

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PEOPLES RURAL)	
TELEPHONE COOPERATIVE CORPORATION INC.,)	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY TO CONSTRUCT NEW)	2000-029
FACILITIES)	

O R D E R

On March 6, 2000, Peoples Rural Telephone Cooperative Corporation ("Peoples Telephone") filed an application seeking a Certificate of Public Convenience and Necessity to construct new facilities and upgrade existing facilities throughout its four exchanges in Jackson and Owsley counties of Kentucky. Peoples Telephone is a non-stock, non-profit membership cooperative corporation with its main office in McKee, Jackson County, Kentucky.

The total estimated cost, including engineering and prior loan deficiency, of the proposed construction is \$13,630,000. The construction will be financed through the Rural Utilities Service ("RUS") and Rural Telephone Bank ("RTB"). RUS will provide \$9,086,000 and RTB will provide \$4,771,200. In addition, Peoples Telephone will be required to purchase \$227,200 of RTB's Class B shares. Peoples Telephone states that it does not anticipate any rate adjustments as a result of the expenditures associated with the proposed construction.

The proposed construction will consist of upgrades to central office equipment and associated facilities including the installation of 12 additional remotes. Auxiliary

power generators will be placed at all remote sites. Outside plant upgrades will include additional fiber routes and copper cabling to support projected subscriber growth.

The Commission finds that Peoples Telephone has demonstrated that the proposed construction is necessary to maintain adequate utility service. The Commission, therefore, finds that Peoples Telephone should be issued a Certificate of Public Convenience and Necessity to construct the proposed facilities as described in this Order and the application.

IT IS THEREFORE ORDERED that:

1. Peoples Telephone be granted a Certificate of Public Convenience and Necessity to construct the proposed facilities as described in this Order and its application.

2. Peoples Telephone shall notify the Commission in writing, if the actual costs of the proposed construction exceed the estimated expenditures reported herein by more than 10 percent and thoroughly describe the reason for the adjustment.

Done at Frankfort, Kentucky, this 10th day of April, 2000.

By the Commission

ATTEST:


Executive Director