COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ELKHORN WATER) DISTRICT (1) FOR A CERTIFICATE OF) CONVENIENCE AND NECESSITY TO CONSTRUCT) A WATER STORAGE TANK AND ADDITIONAL) LINES; (2) FOR APPROVAL OF FINANCING) PLAN FOR SAID PROJECT; AND (3) FOR) APPROVAL OF WATER RATES AND CHARGES)

CASE NO. 9896

<u>ORDER</u>

On December 10, 1992, Elkhorn Water District ("Elkhorn") filed with the Commission a motion for an additional extension of time in which to comply with the Commission's Order of February 18, 1988. That Order granted Elkhorn a deviation from the one-day water storage requirement of 807 KAR 5:066, Section 4(4), until July 1, 1991. The February 10, 1988 Order also directed Elkhorn to review its water storage situation prior to the expiration date of the deviation and to construct the amount of storage necessary to supply adequate and reliable service to its customers. On May 10, 1991, Elkhorn made a motion for an extension of time to comply with the one-day storage requirement by December 1992. On May 23, 1991, the Commission granted a time extension until December 31, 1992.

In its motion, Elkhorn states that it has acquired funding commitments for this project from Farmers Home Administration ("FmHA") and Kentucky Infrastructure Authority. Furthermore, Elkhorn expects that it will soon be able to comply with all FmHA requirements, including the previously delayed acquisition of the site for the water storage tank. Elkhorn requested that the Commission grant an additional eight months or until September 1993 to comply with the one-day storage requirement.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that Elkhorn should be granted an extension of time in which to complete the construction of additional water storage facilities ordered by the Commission.

IT IS THEREFORE ORDERED that Elkhorn be and hereby is granted an extension of time in which to comply with the Commission's Order of February 10, 1988, the extension of the deviation granted therein to expire on December 31, 1993.

Done at Frankfort, Kentucky, this 1st day of February, 1993.

PUBLIC SERVICE COMMISSION

Vice Chairman

ATTEST:

Executive Director