

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION)
REQUESTING COMMISSION APPROVAL OF)
A CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO CONSTRUCT ADDITIONAL) CASE NO. 91-064
PLANT AND EXTENSIONS AND APPROVAL)
TO ISSUE SECURITIES FROM THE)
NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION)

INTERIM ORDER

Meade County Rural Electric Cooperative Corporation ("Meade County") filed its application on March 12, 1991 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$927,835 from the National Rural Utilities Cooperative Corporation ("CFC"), and to execute its notes to secure such loan.

In support of its application, Meade County filed its 1990-1992 Work Plan, which describes in detail the improvements and additions to plant that are required over the next 2 years to service its load. These improvements and additions are estimated to cost \$3,541,620 and will be financed by loans of \$2,100,000

from the Rural Electrification Administration ("REA") and of \$927,835¹ from CFC. A total of \$541,620 will be financed by Meade County's internally generated funds.

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

1. Conversions, tie lines and line changes	\$ 662,250
2. Voltage Regulators	45,000
3. Sectionalizing Devices	11,700
4. Substations	42,000
5. Service to Large Power Load	55,000
6. New Member Extensions	2,293,170
7. Increased Service Capacity	18,000
8. Security Lights	127,000
9. Pole Replacements	<u>287,500</u>
TOTAL:	\$3,541,620

The proposed construction will enable Meade County to continue to provide adequate and dependable service to its 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. The purchases required of Meade County for this loan total \$27,835. The total amount of the REA and CFC loans equals \$3,000,000.

Meade County 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. Meade County 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 public convenience and necessity require the construction by Meade County of the improvements and additions to its existing plant as described in its 1990-1992 Work Plan.

IT IS THEREFORE ORDERED that:

1. Meade 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 1990-1992 Work Plan.

2. Meade County's application for authorization to borrow \$927,835 from CFC and to execute notes to secure such loan is continued generally.


3. Meade County shall inform the Commission every 60 days of the status of its loan application from CFC until it receives final loan approval.

4. Meade County shall notify the Commission in writing within 10 days of its receipt of final loan approval.

Done at Frankfort, Kentucky, this 17th day of July, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director