

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP. FOR)
AUTHORIZATION TO ASSUME OBLIGATIONS OR) CASE NO.
LIABILITIES IN RESPECT TO EVIDENCES OF) 2007-00556
INDEBTEDNESS)

ORDER

Kenergy Corp. (“Kenergy”) applied to the Commission for authority to use interest rate management products in conjunction with a \$5,500,000 loan from the Rural Utilities Service. In the alternative, Kenergy seeks an order that Commission authorization is not required for such transactions. If the Commission determines that authorization is required for the use of interest rate management products, Kenergy further seeks authorization to use interest rate management products on all future loans, and that such products may be provided by CoBank, ACB or other entities selected by Kenergy.

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 evidences of indebtedness unless it is necessary for good cause to continue the application. As the Commission has not completed its investigation of this matter, the Commission 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 Kenergy's application for authorization to use interest rate management products is continued beyond the 60-day period specified in KRS 278.300(2).

Done at Frankfort, Kentucky, this 14th day of March, 2008.

By the Commission

ATTEST:



Executive Director

Case No. 2007-00556