

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF CLARK RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AUTHORITY)
TO EXECUTE ITS NOTE TO THE UNITED STATES)
OF AMERICA IN THE AMOUNT OF \$1,558,000)
AND FOR AUTHORITY TO EXECUTE AN AMENDMENT)
DATED AS OF FEBRUARY 5, 1982 TO AMENDING)
LOAN CONTRACT DATED AS OF OCTOBER 28, 1954)
BETWEEN CLARK RURAL ELECTRIC COOPERATIVE)
CORPORATION AND UNITED STATES OF AMERICA)
AND FOR AUTHORITY TO EXECUTE ITS NOTE TO) CASE NO. 8501
THE NATIONAL RURAL UTILITIES COOPERATIVE)
FINANCE CORPORATION IN THE AMOUNT OF)
\$703,000 AND FOR AUTHORITY TO EXECUTE A)
LOAN AGREEMENT DATED AS OF FEBRUARY 5, 1982)
BETWEEN CLARK RURAL ELECTRIC COOPERATIVE)
CORPORATION AND NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION AND FOR A)
CERTIFICATE OF CONVENIENCE AND NECESSITY)

O R D E R

Clark Rural Electric Cooperative Corporation ("Clark")
filed its application on April 7, 1982, for a certificate of
convenience and necessity and for authorization to borrow
\$1,558,000 from the United States of America Rural Electrifica-
tion Administration ("REA") and \$703,000 from the National Rural
Utilities Cooperative 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 \$2,225,850, are more specifically described in
the application and record.

A hearing was held on May 4, 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 Clark be and it hereby is 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 Clark be and it hereby is authorized to borrow a sum in the principal amount of \$1,558,000 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 Clark be and it hereby is authorized to borrow a sum in the principal amount of \$703,000

from CFC at the initial interest rate of 14 percent per annum for a period of 7 years, with the rate to be variable thereafter, over a total period of 35 years.

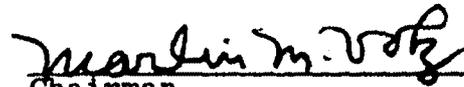
IT IS FURTHER ORDERED that Clark be and it hereby is authorized to execute its notes as security for the loans authorized herein.

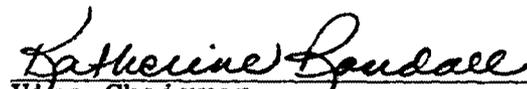
IT IS FURTHER ORDERED that the proceeds from the proposed borrowings shall be used only for the lawful purposes set out in the application and record.

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 13th day of May, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary