

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THACKER-GRIGSBY)	
TELEPHONE COMPANY, INC., FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT NEW FACILITIES)	2000-473
)	

O R D E R

On October 16, 2000, Thacker-Grigsby Telephone Company, Inc. ("Thacker-Grigsby Telephone") filed an application seeking a Certificate of Public Convenience and Necessity to construct new facilities and upgrade existing facilities throughout its six exchanges in Knott, Perry, Floyd, and Breathitt counties of Kentucky. Thacker-Grigsby Telephone is an investor-owned stock corporation with its main office in Hindman, Knott County, Kentucky.

The total estimated cost of the proposed construction, including engineering, is \$10,101,666. The construction will be financed through the Rural Utilities Service ("RUS"), the Rural Telephone Bank ("RTB"), and prior loan reserves of \$853,666. RUS will provide \$5,945,000 and RTB will provide \$3,468,150. In addition, Thacker-Grigsby Telephone will be required to purchase \$165,150 of RTB's Class B shares. Thacker-Grigsby Telephone states that it does not anticipate any rate adjustments as a result of the expenditures associated with the proposed construction.

The proposed construction will consist of upgrades to the existing transmission system, reinforcement of existing distribution cable, placement of new remotes and

concentrators, fiber-optic transmission facilities to support new electronic locations, and fiber-optic facilities to support the National Information Infrastructure Network.

The Commission finds that Thacker-Grigsby Telephone has demonstrated that the proposed construction is necessary to maintain adequate utility service. The Commission, therefore, finds that Thacker-Grigsby Telephone should be issued a Certificate of Public Convenience and Necessity to construct the proposed facilities as described in this Order and the application.

IT IS THEREFORE ORDERED that:

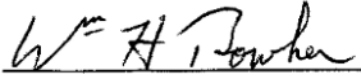
1. Thacker-Grigsby Telephone be granted a Certificate of Public Convenience and Necessity to construct the proposed facilities as described in this Order and its application.

2. Thacker-Grigsby Telephone shall notify the Commission in writing if the actual costs of the proposed construction exceed the estimated expenditures reported herein by more than 10 percent and thoroughly describe the reason for the adjustment.

Done at Frankfort, Kentucky, this 15th day of December, 2000.

By the Commission

ATTEST:

Deputy 
Executive Director