

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 9980
FOR AN ADJUSTMENT OF RATES)

O R D E R

On March 11, 1988, the Commission issued its Order accepting as reasonable the terms of a rate settlement negotiated between Grayson Rural Electric Cooperative Corporation ("Grayson") and the Commission's Staff. Pursuant to that Order, a portion of the revenue increase was required to be collected subject to refund until Grayson provided adequate assurances that it could implement the capital credits retirement policy embodied in the rate settlement. Grayson has subsequently filed documents evidencing that its Board of Directors, the National Rural Utilities Cooperative Finance Corporation, and the Rural Electrification Administration have authorized the new capital credits policy.

Based on the evidence of record, and being advised, the Commission is of the opinion and hereby finds that Grayson has substantially complied with the conditions set forth in the Commission's Order entered March 11, 1988. Therefore, that Order should be modified to delete the requirement that any revenues be collected subject to refund and any refund liability for revenues collected since March 11, 1988, should be extinguished.

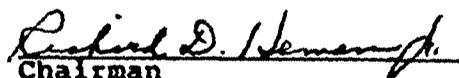
IT IS THEREFORE ORDERED that:

1. The Commission's Order entered March 11, 1988, be and it hereby is modified to delete the requirement that any revenues be collected subject to refund.

2. Any refund liability for revenues collected since March 11, 1988, be and it hereby is extinguished.

Done at Frankfort, Kentucky, this 27th day of April, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director