

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENERGY CORP. FOR)
APPROVAL OF ISSUANCE OF EVIDENCES OF) CASE NO. 99-497
INDEBTEDNESS)

O R D E R

On January 12, 2000, the Commission informed Kenergy Corp. ("Kenergy") that its application was deficient in two areas prescribed by Commission regulations. Kenergy had not filed a detailed income statement and balance sheet, as required by 807 KAR 5:001, Section 6(9), and a statement of the original cost of its property, as required by 807 KAR 5:001, Section 11(1)(a). Consequently, Kenergy's application was not considered filed until either the filing deficiencies were cured, or Kenergy sought and was granted a waiver of these filing requirements.

On January 18, 2000, Kenergy filed a request for waiver of the cited filing deficiencies. Kenergy is the consolidation successor of Green River Electric Corporation ("Green River") and Henderson Union Electric Cooperative Corporation ("Henderson Union"). Kenergy's application seeks the Commission's approval for Kenergy to assume the existing long-term debt financing of Green River and Henderson Union. In its waiver request, Kenergy contends that a detailed income statement and balance sheet and a statement of original cost of its property have no bearing on its application to assume these long-term financial instruments. Accordingly, Kenergy claims it should not be required to incur the time and expense to prepare and file the two items.

The Commission does not agree that the required items are irrelevant. However, under the circumstances of this case -- which involves a merged entity assuming debt already incurred by its predecessor entities -- the Commission finds good cause to grant the deviation requested by Kenergy and to use, for purposes of this case, financial reports already on file in the Commission's offices.

IT IS THEREFORE ORDERED that:

1. Kenergy's request to waive the filing requirements contained in 807 KAR 5:001, Section 6(9) and Section 11(1)(a) is granted.

2. Kenergy's application shall be considered filed as of January 18, 2000.

Done at Frankfort, Kentucky, this 8th day of February, 2000.

By the Commission

ATTEST:

Executive Director