

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ADMINISTRATIVE CASE NO. 274
(LOGAN TELEPHONE COOPERATIVE, INC.)

ORDER DISCLAIMING JURISDICTION

Logan Telephone Cooperative, Inc., is in the process of borrowing funds from the Rural Electrification Administration ("REA").

KRS 278.300(1) states as follows:

No utility shall issue any securities or evidences of indebtedness or assume any obligation or liability in respect to the securities or evidences of indebtedness of any other person until it has been authorized so to do by order of the commission.

However, KRS 278.300(10) states in relevant part:

This section does not apply in any instance where the issuance of securities or evidences of indebtedness is subject to the supervision or control of the federal government or any agency thereof, * * *.

On November 12, 1982, the Franklin Circuit Court issued its opinion in West Kentucky RECC v. Energy Regulatory Commission, No. 80-CI-1747, which held that the Public Service Commission of Kentucky had no jurisdiction to approve or disapprove of borrowings by utilities from the REA. In so doing, the Court cited to the exemption language in KRS 278.300(10):

The language of the statute is clear and unequivocal. However desirable it may be to protect the consumer the exemption applies in this case.

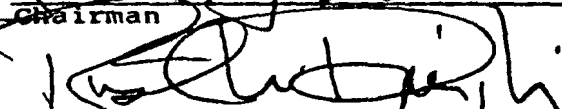
The Public Service Commission believes that this decision of the circuit court is dispositive: No approval of REA borrowings is required from the PSC of Kentucky, nor could this Commission legally assert any such jurisdiction were it so inclined.

For all of the above-stated reasons, the Public Service Commission of Kentucky hereby disclaims jurisdiction over the borrowing from REA by Logan Telephone Cooperative, Inc.

Done at Frankfort, Kentucky, this 24th day of February, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary