

THOMAS C. BRITE
ATTORNEY AT LAW

P.O. BOX 309

HARDINSBURG, KENTUCKY 40143-0309

PHONE (270) 756-2184, FAX (270) 756-1214

STEPHEN G. HOPKINS, ESQ.
ASSOCIATE

December 10, 2009

RECEIVED

DEC 14 2009

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

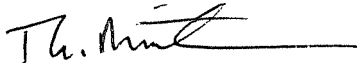
2009-00496

RE: Application for "Certificate of Convenience and Necessity"

Dear Mr. Derouen:

Enclosed is one (1) original and ten (10) copies of the Application of Meade County RECC for a certificate of convenience and necessity pursuant to KRS 278.020 and 807 KAR 5:001 Section 9 and related sections, authorizing certain proposed construction. Three copies of the 2010 - 2012 work plan with system maps are furnished with this filing.

Very truly yours,



Thomas C. Brite

tcb/svh

cc: Burns E. Mercer
President/CEO
Meade County RECC
PO Box 489
Brandenburg, KY 40108

RECEIVED

COMMONWEALTH OF KENTUCKY

DEC 14 2009

BEFORE THE

**PUBLIC SERVICE
COMMISSION**

PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

CASE NO. 2009-00496

THE APPLICATION OF MEADE COUNTY RURAL
ELECTRIC COOPERATIVE CORPORATION
(1) FOR A CERTIFICATE OF CONVENIENCE AND
NECESSITY PURSUANT TO KRS 278.020 (1) AND
807 KAR 5:001 SECTION 9 AND RELATED
SECTIONS, AUTHORIZING CERTAIN PROPOSED
CONSTRUCTION.

In support of its application, entitled above, Meade County Rural Electric
Cooperative Corporation (hereinafter called "Meade County"), respectfully states:

I.

Meade County proposes to construct property for the following purposes:

- a. Distribution lines to serve 1,425 new consumers
- b. 300 miles of conductor upgrading and replacement.
- c. SCADA
- d. Miscellaneous distribution equipment and pole changes. This includes voltage regulators, capacitors, sectionalizing, meters, transformers, and increased service capacity upgrades.
- e. Security lights.
- f. Line relocations

No franchise or permits from any public authority are required for the proposed new construction and extensions.

II.

**The full name and post office address of the Applicant is as follows:
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
1351 HIGHWAY SEVENTY-NINE
POST OFFICE BOX 489
BRANDENBURG KY 40108-0489**

III.

Applicant. Meade County is an electric cooperative corporation duly organized and existing under Chapter 279 of the Kentucky Revised Statutes with authority to do all acts hereinafter stated as done or proposed to be done.

A certified copy of the Articles of Incorporation of Meade County has heretofore been filed with this Commission in Case No. 90-134, and reference is respectfully made thereto.

IV.

Meade County, as of October 31, 2009, distributes electric energy to some 28,074 consumers in the Kentucky counties of Breckinridge, Grayson, Hancock, Hardin, Ohio and Meade.

V.

Meade County's property consists of approximately 2,895 miles of electric distribution line and other property necessary and incidental to the operation of its system in the foregoing counties. The original cost of the applicant's property as of October 31, 2009, is as follows:

Total Utility Plant	\$90,516,964.40
---------------------	-----------------

Applicant files herewith the following financial statement:

A. No amount or kinds of stock are authorized.

- B. No amount or kinds of stock are issued or outstanding.
- C. No preferred stock has been issued or is outstanding.
- D. Exhibit 1 list the outstand notes and mortgages that have been executed by Meade County as Mortgagor and delivered to the United States of America, and the National Rural Utilities Cooperative Finance Corporation, as Mortgages as of the date of this application. The balance outstanding, as of October 31, 2009, is shown in Exhibit 1.
- E. No bonds are authorized or issued.
- F. Meade County has no other indebtedness, except current liabilities which accrue in the ordinary course of business and which are unsecured.
- G. No dividends have been paid during the five previous fiscal years.
- H. One hundred percent (100%) of this work plan will be financed with the United States Rural Utilities Services (RUS). Pursuant to KRS 278.300 (10) the Commission's approval of evidences of indebtedness in connection with this loan will not be required.

VI.

It is also stated that the new construction and extension will not compete with any public utility, corporations, or person.

VII.

Estimated costs of operation after the facilities are completed would not change materially from operating costs shown on our October 31, 2009, Statement of Operations included in this filing as Exhibit II, as required by 807 KAR 5:001, Section 9(2) (f).

A copy of the following items are attached herewith and made a part hereof:

1. The 2010-2012 three-year work plan with maps. (Three sets as required under 807 KAR 5:001, Section 9(2) (d).
2. Board of Directors resolution adopting same as a course of action.
3. Statement of operations for the 12 months ending October 31, 2009.

The attached Exhibit List and Exhibits are hereby incorporated by references in this application and made a part hereof.

WHEREFORE, the Applicant, Meade County Rural Electric Cooperative Corporation asks that the Public Service Commission of Kentucky make its order issuing a certificate of convenience and necessity as requested herein, and for such other relief as the Commission may deem appropriate as to which Meade County may appear entitled.

