

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CLARK RURAL ELECTRIC)
COOPERATIVE CORPORATION OF WINCHESTER,)
KENTUCKY, FOR COMMISSION APPROVAL OF A) CASE NO.
CERTIFICATE OF CONVENIENCE AND NECESSITY TO) 95-452
CONSTRUCT ACCORDING TO THE COOPERATIVE'S)
1996-1998 THREE YEAR CONSTRUCTION WORK PLAN)

O R D E R

Clark Rural Electric Cooperative Corporation ("Clark") filed its application on October 10, 1995 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant at a cost of \$9,435,497. In support of its application, Clark filed its 1996-1998 Work Plan which describes in detail the improvements and additions to its plant which will be required over the next 2 years to serve its load.

Clark seeks authorization to construct extensions and additions to its plant as follows:

1. New Distribution Lines	\$3,490,182
2. Transformers and meters	1,724,667
3. Service entrance changes	245,808
4. Reclosers and air break switches	1,312,000
5. Voltage regulators	161,500
6. Capacitor banks	23,980
7. Pole replacements	749,568
8. Conductor replacements	440,215
9. Security light installations	268,140
10. System improvement projects	<u>1,019,437</u>
Total	<u>\$9,435,497</u>

The proposed construction will enable Clark to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Clark indicated that it planned to borrow all necessary funds from the Rural Utilities Service ("RUS") to finance these projects. The RUS field representative has determined that Clark could qualify for a hardship loan, which means it is eligible for 100 percent financing. This financing will be at the RUS Insured Loan Rates, which are set by RUS quarterly.¹ Clark's application with RUS is pending.

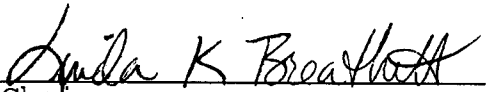
Based on the application and supporting 1996-1998 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Clark are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

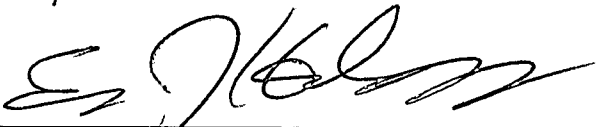
IT IS THEREFORE ORDERED that Clark be and it hereby is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1996-1998 Work Plan.


¹ The interest rate is set at the time the funds are advanced by RUS. The current interest rate is 5.5 percent.

Done at Frankfort, Kentucky, this 27th day of February, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director