

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OWEN COUNTY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION TO CONVERT FIXED LOANS) CASE NO. 10045
TO VARIABLE INTEREST RATE)

O R D E R

IT IS ORDERED that Owen County Rural Electric Cooperative Corporation ("Owen 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 October 26, 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. Please provide any present value analysis performed by Owen RECC with regard to the projected net savings from the conversion of the loans from the fixed to variable rate program.

2. For each loan, please provide the amount and date of principal payments originally scheduled. Include a schedule

reflecting any changes resulting from the conversion to the variable rate program.

3. For each loan, provide the option selected by Owen RECC with regard to the conversion fee (paid by lump sum or amortized).

4. Provide the variable rate for September 1987, and the current variable interest rate.

5. Provide Owen RECC's understanding with regard to when the National Rural Utilities Cooperative Finance Corporation ("CFC") changes the variable rate and the basis upon which CFC sets a new variable rate.

6. Provide Owen RECC's intentions with regard to each loan prior to the repricing date.

a. Does Owen RECC intend to remain in the variable rate program or convert to a fixed rate?

b. What are the options available to Owen RECC prior to repricing date?

7. Provide the options available to Owen RECC on the repricing date for each loan. What options are being considered by Owen RECC?

Done at Frankfort, Kentucky, this 12th day of October, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Deman
For the Commission

ATTEST:

Executive Director