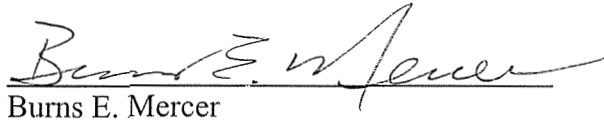
Tom Brite Attorney at Law
134 Court Square
Hardinsburg KY 40143
Telephone 270-756-2184
Fax 270-756-1214
Counsel for Meade County RECC

By: Th. Brite

Tom Brite

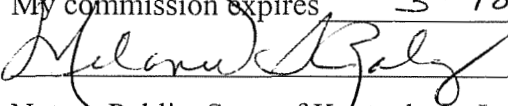
VERIFICATION

The undersigned, Burns E. Mercer, being first duly sworn states that he is the President and Chief Executive Officer Of Meade County Rural Electric Cooperative Corporation; that he has personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of his knowledge, information and belief.


Burns E. Mercer

State of Kentucky
County of Meade

Subscribed, sworn to and acknowledged before me by BURNS E. MERCER
this 10th day of December.

My commission expires 3-18-2012

Notary Public, State of Kentucky at Large

(Seal)

EXHIBIT LIST

<u>Number</u>	<u>Description</u>
I	List of Loans outstanding as of October 31, 2009
II	October 31, 2009, Statement of Operations
III	Balance Sheet as of October 31, 2009
IV	Resolution of the Board of Directors adopting the 2010-2012 three-year work plan as a course of action.
Binders	2010-2012 three year work plan with system maps and voltage drop studies. Three copies included with this filing.

Meade County Rural Electric Cooperative Corporation
Long-term Debt to RUS, CFC, and FFB
October-09
Exhibit 1

<u>Note No.</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Original Balance</u>	<u>Principal Payments</u>	<u>Long Term Debt CFC & Other</u>
9001	3.900%	9/11/1972	76,000.00	76,000.00	0.00
9002	7.000%	7/22/1974	276,000.00	276,000.00	0.00
9005	5.700%	2/10/1976	276,000.00	250,882.17	25,117.83
9007	5.850%	6/23/1977	287,000.00	233,275.09	53,724.91
9009	5.750%	6/6/1978	287,000.00	216,421.64	70,578.36
9011	5.750%	9/20/1979	753,000.00	518,613.38	234,386.62
9015	5.750%	1/26/1982	533,000.00	304,448.37	228,551.63
9016	4.950%	11/20/1986	810,204.00	346,080.85	464,123.15
9017	5.750%	8/24/1989	819,388.00	288,276.92	531,111.08
9019	4.950%	3/19/1992	928,866.00	279,085.79	649,780.21
9020	5.750%	2/17/1994	1,403,093.00	319,102.28	1,083,990.72
9021	4.950%	6/2/1997	1,906,000.00	242,601.25	1,663,398.75
Conversion Fees for Note #'s					
9005, 9007, 9015, 9016, 9017			118,355.19	118,355.19	0.00
9022001	2.800%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022002	2.800%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022003	3.100%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022004	3.550%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022005	4.050%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022006	4.800%	8/29/2003	1,468,511.07	1,468,511.07	0.00
9022007	3.900%	8/29/2003	1,468,511.07	0.00	1,468,511.07
9022008	3.900%	8/29/2003	1,468,511.07	0.00	1,468,511.07
9022009	3.900%	8/29/2003	1,468,511.07	0.00	1,468,511.07
9022010	3.900%	8/29/2003	1,468,511.15	0.00	1,468,511.15
Total CFC			23,159,016.97	12,280,209.35	10,878,807.62
RUS					
Long Term Debt					
RUS					
1B290	3.75%	8/31/1997	1,000,000.00	129,084.67	870,915.33
1B291	3.75%	9/22/1997	1,224,000.00	155,474.91	1,068,525.09
1B295	4.87%	5/31/1998	2,224,500.00	370,956.25	1,853,543.75
1B310	4.67%	5/27/2004	2,557,000.00	146,977.59	2,410,022.41
1B311	4.18%	9/9/2004	3,000,000.00	188,068.31	2,811,931.69
1B312	4.49%	8/31/2005	2,000,000.00	118,835.23	1,881,164.77
1B313	4.44%	8/31/2005	2,000,000.00	120,606.51	1,879,393.49
1B314	5.06%	5/31/2006	3,000,000.00	138,038.19	2,861,961.81
1B315	3.38%	10/31/2006	3,000,000.00	145,608.26	2,854,391.74
1B320	4.86%	8/31/2007	3,000,000.00	47,567.41	2,952,432.59
1B321	3.02%	2/28/2008	2,000,000.00	45,243.49	1,954,756.51
1B322	3.64%	11/21/2008	2,000,000.00	29,796.19	1,970,203.81
1B323	3.65%	2/5/2009	3,000,000.00	32,205.07	2,967,794.93
1B324	0.40%	10/22/2009	2,500,000.00	0.00	2,500,000.00
Plus original notes fully paid			27,372,042.00	27,372,042.00	0.00
Total RUS			59,877,542.00	29,040,504.08	30,837,037.92
Less: Advance Payments Unapplied (Note #4990)					2,500,000.00
Total RUS					28,337,037.92
FFB					
Long Term Debt					
FFB					
F0010	6.049%	10/24/1991	540,000.00	180,224.02	359,775.98
F0015	4.474%	9/26/2000	1,300,000.00	188,332.74	1,111,667.26
F0020	4.777%	2/15/2001	2,000,000.00	295,401.71	1,704,598.29
F0025	3.753%	2/15/2001	2,000,000.00	296,012.17	1,703,987.83
F0030	4.069%	10/1/2002	5,418,000.00	780,524.13	4,637,475.87
Total FFB			11,258,000.00	1,740,494.77	9,517,505.23
Total Long-Term Debt			94,294,558.97	43,061,208.20	48,733,350.77

