

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION BY THE FOX CREEK RURAL)
ELECTRIC COOPERATIVE CORPORATION TO)
BORROW ADDITIONAL SUMS OF MONEY IN THE)
AMOUNT OF \$618,557.00, AT A VARIABLE)
INTEREST RATE, FROM NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE)
CORPORATION, TO EXECUTE A NOTE) CASE NO. 90-352
THEREFOR TO BE SECURED BY COMMON)
MORTGAGE HERETOFORE EXECUTED UNDER)
DATE OF DECEMBER 4, 1973, AND FOR A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY)

INTERIM ORDER

Fox Creek Rural Electric Cooperative Corporation ("Fox Creek") filed its application on December 5, 1990 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$618,557 from the National Rural Utilities Cooperative Corporation ("CFC"), and to execute its notes to secure such loan.

In support of its application, Fox Creek filed its 1990-1991 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 \$2,000,730 and will be financed by loans of \$1,401,000 from the Rural Electrification Administration ("REA") and of \$618,557¹ from CFC.

Fox Creek seeks authorization to construct extensions and additions to its plant as follows:

1. Conversion, tie lines and line changes.	\$493,910
2. Voltage regulators & Auto Boosters.	26,000
3. Sectionalizing devices.	13,800
4. New member extensions.	992,300
5. Increased capacity of Existing Consumers.	208,220
6. Security lights.	54,000
7. Pole Replacements.	<u>212,500</u>
TOTAL	\$2,000,730

The proposed construction will enable Fox Creek to continue to provide adequate and dependable service to 8,575 customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

¹ The borrowing from CFC includes the purchase of capital term certificates, in an amount equal to 3 percent of the total CFC loan. CFC requires its borrowers to purchase these certificates.

Fox Creek has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Therefore, the Commission will defer ruling on the proposed borrowing from CFC. Fox Creek should notify the Commission when it has received the requisite final loan approvals from REA and CFC. Its request for authorization to borrow from CFC will be considered at that time.

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

1. Public convenience and necessity require the construction by Fox Creek of the improvements and additions to its existing plant as described in its 1990-1991 Work Plan.

2. Good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

IT IS THEREFORE ORDERED that:

1. Fox Creek 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 1990-1991 Work Plan.

2. Fox Creek's application for authorization to borrow \$618,557 from CFC and to execute notes to secure each loan is continued generally.

3. Within 10 days of its receipt of final loan approval, Fox Creek shall notify the Commission in writing of the final loan approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 1st day of February, 1991.

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:


Executive Director