

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LOGAN TELEPHONE)	
COOPERATIVE, INC. FOR A)	
CERTIFICATE OF CONVENIENCE AND)	CASE NO. 95-341
NECESSITY TO CONSTRUCT NEW)	
FACILITIES THROUGHOUT SIX OF ITS)	
EXCHANGES IN SOUTH CENTRAL KENTUCKY)	

O R D E R

On August 9, 1995, Logan Telephone Cooperative, Inc. ("Logan") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to construct new facilities throughout its service territory in Kentucky.

Logan is a non-stock, non-profit membership cooperative corporation with its principal office in Auburn, Kentucky. Logan provides local telephone service to all or portions of Butler, Logan, Muhlenberg, Ohio, Simpson, Todd, and Warren counties in Kentucky.

The proposed construction is necessary to accommodate subscriber growth and will increase transmission capacity and reliability. The new construction will enable Logan to connect over 1,180 new access lines projected over the five-year loan design period and support the development of a statewide educational network. The design of outside plant includes the elimination of problematic loaded subscriber facilities and installation of fiber optic cable facilities for advanced communications services.

The proposed construction involves a total project cost of \$12,516,140. Logan does not anticipate seeking any rate adjustments as a result of the proposed construction expenditures. Logan has \$2,601,296 in non-loan funds available reducing the amount of the loan funds required to \$9,914,844. Logan proposes to defray the cost of the construction of these new facilities through a loan now pending with the Rural Utility Service ("RUS"). The Loan Proposal and Design has received Engineering approval by RUS and is being processed for final approval of funding. Logan requests that any expenses associated with the implementation of the early phases of the construction be paid through General Funds and reimbursed as soon as the RUS loan funds are available. The Commission finds this request to be reasonable and it should be granted.

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

IT IS THEREFORE ORDERED that:

1. Logan 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. Any expenses associated with the implementation of the early phases of the construction shall be paid through General Funds to be reimbursed as soon as the RUS loan funds are available.

3. Should the costs of the construction authorized herein exceed the estimated costs supplied with the application, Logan

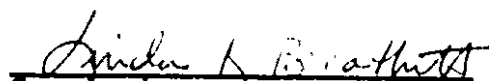
shall immediately notify the Commission of the adjustment including an explanation of the additional cost for the Commission's approval.

Done at Frankfort, Kentucky, this 6th day of October, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director