

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION TO)	CASE NO.
ADJUST ELECTRIC RATES)	2002-00391

O R D E R

On December 16, 2002, Meade County Rural Electric Cooperative Corporation (Meade County) submitted an application to the Commission requesting authority to increase its base rates by \$876,974. To address a filing deficiency in the application, Meade County submitted additional information on December 20, 2002 and the application was considered filed on that date.

Meade County is a consumer-owned rural electric cooperative organized pursuant to KRS Chapter 279 and engaged in the distribution and sale of electric energy to approximately 25,000 customers in Breckenridge, Grayson, Hancock, Hardin, Meade and Ohio counties.

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (Attorney General), filed a motion for full intervention, pursuant to KRS 367.150(8), and the motion was granted. Prior to the scheduling of a formal hearing, negotiations between Meade County and the AG were conducted.

As a result of these negotiations, a Settlement Agreement was executed and submitted to the Commission for its approval. Under the terms of the agreement, Meade County will be granted a revenue increase of \$751,082 or 3.2 percent over normalized total operating revenue. On April 24, 2003, the parties filed a revised

agreement clarifying the effective date of the rates and correcting the monthly customer charge.

After careful review of the Settlement Agreement and the revision, the Commission finds that the terms are reasonable and that the rate design and terms of service provisions are in conformity with generally accepted rate-making standards. The Commission further finds that the Settlement Agreement and the agreed revisions thereto are in the public interest and should be accepted.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement and the Revised Settlement Agreement, attached as Appendix A, are incorporated into this Order as if fully set forth herein.

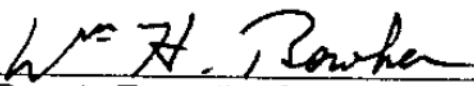
2. The terms and conditions set forth in the Settlement Agreement and the Revised Settlement Agreement are adopted and approved.

3. The rates set forth in Appendix A are approved for service rendered on and after July 1, 2003.

4. Meade County shall, within 30 days of the date of this Order, file new tariffs reflecting the provisions of this Order.

Done at Frankfort, Kentucky, this 30th day of May, 2003.

ATTEST:


Deputy Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00391 DATED May 30, 2003

See document named 200200391_05302003apx.pdf .