

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL ELECTRIC	)	
COOPERATIVE CORPORATION TO BORROW AN	)	
ADDITIONAL SUM OF \$4,479,000 FROM THE UNITED	)	
STATES OF AMERICA AND TO EXECUTE A NOTE FOR	)	
SAID AMOUNT AND TO CONCURRENTLY BORROW	)	CASE NO.
FROM ITS SUPPLEMENTAL LENDER, COBANK, THE	)	95-226
ADDITIONAL SUM OF \$1,919,000 AND TO EXECUTE	)	
ITS NOTE THEREFORE, SAID NOTES TO BE SECURED	)	
BY AN EXISTING COMMON MORTGAGE HERETOFORE	)	
EXECUTED	)	

O R D E R

The Commission, on its own motion, hereby incorporates by reference the REA Form 740c filed by Taylor County Rural Electric Cooperative Corporation ("Taylor County") in Case No. 95-125<sup>1</sup> and IT IS ORDERED that Taylor County 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 Bank for Cooperatives ("CoBank") that were considered in securing the supplemental financing for which approval is requested. Provide the reason(s) that financing was selected over other options, as well as the results of any studies conducted which support the use of CoBank financing.

2. Provide the additional debt service requirements associated with the Rural Utilities Service ("RUS") loan and the

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<sup>1</sup> Case No. 95-125 Application of Taylor County Rural Electric Cooperative Corporation for Certificate of Public Convenience and Necessity.

CoBank loan, using the RUS interest rate and the current CoBank variable and fixed interest rates.

3. Provide the amortization schedules for the RUS and CoBank loans. The amortization schedule for the CoBank loan should be prepared to reflect the currently available interest rates.

4. Explain how Taylor County will be able to meet its increased debt service requirements with the revenues generated by its existing rates.

5. Explain how Taylor County'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 CoBank and provide copies of documents from CoBank describing them.

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

9. Concerning the actual work performed under the 1995-1997 Work Plan, provide the following information:

a. Indicate when Taylor County began construction under the 1995-1997 Work Plan.

b. Identify how much Taylor County has spent on the 1995-1997 Work Plan, as of the date of its response to this Order.

10. Provide a copy of the loan approval received from CoBank. The approval must clearly state that the loan has been approved, not that processing is completed.

Done at Frankfort, Kentucky, this 9th day of June, 1995.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director