

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE LICKING VALLEY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR THE)
AUTHORIZATION TO BORROW TWO MILLION, NINE)
HUNDRED EIGHTY NINE THOUSAND DOLLARS) CASE NO.
(\$2,989,000.00), FROM THE NATIONAL RURAL) 96-583
UTILITIES COOPERATIVE FINANCE COPORATION,)
AND TO EXECUTE A SECURED PROMISSORY NOTE)
FOR SAID SUM)

ORDER

IT IS ORDERED that Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within seven days from the date of this Order.

1. Provide an amortization schedule of the proposed National Rural Utilities Cooperative Finance Corporation ("CFC") loan using the current rates for variable and fixed loans.
2. Explain how Licking Valley's current revenues are sufficient to cover the additional operating expenses it expects to incur related to the work plan.
3. Provide a copy of the Long Range Financial Forecast filed with Rural Utilities Service ("RUS") to support the proposed financing.
4. If the advance of funds from this proposed loan were made by the date of Licking Valley's response to this Order, explain which loan program Licking Valley would select and why. Include with this explanation the results of all economic studies and analyses used to make this selection.

5. Provide documentation which indicates that the loan has been approved by RUS.

6. Provide an updated 740c with Section B showing the RUS and CFC requested amounts.

7. Based on the fact that the Commission only approved a portion of the construction in Case No. 96-153,¹ will this modify the financing application? Explain.

Done at Frankfort, Kentucky, this 21st day of January, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

¹ Case No. 96-153, The Application of Licking Valley Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity to Construct a Four (4) Year Work Plan, Interim Order dated December 6, 1996.