

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF HENDERSON-)
UNION RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR PERMISSION TO)
BORROW FROM UNITED STATES OF)
AMERICA \$1,834,000.00 AND FROM)
NATIONAL RURAL UTILITIES COOPER-) CASE NO. 8446
ATIVE FINANCE CORPORATION)
\$827,000.00 AND TO ISSUE ITS)
NOTES THEREFOR AND FOR A CERTIFI-)
CATE OF CONVENIENCE AND NECESSITY)

O R D E R

Henderson-Union Rural Electric Cooperative Corporation ("Henderson-Union") filed its application on January 27, 1982, for a certificate of convenience and necessity and for authorization to borrow \$1,834,000 from the United States of America Rural Electrification Administration ("REA") and \$827,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), 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 \$2,619,650, are more specifically described in the application and record.

A hearing was held on March 5, 1982, in the offices of the Public Service Commission at Frankfort, Kentucky. All parties of interest were allowed to be heard. There were no intervenors, and no protests were entered.

The Public Service Commission, after consideration of the application and all evidence of record, and being advised, is of the opinion and finds that:

1. 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 be granted.

2. The proposed borrowings are for lawful objects 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, will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that Henderson-Union 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 Henderson-Union be and it is hereby authorized to borrow a sum in the principal amount of \$1,834,000 from REA at the rate of 5 percent per annum over a 35-year period with payment of principal deferred for 3 years.

IT IS FURTHER ORDERED that Henderson-Union be and it is hereby authorized to borrow a sum in the principal amount of \$827,000 from CFC at an initial interest rate based on the current rate at the time of loan approval for a period of 7 years, with the rate to be variable thereafter, over a period of 20 years.

IT IS FURTHER ORDERED that Henderson-Union be and it is hereby authorized to execute its notes 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 purposes as set out in the application and record.

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 March, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohy
Chairman

Katharine Randall
Vice Chairman

Dwight Carrigan
Commissioner

ATTEST:

Secretary