

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. FOR THE APPROVAL OF)	CASE NO.
FINANCING IN THE AMOUNT OF APPROXIMATELY)	95-135
\$6,734,000 FOR TRANSMISSION FACILITIES)	
AND SYSTEM IMPROVEMENTS)	

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc. ("East Kentucky") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within 7 days from the date of this Order.

1. Describe in detail any financing sources other than National Rural Utilities Cooperative Finance Corporation ("CFC") that were considered in securing the supplemental financing requested herein. This response should include the reason(s) that CFC financing was selected over other options, as well as the results of any studies conducted which support the use of CFC financing.

2. Provide the additional debt service requirements associated with the Rural Utilities Service ("RUS") loan and the CFC loan, using the RUS interest rate and the current CFC variable and fixed interest rates.

3. Provide an amortization schedule of the proposed CFC loan using the current rates for variable and fixed loans.

4. Explain whether East Kentucky will be able to meet its increased debt service requirements with the revenues generated by its existing rates.

5. Explain how East Kentucky's current revenues are sufficient to cover the additional operating expenses it expects to incur related to the work plan.

6. Provide a copy of the Long Range Financial Forecast filed with RUS to support the proposed financing.

7. Discuss the interest rate options currently available through CFC and provide copies of documents from CFC describing them.

8. If the advance of funds from this proposed loan was to be made by the date of the response to this Order, explain which loan program East Kentucky would select and how East Kentucky determined that this was the best option. Include with this explanation the results of any economic studies or analysis used by East Kentucky in making the loan program selection.

9. Provide documentation which indicates that the loans have been approved by RUS and CFC.

10. Provide a copy of the mortgage agreement with CFC noting the differences between the current agreement and the previous mortgage agreement; or if the mortgage agreement has not changed, so indicate and reference the last case in which the current mortgage agreement was filed.

11. Provide a copy of the board of directors' resolution authorizing East Kentucky to borrow the funds.

12. Provide RUS Form 740c.

13. In Case Number 95-087,¹ East Kentucky has been ordered to respond to numerous complaints concerning certain transmission facilities. Using the list of projects shown on Exhibit D, pages 2 and 3 of 4, of the application, indicate whether any of these projects are related to the complaints.

14. Refer to Exhibit D of the application.

a. Are any of these projects not completed? If yes, indicate which projects, and their locations.

b. Provide the actual cost of these projects and explain why the new financing requested for these facilities is based on estimated cost instead of actual cost.

Done at Frankfort, Kentucky, this 20th day of April, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director

¹ Case No. 95-087, Paul F. Hilpp, Robert P. Brady, William P. Thompson, Brian M. Mattingly, Mr. & Mrs. Samuel E. Lee III, Richard and Angela Mattingly, Joseph R. Hughes, Charles and Terry Campbell, Timothy Gerald Ewing, Robert and Patricia Clements, Joseph Paul and Vickie Brady, and James C. Hanks v. East Kentucky Power Cooperative, Inc.