

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER ELECTRIC )  
CORPORATION FOR AN ORDER PURSUANT TO )  
KRS 278.300 AND 807 K.A.R. 5:001, )  
SECTION 11 AND RELATED SECTIONS, ) CASE NO. 94-379  
AUTHORIZING IT TO ISSUE EVIDENCE OF )  
INDEBTEDNESS TO BORROW \$1,458,000.00 )  
FROM THE NATIONAL BANK FOR COOPERATIVES )

O R D E R

Green River Electric Corporation ("Green River") filed its application on October 11, 1994 for approval to borrow funds from the National Bank for Cooperatives ("CoBank") and to execute a note and loan agreement for such loan. The proceeds of this loan will finance Green River's 1994-1995 Work Plan.<sup>1</sup> Based on the filing of Green River, these improvements and additions are estimated to cost \$4,861,000 and will be financed by a \$3,403,000 loan from the Rural Electrification Administration ("REA") and a \$1,458,000 loan from CoBank.

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

1. The proposed loan from CoBank is for lawful objects within the corporate purposes of Green River, is necessary and

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<sup>1</sup> Green River received a Certificate of Public Convenience and Necessity for the 1994-1995 Work Plan in Case No. 93-269, The Application of Green River Electric Corporation for a Certificate of Public Convenience and Necessity Pursuant to KRS. 278.020(1) and 807 K.A.R. 5:001, Section 9 and Related Sections, Authorizing Certain Proposed Construction. Order dated November 23, 1993.

appropriate for and consistent with the proper performance by Green River of its service to the public, and will not impair its ability to perform that service.

2. Green River is capable of executing its note as security for the loan as stated herein.

3. Green River should select the interest rate program which will result in the net lowest cost of money to it over the term of the financing.

4. Within 10 days of selecting the interest rate program, Green River should notify the Commission in writing of the program selected and the reasons for its selection.

5. The proceeds from the proposed loans should be used only for the lawful purposes stated in Green River's application.

6. Green River should include in its monthly financial report to the Commission the current interest rate on its outstanding variable rate loans.

7. As the issuance of securities or evidences of indebtedness subject to the control of a federal governmental agency does not require Commission approval, KRS 278.300(10), and as the REA is an agency of the federal government, no action on Green River's proposed loan from the REA is required.

IT IS THEREFORE ORDERED that:

1. Green River be and it hereby is authorized to borrow \$1,458,000 from CoBank for a 35-year period and bearing either a fixed or variable rate, as chosen by Green River at the time the first monies are drawn from CoBank, subject to the provisions and

terms of the application with respect to renegotiation of the interest rate.

2. Green River be and it hereby is authorized to execute the note and loan agreement evidencing the loan herein authorized.

3. Green River shall comply with all matters set out in Findings 3 through 6 as if they were individually so ordered.

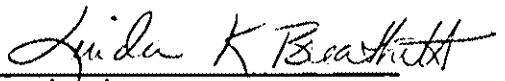
Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 1st day of December, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director