

**COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

THE APPLICATION OF CLARK ENERGY COOPERATIVE, INC. OF)
WINCHESTER, KENTUCKY, FOR COMMISSION APPROVAL OF A)
CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT)
ACCORDING TO THE COOPERATIVE'S 2010-2014 FOUR YEAR)
CONSTRUCTION WORK PLAN

CASE NO. 2011-00303

APPLICATION

Clark Energy Cooperative, Inc. of Winchester, Kentucky, hereinafter referred to as "Clark", respectfully states:

1. The full name and address of Applicant is:

Clark Energy Cooperative, Inc.
2640 Iron Works Road
P.O. Box 748
Winchester, KY 40392

2. Clark is a corporation, duly organized, created and existing by and under the laws of the State of Kentucky, and is engaged in the business of supplying retail electric service in Bath, Bourbon, Clark, Estill, Fayette, Madison, Menifee, Montgomery, Morgan, Powell, and Rowan Counties in Kentucky.

A certified copy of the Articles of Incorporation has been previously filed in Case No. 92-219 with the Kentucky Public Service Commission hereinafter referred to as the "Commission". An Amendment to the Articles of Incorporation pertaining to a name change from Clark Rural Electric Cooperative Corporation to Clark Energy Cooperative, Inc. was filed by letter dated July 17, 1997.

3. Clark is required to file an Application with the Commission seeking approval of the Applicant's request that the Commission issue a Certificate of Convenience and Necessity, hereinafter referred to as the "Certificate" per KRS 020(1), 807 KAR 5:001, Sections 8 and 9(2).
4. Clark's Application requests the Commission issue a Certificate for facilities and activities according to the Applicant's new four-year construction work plan, hereinafter referred to as the "CWP" contained within Section 2, Required Construction Items, of the 2010-2014 Construction Work Plan document filed with this Application.
5. The Certificate for the CWP will permit Clark to construct certain improvements and additions to existing distribution plant necessary to provide adequate and dependable electric service to existing and anticipated new members. System improvements recommended within the CWP will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance and provide for improved service reliability.
6. No new CWP constructions or extensions will require franchises or permits to be filed with the Commission.
7. The CWP and map filed with this Application provide a description and location of new construction and extensions. All construction and extensions are within Clark's service area. Public utilities, corporations, or other persons having neighboring facilities are as follows:

Bluegrass Energy Nicholasville, Kentucky	Jackson Energy Mckee, Kentucky	Kentucky Utilities c/o LG&E Energy Louisville, Kentucky
Fleming-Mason Energy Flemingsburg, Kentucky	Grayson Rural Electric Grayson, Kentucky	Licking Valley Rural Electric West Liberty, Kentucky

The map filed with this Application illustrates and identifies the location of any like facilities owned by others located anywhere within the Applicant's mapped service territory. No public utilities, corporations, or other persons have like facilities within Clark's service territory.

8. Total cost for the four-year CWP is estimated to be \$18,061,857 and summarized as follows:

a. Service membership construction totaling 104.2 miles.	\$5,216,966
b. Transformers and meters.	\$2,707,931
c. Service upgrades for existing members.	\$468,971
d. Sectionalizing equipment and activities.	\$121,400
e. Voltage regulators and activities.	\$111,100
f. Pole replacements.	\$3,018,831
g. Conductor replacements.	\$993,400
h. Security light installations.	\$473,058
i. System improvement projects.	\$1,796,200
j. SCADA System	\$218,000
k. AMR\AMI Upgrade	\$1,559,800
l. Hazard Mitigation Project	\$526,400
m. FCC Required Radio System Upgrade	\$545,000
n. Miscellaneous System Replacements	<u>\$304,800</u>
Total	\$18,061,857

9. A listing of all proposed new construction or extensions in a format similar to RUS Form 740C is provided in the CWP behind tab titled 740C.

10. The anticipated annual cost of operations, excluding the cost of power, of the existing and proposed facilities is \$14,081,508.

11. Clark is a cooperative corporation and no kind of stock is desired or will be issued. Clark is filing an application with RUS to arrange all necessary financing of CWP activities with either Treasury or FFB funds guaranteed by RUS. The Commission does not have jurisdiction over CWP financing per KRS 278.300, Section 10 since all existing financing of CWP activities is from an agency of the federal government. Loan rates are set daily and Clark will select the most advantageous term and rate at the time the loan funds are advanced. Funds will be available as early as 1st quarter 2011. Contract and force accounts financed with internally generated funds and a short-term line of credit will be used until all loan approvals are granted.

12. A 2010-2014 CWP Voltage Comparison report is filed with this application and is an assessment of the accuracy of the voltage drop analysis used in preparation of the 2010-2014 Construction Work Plan. The Voltage Comparison report provides a sample comparison of actual and calculated voltage levels for winter 2009 load.

COMMONWEALTH OF KENTUCKY

COUNTY OF CLARK, SCT

Paul Embs, after first being duly sworn, deposes and says: That he is the President and Chief Executive Officer of Clark Energy Cooperative, Inc., a rural electric cooperative corporation, duly organized and doing business under the Rural Electric Cooperative Corporation Act of the Commonwealth of Kentucky: That he has read the foregoing Application and knows the contents thereof: That the same is true of his own knowledge except as to such matters as are therein stated on information or belief, and as to those matters he believes it to be true.

This 31 day of January, 2012

CLARK ENERGY COOPERATIVE, INC.



Paul G. Embs, President and CEO

Subscribed and sworn to before me by Paul G. Embs, this 31 of January, 2012



Notary Public, Kentucky State-at-Large

MY COMMISSION EXPIRES SEPTEMBER 8, 2012

My Commission Expires: _____

GRANT, ROSE &
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By: 

Robert L. Rose ATTORNEYS FOR CLARK ENERGY COOPERATIVE, INC.