

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BALLARD RURAL TELEPHONE)
COOPERATIVE CORPORATION, INC., FOR A) CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND) 2001-430
NECESSITY TO CONSTRUCT NEW FACILITIES)

O R D E R

On December 10, 2001, Ballard Rural Telephone Cooperative Corporation, Inc. ("Ballard Rural") filed an application for a Certificate of Public Convenience and Necessity ("CPCN") to construct new facilities throughout seven of its exchanges in Western Kentucky. Ballard Rural is a non-stock, non-profit membership cooperative corporation serving 6,895 access lines in Ballard and McCracken counties. Ballard Rural's principal office is located in La Center, Kentucky.

Ballard Rural proposes to renovate and upgrade its outside plant in all seven exchanges. Ballard Rural's purpose for the new construction is to provide for system growth and an upgrade to central office equipment, transmission, and outside plant. Ballard Rural plans to upgrade its existing Siemens DCO switching network so that the host office will be capable of supporting GR 303 for existing and New Digital Line Concentrators (DLCs). Ballard Rural estimates that it will replace 35 DLCs. Fiber optic terminals to support existing toll and EAS traffic, as well as allow for aggregation over the ring of ADSL ATM signals from the DLCs to improve system efficiency, will replace the existing SONET OC-12 ring.

Ballard Rural has proposed to finance its new construction by borrowing \$14,502,000 from the United States of America, Rural Utility Service ("RUS") and Rural Telephone Bank ("RTB"). This "L" loan has already been reviewed, approved, and recommended for acceptance by the RUS General Field Representative and has received approval from the Washington, D.C. level.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the construction of new facilities is needed to provide adequate and dependable service to existing and future customers and that a CPCN should be granted.

IT IS THEREFORE ORDERED that Ballard Rural is granted a CPCN to construct and upgrade facilities throughout its seven exchanges as set forth in this Order and the Application.

Done at Frankfort, Kentucky, this 10th day of January, 2002.

By the Commission

ATTEST:


Executive Director