

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DUO COUNTY TELEPHONE)
COOPERATIVE CORPORATION, INC. FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 98-113
NECESSITY TO CONSTRUCT A)
HEADQUARTERS AND WAREHOUSE/GARAGE)
FACILITY IN RUSSELL COUNTY, KENTUCKY)

O R D E R

On March 2, 1998, Duo County Telephone Cooperative Corporation, Inc. ("Duo County") filed an application for a Certificate of Public Convenience and Necessity to construct a headquarters and warehouse/garage facility in Russell County.

IT IS ORDERED that Duo County shall file the original and six copies of the following information with the Commission. The information requested herein is due no later than 30 days from the date of this Order. If the information cannot be provided by this date, Duo County shall submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information can be furnished. Such motion will be considered by the Commission.

1. Duo County is purchasing approximately 8.73 acres more than it requires for its construction and states that it will try to sell the remaining acres. In what account will the excess acres be recorded until it is sold?

2. Duo County states the proceeds from the sale of the excess land and existing facilities will be placed in its RUS Construction Fund Account to be used to finance future construction.

- a. Is the RUS Construction Fund an interest bearing account?
- b. If the answer is yes, what is the interest rate Duo County will receive?
- c. Are there other short-term investments which would provide a better

return than the RUS Construction Fund?

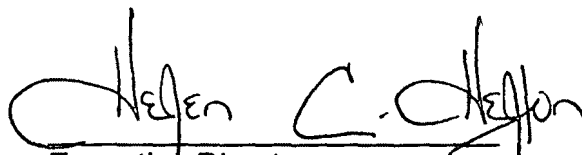
3. The projections submitted by Duo County included a number of items not subject to Commission review under KRS 278.020; therefore, these items should not be included in the authorized construction amount. Duo County included in the project costs \$100,000 for furniture and \$5,025 for appliances. Duo County should charge these items to the proper telephone plant account depending on the particular type of equipment involved. For example, if computers are included, they should be recorded in Account 32.2124, "General Purpose Computers."

Done at Frankfort, Kentucky, this 5th day of May, 1998.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director