

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BEREA COLLEGE)
ELECTRIC UTILITY, A DEPARTMENT OF)
BEREA COLLEGE, FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY) CASE NO. 93-031
AUTHORIZING THE CONSTRUCTION OF)
ELECTRIC SYSTEM IMPROVEMENTS)
AND APPROVAL OF FINANCING)

O R D E R

Berea College Electric Utility ("Berea College") filed its application on February 10, 1993 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant and for approval to issue and sell up to \$4,000,000 in Tax-Exempt Municipal Bonds as a general obligation of Berea College. The proceeds from the Tax-Exempt Municipal Bonds will be used to finance the proposed construction, with any remaining proceeds used to retire short-term debt. The bonds will be long term with varying maturity dates. Interest rates will be based on prevailing market conditions at the time the bonds are issued and will vary depending on maturity dates. On April 9, 1993, Berea College amended its application to reflect a reduction in financing to \$3,500,000.

Berea College seeks authorization to construct extensions and additions to its plant as follows:

1.	Distribution line improvements and conversion from 4KV to 12KV	\$1,295,524
2.	Construct 12.4KV Substation	<u>\$1,151,693</u>
	Total	\$2,447,217

Including expenses for engineering design, bond underwriting, interest during construction, and contingencies, the total estimated construction cost is \$3,500,000. The proposed construction will enable Berea College to continue to provide adequate and dependable electric service to its consumers. The system improvements proposed herein by Berea College will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

FINDINGS AND ORDERS

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

1. Public convenience and necessity require the construction by Berea College of the improvements and additions to its existing plant as described in its application and that a certificate should be granted.

2. The proposed issuance and sale by Berea College of \$3,500,000 of Tax-Exempt Municipal Bonds is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of its service to the public, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Berea College be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the construction and additions as set forth in its application.

2. Berea College be and it hereby is authorized to issue and sell \$3,500,000 of Tax-Exempt Municipal Bonds.

3. Berea College shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commission or other compensation, involved in the issuance and distribution.

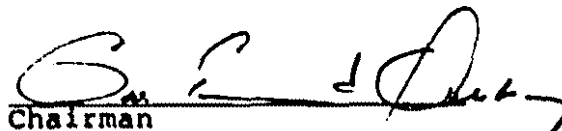
4. Berea College shall agree only to such terms and prices that are consistent with said parameters as set out in its application.

5. The proceeds from the transaction authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purposes or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 12th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director