

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DUO COUNTY TELEPHONE	)	
COOPERATIVE CORPORATION, INC., FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY TO CONSTRUCT AND INSTALL NEW	)	CASE NO.
FACILITIES THROUGHOUT ITS FOUR	)	2001-254
EXCHANGES IN ADAIR, CUMBERLAND AND	)	
RUSSELL COUNTIES, KENTUCKY	)	

O R D E R

On September 24, 2001, Duo County Telephone Cooperative Corporation, Inc. ("Duo County") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to construct new facilities throughout its service territory in Kentucky. Duo County is a non-stock, non-profit membership cooperative corporation with its principal office in Jamestown, Kentucky. Duo County provides local telephone service in four exchanges to all or portions of Adair, Casey, Cumberland and Russell counties in Kentucky.

The proposed construction is necessary to accommodate subscriber growth, increase reliability, reduce maintenance costs, and continue improving the network to support advanced telecommunications services. The new construction will enable Duo County to connect 2,755 new access lines projected over the 5-year loan period and continue the development of a state-of-the-art network. The network design includes the elimination of problematic loaded transmission facilities and installation of Next Generation Digital Loop Carrier electronics thereby facilitating deployment of

Asymmetric Digital Subscriber Line system-wide and Very High Digital Subscriber Line on a limited basis. Also included is the installation of related central office equipment and fiber optic cable facilities for advanced communications and interconnection services. The proposed construction involves a total regulated project cost of \$24,061,317. The Rural Utilities Service and the Rural Telephone Bank ("RTB") have proposed loans in the amount of \$24,527,300 that include financing for construction and the purchase of RTB stock which is a condition of the financing.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Duo County should be authorized to proceed with the proposed construction.

IT IS THEREFORE ORDERED that:

1. Duo County is granted a Certificate of Public Convenience and Necessity to construct new facilities throughout its service territory as set forth in its application and this Order.

2. Should the costs of the construction authorized herein exceed the estimated costs supplied with the application, Duo County shall immediately notify the Commission of the adjustment including an explanation of the additional cost for the Commission's approval.

Done at Frankfort, Kentucky, this 2<sup>nd</sup> day of November, 2001.

By the Commission

ATTEST:

  
Executive Director