

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DUO COUNTY TELEPHONE)	
COOPERATIVE CORPORATION, INC. FOR A)	
CERTIFICATE OF CONVENIENCE AND)	
NECESSITY TO CONSTRUCT AND INSTALL NEW)	CASE NO. 95-188
FACILITIES THROUGHOUT ITS FOUR)	
EXCHANGES SITUATED IN ADAIR,)	
CUMBERLAND AND RUSSELL COUNTIES,)	
KENTUCKY)	

O R D E R

On April 24, 1995, Duo County Telephone Cooperative Corporation, Inc. ("Duo County") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to construct new facilities throughout its service territory in Kentucky.

Duo County is a non-stock, non-profit membership cooperative corporation with its principal office in Jamestown, Kentucky. Duo County provides local telephone service to all or portions of Adair, Cumberland and Russell counties in Kentucky.

The proposed construction is necessary to accommodate subscriber growth and will increase reliability and reduce maintenance costs. The new construction will enable Duo County to connect over 3,000 new access lines projected over the five-year construction period and continue the development of a state-of-the-art network. The design of outside plant includes the elimination of problematic loaded transmission facilities and installation of fiber optic cable facilities for advanced communications services.

Support for the existing central office switches is being suspended by the manufacturer and the proposed construction includes a new switching platform to be phased in over the five-year construction period.

The proposed construction involves a total project cost of \$16,496,300. Duo County proposes to supply internal funds for the switching change-out and associated connections in the amount of \$4,078,000. Prior loan reserves of \$1,609,362 from the Rural Electrification Administration, now the Rural Utility Service ("RUS"), will be utilized and new loan funds from RUS and the Rural Telephone Bank in the amount of \$10,809,000, will be required. The Loan Proposal and Design has received Engineering approval by RUS and is being processed for final approval of funding.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Duo County should be authorized to proceed with the proposed construction.

IT IS THEREFORE ORDERED that:

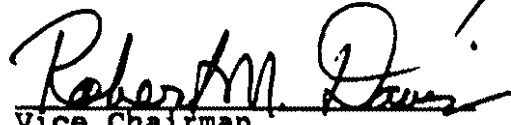
1. Duo County be and hereby is granted a Certificate of Public Convenience and Necessity to construct new facilities throughout its service territory as set forth in its application and this Order.

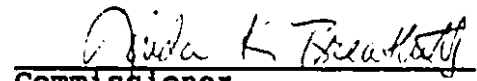
2. Should the costs of the construction authorized herein exceed the estimated costs supplied with the application, Duo County shall immediately notify the Commission of the adjustment including an explanation of the additional cost for the Commission's approval.

Done at Frankfort, Kentucky, this 23rd day of June, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director