

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTER-COUNTY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR AN	)	
ORDER AUTHORIZING IT TO BORROW FROM THE	)	
UNITED STATES OF AMERICA \$3,312,000.00	)	
AND FROM THE NATIONAL RURAL UTILITIES	)	
COOPERATIVE FINANCE CORPORATION	)	CASE NO.
\$1,463,918.00 AND FOR A CERTIFICATE OF	)	93-189
CONVENIENCE AND NECESSITY PURSUANT TO	)	
KRS 278.020 (1) AND 807 KAR 5:001, SECTION 9	)	
AND RELATED SECTIONS, AUTHORIZING CERTAIN	)	
PROPOSED CONSTRUCTION AND ASSOCIATED	)	
CAPITAL OUTLAY	)	

INTERIM ORDER

Inter-County Rural Electric Cooperative Corporation ("Inter-County") filed its application on June 1, 1993 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$1,463,918<sup>1</sup> from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute its notes to secure such loan. In support of its application, Inter-County filed its 1992-1994 Work Plan which describes in detail the improvements and additions to its plant that are required over the next two years to serve its load.

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<sup>1</sup> 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 Inter-County for this loan total \$43,918. The total amount of the REA and CFC loans equals \$4,775,918.

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

1. Consumer line construction	\$1,430,000
2. Conversion and line changes	492,748
3. Distribution equipment	2,590,725
4. Security lights	<u>218,250</u>
Total	\$4,731,723

The proposed construction will enable Inter-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, provide for increased load growth, improve phase balance, and improve service reliability.

Inter-County has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Therefore, the Commission will defer rulings on the proposed borrowing from CFC. Inter-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 Inter-County of the improvements and additions to its existing plant as described in its 1992-1994 Work Plan.

IT IS THEREFORE ORDERED that:

1. Inter-County be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the construction and addition as set forth in its 1992-1994 Work Plan.

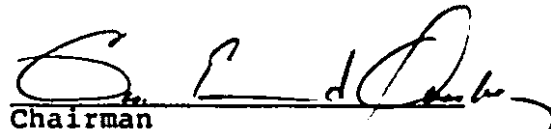
2. Inter-County's application for authorization to borrow \$1,463,918 from CFC and to execute notes to secure such loan is continued generally.

3. Inter-County shall inform the Commission every 60 days of the status of its loans from REA and CFC until it receives final loan approval.

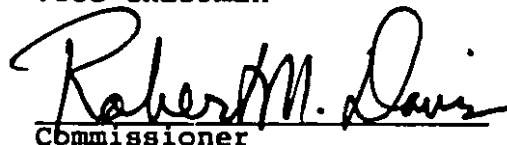
4. Within 10 days of its receipt of final loan approval, Inter-County shall notify the Commission in writing of the final loan approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 23rd day of August, 1993.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director