

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF REIDLAND WATER)
AND SEWER DISTRICT FOR (1) A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING APPLICANT TO CONSTRUCT A)
WASTEWATER TREATMENT PLANT; (2))
APPROVAL OF FINANCING THE PROPOSED)
CONSTRUCTION THROUGH THE KENTUCKY)
INFRASTRUCTURE AUTHORITY AND AUTHORITY) CASE NO. 96-314
TO INCUR AN INDEBTEDNESS; AND (3))
APPROVAL OF THE PROPOSED ADJUSTMENT)
OF RATES NECESSARY TO PAY THE)
INDEBTEDNESS INCURRED)

O R D E R

On July 3, 1996, the Reidland Water and Sewer District ("Reidland Sewer") submitted an application to the Commission seeking approval to construct a wastewater treatment plant, approval of its proposed plan of financing, and approval of a proposed increase in sewer rates. Reidland Sewer's application was considered filed on July 31, 1996, when all deficiencies were cured. The proposed financing consists of a \$3,517,638 loan from the Kentucky Infrastructure Authority ("KIA").

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, the Commission and Intervenors of record have not had ample opportunity to gather the required information concerning the details of the construction to be financed by the KIA loan. Since the proposed financing is contingent

upon regulatory approval for the construction of the wastewater treatment plant, it would be premature for the Commission to grant authority to incur the indebtedness when no ruling has been made on the 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).

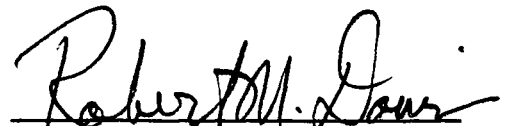
IT IS THEREFORE ORDERED that Reidland Sewer's application for authorization to incur additional indebtedness is continued beyond the 60-day period specified in KRS 278.300(2), pending a ruling on Reidland Sewer's request for a Certificate of Convenience to Construct.

Done at Frankfort, Kentucky, this 27th day of September, 1996.

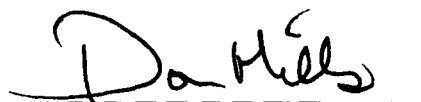
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director