

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTER-COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
AN ORDER ISSUING A CERTIFICATE OF)	CASE NO
CONVENIENCE TO BORROW A SUM OF)	97-226
\$9,705,000 FROM RUS AND \$4,159,000 FROM)	
NRUCFC)	

INTERIM ORDER

Inter-County Rural Electric Cooperative Corporation ("Inter-County") filed its application on April 30, 1997 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$4,159,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute its notes to secure such loan. In support of its application, Inter-County filed its 1997-2000 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 4 years to serve its load.

Inter-County seeks authorization to construct extensions and additions to its plant as follows:

1.	New Distribution Lines	\$4,800,000
2.	New Tie Lines	24,621
3.	Line Conversions	1,654,250
4.	Distribution Equipment	6,984,590
5.	Security Lights	<u>400,440</u>
	Total	\$13,863,901

The proposed construction will enable Inter-County to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Inter-County indicated that it planned to borrow all necessary funds from the Rural Utilities Service ("RUS") and the CFC. Inter-County's application with RUS and CFC is pending.

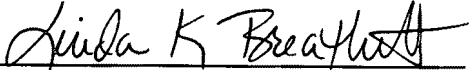
Based on the application and supporting 1997-2000 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Inter-County are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that:

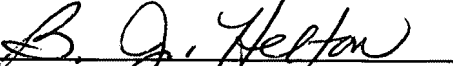
1. Inter-County is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1997-2000 Work Plan.
2. Inter-County's application for authorization to borrow \$4,159,000 from the CFC and to execute notes to secure each loan is continued generally.
3. Within 10 days of its receipt of final loan approval, Inter-County shall notify the Commission in writing of the final loan approvals received from the RUS and CFC.

Done at Frankfort, Kentucky, this 18th day of August, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director