

Exhibit 18

FRANKLIN CIRCUIT COURT
NO. 80-CI-1747

WEST KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION
Mayfield, Kentucky

FILED
PLAINTIFF

VS.

ORDER

NOV 1 1982

Clerk Franklin Circuit Court

ENERGY REGULATORY COMMISSION
COMMONWEALTH OF KENTUCKY

DEFENDANT

* * * * *

On this appeal the only question is whether KRS 278.300(10) exempts the plaintiff from seeking authorization of the defendant to borrow funds through the R.E.A. It is established that the plaintiff is under the supervision and control of the R.E.A. as regards the feasibility of loan approval, as well as the TVA as regards rates adequate to assure financial soundness.

KRS 278.300 prohibits a utility from issuing securities or other liability without approval of the appropriate commission. KRS 278.300(10) reads as follows:

"This section does not apply in any instance where the issuance of securities or evidences of indebtedness is subject to the supervision or control of the federal government or any agency thereof,

but the appropriate commission may appear as a party to any proceeding filed or pending before any federal agency if the issuance of the securities or evidences of indebtedness will materially affect any utility over which the commission has jurisdiction."

The R.E.A. and the TVA fall within the general classification of "federal government or any agency thereof." The action proposed by this plaintiff is subject to the supervision or control of those agencies. The language of the statute is clear and unequivocal. However desirable it may be to protect the interest of the consumer the exemption applies in this case.

The order of the Energy Regulatory Commission appealed from is reversed and set aside insofar as it declares the plaintiff is not exempt from the provisions of KRS 278.300 by KRS 278.300(10).

It is so Ordered.

This the 12 day of November, 1982.



JUDGE, FRANKLIN CIRCUIT COURT
DIVISION II