

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FLEMING-MASON RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR AN)
ORDER AUTHORIZING SAID CORPORATION TO)
BORROW ONE MILLION EIGHT HUNDRED AND)
THIRTY (\$1,830,000) THOUSAND DOLLARS)
FROM THE UNITED STATES OF AMERICA, AND)
TO EXECUTE A NOTE FOR SAID SUM TO THE) CASE NO. 10255
UNITED STATES OF AMERICA, AND TO BORROW)
FROM THE NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION, THE)
SUM OF EIGHT HUNDRED THOUSAND (\$800,000))
DOLLARS, AND TO EXECUTE A NOTE FOR SAID)
SUM TO THE NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION TO PRO-)
VIDE FOR THE CONSTRUCTION AND OPERATION)
OF ADDITIONAL ELECTRIC DISTRIBUTION AND)
SERVICE LINES)

O R D E R

IT IS ORDERED that Fleming-Mason Rural Electric Cooperative Corporation ("Fleming-Mason") shall file an original and 3 copies of the following information with this Commission, with a copy to all parties of record, within 10 days of the date of this Order. 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.

1. Provide a copy of the loan agreement between Fleming-Mason and the Rural Electrification Administration ("REA").

2. Provide a copy of the loan agreement between Fleming-Mason and the National Rural Utilities Cooperative Finance Corporation ("CFC").

3. 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.

4. What consideration has Fleming-Mason given to the various loan programs available through CFC? Explain which option Fleming-Mason anticipates selecting at this time.

5. Provide the additional debt service requirements associated with the REA loan and CFC loan.

6. Provide amortization schedules of the proposed REA loan and the loan from CFC.

7. Will Fleming-Mason be able to meet its increased debt service requirements with the revenues generated by its existing rates?

Done at Frankfort, Kentucky, this 7th day of June, 1988.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director