

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)	
POWER COOPERATIVE, INC. FOR THE)	
APPROVAL OF FINANCING IN THE)	CASE NO. 98-281
AMOUNT OF APPROXIMATELY \$5,251,000)	
FOR TRANSMISSION FACILITIES AND)	
SYSTEM IMPROVEMENTS)	

O R D E R

IT IS ORDERED that East Kentucky Power Cooperative, Inc. ("East Kentucky") shall file an original and 8 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data 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. Careful attention should be given to copied material to ensure that it is legible. The information requested herein is due no later than 10 days after the date of this Order.

1. Refer to Exhibit D, page 1 of 4, of the Application. It is indicated that a portion of the funding for transmission facilities and system improvements is from a previous Rural Utilities Service ("RUS") loan.

a. Explain why funds from a previous RUS loan were available to be utilized for these projects.

b. Refer to pages 2 and 3 of 4 of Exhibit D. Do the differences between the estimated and actual completed costs reflect the application of the previous RUS loan funds to these projects? Explain the response.

c. Explain why six of the projects listed on pages 2 and 3 of 4 do not show actual completed cost amounts.

2. The total estimated cost of the transmission facilities and system improvements projects, as shown on page 4 of 4 of Exhibit D, is approximately \$24.8 million. The total actual completed cost shown is approximately \$17.1 million. If East Kentucky had \$7.3 million in previous RUS loan funds available to finance these projects, explain why East Kentucky is borrowing \$17.5 million, instead of \$10.0 million (actual completed cost less previous RUS loan funds).

3. Provide a copy of the East Kentucky Board of Directors' resolution authorizing the application of the new RUS and National Rural Utilities Cooperative Finance Corporation loans.

4. Refer to the Oath page of the Application. Mr. Foster J. Collis is identified as Acting President and Chief Executive Officer of East Kentucky. Exhibits C and E of the Application contain correspondence which identify Mr. Roy M. Palk as the President and Chief Executive Officer.

a. Explain why Mr. Collis is referred to as Acting President and Chief Executive Officer in this Application.

b. Is Mr. Palk still associated with East Kentucky? Explain the response.

Done at Frankfort, Kentucky, this 18th day of June, 1998.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director