

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BIG SANDY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
TO CONSTRUCT AN IMPROVEMENTS)	
PROJECT AND TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT)	CASE NO.
OF \$822,000 FOR THE PURPOSE OF)	2001-178
FINANCING SAID PROJECT AND)	
REFUNDING CERTAIN OUTSTANDING)	
REVENUE BONDS OF THE DISTRICT)	
PURSUANT TO THE PROVISIONS OF KRS)	
278.020, 278.300 AND 807 KAR 5:001)	

INTERIM ORDER

On June 7, 2001, the Big Sandy Water District ("Big Sandy") submitted its application seeking Commission approval to (1) issue a Certificate of Public Convenience and Necessity ("Certificate") to construct a 300,000 gallon water tank; and (2) obtain a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") in the amount of \$822,000, subject to an adjustment of up to 10 percent. In its Interim Order of June 26, 2001, the Commission determined that it required additional information regarding the requested Certificate, and therefore, authorized Big Sandy only to obtain a KRWFC loan in the amount of \$589,000 for the express purpose of refunding the Waterworks Revenue Bonds of 1989.

KRS 278.020(4) requires the Commission to render a decision regarding a utility's request to issue securities or to obtain financing within 60 days, unless it is necessary for good cause to continue the application for a longer time. In this

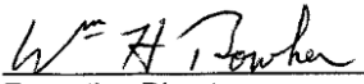
proceeding the decision regarding the proposed KRWFC loan depends upon Big Sandy's requested Certificate to construct a 300,000-gallon water tank. Since the information regarding the requested Certificate has yet to be obtained, the Commission believes that it would be premature to render its decision on the proposed plan of financing. For this reason, the Commission finds that good cause exists to continue the application for approval of financing for a period longer than 60 days.

IT IS THEREFORE ORDERED that Big Sandy's application for approval of its KRWFC loan to fund the construction of its 300,000-gallon water tank is continued beyond the 60-day period.

Done at Frankfort, Kentucky, this 3rd day of August, 2001.

By the Commission

ATTEST:

Deputy 
Executive Director