

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF SOUTH KENTUCKY)
RURAL ELECTRIC COOPERATIVE CORPORATION)
TO EXECUTE ITS NOTE TO NATIONAL RURAL) CASE NO. 8967
UTILITIES COOPERATIVE FINANCE CORPORATION)
IN THE AMOUNT OF \$1,339,000)

ORDER

IT IS ORDERED that South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") shall file an original and six copies of the following information with the Commission by March 20, 1984. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

(1) The Commission has recently processed several applications of RECC's who wish to convert their fixed interest rate CFC long term debt to variable interest rate. The information filed indicates that in certain circumstances substantial savings may be realized as a result of the conversion. Provide an explanation of the consideration given obtaining a variable interest rate loan from CFC versus the fixed rate loan. Provide copies of any studies or calculations performed.

(2) Provide the following information concerning the variable interest rate loan program to the extent known by South Kentucky:

- a. The current variable interest rate charged
- b. The frequency with which the rate can change
- c. The terms and conditions of any fees charged by CFC to take out a variable interest rate loan versus a fixed rate loan at the inception of the loan. Also include an estimate of these charges if known.
- d. The terms and conditions concerning possible conversion to a fixed rate in the future if a variable rate note is taken out at inception.

Done at Frankfort, Kentucky, this 13th day of March, 1984.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary