

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR AN)
ORDER AUTHORIZING SAID CORPORATION TO)
BORROW \$810,204 FROM NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE CORPORATION)
FOR THE PURPOSE OF SERVING 1,200 NEW)
CUSTOMERS TO CONSTRUCT LINES, TO CONVERT) CASE NO. 9634
LINES, AND FOR SYSTEM IMPROVEMENTS, AND)
TO PURCHASE FROM NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION CAPITAL)
TERM CERTIFICATES IN AN AMOUNT EQUAL TO)
5% OF C.F.C. LOAN)

O R D E R

IT IS ORDERED that Meade County Rural Electric Cooperative Corporation ("Meade County") shall file three copies of the following information with the Commission within ten days from the date of this Order. Failure to file the information within this time, or to request and receive an extension of time, may result in the case being dismissed.

1. Provide a copy of the loan agreement between Meade County and the National Rural Utilities Cooperative Finance Corporation ("CFC").

2. Provide a detailed description of any other financing options that were considered in securing the CFC loan. This response should include the reason(s) that CFC financing was selected over other options as well as the results of any studies conducted which support the use of CFC financing.

3. What consideration has Meade County given to the various loan programs available through CFC? Explain which option Meade County anticipates selecting at this time.

4. Provide the additional debt service requirements associated with the Rural Electrification Administration loan and the CFC loan.

5. Provide an amortization schedule of the proposed loan from CFC.

6. Provide the current interest rates on both CFC fixed rate and variable rate loans.

7. Will Meade County be able to meet its increased debt service requirements with the revenue generated by its existing rates?

Done at Frankfort, Kentucky, this 5th day of August, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
For the Commission

ATTEST:

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Executive Director