




A Touchstone Energy Cooperative 

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**PUBLIC SERVICE
COMMISSION**

January 15, 2008

Beth O'Donnell, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort Kentucky 40602

Dear Ms. O'Donnell,

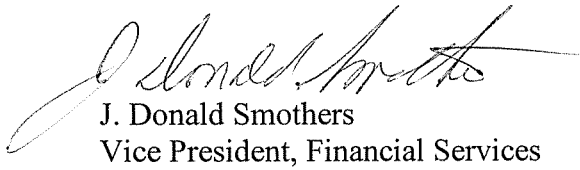
We are requesting a speedy expedition of the approval process for the application filed Friday, January 11, 2008 Case no 2008-00019 concerning an order and certification of public convenience and necessity authorizing applicant (1) to execute "supplemental mortgage" dated October 1, 2007 and "UCC Financing Statement" with National Rural Utilities Cooperative Finance Corporation and United States of America (Rural Utilities Service) and (2) to exclude from PSC jurisdiction the "RUS Loan Contract" and "Mortgage Note" with United States of America (Rural Utilities Service) pursuant to KRS 278.300

We need this approved by January 23, 2008 ,if at all possible, so all signatures can be completed at our next scheduled Regular Board of Directors meeting January 24, 2008 to eliminate further delay in receiving loan funds from RUS. This is the exact same filing as case no 2004-00371 in reinsurance of the mortgage. The \$42,824,000.00 loan is 100% RUS. It does not include any supplemental lending.

We need this speedy approval to execute the restated mortgage because we have experienced at this point a 15 month delay by Rural Utilities Service in completing the documents since the original request. This has resulted in a substantial amount of short term borrowing and our original line of credit is almost exhausted. Also, short term borrowing is more expensive than long term resulting in a negative effect on margins. The Construction Work Plan has already been approved by The Kentucky Public Service commission in Case no 2006-00540. Your consideration would be greatly appreciated.

If you have any questions, please contact me at (859) 885-2118. As always, your continued assistance and cooperation is appreciated.

Sincerely,



J. Donald Smothers
Vice President, Financial Services