

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NOLIN RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	
FOR APPROVAL TO CHANGE THE INTEREST)	CASE NO. 9981
RATE ON A LOAN TO A CONVERTED FIXED)	
RATE)	

O R D E R

On July 30, 1987, Nolin Rural Electric Cooperative Corporation ("Nolin") filed a letter wherein it requested approval to convert National Rural Utilities Cooperative Finance Corporation ("CFC") Loan No. 51-C-9022 from an interest rate of 13 percent to a converted fixed rate of 9 3/8 percent. Said loan was approved by the Commission on November 24, 1982, in Case No. 8655¹ and was then identified as CFC Loan No. 03-20-051-9022.

On July 13, 1987, the Commission issued an Order ruling that Nolin's letter be treated as an application and that a new case be established to investigate Nolin's request.

SUMMARY

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

¹

Case No. 8655, Amended Application of the Nolin Rural Electric Cooperative Corporation for Authority to Borrow an Additional Sum of \$1,153,000 from United States of America and to Borrow an Additional Sum of \$520,000 from the National Rural Utilities Cooperative Finance Corporation, to Execute Notes for Said Amounts, and Request a Certificate of Public Convenience and Necessity for the Construction Set Out in the Original Application, Final Order dated November 24, 1982.

1. By Order dated November 24, 1982, the Commission authorized Nolin to borrow \$520,000 from CFC at the initial rate of 13 percent per annum for a period of 7 years, with the rate to be variable thereafter, over a total period of 35 years. This loan is now identified as CFC Loan No. 51-C-9022.

2. Nolin has an opportunity to reduce the interest rate on Loan No. 51-C-9022 to 9 3/8 percent. No conversion cost would be incurred by Nolin to effect said conversion.

3. The effective date of the interest rate is June 1, 1987, and will remain in effect for a period of 7 years.

IT IS THEREFORE ORDERED that:

1. Nolin is authorized to convert CFC Loan No. 51-C-9022 to a fixed rate of 9 3/8 percent.

2. Nolin shall file with the Commission, within 45 days of the conversion, all documents pertaining to the finalization of said conversion.

3. All other provisions of the Commission's Order of November 24, 1982, are affirmed.

Done at Frankfort, Kentucky, this 18th day of September, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Haman Jr.
Chairman
[Signature]
Vice Chairman
[Signature]
Commissioner

ATTEST:

Executive Director