

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR AN ORDER AUTHOR-)
IZING SAID CORPORATION TO BORROW)
EIGHT HUNDRED FIFTEEN THOUSAND)
DOLLARS (\$815,000) FROM THE)
LOUISVILLE BANK FOR COOPERATIVES)
AND TO EXECUTE A NOTE FOR SAID)
SUM TO THE LOUISVILLE BANK FOR)
COOPERATIVES, SAID NOTE TO BE)
ISSUED UNDER AND SECURED BY A)
MORTGAGE TO BE EXECUTED BY THE)
CORPORATION AND DELIVERED TO)
THE LOUISVILLE BANK FOR)
COOPERATIVES, THE PROCEEDS TO)
BE USED IN THE BUILDING AND)
ERECTING OF FORTY-FOUR AND)
SEVEN TENTHS (44.7) MILES OF)
DISTRIBUTION LINES IN BULLITT,)
MARION, NELSON, SPENCER,)
WASHINGTON, JEFFERSON, SHELBY,)
ANDERSON, MERCER AND LARUE)
COUNTIES IN KENTUCKY)

CASE NO. 9053

ORDER

Salt River Rural Electric Cooperative Corporation ("Salt River") filed its application on May 7, 1984, for authorization to borrow funds and to request a certificate of convenience and necessity to construct certain improvements and additions to its existing plant. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$2,716,000 and will be financed by a loan of \$1,901,000 from the Rural Electrification Administration ("REA") and a loan of \$815,000 from the Louisville Bank for

Cooperatives ("LBC"). The Commission requested additional information from Salt River on June 12, 1984, and this was received on June 29, 1984.

The Public Service Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require the construction by Salt River of the improvements and additions to its existing plant as described in the application and record, and that a certificate be granted.

2. The proposed borrowing from LBC is for lawful objects within the corporate purposes of Salt River, is necessary and appropriate for and consistent with the proper performance by Salt River of its service to the public, and will not impair its ability to perform that service.

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

IT IS FURTHER ORDERED that Salt River be and it hereby is authorized to borrow \$815,000 from LBC for a 35-year period, and Salt River shall exercise management discretion in choosing the option of a long-term fixed or a variable interest rate.

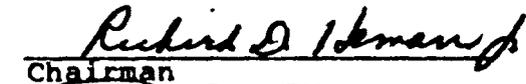
IT IS FURTHER ORDERED that Salt River be and it hereby is authorized to execute its notes as security for the loan herein authorized.

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

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 13th day of July, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary