

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE REQUEST OF GRAYSON RURAL )  
ELECTRIC COOPERATIVE CORPORATION ) CASE NO.  
FOR A DEVIATION FROM ITS 1988 ) 94-392  
SETTLEMENT AGREEMENT )

O R D E R

Grayson Rural Electric Cooperative Corporation ("Grayson") has requested relief from certain obligations imposed by the Commission's Order of March 11, 1988 in Case No. 9980.<sup>1</sup> More specifically, Grayson requests that it be relieved of its obligation to retire capital credits in an amount of \$111,159 for the 1993 calendar year until 1996.

Having considered the request, the Commission finds that additional information is required before final action can be taken.

IT IS THEREFORE ORDERED that Grayson shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within 20 days from the date of this Order. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to

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<sup>1</sup> Case No. 9980, The Application of Grayson Rural Electric Cooperative Corporation for and Adjustment of Rates.

questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible.

1. Provide an income statement for Grayson covering the 12-month period ending August 31, 1994, in the same format as Rural Electrification Administration ("REA") Form 7.

2. Indicate the amount of funds available and loan status as of August 31, 1994 for:

a. Unadvanced REA and National Rural Utilities Cooperative Finance Corporation ("CFC") loans.

b. REA and CFC loans in process.

c. Short-term line of credit.

3. What is the total amount of deferred purchased power bills for Grayson as of August 31, 1994?

a. What financial assistance has Grayson received from the Federal Emergency Management Agency ("FEMA") as of the date of this Order?

b. What financial assistance has Grayson requested from FEMA?

c. What is the status of these requests?

4. Describe the status of the REA hardship loan in the amount of \$2,594,000 that Grayson's board of directors executed on July 22, 1994.<sup>2</sup>

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<sup>2</sup> Case No. 93-248, The Application of Grayson Rural Electric Cooperative Corporation for an Order Authorizing it to Borrow from and Execute a Note to the National Rural Utilities Cooperative Finance Corporation in the Amount of \$802,062 to Provide Funds for the Construction of Distribution and Service Lines, Miscellaneous Construction Including Transformers, System Improvements, Labor, Member Service Material and Other

5. Concerning Section 8 of the 1988 Supplemental Settlement Agreement:

a. Indicate when REA or CFC suspended or discontinued advancing loan funds to Grayson. Describe the circumstances which led to this action.

b. Why does Grayson consider weather related disasters as grounds for relief from its obligation to retire capital credits under Section 8 of the Supplemental Settlement Agreement?

6. Provide the basis for Grayson's request to delay paying 1993 capital credits until calendar year 1996. Include all analyses and studies performed in conjunction with Grayson's request. Why can capital credits not be retired in calendar year 1995?

Done at Frankfort, Kentucky, this 21st day of October, 1994.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director