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PUBLIC SERVICE
COMMISSION

February 22, 2019

Ms. Jenny Sanders
Staff Attorney
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RE: Nolin Rural Electric Cooperative Corporation
Case No: 2018-00424

Dear Ms. Sanders:

In regard to the Informal Conference that was held last Thursday concerning the financing of Nolin RECC for its \$25,000,000.00 work plan loan, the Response of Nolin to the question asked is attached.

Sincerely yours,



John J. Scott
Attorney for Nolin Rural Electric Cooperative Corporation

/ccf

Enclosure

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COMMONWEALTH OF KENTUCKY

FEB 25 2019

BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF NOLIN RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR AN ORDER PURSUANT)	CASE NO.
TO KRS 278.300 AND 807 KAR 5:001,)	2018-00424
SECTION 11 AND RELATED SECTIONS)	
AUTHORIZING THE COOPERATIVE TO)	
OBTAIN A LOAN NOT TO EXCEED THE)	
AMOUNT OF \$25,000,000.00 FROM THE)	
NATIONAL RURAL UTILITIES COOPERATIVE)	
FINANCE CORPORATION)	

RESPONSE OF NOLIN RECC TO THE QUESTION POSED BY

COMMISSION STAFF AT INFORMAL CONFERENCE

* * * * *

1. Please explain the request for financing from CFC in the amount of \$25,000,000 compared to the total work plan amount of \$21,942,085.

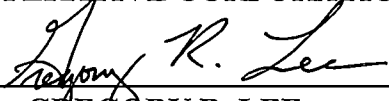
Response:

Nolin began the process of requesting financing with CFC at the beginning of October 2018, prior to finalizing the work plan. The estimated amount of the projects contained in the work plan at that time totaled approximately \$25,000,000. Upon further review by Engineering and Operations staff and after discussion with the Nolin Board of Directors during their review of the proposed work plan, there were changes which led to approval amount of a \$21,942,085 total work plan.

Financing from CFC will function similar to a construction loan or line of credit. Nolin will request a draw against this loan as funds are required to perform the work set forth in the work plan. Payment will only be made on accumulated principal and associated interest; there is no preconceived amortization of charges. Nolin will not use these funds for any purpose other than financing the activities as approved by our Board of Directors in the 2108-2022 Construction Work Plan.

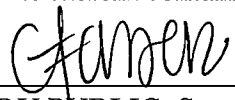
I, Gregory R. Lee, President and CEO of Nolin Rural Electric Cooperative Corporation, state that I have read and understand the foregoing Response and that the statements contained therein are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

**NOLIN RURAL ELECTRIC
COOPERATIVE CORPORATION**

BY: 
GREGORY R. LEE
PRESIDENT AND CEO

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned a Notary Public, do hereby certify that on this 12 day of February, 2019, personally appeared before me **GREGORY R. LEE**, who being by me first duly sworn, subscribed to and acknowledged that he is the **PRESIDENT AND CEO** of **NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION**, a Kentucky corporation, that he signed the foregoing document as **PRESIDENT AND CEO** of the corporation, and that the statements therein contained are true.


NOTARY PUBLIC, State of Kentucky at Large

My commission expires 1/12/2021.