

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NOLIN RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
AN ORDER PURSUANT TO KRS 278.300 AND)	
807 KAR 5:001, SECTION 11 AND RELATED)	
SECTIONS AUTHORIZING THE COOPERATIVE)	CASE NO. 99-259
TO OBTAIN A LOAN IN THE AMOUNT OF)	
\$4,300,000.00 FROM THE NATIONAL RURAL)	
UTILITIES COOPERATIVE FINANCE)	
CORPORATION)	

O R D E R

IT IS ORDERED that Nolin Rural Electric Cooperative Corporation (Nolin) shall file an original and 8 copies of the following information with the 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. Where information requested herein has been provided previously, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein shall be filed no later than 14 days from the date of this Order.

1. Provide copies of the approval letter from the National Rural Utilities Cooperative Finance Corporation (CFC) for the proposed financing.

2. Refer to Exhibit 5 of the application. Provide documentation of the date of the board of directors approval for the proposed financing.

3. Explain in detail the amortization and repayment provisions of the proposed financing. Specifically discuss the provision dealing with the seven year balloon payment for its maturity.

4. Provide copies of the unexecuted loan documents for the proposed financing.

5. Describe the analysis performed by Nolin that led it to conclude that the proposed financing was the most reasonable alternative. Include a discussion of other financing options considered.

6. Are Nolin's current revenues sufficient to cover the increased debt costs represented by the proposed financing? Explain the response.

7. Provide two copies of Nolin's Restated Mortgage and Security Agreement dated May 1, 1997. Also, explain why this document was not included with Nolin's application, instead of referencing the mortgages filed in Case No. 93-324.¹

¹ Case No. 93-324, Application of the Nolin Rural Electric Cooperative Corporation for an Order Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11 and Related Sections Authorizing the Cooperative to Obtain a Five (5) Year Line of Credit in the Amount of \$3,000,000.00 from the National Rural Utilities Cooperative Finance Corporation, final Order dated November 29, 1993.

Done at Frankfort, Kentucky, this 29th of July, 1999.

By the Commission

ATTEST:

Executive Director