

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

AMENDED APPLICATION OF THE NOLIN)	
RURAL ELECTRIC COOPERATIVE CORPO-)	
RATION FOR AUTHORITY TO BORROW AN)	
ADDITIONAL SUM OF \$1,153,000.00)	
FROM UNITED STATES OF AMERICA AND)	
TO BORROW AN ADDITIONAL SUM OF)	
\$520,000.00 FROM THE NATIONAL)	CASE NO. 8655
RURAL UTILITIES COOPERATIVE FINANCE)	
CORPORATION, TO EXECUTE NOTES FOR)	
SAID AMOUNTS, AND REQUEST A CERTI-)	
FICATE OF CONVENIENCE AND NECESSITY)	
FOR THE CONSTRUCTION SET OUT IN THE)	
ORIGINAL APPLICATION)	

O R D E R

Nolin Rural Electric Cooperative Corporation ("Nolin"), filed its application on September 21, 1982, for authorization to borrow \$1,153,000 from the United States of America Rural Electrification Administration ("REA") and \$520,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute its notes as security therefor. Nolin filed its amended application on September 23, 1982, for a certificate of convenience and necessity. 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 \$1,647,000, 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, and that a certificate of convenience and necessity be granted.

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

IT IS THEREFORE ORDERED that Nolin 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 Nolin be and it hereby is authorized to borrow a sum in the principal amount of \$1,153,000 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 Nolin be and it hereby is authorized to borrow a sum in the principal amount of \$520,000 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 total period of 35 years.

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

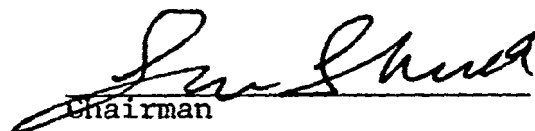
IT IS FURTHER ORDERED that the proceeds from the proposed borrowings shall be used only for the lawful purposes set out in the application and record.

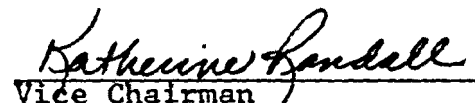
IT IS FURTHER ORDERED that Nolin shall file with the Commission letters of approval concerning the proposed loans after receipt from REA and CFC.

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 24th day of November, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary