

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

AMENDED APPLICATION OF THE NOLIN RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR)
AUTHORITY TO BORROW AN ADDITIONAL SUM)
OF \$2,049,000.00 FROM THE UNITED STATES)
OF AMERICA AND TO BORROW AN ADDITIONAL)
SUM OF \$924,000.00 FROM THE NATIONAL)
RURAL UTILITIES COOPERATIVE FINANCE)
CORPORATION, TO EXECUTE NOTES FOR SAID) CASE NO. 7885
AMOUNTS)
AND)
FOR A CERTIFICATE OF CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION SET OUT)
IN THE ORIGINAL APPLICATION.)

O R D E R

Nolin Rural Electric Cooperative Corporation (Nolin), filed its application on September 26, 1980, for authorization to borrow the sum of two million forty nine thousand dollars (\$2,049,000.00) from the United States of America Rural Electrification Administration (REA) and the sum of nine hundred twenty four thousand dollars (\$924,000.00) from the National Rural Utilities Cooperative Finance Corporation (CFC), and to execute its notes as security therefor, and filed its amended application on October 8, 1980 for a certificate of convenience and necessity. The funds acquired by these borrowings are to be used to make system improvements and to extend service to new customers. These improvements and additions, which are estimated to cost two million nine hundred twenty six thousand eight hundred dollars (\$2,926,800.00), are more specifically described in the application and record.

The matter was set for hearing on October 8, 1980, at 10:00 a.m., Eastern Daylight Time, in the offices of the Energy Regulatory Commission at Frankfort, Kentucky. The hearing was held as scheduled and all parties of interest were allowed to be heard. There were no intervenors and no protests were entered.

The Energy Regulatory Commission, after consideration of the application and all evidence of record, and being advised, is

of the opinion and FINDS:

1. That the public convenience and necessity require that such construction as is proposed in the application and record be performed and that a certificate of convenience and necessity should be granted.

2. That the proposed borrowings are for a lawful object within the corporate purposes of the utility, are necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that Nolin be and it is hereby granted a certificate of public convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Nolin be and hereby is authorized to borrow a sum in the principal amount of \$2,049,000.00 from REA at the rate of five percent (5%) per annum over a thirty-five (35) year period with payment of principal deferred for three years.

IT IS FURTHER ORDERED that Nolin be and it is hereby authorized to borrow a sum in the principal amount of \$924,000.00 from CFC at the initial interest rate of ten and one half percent (10½%) per annum until a date in 1987 to be specified by CFC and the rate to be variable thereafter, over a period of thirty-five (35) years.

IT IS FURTHER ORDERED that Nolin be and it is hereby authorized to execute its notes as security for the loans authorized herein.

IT IS FURTHER ORDERED that the proceeds from the proposed borrowings shall be used only for the lawful objects as set out in the application and record.

IT IS FURTHER ORDERED that Nolin shall submit semi-annual reports to the Commission setting forth in detail the status of the construction authorized herein as well as the

status of the funds authorized for said construction.


Nothing herein contained shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 3rd day of November, 1980.

ENERGY REGULATORY COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary