

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH KENTUCKY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR AN)
ORDER TO EXECUTE ITS NOTE TO NATIONAL) CASE NO.
RURAL UTILITIES COOPERATIVE FINANCE) 97-372
CORPORATION IN THE AMOUNT OF \$3,564,000,)
PURSUANT TO KRS 278.300 AND 807 KAR 5:001)
SECTION 11 AND RELATED SECTIONS)

ORDER

IT IS ORDERED that South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") shall file the original and 5 copies of the following information with the Commission within 7 days of the date of this Order. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided if a hearing is held. Careful attention should be given to copied material to ensure its legibility.

1. Explain how South Kentucky's current revenues are sufficient to cover the additional operating expenses it expects to incur related to the work plan.
2. Provide the Long Range Financial Forecast that South Kentucky filed with the RUS to support its application for the proposed financing.
3. Provide documentation which indicates that the loans have been approved by RUS and CFC.

4. Provide a copy of South Kentucky's mortgage agreement with CFC, noting the differences between the current agreement and the previous agreement. If the mortgage agreement has not changed, state that no changes have been made and identify the most recent case in which the current mortgage agreement was filed.

5. Concerning the actual work performed under the 1996-1997 Work Plan:

(1) When did South Kentucky begin construction under the 1996-1997 Work Plan?

(2) How much has South Kentucky spent on the 1996-1997 Work Plan, as of the date of its response to this Order?

6. In the final Order of Case No. 96-109¹ total expenditures for the period of this Work Plan are estimated at \$10,508,435. The application, however, indicated that total expenditures for the period will be \$11,879,000, a difference of \$1,370,565. Explain the discrepancy.

Done at Frankfort, Kentucky, this 10th day of September, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

¹ Case No. 96-109, The Application of South Kentucky Rural Electric Cooperative Corporation For a Certificate of Convenience and Necessity to Construct Additional Lines and Facilities, Order dated October 7, 1996.