

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG SANDY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR)
AUTHORITY TO EXECUTE ITS NOTE TO THE)
NATIONAL RURAL UTILITIES COOPERATIVE)
FINANCE CORPORATION IN THE AMOUNT OF)
\$812,371 AND FOR AUTHORITY TO EXECUTE) CASE NO. 92-066
A LOAN AGREEMENT BETWEEN BIG SANDY RURAL)
ELECTRIC COOPERATIVE CORPORATION AND)
NATIONAL RURAL UTILITIES COOPERATIVE)
FINANCE CORPORATION AND FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)

O R D E R

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") filed its application on March 13, 1992 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, approval to borrow \$812,371 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute notes to secure such loan. These improvements and additions are estimated to cost \$2,626,000 and will be financed by loans of \$1,838,000 from the Rural Electrification Administration ("REA") and of \$812,371 from CFC.¹

¹ The borrowing from CFC includes the purchase of capital term certificates, in an amount equal to 3 percent of the total CFC loan. CFC requires its borrowers to purchase these certificates. The purchases required of Big Sandy for this loan total \$24,371. The total amount of the REA and CFC loans equals \$2,626,000.

Big Sandy has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Under these circumstances, the Commission finds that it is unable to complete its investigation within the 60-day period established by KRS 278.300(2) and that good cause exists to continue the application beyond the 60-day period. The Commission further finds that Big Sandy should notify the Commission when it has received the requisite final loan approvals from REA and CFC. Its application for authorization to borrow from CFC will be considered at that time.

IT IS THEREFORE ORDERED that:

1. Big Sandy's application for authorization to borrow \$812,371 from CFC and to execute notes to secure such loan is continued beyond the 60-day period specified in KRS 278.300(2).

2. Big Sandy shall, on July 1, 1992, and every 60 days thereafter, advise the Commission in writing of the status of its loan application from CFC until final approval of said loan is granted.

3. Within 10 days of its receipt of final loan approval, Big Sandy shall notify the Commission in writing of the final approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 12th day of May, 1992.

ATTEST:


Executive Director, Acting

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner