

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF JACKSON PURCHASE)
ELECTRIC COOPERATIVE CORPORATION FOR)
AN ORDER AUTHORIZING THE CORPORATION)
TO BORROW AN AMOUNT NOT TO EXCEED)
\$1,343,000 FROM THE UNITED STATES OF)
AMERICA (REA), AND \$575,000 FROM THE)
LOUISVILLE BANK FOR COOPERATIVES FOR)
THE PURPOSE OF PURCHASING FACILITIES) CASE NO. 7787
OF KENTUCKY UTILITIES COMPANY IN)
ACCORDANCE WITH AN EXPIRED WHOLESALE)
POWER SUPPLY AGREEMENT WITH KENTUCKY)
UTILITIES COMPANY)

O R D E R

The Commission issued its Order in the above styled matter on September 4, 1981, granting Jackson Purchase Electric Cooperative Corporation's ("Jackson") request that the date for complying with the Commission's Order of July 24, 1981, be extended to September 22, 1981. On September 21, 1981, a letter was received from Mr. William E. Davis, Director, Distributions Systems Division of the Rural Electrification Administration ("REA"). This letter states that REA has taken action to insure that no funds are advanced to Jackson on loans approved by REA and the Louisville Bank for Cooperatives ("LBC") for purchase of transmission facilities from Kentucky Utilities ("KU") prior to the time the Commission issues its Order approving the transfer of these facilities.

Summary

Based on the letter from REA and the assurances contained therein, the Commission finds that:

(1) Jackson should be authorized to borrow from REA and LBC funds to acquire from KU certain transmission facilities used solely in providing service to Jackson.

(2) Jackson should be put on notice that any draw down of the proceeds of these loans prior to Commission approval of this transaction will result in immediate revocation of the authority to borrow these funds.

(3) All other provisions of the Commission's Orders previously issued in this case should remain in effect.

IT IS THEREFORE ORDERED that Jackson's request for authority to borrow from REA and LBC funds required to purchase from KU certain transmission facilities used solely to serve Jackson be and is hereby granted.

IT IS FURTHER ORDERED that any draw down of the proceeds of these loans prior to Commission approval of the transaction between KU and Jackson shall result in immediate revocation of the authority granted herein.

IT IS FURTHER ORDERED that all other provisions of the Commission's Orders issued in this case shall remain in effect.

IT IS FURTHER ORDERED that Jackson shall provide a copy of this Order to REA and LBC.

Done at Frankfort, Kentucky, this 26th day of October, 1981.

PUBLIC SERVICE COMMISSION

Walter M. Vitz
Chairman

Katharine Randall
Vice Chairman

Jim Langan
Commissioner

ATTEST:

Secretary