

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FOOTHILLS RURAL)	
TELEPHONE COOPERATIVE CORPORATION,)	
INC. FOR A CERTIFICATE OF PUBLIC)	CASE NO. 95-163
CONVENIENCE AND NECESSITY AUTHORIZING)	
IT TO CONSTRUCT ADDED TELEPHONE LINES)	
AND OTHER FACILITIES)	

O R D E R

On April 4, 1995, Foothills Rural Telephone Cooperative Corporation, Inc. ("Foothills RTCC") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to construct added telephone lines and other facilities in Salyersville, Magoffin County, Kentucky. Foothills RTCC has petitioned the Commission for an amendment to the Commission's Order in Case No. 10297¹ seeking approval for the proposed construction in the Salyersville exchange. For administrative purposes, the Commission has treated Foothills RTCC's petition to Amend as a separate and distinct application for a Certificate of Public Convenience and Necessity.

Foothills RTCC is a non-stock, non-profit membership cooperative with its principal office in Staffordsville, Kentucky. Foothills RTCC provides local telephone service to all or portions of Breathitt, Johnson, Lawrence, and Magoffin counties in Kentucky.

¹ Case No. 10297, The Application of Foothills Rural Telephone Cooperative Corporation, Inc. for a Certificate of Public Convenience and Necessity Authorizing It to Construct Added Telephone Lines and Other Facilities.

The proposed construction is necessary to upgrade and expand existing facilities to meet the service and reliability requirements within the Salyersville exchange. The proposed construction will increase transmission reliability and capacity and reduce maintenance costs. In addition, the proposed construction will accommodate a projected five-year growth of approximately 1,000 new subscribers.

The proposed construction involves a total project cost of \$3,448,279. Foothills RTCC proposes to defray the construction cost through unexpended Rural Electrification Administration, now the Rural Utility Service ("RUS"), "N" loan funds totaling \$2,436,000 with the remainder funded through general cooperative funds. Foothills RTCC has requested and received authorization from the RUS to utilize the unexpended "N" loan funds for the proposed construction. Foothills submits that it will not require a rate increase as a result of the proposed construction.

Foothills RTCC has filed an application with RUS requesting additional funds for upgrading outside plant throughout its service area. Pending RUS approval of this loan request, Foothills RTCC anticipates filing for an additional Certificate of Public Convenience and Necessity to complete outside plant upgrades for the remainder of its service territory.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Foothills RTCC should be authorized to proceed with the proposed construction.

IT IS THEREFORE ORDERED that:

1. Foothills RTCC be and hereby is granted a Certificate of Public Convenience and Necessity to construct and upgrade facilities in the Salyersville exchange as set forth in its application and this Order.

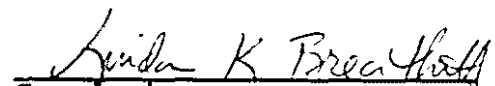
2. Should the costs of the construction authorized herein exceed the estimated costs supplied with the application, Foothills RTCC shall immediately notify the Commission of the adjustment including an explanation of the additional cost for the Commission's approval.

Done at Frankfort, Kentucky, this 14th day of June, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director