

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARRISON COUNTY)
RURAL ELECTRIC COOPERATIVE CORPORATION)
TO BORROW AN ADDITIONAL SUM OF)
\$796,000 FROM THE UNITED STATES OF)
AMERICA AND TO EXECUTE A NOTE FOR SAID)
AMOUNT AND TO CONCURRENTLY BORROW FROM) CASE NO. 9869
THE NATIONAL RURAL UTILITIES COOPERA-)
TIVE FINANCE CORPORATION THE SUM OF)
\$351,546 AND TO EXECUTE ITS NOTE)
THEREFOR TO BE SECURED BY AN EXISTING)
COMMON MORTGAGE HERETOFORE EXECUTED)

O R D E R

IT IS ORDERED that Harrison County Rural Electric Cooperative Corporation ("Harrison RECC") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than March 30, 1987. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Information Request No. 1

1. Provide a copy of the loan agreement between Harrison RECC 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 Harrison RECC given to the various loan programs available through CFC? Explain which option Harrison RECC 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 Harrison RECC be able to meet its increased debt service requirements with the revenues generated by its existing rates?

8. Provide a complete balance sheet for the year ending December 31, 1986.

Done at Frankfort, Kentucky, this 20th day of March, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Hammer
For the Commission

ATTEST:

Executive Director