERED that the petition for reconsideration of the interest expense on loan funds drawn down subsequent to the test period is hereby denied.

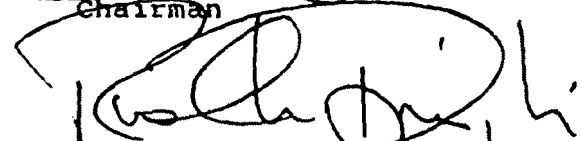
IT IS FURTHER ORDERED that the Commission's Order of May 18, 1984, should be modified at page 11 to state that the actual rate of return on South Kentucky's net investment rate base was 4.89 percent.

IT IS FURTHER ORDERED that the Order of May 18, 1984, is hereby affirmed in all respects not specifically mentioned herein.

Done at Frankfort, Kentucky, this 26th day of June, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Secretary