

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL )  
ELECTRIC COOPERATIVE CORPORATION TO )  
BORROW AN ADDITIONAL SUM OF \$2,150,000 )  
FROM THE UNITED STATES OF AMERICA AND TO )  
EXECUTE A NOTE FOR SAID AMOUNT AND TO )  
CONCURRENTLY BORROW FROM THE NATIONAL )  
BANK FOR COOPERATIVES THE SUM OF \$921,000 ) CASE NO. 89-138  
AND TO EXECUTE ITS NOTE THEREFOR TO BE )  
SECURED BY AN EXISTING COMMON MORTGAGE )  
HERETOFORE EXECUTED AND FOR A CERTIFICATE )  
OF CONVENIENCE AND NECESSITY AUTHORIZING )  
IT TO CONSTRUCT AND MAKE ADDITIONAL )  
IMPROVEMENTS AND EXTENSIONS TO ITS )  
EXISTING SYSTEM )

INTERIM ORDER

Taylor County Rural Electric Cooperative Corporation ("Taylor County") filed its application on May 19, 1989 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$921,000 from the National Bank For Cooperatives ("NBC"), and to execute its notes to secure such loan.

In support of its application, Taylor County filed its 1989-1991 Work Plan, which describes in detail the improvements and additions to plant that are required over the next 2 years to serve its load. These improvements and additions are estimated to cost \$3,071,125 and will be financed by loans of \$2,150,000 from the Rural Electrification Administration ("REA") and of \$921,000 from NBC.

Taylor County seeks authorization to construct extensions and additions to its plant as follows:

1. Line Extensions	\$1,170,000
2. Transformers	612,375
3. Meters	65,000
4. Security Lights	65,625
5. Conversion	335,000
6. Service Wires Uprated	76,375
7. Sectionalizing Equipment	67,750
8. Regulators	75,000
9. Poles and Conductor	<u>604,000</u>
TOTAL	\$3,071,125

The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to provide adequate and dependable electric service to existing and expected customers.

On June 16, 1989, the Commission issued an Order requesting additional information from Taylor County concerning its application. On June 20, 1989, Taylor County filed a motion for an extension of time to respond to the June 16, 1989 Order. On June 29, 1989, the Commission granted the motion and found that good cause existed to continue the financing application beyond the 60-day period contained in KRS 278.300(2). In the response to the Commission's Order of June 16, 1989, Taylor County indicated that it had not received final approval for the REA and NBC loans.

Therefore, the Commission will defer the approval of the proposed borrowing from NBC. Taylor County shall notify the Commission when it has received the requisite final loan approvals from REA and NBC, and its request for authorization to borrow from NBC will be considered at that time.

#### FINDINGS AND ORDERS

Based on the evidence of record and being otherwise sufficiently advised, the Commission is of the opinion and finds that:

1. Public convenience and necessity require the construction by Taylor County of the improvements and additions to its existing plant as described in its 1989-1991 Work Plan, and that a certificate should be granted.

2. The Commission has already found that good cause exists to continue the financing application beyond the 60-day period contained in KRS 278.300(2).

IT IS THEREFORE ORDERED that:

1. Taylor County be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the construction and additions as set forth in its 1989-1991 Work Plan.

2. Within 10 days of its receipt of final loan approval, Taylor County shall notify the Commission in writing of the final loan approvals received from REA and NBC.

Done at Frankfort, Kentucky, this 7th day of September, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

Executive Director