

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION, INC.

)
)
) CASE NO. 10094
)
)

ALLEGED FAILURE TO COMPLY WITH
THE COMMISSION REGULATION 807
KAR 5:041, SECTION 3

O R D E R

On July 25, 1988, Jackson County Rural Electric Cooperative Corporation, Inc. ("Jackson County"), filed a Petition for Rehearing in this case. In its Petition, Jackson County has questioned several aspects of the Commission's authority to assess penalties.

Having reviewed the Petition and the record of this case, the Commission finds that the following issues require further consideration:

1. Does KRS 278.990(1) grant this Commission authority to assess a penalty against a utility organized under KRS Chapter 279?
2. Does KRS 278.990(1) permit this Commission to assess a penalty against any utility for the negligent acts of its employees?

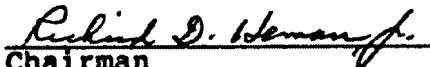
3. Was the amount of the penalty assessed by this Commission in this case so large as to be arbitrary and capricious?

IT IS THEREFORE ORDERED that Jackson County's Petition for Rehearing be, and it hereby is, granted.

IT IS FURTHER ORDERED that Jackson County and Commission Staff shall submit written briefs on the above issues within 10 days of the date of this Order.

Done at Frankfort, Kentucky, this 12th day of August, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director