

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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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 11 AND RELATED )  
SECTIONS, AUTHORIZING IT TO ISSUE )  
EVIDENCE OF INDEBTEDNESS TO BORROW )  
\$1,254,000 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, SECTION 9 AND )  
RELATED SECTIONS, AUTHORIZING )  
CERTAIN PROPOSED CONSTRUCTION )  
AND ASSOCIATED CAPITAL OUTLAY )

CASE NO. 9439

O R D E R

On October 4, 1985, Green River Electric Corporation ("Green River") filed an application for authorization to borrow funds and to request a Certificate of Convenience and Necessity to construct certain improvements and additions to existing plant. On December 9, 1985, the Commission issued an Order granting the Certificate and approving the borrowing of \$1,254,000 from the Louisville Bank for Cooperatives ("LBC"). The application reflected that the LBC financing plan of which Green River sought approval included the option of an initial fixed or variable interest rates and subsequent conversion options. The Commission therefore approved the financing to allow Green River the option of selecting the most advantageous initial interest rate, but, in

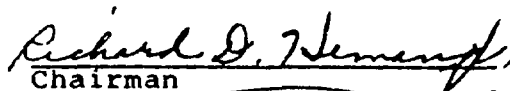
Ordering paragraph No. 6, required Green River to file an application if it later wished to convert from a fixed to a variable rate.

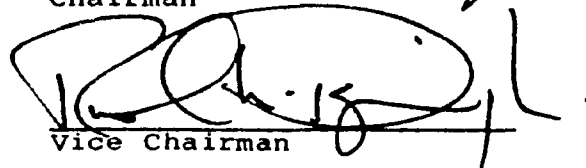
On December 19, 1985, the Commission staff met with representatives of Green River and LBC and was presented with additional information about the financing plan which is now contained as a part of the record in this case. This information reflects that conversion from a fixed to a variable rate, or vice versa, may occur frequently if interest rate changes make it advantageous. Therefore, the provisions of Ordering paragraph No. 6 would hinder Green River's opportunity to take full advantage of the LBC loan program.

IT IS THEREFORE ORDERED that Ordering paragraph No. 6 of the Commission's Order dated December 9, 1985, be and hereby is deleted.

Done at Frankfort, Kentucky, this 6th day of January, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary