

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE 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)	
\$1,855,000.00 FROM THE UNITED STATES)	CASE NO. 8558
OF AMERICA (REA), AND \$795,000.00)	
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 Rural Electric Cooperative Corporation ("Jackson Purchase") filed its application on July 2, 1982, for authorization to borrow \$1,855,000 from the United States of America Rural Electrification Administration ("REA") and \$795,000 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 \$2,650,000 are more specifically described in the application and record.

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.

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 Jackson Purchase be and it hereby is authorized to borrow a sum in the principal amount of \$1,855,000 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 Jackson Purchase be and it hereby is authorized to borrow a sum in the principal amount of \$795,000 from LBC at a variable interest rate adjusted monthly, over a period of 20 years.

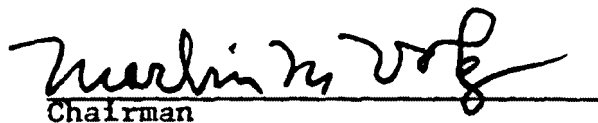
IT IS FURTHER ORDERED that Jackson Purchase be and it hereby is authorized to execute its notes as security for the loans authorized herein.

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 25th day of August, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary