

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN RIVER)
ELECTRIC CORPORATION (1) FOR AN)
ORDER PURSUANT TO KRS 278.300)
AND 807 KAR 5:001, SECTION 10,)
AUTHORIZING IT TO BORROW)
\$3,003,000 FROM THE UNITED)
STATES OF AMERICA AND \$1,287,000)
FROM THE LOUISVILLE BANK FOR)
COOPERATIVES, AND (2) FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY PURSUANT TO)
KRS 278.020(1) AND 807 KAR 5:001,)
SECTIONS 8(2), AND 8(3),)
AUTHORIZING CERTAIN PROPOSED)
CONSTRUCTION AND ASSOCIATED)
CAPITAL OUTLAY)

CASE NO. 8903

ORDER

Green River Electric Corporation ("Green River") filed its application on September 16, 1983, for authorization to borrow funds and for a certificate of convenience and necessity to construct certain improvements and additions to its existing plant. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$4,290,000 and will be financed by a loan of \$3,003,000 from the Rural Electrification Administration ("REA") and a loan of \$1,287,000 from the Louisville Bank for Cooperatives ("LBC"). The Commission requested additional information from Green River on October 20, 1983, which was received on November 2, 1983.

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. Green River is seeking to borrow funds from the REA. On November 12, 1982, the Franklin Circuit Court issued its opinion in West Kentucky RECC v. Energy Regulatory Commission. Therein, the Court held that the Commission had no authority to approve or disapprove borrowings from the REA since the REA is an agency of the federal government and KRS 278.300(10) exempts such borrowing from Commission regulation. Accordingly, the Commission takes no action on the REA portion of Green River's proposed borrowing.

2. Public convenience and necessity require the construction by Green River of the improvements and additions to its existing plant as described in the application and record, and that a certificate be granted.

3. The proposed borrowing from LBC is for lawful objects within the corporate purposes of Green River, is necessary and appropriate for and consistent with the proper performance by Green River of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that Green River be and it hereby is granted a certificate of 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 it hereby is authorized to borrow \$1,287,000 from LBC for a 35-year period, and bearing a variable interest rate which may be adjusted monthly.



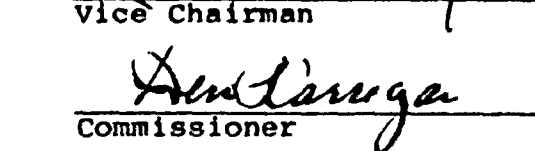
IT IS FURTHER ORDERED that Green River be and it hereby is authorized to execute its notes as security for the loan herein authorized.

IT IS FURTHER ORDERED that the proceeds from the proposed borrowing 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 22nd day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary