

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST KENTUCKY RURAL )  
TELEPHONE COOPERATIVE CORPORATION, INC. )  
FOR A CERTIFICATE OF CONVENIENCE AND ) CASE NO. 94-212  
NECESSITY TO CONSTRUCT NEW FACILITIES )  
THROUGHOUT ITS FIFTEEN EXCHANGES IN )  
WESTERN KENTUCKY )

O R D E R

On May 23, 1994, West Kentucky Rural Telephone Cooperative Corporation, Inc. ("West Kentucky Rural") filed an application seeking a Certificate of Public Convenience and Necessity to construct facilities throughout its fifteen exchanges in Kentucky over a five year Loan Design period.

West Kentucky Rural is a non-stock, non-profit membership cooperative corporation organized under the laws of the Commonwealth of Kentucky with its principal office in Mayfield, Kentucky. West Kentucky Rural currently services over 13,200 access lines in all or portions of Carlisle, Hickman, Graves, Marshall, Calloway, and McCracken counties of Kentucky. West Kentucky Rural provides service to three additional exchanges in Tennessee.

The purpose of the proposed construction is to upgrade outside plant and accommodate growth in all eighteen of West Kentucky Rural's exchanges in Kentucky and Tennessee. The proposed construction consists of the reinforcement of existing cable, new pad-mounted remotes, transmission facilities to support the new

remotes, and the deployment of fiber-optic cable to each Kentucky school in its service territory. According to West Kentucky Rural, this construction will lower operating costs, improve reliability, and enable it to offer advanced services to its subscribers. West Kentucky Rural does not anticipate seeking any rate adjustments as a result of the proposed construction expenditures.

The total estimated cost of the proposed construction, including engineering, is \$14,328,000. The construction cost will be financed by a loan from the federal government through the Rural Electrification Administration and the Rural Telephone Bank ("RTB") in the amount of \$14,679,150 which includes a \$351,150 investment in class "B" stock of the RTB. Pursuant to KRS 278.300(10), loans subject to the supervision or control of the federal government or any agency thereof are exempt from Commission regulation and therefore are not subject to approval.

The Commission finds that the proposed construction includes necessary and desirable improvements that will benefit West Kentucky Rural's present and future subscribers by increasing reliability, reducing maintenance costs, and positioning it to provide advanced services to its subscribers.

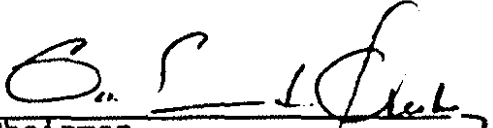
IT IS THEREFORE ORDERED that:

1. West Kentucky Rural be and it hereby is granted a Certificate of Public Convenience and Necessity to construct and upgrade its facilities as described in its application filed May 23, 1994.

2. West Kentucky Rural shall file a copy of all progress reports, or similar documents available, with the Commission annually.

Done at Frankfort, Kentucky, this 14th day of November, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director