

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EDMONSON COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	CASE NO.
CONSTRUCTION OF MAJOR ADDITIONS AND)	2010-00400
IMPROVEMENTS TO ITS WATER SYSTEM AND)	
APPROVAL OF THE ISSUANCE OF CERTAIN)	
SECURITIES)	

ORDER

On October 14, 2010, Edmonson County Water District (“ECWD”) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,000,000 waterworks improvement project. This project consists of the installation of approximately three miles of 4-inch and 3-inch water transmission mains; three ultrasonic flow meters; 21 leak detection meter assemblies; minor repairs and repainting of three existing water storage tanks; and related appurtenances to provide service to approximately 22 new customers. The project will be funded by the issuance of \$700,000 of Waterworks Revenue Bonds to the U.S. Department of Agriculture’s Rural Development (“RD”); a \$295,000 grant from RD; and an applicant contribution of \$5,000.

ECWD's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of

satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on October 14, 2010, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. ECWD is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. ECWD's proposed plan of financing with RD is accepted.

3. ECWD is authorized to issue its Waterworks Revenue Bonds from the RD loan in the amount of \$700,000 at an interest rate not exceeding 2.625 percent per annum, maturing over 40 years.

4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in ECWD's application.

5. Notwithstanding ordering paragraph 4, if surplus funds remain after the approved construction has been completed, ECWD may use such surplus to construct additional plant facility if RD approves of the use and the additional construction will not result in a change in ECWD's rates for service. ECWD shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. ECWD shall file a copy of the "as-built" drawings and a certified statement from the engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of substantial completion of the construction certified herein.

7. ECWD shall require the construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

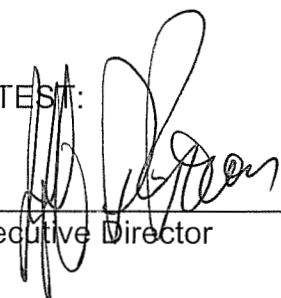
8. ECWD shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), ECWD shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

9. ECWD shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

10. Any documents filed in the future pursuant to ordering paragraphs 5, 6, and 9 herein shall reference this case number and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission

ATTEST:


Executive Director

ENTERED *ew*
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KENTUCKY PUBLIC
SERVICE COMMISSION

Mary C Garris
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KY 40202-2828

Honorable Robert D Meredith
Attorney At Law
100 East White Oak Street
Leitchfield, KY 42754

Jimmy Mills
Chairman
Edmonson County Water District (Water Division)
1128 Highway 259N
P. O. Box 208
Brownsville, KY 42210