

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTER-COUNTY RURAL )  
ELECTRIC COOPERATIVE CORPORATION FOR AN )  
ORDER AUTHORIZING IT TO BORROW FROM THE )  
UNITED STATES OF AMERICA \$3,312,000.00 )  
AND FROM THE NATIONAL RURAL UTILITIES )  
COOPERATIVE FINANCE CORPORATION )  
\$1,463,918.00 AND FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY PURSUANT TO )  
KRS 278.020(1) AND 807 KAR 5:001, SECTION 9 )  
AND RELATED SECTIONS, AUTHORIZING CERTAIN )  
PROPOSED CONSTRUCTION AND ASSOCIATED )  
CAPITAL OUTLAY )

CASE NO.  
93-189

O R D E R

IT IS ORDERED that Inter-County Rural Electric Cooperative Corporation ("Inter-County") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within 7 days from the date of this Order. If the information cannot be provided by this date, Inter-County should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information will be furnished. Such motion will be considered by the Commission.

1. Provide a detailed description of any financing options other than Rural Utilities Cooperative Finance Corporation ("CFC") that were considered in securing the supplemental financing requested herein. 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.

2. Provide the additional debt service requirements associated with the Rural Electrification Administration ("REA") loan and the CFC loan, using the REA interest rate of 5 percent and the current CFC variable and fixed interest rates.

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

4. Provide an explanation of whether Inter-County will be able to meet its increased debt service requirements with the revenues generated by its existing rates.

5. Provide a thorough discussion of the various interest rate options currently available through CFC. Include copies of documents from CFC describing the interest rate options currently available.

6. If the advance of funds from this proposed loan was to be made by the date of the response to this Order, explain which loan program Inter-County would select and how Inter-County determined that this was the best option. Include with this explanation the results of any economic studies or analysis used by Inter-County in making the loan program selection.

7. Concerning the purchase of the CFC Capital Term Certificate ("Certificate"), provide the following information:

a. The calculations which support the rate for and the amount of Certificate purchases for the proposed loan.

b. Indicate which option Inter-County plans to use in the purchase of the required Certificate and explain the reason for the selection of this option.

8. Provide documentation which indicates that the loans have been approved by REA and CFC.

9. Provide a copy of the mortgage agreement with CFC noting the differences between the current agreement and the previous mortgage agreement; or if the mortgage agreement has not changed, so indicate and reference the last case in which the current mortgage agreement was filed.

10. Concerning the actual work performed under the 1992-1994 Work Plan, provide the following information:

a. Indicate when Inter-County will begin construction under the 1992-1994 Work Plan.

b. Identify how much Inter-County has spent on the 1992-1994 Work Plan as of the date of its response to this Order.

Done at Frankfort, Kentucky, this 19th day of July, 1993.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director