

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NOLIN RURAL	}	
ELECTRIC COOPERATIVE CORPORATION	}	
FOR AUTHORITY TO BORROW THE SUM	}	
OF \$1,492,000 FROM THE NATIONAL	}	CASE NO. 95-202
RURAL UTILITIES COOPERATIVE	}	
FINANCE CORPORATION, AND TO	}	
EXECUTE A NOTE FOR SAID AMOUNT	}	
AND MORTGAGE SECURING SUCH NOTE	}	

O R D E R

IT IS ORDERED that Nolin Rural Electric Cooperative Corporation ("Nolin") shall file the original and 8 copies of the following information with the Commission with a copy to all parties of record within 5 days of the date of this Order.

1. Describe all financing sources other than the National Rural Utilities Cooperative Finance Corporation ("CFC") that were considered in securing the financing requested herein. Explain why Nolin selected CFC financing over these sources. Provide the results of all studies considered by Nolin when making its selection.

2. Provide the additional debt service requirements associated with the Rural Utilities Service ("RUS") loan and the CFC loan, using the current RUS interest rate and the current CFC variable and fixed interest rates.

3. Provide the amortization schedules for the RUS and CFC loans. The amortization schedule for the CFC loan shall reflect the currently available interest rates.

4. Can Nolin meet its increased debt service requirements with the revenues generated by its existing rates? Explain.

5. Provide the Long Range Financial Forecast which Nolin submitted to RUS to support the proposed financing.

6. Discuss the interest rate options currently available through CFC. Provide the CFC documents which describe these options.

7. If the advance of funds from this proposed loan were made by the date of the response to this Order, which loan program would Nolin select? Why would Nolin select this option? Include with this response the results of all economic studies and analyses which Nolin used to make its selection.

8. Provide documentary evidence of RUS's approval of the proposed loans.

9. Provide the Nolin Board of Directors' resolution authorizing the borrowing of the funds.

10. Provide the RUS Form 740c that supports this loan proposal.

11. If the total borrower's cost estimate shown on page 4 of 4 of the Cost Estimates and Loan Budget section of RUS Form 740c differs from the total amount of financing being currently requested from RUS and CFC, reconcile the difference.

12. When did Nolin begin construction under the 1993-1995 Work Plan?

13. How much has Nolin spent on the 1993-1995 Work Plan as of the date of its response to this Order?

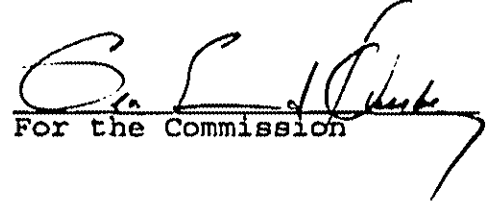
14. How has Nolin financed any work it has done to date?

15. What portion of the CFC loan proceeds will be used to make the improvements and extensions set forth in Nolin's 1993-1995 Work Plan? How much of the CFC loan proceeds will be used to pay short term indebtedness owed to CFC?

16. Why did Nolin delay filing its application until May 2, 1995?

Done at Frankfort, Kentucky, this 10th day of May, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director