

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON-UNION)
ELECTRIC COOPERATIVE CORPORATION FOR)
AUTHORITY TO DEVIATE FROM THE RULES) CASE NO. 94-300
REGARDING BILLING AND TERMINATION OF)
SERVICE WITH RESPECT TO SERVICE TO GREEN)
COAL COMPANY, INC. THROUGH OCTOBER 31,)
1994)

O R D E R

On August 5, 1994, Henderson-Union Electric Cooperative Corporation ("Henderson-Union") filed an application requesting approval of a temporary agreement with Green Coal Company, Inc. ("Green Coal") providing for semi-monthly billing, a security deposit equal to two months' average annual bill, and termination of service without prior notice for nonpayment five days after billing.

Henderson-Union states that Green Coal has filed a voluntary petition under Chapter 11 of the Bankruptcy Code and that Henderson-Union has demanded a security deposit equal to two months' average annual bill. Green Coal is willing to provide the requested deposit but, due to cash flow problems, can pay only one month's average annual bill now with the remainder to be paid by October 31, 1994.

Henderson-Union has filed a copy of its agreement with Green Coal which will be submitted to the Bankruptcy Court for approval. It provides for the immediate payment of a security deposit of

\$87,000, the payment by October 31, 1994 of an additional security deposit of \$88,668, semi-monthly billings by Henderson-Union until Green Coal's payment of the total security deposit, and termination of service without prior notice for nonpayment five days after billing until the total deposit is paid.

Considering the application and being advised, the Commission finds good cause to approve Henderson-Union's agreement with Green Coal.


IT IS THEREFORE ORDERED that Henderson-Union's agreement with Green Coal to temporarily modify billing, security deposit, and termination provisions be and it hereby is approved.

Done at Frankfort, Kentucky, this 17th day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director