

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |            |
|--|---|------------|
| APPLICATION OF FLEMING-MASON ENERGY        | ) |            |
| COOPERATIVE, INC. FOR A CERTIFICATE OF     | ) |            |
| PUBLIC CONVENIENCE AND NECESSITY           | ) |            |
| PURSUANT TO KRS 278.020(1) AND 807 KAR     | ) | CASE NO.   |
| 5:001, SECTION 9 AND RELATED SECTIONS,     | ) | 2008-00043 |
| AUTHORIZING CERTAIN PROPOSED               | ) |            |
| CONSTRUCTION IDENTIFIED AS THE 2008 - 2009 | ) |            |
| CONSTRUCTION WORK PLAN                     | ) |            |

ORDER

Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason Energy") filed its application on March 12, 2008, for a Certificate of Public Convenience and Necessity ("CPCN") to construct certain improvements and additions to its existing plant at an estimated cost of \$10,933,504. In support of its application, Fleming-Mason Energy filed its 2008-2009 Work Plan, which describes its proposed improvements and additions to its facilities in detail, covering the period between January 1, 2008 and December 31, 2009. The proposed improvements and additions to its facilities are required, over the next two years, to serve its load.

Fleming-Mason Energy's application did not meet the minimum filing requirements for a CPCN application. It was informed of its filing's deficiencies by letter from the Commission's Division of Filings dated March 19, 2008. Fleming-Mason

Energy's response, received March 27, 2008, cured its deficiencies, and its application was considered filed as of that date.

Fleming-Mason Energy seeks authorization to construct extensions and additions to its plant as follows:

|  |                     |
|--|---------------------|
| Lines construction for new services totaling 65 miles                        | \$2,608,800         |
| Transformers and meters  | 2,706,720           |
| Service changes and upgrades for increasing capacity                         | 750,000             |
| System improvements projects (line change and conversion totaling 149 miles) | 2,480,360           |
| Sectionalizing equipment and activities                                      | 200,000             |
| Line capacitors/controls   | 100,000             |
| Line (voltage) regulators/stations   | 66,000              |
| Pole replacements  | 1,673,600           |
| Security lights installations  | 328,024             |
| Step and auto transformers   | 20,000              |
| <b>TOTAL</b>   | <b>\$10,933,504</b> |

Fleming-Mason Energy states that the entire amount of \$10,933,504 is eligible for financing through Rural Utilities Service ("RUS") loan funds.

The proposed construction will enable Fleming-Mason Energy to continue to provide adequate and dependable electric service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and

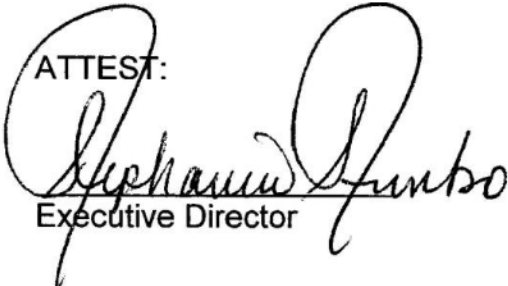
are needed to correct voltage problems, improve phase balance, reduce system energy losses, and provide for improved service reliability.

Based on the application and supporting 2008-2009 Work Plan, and being otherwise sufficiently advised, the Commission finds that the improvements and additions proposed by Fleming-Mason Energy are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that Fleming-Mason Energy is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 2008-2009 Work Plan.

Done at Frankfort, Kentucky, this 2<sup>nd</sup> day of July, 2008.

By the Commission

ATTEST:  
  
Executive Director

Case No. 2008-00043