

**COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**THE APPLICATION OF CLARK ENERGY COOPERATIVE, INC. OF)
WINCHESTER, KENTUCKY, FOR COMMISSION APPROVAL OF A)
CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT)
ACCORDING TO THE COOPERATIVE'S 2006-2010 FOUR YEAR)
CONSTRUCTION WORK PLAN**

CASE NO. 2007-00181

APPLICATION

Clark Energy Cooperative, Inc. of Winchester, Kentucky, hereinafter referred to as "Clark", respectfully states:

1. The full name and address of Applicant is:

Clark Energy Cooperative, Inc.
2640 Iron Works Road
P.O. Box 748
Winchester, KY 40392

2. Clark is a corporation, duly organized, created and existing by and under the laws of the State of Kentucky, and is engaged in the business of supplying retail electric service in Bath, Bourbon, Clark, Estill, Fayette, Madison, Menifee, Montgomery, Morgan, Powell, Rowan and Wolfe Counties in Kentucky.

A certified copy of the Articles of Incorporation has been previously filed in Case No. 92-219 with the Kentucky Public Service Commission, hereinafter referred to as the "Commission". An Amendment to the Articles of Incorporation pertaining to a name change from Clark Rural Electric Cooperative Corporation to Clark Energy Cooperative, Inc. was filed by letter dated July 17, 1997.

3. Clark is required to file an Application with the Commission seeking approval of the Applicant's request that the Commission issue a Certificate of Convenience and Necessity, hereinafter referred to as the "Certificate" per KRS 020(1), 807 KAR 5:001, Sections 8 and 9(2).
4. Clark's Application requests the Commission issue a Certificate for facilities and activities according to the Applicant's new four-year construction work plan, hereinafter referred to as the "CWP" contained within Section 2, Required Construction Items, of the 2006-2010 Construction Work Plan document filed with this Application.
5. The Certificate for the CWP will permit Clark to construct certain improvements and additions to existing distribution plant necessary to provide adequate and dependable electric service to existing and anticipated new members. System improvements recommended within the CWP will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance and provide for improved service reliability.
6. No new CWP constructions or extensions will require franchises or permits to be filed with the Commission.

7. The CWP and map filed with this Application provide a description and location of new construction and extensions. All construction and extensions are within Clark's service area. Public utilities, corporations, or other persons having neighboring facilities are as follows:

Bluegrass Energy Nicholasville, Kentucky	Jackson Energy Mckee, Kentucky	Kentucky Utilities c/o LG&E Energy Louisville, Kentucky
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Fleming-Mason Energy Flemingsburg, Kentucky	Grayson Rural Electric Grayson, Kentucky	Licking Valley Rural Electric West Liberty, Kentucky
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The map filed with this Application illustrates and identifies the location of any like facilities owned by others located anywhere within the Applicant's mapped service territory. No public utilities, corporations, or other persons have like facilities within Clark's service territory.

8. Total cost for the four-year CWP is estimated to be \$16,283,900 and summarized as follows:

a. Service membership construction totaling 151.7 miles.	\$7,733,633
b. Transformers and meters.	\$1,620,759
c. Service upgrades for existing members.	\$751,962
d. Sectionalizing equipment and activities.	\$283,000
e. Voltage regulators and activities.	\$139,800
f. Pole replacements.	\$1,498,560
g. Conductor replacements.	\$954,700
h. Security light installations.	\$760,986
i. System improvement projects.	\$2,265,500
j. SCADA System	<u>\$275,000</u>
Total	\$16,283,900

9. A listing of all proposed new construction or extensions in a format similar to RUS Form 740C is provided in the CWP behind tab tilted 740C.

10. The anticipated annual cost of operations, excluding the cost of power, of the existing and proposed facilities is \$12,568,278

11. Clark is a cooperative corporation and no kind of stock is desired or will be issued. Clark is filing an application with RUS to arrange all necessary financing of CWP activities with either Treasury or FFB funds guaranteed by RUS. The Commission does not have jurisdiction over CWP financing per KRS 278.300, Section 10 since all existing financing of CWP activities is from an agency of the federal government. Loan rates are set daily and Clark will select the most advantageous term and rate at the time the loan funds are advanced. Funds will be available as early as spring 2008. Contract and force accounts financed with internally generated funds and a short-term line of credit will be used until all loan approvals are granted.

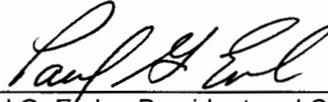
COMMONWEALTH OF KENTUCKY

COUNTY OF CLARK, SCT

Paul Embs, after first being duly sworn, deposes and says: That he is the President and Chief Executive Officer of Clark Energy Cooperative, Inc., a rural electric cooperative corporation, duly organized and doing business under the Rural Electric Cooperative Corporation Act of the Commonwealth of Kentucky: That he has read the foregoing Application and knows the contents thereof: That the same is true of his own knowledge except as to such matters as are therein stated on information or belief, and as to those matters he believes it to be true.

This 18th day of May 2007.

CLARK ENERGY COOPERATIVE, INC.



Paul G. Embs, President and CEO

Subscribed and sworn to before me by Paul G. Embs, this 18th day of May 2007.


Notary Public, Kentucky State-at-Large

My Commission Expires: _____

MY COMMISSION EXPIRES NOV 5, 2008

Legal Counsel:



Robert Lee Rose
Grant, Rose & Pumphrey
51 South Main Street
Winchester, Kentucky 40391