

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH MANCHESTER WATER)
ASSOCIATION FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, AND FOR ORDERS) CASE NO. 93-396
APPROVING AN ADJUSTMENT IN WATER RATES)
AND CONSTRUCTION FINANCING)

O R D E R

On October 21, 1993, North Manchester Water Association ("North Manchester") submitted an application with the Commission requesting a Certificate of Public Convenience and Necessity to construct significant improvements in its existing water distribution system. North Manchester also requested the Commission approve its plan of financing which consists of a loan to be made by the Kentucky Infrastructure Authority ("KIA") in the amount of \$2,621,001 and contributions of \$184,320, and approval of increased water rates proposed to be charged by North Manchester. The application was considered filed on November 18, 1993, when all deficiencies were cured.

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 KIA will not be made a part of the record prior to expiration of the

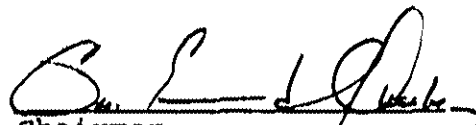
60-day period for review of the financing application. Since the KIA loan commitment is contingent upon regulatory approval for the construction, it would be premature for the Commission to grant authority to incur the indebtedness when no ruling has been made on the construction project.

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 North Manchester's application for authorization to incur additional indebtedness be and it hereby is continued beyond the 60-day period specified in KRS 278.300(2), pending a ruling on North Manchester's request for a Certificate of Convenience to Construct.

Done at Frankfort, Kentucky, this 13th day of January, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director