

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------------|---|-----------------|
| THE APPLICATION OF INTER-COUNTY |) | |
| RURAL ELECTRIC COOPERATIVE |) | |
| CORPORATION TO CONVERT ITS CFC |) | CASE NO. 92-366 |
| LOANS FROM STANDARD FIXED RATE TO |) | |
| A VARIABLE RATE |) | |

O R D E R

IT IS ORDERED that Inter-County Rural Electric Cooperative Corporation ("Inter-County") shall file an original and six copies of the following information with this Commission, with a copy to all parties of record within 10 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. Provide an explanation of how the conversion fee is determined.

2. Will Inter-County be subject to a one-time up-front fee, of basis points, which is added to the conversion fee when switching from fixed to variable rates?

3. Explain how the conversion fee and the up-front fee are reflected in the analysis filed with the application and in response to this data request.

4. What is Inter-County's proposal with regard to monitoring the rates to determine whether or not the loans should be locked into a fixed rate at some point in the future?

5. Explain the basis that Inter-County is using to determine that it is economically beneficial to convert the loans and provide the amount of savings that will occur.

6. Provide the fixed rate schedules for the remaining repricing cycle for Notes 9012, 9017, 9021, and 9023.

7. Provide the schedules using the discounted up-front payment for Notes 9012, 9017, 9021, and 9023.

8. Provide the schedules with the variable rate of 5.375 percent increasing .25 percent each quarter for Notes 9012, 9017, 9021, and 9023.

9. Provide the schedules using the fixed rate near the break-even point for Notes 9012, 9017, 9021, and 9023.

Done at Frankfort, Kentucky, this 3rd day of September, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director