

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BEAVER-ELKHORN)
WATER DISTRICT FOR (1) CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
- CONSTRUCTION - TO UPGRADE WATER)
TREATMENT PLANT/WATER LINE EXTENSIONS)
PURSUANT TO KRS 278.020(1); (2)) CASE NO. 92-129
AUTHORIZATION OF BORROWING FROM THE)
COMMONWEALTH OF KENTUCKY, KENTUCKY)
INFRASTRUCTURE AUTHORITY WATER)
RESOURCES LOAN FUND PURSUANT TO KRS)
278.300; (3) AUTHORITY TO INCREASE)
RATES PURSUANT TO 807 KAR 5:001,)
SECTION 10)

O R D E R

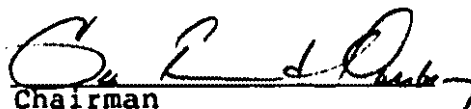
On October 1, 1992, the Commission issued an Order in this proceeding containing Staff's report regarding the rate adjustments for Beaver-Elkhorn Water District ("Beaver-Elkhorn"). Beaver-Elkhorn submitted its response to Staff's report on August 12, 1992. In its response Beaver-Elkhorn has referred to a refinancing arrangement which enabled Beaver-Elkhorn to prepay existing bonded indebtedness and accrued interest thereby resulting in a savings to the District of over \$328,000. Attached to Beaver-Elkhorn's response were minutes of a special meeting held May 27, 1992, which references a borrowing by Beaver-Elkhorn of \$285,000 from First Guaranty National Bank. Also attached to the Order as Exhibit "A" is Beaver Elkhorn's refunding revenue note.

Based upon Beaver-Elkhorn's response to the Commission's Staff report, Beaver-Elkhorn should be required to supplement the record with respect to the refinancing transaction.

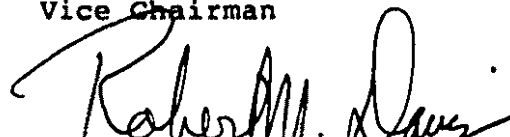
IT IS THEREFORE ORDERED that Beaver-Elkhorn shall file, within ten days of the date of this Order, executed copies of all loan documents pertaining to the loan agreement between Beaver-Elkhorn and First Guaranty National Bank along with a narrative statement explaining the terms of this refinancing in detail.

Done at Frankfort, Kentucky, this 23rd day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director