

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF BIG SANDY RURAL )  
ELECTRIC COOPERATIVE CORPORATION )  
FOR AUTHORITY TO EXECUTE ITS NOTE )  
TO THE NATIONAL RURAL UTILITIES )  
COOPERATIVE FINANCE CORPORATION IN )  
THE AMOUNT OF \$297,000 AND FOR ) CASE NO. 9154  
AUTHORITY TO EXECUTE A LOAN AGREEMENT )  
BETWEEN BIG SANDY RURAL ELECTRIC )  
COOPERATIVE CORPORATION AND NATIONAL )  
RURAL UTILITIES COOPERATIVE FINANCE )  
CORPORATION AND FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY )

ORDER

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") filed its application on October 3, 1984, for authorization to borrow funds and to request a certificate of convenience and necessity to construct certain improvements and additions to its existing plant. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$1,342,550 and will be financed by a loan of \$658,000 from the Rural Electrification Administration ("REA"), a loan of \$290,772 from the National Rural Utilities Cooperative Finance Corporation ("CFC") and the balance from general funds. The Commission requested additional information from Big Sandy on October 25, 1984, and this was received on November 7, 1984.

The Public Service Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require the construction by Big Sandy of the improvements and additions to its existing plant as described in the application and record, and that a certificate be granted.

2. The proposed borrowing from CFC is for lawful objects within the corporate purposes of Big Sandy, is necessary and appropriate for and consistent with the proper performance by Big Sandy of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that Big Sandy be and it hereby is granted a certificate of convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Big Sandy be and it hereby is authorized to borrow \$290,722 from CFC for a 35-year period, at an approximate interest rate of 11.75 percent per annum subject to the terms and conditions of the loan agreement with CFC at the time the loan is executed.

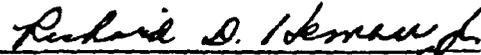
IT IS FURTHER ORDERED that Big Sandy be and it hereby is authorized to execute its notes as security for the loan herein authorized.

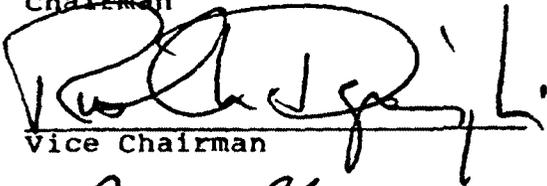
IT IS FURTHER ORDERED that the proceeds from the proposed borrowing shall be used only for the lawful purposes set out in the application and record.

Nothing herein contained shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 20th day of November, 1984.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary