

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

APPLICATION OF GREEN RIVER ELECTRIC)
CORPORATION (1) FOR AN ORDER PURSUANT)
TO KRS 278.300 AND 807 KAR 50:005)
SECTION 10, AUTHORIZING IT TO)
BORROW \$3,049,000.00 FROM THE UNITED)
STATES OF AMERICA AND \$1,307,000.00)
FROM THE LOUISVILLE BANK FOR COOPERA-) CASE NO. 8099
TIVES, AND (2) FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY PURSUANT TO)
278.020(1) AND 807 KAR 50:005 SECTION)
8(2) AUTHORIZING CERTAIN PROPOSED)
CONSTRUCTION AND ASSOCIATED CAPITAL)
OUTLAY)

O R D E R

Green River Rural Electric Cooperative Corporation (Green River), filed its application on December 19, 1980, for a certificate of convenience and necessity and for authorization to borrow the sum of three million forty nine thousand dollars (\$3,049,000) from the United States of America Rural Electrification Administration (REA) and the sum of one million three hundred seven thousand dollars (\$1,307,000) from the Louisville Bank for Cooperatives (LBC) and to execute its notes as security therefor. The funds acquired by these borrowings are to be used to make system improvements and to extend service to new customers. These improvements and additions, which are estimated to cost four million three hundred fifty six thousand dollars (\$4,356,000) are more specifically described in the application and record.

The matter was set for hearing on February 10, 1981 at 10:30 a.m., Eastern Standard 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 the 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 Green River 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 Green River be and hereby is authorized to borrow a sum in the principal amount of \$3,049,000 from REA at the rate of five percent (5%) per annum over a thirty-five (35) year period with payment of principal deferred for three years.

IT IS FURTHER ORDERED that Green River be and it is hereby authorized to borrow a sum in the principal amount of \$1,307,000 from LBC at a variable interest rate adjusted monthly, that interest being equal to the sum of the blended cost of money to the LBC plus one (1%) percent, over a period of twenty (20) years.

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

IT IS FURTHER ORDERED that Green River shall file with the Commission final letters of approval from the United States of America and the Louisville Bank for Cooperatives when received.

IT IS FURTHER ORDERED that 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 Green River 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 19th day of February, 1981.

ENERGY REGULATORY COMMISSION

Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary