

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HENDRON WATER DISTRICT)
FOR (1) A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AUTHORIZING)
APPLICANT TO CONSTRUCT AN ELEVATED)
WATER STORAGE TANK AND WATER LINES;)
(2) APPROVAL OF FINANCING THE PROPOSED)
CONSTRUCTION THROUGH THE KENTUCKY)
INFRASTRUCTURE AUTHORITY AND AUTHORITY)
TO INCUR INDEBTEDNESS; (3) APPROVAL OF)
THE PROPOSED ADJUSTMENT OF RATES AND)
TARIFFS NECESSARY TO PAY THE)
INDEBTEDNESS INCURRED; AND (4) APPROVAL)
OF LOANS PREVIOUSLY INCURRED BY THE)
APPLICANT)

CASE NO. 91-289

O R D E R

On August 14, 1991, Hendron Water District ("Hendron") filed an application with the Commission requesting a Certificate of Public Convenience and Necessity to construct an elevated water storage tank and water lines. Hendron also requested the Commission approve its plan of financing which consists of a loan to be made by the Kentucky Infrastructure Authority ("KIA") in an amount not to exceed \$650,000 and approval of increased water rates proposed to be charged by Hendron.

Hendron has further requested the Commission grant a waiver on 807 KAR 5:001(6) which requires that financial exhibits cover operations ending no more than 90 days prior to the date the application is filed. Hendron's financial Exhibit H is for the period ending December 31, 1990. In lieu of the more current

financial exhibit, Hendron has updated its calendar year financial exhibit with monthly profit and loss statements and a balance sheet for the first six months of 1991.

KRS 278.300(2) 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. Given that final approval has not yet been received from KIA for the financing of the proposed construction, it would be premature for the Commission to grant authority to incur the indebtedness.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Good cause exists to grant the waiver of the financial exhibit required by 807 KAR 5:001(6).

2. Good cause exists to continue the financing application beyond the 60-day period specified in KRS 278.300(2).

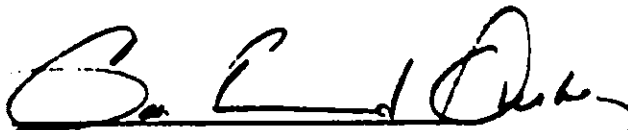
IT IS THEREFORE ORDERED that:


1. Hendron's requested waiver of 807 KAR 5:001(6) be and is hereby granted.

2. The portion of Hendron's application for authorization to incur additional indebtedness be and it hereby is continued generally.

Done at Frankfort, Kentucky, this 9th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director