

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SHELBY RECC FOR THE)
AUTHORIZATION TO BORROW FIVE HUNDRED,)
SIXTY THOUSAND, EIGHT HUNDRED, TWENTY-)
FIVE (\$560,825) DOLLARS, FROM NATIONAL)
RURAL UTILITIES COOPERATIVE FINANCE)
CORPORATION, AND TO EXECUTE A NOTE FOR) CASE NO. 9668
SAID SUM; AND FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO MAKE)
CERTAIN EXTENSIONS AND IMPROVEMENTS TO)
ITS SYSTEM)

O R D E R

IT IS ORDERED that Shelby Rural Electric Cooperative Corporation ("Shelby RECC"), shall file an original and 10 copies of the following information with the Commission with a copy to all parties of record. The information requested herein is due no later than September 19, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Provide REA Forms 740-C "Cost Estimates and Loan Budget."
2. Please double check page 47 of the "Voltage Drop and Loading Report, Proposed System Analysis, Summary of All Feeders in System" for accuracy. Specifically, the data for "3 Substation

"#4 (Campbellsburg)" is missing and "4 Substation #5 (Bedford)" appears to be in error. Please clarify this with either corrections or an explanation.

3. Page 4 of the Work Plan indicates that cross-checks "revealed the closeness between actual and calculated voltage drops." Provide an indication of what was considered "close," such as the maximum percentage difference allowed.

4. Provide the Feeder Number associated with each Item and Section Number as an aid to cross referencing the Voltage Drop Reports.

5. Provide a detailed description of any other financing options such as the Louisville Bank for Cooperatives that were considered in securing the National Rural Utilities Cooperative Finance Corporation ("CFC") loan. This response should include the reason(s) that CFC financing was selected over other options as well as the results of any studies conducted which support the use of CFC financing.

6. What consideration has Shelby RECC given to the various loan programs available through CFC? Explain which option Shelby RECC anticipates selecting at this time.

7. Provide the additional debt service requirements associated with the REA loan and the CFC loan.

8. Provide an amortization schedule of the proposed loan from CFC using the current interest rates for variable and fixed loans.

9. Will Shelby RECC be able to meet its increased debt service requirements with the revenues generated by its existing rates?

Done at Frankfort, Kentucky, this 12th day of September, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
For the Commission

ATTEST:

Executive Director