

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE APPLICATION OF JACKSON PURCHASE)
ELECTRIC COOPERATIVE CORPORATION FOR)
AN ORDER AUTHORIZING THE CORPORATION)
TO BORROW AN AMOUNT NOT TO EXCEED)
\$3,850,000.00 FROM THE UNITED STATES)
OF AMERICA (REA), AND \$1,650,000.00) CASE NO. 7847
FROM THE LOUISVILLE BANK FOR COOPERA-)
TIVES FOR THE PURPOSE OF FINANCING)
IMPROVEMENTS AND CONSTRUCTION OF)
ADDITIONAL FACILITIES)

O R D E R

Jackson Purchase Electric Cooperative Corporation (Jackson Purchase) filed its application on April 30, 1980 for authorization to borrow the sum of three million eight hundred fifty thousand dollars (\$3,850,000.00) from the United States of America Rural Electrification Administration (REA) and the sum of one million six hundred fifty thousand dollars (\$1,650,000.00) from the Louisville Bank for Cooperatives (LBC), and to execute its notes and mortgages as security therefor. The funds acquired by these borrowings are to be used to make system improvements, to extend service to new customers, and to reimburse the utility's general fund account in the amount of \$1,496,000 for previous construction. These improvements and additions, which are estimated to cost \$4,004,000 are more specifically described in the application and record.

Jackson Purchase filed an amendment to its application on May 5, 1980 in which it requested that the Commission also issue a certificate of Convenience and Necessity for the construction described herein.

The matter was set for hearing on May 7, 1980 at 10:00 a.m. Eastern Daylight Time, in the offices of the Energy Regulatory Commission at Frankfort, Kentucky. The hearing was held as scheduled and all parties of interest were allowed to be heard. There were no intervenors and no protests were entered.

The Energy Regulatory Commission, after consideration of the application and all evidence of record, and being advised, is

of the opinion and FINDS:

1. That public convenience and necessity require that such construction as is proposed in the application and record be performed and that a certificate of convenience and necessity should be granted.

2. That the proposed borrowings are for a lawful object within the corporate purposes of the utility, are necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that Jackson Purchase be and it is hereby granted a certificate of public convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Jackson Purchase be and hereby is authorized to borrow a sum in the principal amount of \$3,850,000 from REA at the rate of five percent (5%) per annum over a thirty-five (35) year period with payments of principal being deferred for three (3) years.

IT IS FURTHER ORDERED that Jackson Purchase be and it is hereby authorized to borrow a sum in the principal amount of \$1,650,000 from LBC at a variable interest rate per annum and which may vary from time to time over the life of the loan, over a period of twenty (20) years.

IT IS FURTHER ORDERED that Jackson Purchase be and it is hereby authorized to execute its notes and mortgages as security for the loans authorized herein.

IT IS FURTHER ORDERED that the proceeds from the proposed borrowings shall be used only for the lawful objects as set out in the application and record.

IT IS FURTHER ORDERED that Jackson Purchase shall submit semi-annual reports to the Commission setting forth in detail the status of the construction authorized herein as well as the status of the funds authorized for said construction.

Nothing herein contained shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 16th day of May, 1980.

ENERGY REGULATORY COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary