

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
COMMISSION APPROVAL TO CONSTRUCT AND)	CASE NO. 89-182
FINANCE DISTRIBUTION LINES UNDER THE)	
2-YEAR WORK PLAN)	

O R D E R

IT IS ORDERED that Salt River Rural Electric Cooperative Corporation ("Salt River") shall file the original and 10 copies of the following information with this Commission, with a copy to all parties of record within 7 days from 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. The two-year work plan copy provided to the Commission does not have the signature and stamp of a professional engineer. Provide a signed and stamped copy.

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

3. Provide a copy of the loan agreement between Salt River and NBC.

4. Indicate what consideration Salt River has given to the various loan programs available through NBC. Describe the loan programs available to Salt River through NBC. Explain which option Salt River anticipates selecting at this time.

5. Provide the current interest rates on both NBC fixed rate and variable rate loans.

6. Provide the additional debt service requirements associated with the Rural Electrification Administration ("REA") loan and the NBC loan.

7. Provide an amortization schedule of the proposed loan from NBC using the current interest rates for variable and fixed loans.


8. Provide an explanation of whether Salt River will be able to meet its increased debt service requirements with the revenues generated by its existing rates.

9. Provide documentation which indicates that the loans have been approved by the REA and NBC.

10. Provide a copy of the board of directors' resolution authorizing Salt River to borrow the funds.

Done at Frankfort, Kentucky, this 4th day of August, 1989.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director