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
STATEMENT OF OPERATIONS
12 MONTHS ENDED OCTOBER 31, 2009
EXHIBIT II

STATEMENT OF OPERATIONS

OPERATING REVENUE & PATRON CAPITAL	31,464,933
COST OF POWER	17,482,737
DISTRIBUTION EXPENSE-OPERATIONS	2,011,459
DISTRIBUTION EXPENSE-MAINTENANCE	2,472,379
CONSUMER ACCOUNTS EXPENSE	1,238,056
CUSTOMER SERVICE & INFORMATION EXPENSE	226,816
SALES EXPENSE	3,313
ADMINISTRATIVE & GENERAL EXPENSE	<u>1,353,032</u>
TOTAL OPERATION & MAINTENANCE EXPENSE	24,787,792
DEPREC & AMORT EXP	2,940,759
TAX EXPENSE-PROPERTY	
TAX EXPENSE-OTHER	32,111
INTEREST ON LTD	2,278,509
INTEREST CHG CONST-CREDIT	-
INTEREST EXP-OTHER	39,596
OTHER DEDUCTIONS	<u>11,406</u>
TOTAL COST OF ELECTRIC SERVICE	30,090,174
PATRONAGE CAPITAL AND OPERATING MARGINS	1,374,759
NON-OPERATING MARGINS-INTEREST	79,721
ALLOWANCE FOR FUNDS USED DURING CONST	
INCOME (LOSS) FROM EQUITY INVESTMENTS	
NON-OPERATING MARGINS-OTHER	14,302
GEN AND TRANS CAPITAL CREDITS	
OTHER CAPITAL CREDITS & PATRONAGE DIVIDENDS	128,924
EXTRAORDINARY ITEMS	<u> </u>
PATRONAGE CAPITAL OR MARGINS	<u>1,597,706</u>

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
BALANCE SHEET
12 MONTHS ENDED OCTOBER 31, 2009
EXHIBIT III

ASSETS:

Electric Plant, at original cost:		
In Service		\$89,051,737
Construction work-in-progress		1,465,228
		1,465,228
Less Accumulated depreciation		24,325,629
Net Electric Plant		66,191,335
		66,191,335
Investments, at cost		2,237,159
Current Assets:		
Cash and cash equivalents		3,088,652
accounts		3,205,250
Material & supplies, at average cost		1,386,314
Prepayments		186,819
Other current assets		79,577
		79,577
Deferred charges		137,078
TOTAL ASSETS		\$76,512,184

MEMBERS' EQUITIES AND LIABILITIES

Members' Equities:		
Memberships		\$101,960
Patronage Capital		22,200,195
Other equities		638,804
		638,804
Total members' equities		22,940,960
Long-Term Debt		48,733,351
Current Liabilities:		
Accounts payable		2,038,635
Accrued expenses		1,299,312
		1,299,312
Total current liabilities		3,337,947
Noncurrent Liabilities:		
Accumulated Operating Provisions		
Consumer Advances for Construction		916,338
Deferred Credits		583,590
TOTAL MEMBERS' EQUITIES AND LIABILITIES		\$ 76,512,184



Meade County RECC

P.O. Box 489
Brandenburg, KY 40108-0489
(270) 422-2162
Fax: (270) 422-4705

EXCERPT FROM MINUTES DATED OCTOBER 26, 2009

RESOLUTION

"WHEREAS, a Three-Year Construction Work Plan dated 2010-2012, in the amount of \$18,562,538 has been prepared by James Bridges, P.E., Distribution System Solutions, Inc.

"NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Meade County Rural Electric Cooperative Corporation hereby approves the 2010-2012 Work Plan as a course of action to be followed, or until amended with the approval of RUS."

CERTIFICATE OF SECRETARY

I, Melanie S. Raley, Assistant Secretary of Meade County Rural Electric Cooperative Corporation hereby certify that the foregoing is a true and correct copy of an excerpt taken from the minutes of a regular meeting of the Board of Directors held on October 26, 2009 at which meeting a quorum was present.



Signature of Assistant Secretary