

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF BLUE GRASS RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR )  
A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO EXECUTE ITS NOTE TO )  
THE UNITED STATES OF AMERICA IN THE ) CASE NO. 9155  
AMOUNT OF \$2,100,000 AND TO EXECUTE )  
ITS NOTE TO NATIONAL RURAL UTILITIES )  
COOPERATIVE FINANCE CORPORATION IN THE )  
AMOUNT OF \$947,000 )

O R D E R

Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") filed its application on October 4, 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 \$3,339,693 and will be financed by a loan of \$2,100,000 from the Rural Electrification Administration ("REA"), a loan of \$947,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC") and the balance from internal funds. The Commission requested additional information from Blue Grass on October 24, 1984, and this was received on November 2, 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 Blue Grass 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 CFC is for lawful objects within the corporate purposes of Blue Grass, is necessary and appropriate for and consistent with the proper performance by Blue Grass of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that Blue Grass 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 Blue Grass be and it hereby is authorized to borrow \$947,000 from CFC for a 35-year period, at an approximate interest rate of 11.75 percent per annum subject to the terms and conditions of the loan agreement with CFC at the time the loan is executed.

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

IT IS FURTHER ORDERED that 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 21st day of November, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Demery  
Chairman

Walter L. H.  
Vice Chairman

Sam Shuck  
Commissioner

ATTEST:

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Secretary