

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FOOTHILLS RURAL TELEPHONE )	
COOPERATIVE CORPORATION, INC. FOR A )	
CERTIFICATE OF PUBLIC CONVENIENCE AND )	
NECESSITY TO CONSTRUCT AND INSTALL NEW )	CASE NO.
FACILITIES THROUGHOUT ITS SEVEN EXCHANGES )	95-393
WHICH PROVIDE LOCAL TELEPHONE SERVICE TO ALL )	
OR PORTIONS OF BREATHITT, JOHNSON, LAWRENCE, )	
AND MAGOFFIN COUNTIES IN KENTUCKY )	

O R D E R

On September 6, 1995, Foothills Rural Telephone Cooperative Corporation, Inc. ("Foothills Rural") filed an application for a Certificate of Public Convenience and Necessity ("CPCN") to construct new facilities throughout seven of its exchanges in Eastern Kentucky. Foothills Rural is a non-stock, non-profit membership cooperative corporation serving approximately 11,897 access lines in Breathitt, Johnson, Lawrence, and Magoffin counties. Foothills Rural's principal office is located in Staffordsville, Kentucky.

Foothills Rural proposes to renovate and upgrade its outside plant in all seven exchanges. Foothills Rural proposes to install new remote line switches and fiber optic lines to reduce cable loading on subscriber lines. After placing these remote switches in strategically located areas, Foothills Rural will be able to re-engineer and thereby continue to use existing copper line. A fiber optic network is planned to provide interactive video capacity for fourteen schools in the applicant's area. Construction of outside

plant copper distribution cable and fiber optic transmission cable will be aerial.

Foothills Rural has proposed to finance its new construction by borrowing \$13,498,481 from the Rural Utility Service ("RUS"), previously known as the Rural Electrification Administration. Foothills Rural plans to use \$4,050,180 in available non-loan funds, for a total projected cost of \$17,548,661. Foothills Rural's loan has received RUS engineering approval, and is being processed for final approval and funding.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the construction of new facilities is needed to provide adequate and dependable service to existing and future customers and that a construction CPCN should be granted. The Commission further finds that, pursuant to KRS 278.300(10), Commission approval of the proposed financing for this project is unnecessary because said financing is subject to the supervision of an agency of the federal government

IT IS THEREFORE ORDERED that Foothills Rural be and it hereby is granted a Certificate of Public Convenience and Necessity to construct and upgrade facilities throughout its seven exchanges as described in its application and this Order.

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

ATTEST:

Don Mills  
Executive Director

PUBLIC SERVICE COMMISSION

Gr. L. I. Davis  
Chairman

Robert M. Davis  
Vice Chairman

Linda K. Breathitt  
Commissioner