

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
AUTHORIZATION TO BORROW \$58,634,282 FROM)	CASE NO.
COBANK AND TO EXECUTE ALL DOCUMENTS)	2016-00040
NECESSARY TO PREPAY RURAL UTILITIES SERVICE)	
NOTES OF THE SAME AMOUNT)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

South Kentucky shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which South Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, South Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Exhibit 2 – Attachment B, page 8 of 8. Confirm that “Weighted Avg Life (yrs)” is the weighted average life of the payments for both the CoBank and Rural Utilities Service (“RUS”) loans. Provide supporting calculations in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

2. Refer to the Application, revised Exhibit 2 – Attachment B, page 5 of 8.
 - a. Explain why the RUS blended interest rate of 5.09 percent was used to calculate the net present value (“NPV”) of the interest savings.

- b. Provide the NPV calculation using the CoBank interest rate of 3.55 percent.

3. Refer to the Application and provide the revised Exhibit 1 – Attachment A, page 1 of 1, and the revised Exhibit 2 – Attachment B, pages 5 and 7 of 8, in Excel spreadsheet format with formulas intact and unprotected and all rows and columns fully accessible.

4. Provide an estimate of any fees or expenses that South Kentucky expects it will incur to close the loan with CoBank, as well as an estimate of their impact on the NPV of the proposed financing to the extent they are not already reflected.

5. South Kentucky has requested approval by April 15, 2016, in order to close by April 30, 2016. If approval were to be received earlier than the requested date, explain whether the closing date would change, and any impact of an earlier closing date on the terms as provided in the application.


James W. Gardner
Acting Executive Director
Public Service Commission
P.O. Box 615
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DATED **FEB 26 2016** _____

cc: Parties of Record

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