

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

• * • • *

In the Matter of:

THE APPLICATION OF CLARK RURAL)
ELECTRIC COOPERATIVE CORPORATION)
FOR AUTHORITY TO EXECUTE ITS)
NOTE TO THE NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE)
CORPORATION IN THE AMOUNT OF)
\$1,002,000 AND FOR AUTHORITY TO)
EXECUTE A LOAN AGREEMENT DATED) CASE NO. 9077
AS OF MARCH 2, 1984, BETWEEN)
CLARK RURAL ELECTRIC COOPERATIVE)
CORPORATION AND NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE)
CORPORATION AND FOR A CERTIFI-)
CATE OF CONVENIENCE AND NECES-)
SITY.)

O R D E R

IT IS ORDERED that Clark Rural Electric Cooperative Corporation ("Clark") shall file an original and 10 copies of the following information with this Commission by July 27, 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. Provide details regarding any other financing options that were considered in securing the \$1,002,000 loan. This discussion should include the reason(s) that the CFC financing was selected over other methods, as well as details regarding any studies that were conducted in support of the CFC financing.

2. In negotiating the terms and conditions of the CFC loan, did Clark consider the variable interest rate loan program

currently available through CFC? Provide details regarding the reasons that a fixed interest rate loan was negotiated instead of a variable interest rate loan.

3. Provide the additional debt-service requirement associated with the \$2,221,000 REA loan and the \$1,002,000 CFC loan.

4. With regard to the additional debt-service requirements associated with the REA and CFC loans, will Clark be able to meet these obligations with the revenues generated from its existing rates?

5. Provide a copy of the board of directors' approval of the 2-year work plan and its financing.

6. Provide a copy of the letter of approval from CFC for the loan funds.

7. Does the construction described in the 2-year work plan and in the application include any carryover from a previous 2-year work plan? If so, please describe this carryover.

Done at Frankfort, Kentucky, this 11th day of July, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Herman
For the Commission

ATTEST:

Secretary