

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CLARK RURAL ELECTRIC )  
COOPERATIVE CORPORATION OF WINCHESTER, )  
KENTUCKY, FOR COMMISSION APPROVAL OF A ) CASE NO.  
CERTIFICATE OF CONVENIENCE AND NECESSITY TO ) 95-452  
CONSTRUCT ACCORDING TO THE COOPERATIVE'S )  
1996-1998 THREE YEAR CONSTRUCTION WORK PLAN )

O R D E R

IT IS ORDERED that Clark Rural Electric Cooperative Corporation ("Clark") shall file the original and eight copies of the following information with the Commission with a copy to all parties of record within ten days from the date of this Order. Clark shall furnish the name of the witness who will respond at the public hearing, if one is held, to questions concerning each item of information.

1. Provide a voltage drop study based on 1995 loads using existing system circuitry.

2. Has Clark performed a comparison between actual measured voltage and the calculated voltage to determine the accuracy of the voltage drop studies?

a. If yes, provide the voltage readings and indicate the substation, line section, and date on which each reading was taken. If the actual reading differs from the calculated voltage by more than three volts, explain the reason for the difference.

b. If no, explain why a comparison is not necessary.

3. Provide a copy of the actual Rural Utilities Service ("RUS") Form 740C prepared for this Work Plan.

4. In its application, Clark states that it plans to borrow all necessary funds from RUS to finance the Work Plan. Clark also stated that the RUS field representative would not allow an application for financing to be filed prior to December 1, 1995.

a. Provide copies of the correspondence received from the RUS field representative stating that he would not allow a financing application to be filed until December 1, 1995.

b. If the RUS field representative's position was not received in writing, state the reason(s) given for delaying the filing of the application.

c. Why is Clark planning to seek 100 percent financing from RUS rather than the traditional approach of 70 percent from RUS and 30 percent from a supplemental lender?

d. Will the 100 percent RUS financing be at a 5 percent interest rate? If not, what is the expected interest rate for the financing?

e. Has Clark filed its financing application with RUS?

1. If yes, does Clark have an estimated date when the application will be approved?

2. If no, what caused the delay and when does Clark expect to file?

f. If RUS approves the financing application, when will the first interest or principal payment be due, assuming a loan drawdown is made immediately after approval?

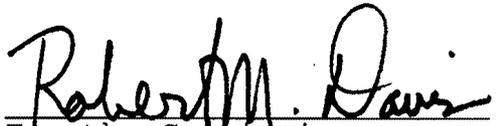
5. Clark states in its application that a force account will be used until necessary approvals are granted. How will Clark finance this force account activity?

6. Indicate the unadvanced amount of any long-term debt financing Clark currently has available.

7. Indicate whether Clark maintains a line of credit or other short-term borrowing instrument. Identify the current amount available for borrowing.

Done at Frankfort, Kentucky, this 18th day of January, 1996.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director