

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PEOPLES RURAL)
TELEPHONE COOPERATIVE CORPORATION)
FOR A CERTIFICATE OF CONVENIENCE AND) CASE NO. 93-457
NECESSITY AUTHORIZING IT TO CONSTRUCT)
ADDITIONAL TELEPHONE LINES AND OTHER)
FACILITIES)

O R D E R

On December 20, 1993, Peoples Rural Telephone Cooperative Corporation ("Peoples Rural") filed an application for a Certificate of Public Convenience and Necessity to construct additional plant, add auxiliary power generators and complete software upgrades to its digital central office switch.

Peoples Rural is a corporation organized and existing under the laws of the Commonwealth of Kentucky, with its principal office, central office host and place of business in McKee, Jackson County, Kentucky. This multi-exchange company provides service over approximately 1,084 miles of line in Jackson and Owsley counties.

Peoples Rural proposes a software upgrade in the digital central office, additional copper and fiber optic cable and lightwave equipment in its outside plant, and auxiliary power generators at three remotes. The software upgrade will allow Peoples Rural to add capabilities such as signalling system 7, CLASS features, calling number delivery, and other related features. A fiber optic ring will link the Booneville and McKee

exchanges and will facilitate equal access. Proposed additional lightwave equipment will be consumer driven, although lightwave systems have been included to all schools in the system. The auxiliary power generators will be located at the Lakes Creek, Jacks Branch and Travelers Rest remotes.

Peoples Rural plans to finance the proposed construction with a \$7,742,000 loan from the Rural Electrification Administration ("REA"). The construction is not plant duplication and will not interfere with the existing certificates of service of other utilities operating in the general area. KRS 278.300(10) removes from Commission jurisdiction financing where the issuance of securities or evidences of indebtedness is subject to the supervision or control of the federal government or any agency thereof. REA is an agency of the federal government as described in KRS 278.300.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the proposed construction is needed to provide adequate and dependable service to existing and future customers.

IT IS THEREFORE ORDERED that Peoples Rural be and hereby is granted a Certificate of Public Convenience and Necessity to:

1. Upgrade the software release in the digital central office.
2. Add a fiber optic ring and lightwave terminals.
3. Add copper cable for additional projected subscribers.

Done at Frankfort, Kentucky, this 22nd day of February, 1994.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director