

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE COUNTY OF)	
LYON, LYON COUNTY WATER DISTRICT,)	
AND THEIR REQUEST FOR A CERTIFICATE)	
OF PUBLIC CONVENIENCE WAIVER AND)	CASE NO. 91-053
NECESSITY AS WELL AS A WAIVER FOR)	
THE APPROVAL OF THE FINANCING)	
ARRANGEMENTS FOR SAME)	

O R D E R

On April 4, 1991, Lyon County Water District ("Lyon County") filed an application with the Commission requesting a Certificate of Public convenience and Necessity to construct an extension to its existing water works system ("Rolling Mill Project"). Lyon County also requested the Commission to approve its plan of financing which consists of a loan from the Kentucky Association of Counties Leasing Trust ("KACLT") in the amount of \$169,000. By Order of the Commission dated May 14, 1991, Lyon County was required to file certain engineering information related to the Rolling Mill Project no later than June 3, 1991.

KRS 278.300 provides that the Commission shall have 60 days after filing to consider applications for authority to issue or assume securities or evidence of indebtedness unless it is necessary for good cause to continue the application for a longer time than 60 days. In this proceeding, required information concerning the details of the project to be financed by the KACLT loan will not be made a part of the record prior to expiration of

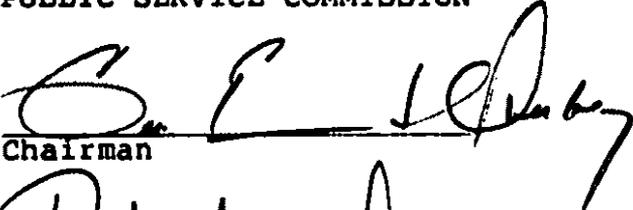
the 60 day period for review of the financing application. It would be premature for the Commission to grant authority for Lyon County to incur indebtedness when no ruling has been made on the construction project.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that good cause exists to continue the financing application beyond the 60 day period specified in KRS 278.300(2).

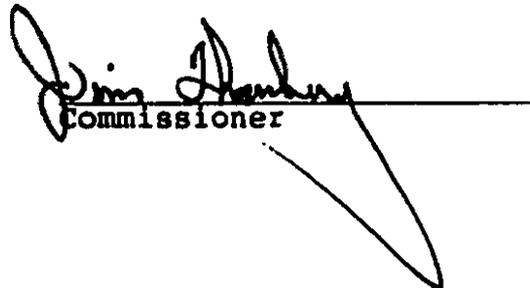
IT IS THEREFORE ORDERED that Lyon County's application for authorization to incur additional indebtedness be and it hereby is continued generally pending a ruling on Lyon County's request for a certificate of convenience to construct.

Done at Frankfort, Kentucky, this 30th day of May, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director