

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

APPLICATION OF HIGHLAND TELEPHONE)	
COOPERATIVE, INC., FOR AUTHORITY)	CASE NO.
TO BORROW FUNDS FROM THE RURAL)	8315
ELECTRIFICATION ADMINISTRATION)	

O R D E R

IT IS ORDERED That Highland Telephone Cooperative shall filed an original and five copies of the following information with the Commission by September 28, 1981. If neither the requested information nor a motion for an extension of time is filed by the stated date the case will be dismissed.

- (1) Indicate the period of time covered in the exhibit, Forecast of Revenues and Expenses.
- (2) General explain the underlying assumptions and calculations used in the projections of revenues and expenses in forecast of revenues and expenses.
- (3) Provide Highland Telephone Cooperative's plant investment in Kentucky as of June 30, 1981.
- (4) What portion of the construction and how much of loan proceeds do you propose to spend in the Kentucky service area?

- (5) Explain in detail what extensions, improvements and upgrading of your Tennessee and Kentucky operations will be completed with the proceeds of this proposed loan. This information should include all information required by 807 KAR 5:001E Section 8.
- (6) Our calculations show the sum of operating revenues in your operating statement to be in error. Thus the net loss for the test period is also incorrect. Please review you financial data and submit a corrected operating statement.
- (7) An analysis of the balance sheet submitted as part of the application reveals certain discrepancies. Total current assets do not agree with the figures presented. It appears that the figure \$361,400 has been left out of the total current assets. Please submit a corrected balance sheet for June 30, 1981.
- (8) Provide the Commission a copy of REA form 493 for the proposed construction.
- (9) Do you foresee or anticipate that this additional indebtedness will necessitate an increase in your rates?
- (10) Is any of the proposed construction and expenditures of money related to the cooperatives last construction and loan? If so identify the uncompleted work and the amount of the loan which will be used to complete that work. Include an explanation of any overruns. .

- (11) Will the work be done in-house by your own employees or will it be contracted out? If by contract provide the names of the firms who will construct these facilities.
- (12) Will this loan and construction, if authorized, be sufficient to serve all present and anticipated applicants for telephone service during the period covered by the construction program?
- (13) What was the total number of telephones in service for the test period?
- (14) Provide a copy of the REA mortgage agreement for this loan.
- (15) Provide a copy of the letter of tentative approval from the REA.
- (16) Has the company implemented any rate increases in the Tennessee service area recently? If so state the effective date of the rate increase and the effect on the cooperative's revenues.
- (17) Provide a copy of the cooperative's articles of incorporation or state the style and case number of the prior proceeding in which they were filed with the Commission.

Done at Frankfort, Kentucky, this 18th day of September, 1981.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary