

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION (1) FOR APPROVAL TO) CASE NO. 94-018
ISSUE SECURITIES PURSUANT TO)
KRS 278.020(1) AND 807 KAR 5:001)

O R D E R

IT IS ORDERED that Meade County Rural Electric Cooperative Corporation ("Meade 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, Meade 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 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.

5. 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 Meade County would select and how Meade County determined that this was the best option. Include with this explanation the results of any economic studies or analysis used by Meade County in making the loan program selection.

6. 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 Meade County plans to use in the purchase of the required Certificate and explain the reason for the selection of this option.

7. 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.

8. Concerning the actual work performed under the 1993-1994 Work Plan, provide the following information:

a. Indicate when Meade County began construction under the 1993-1994 Work Plan.

b. Identify how much Meade County has spent on the 1993-1994 Work Plan, as of the date of its response to this Order.

9. Provide a copy of the board of directors' resolution authorizing Meade County to borrow the funds.

Done at Frankfort, Kentucky, this 28th day of January, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director