

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BATH COUNTY WATER)
DISTRICT OF BATH, MONTGOMERY, AND)
MENIFEE COUNTIES, KENTUCKY, FOR) CASE NO. 89-098
APPROVAL OF CONSTRUCTION AND FINANCING)

O R D E R

On April 24, 1989, Bath County Water District ("Bath County Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$608,000 waterworks improvement project and for approval of its plan of financing for this project. Bath County Water's application was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 150 additional customers. Project funding includes a \$138,000 loan from the Farmers Home Administration ("FmHA"), a 375,000 grant from FmHA, a \$50,000 grant from the Appalachian Regional Commission ("ARC") and \$45,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Bath County Water certifies that reliable and adequate service can be maintained throughout the expanded system

after completion of the proposed construction. The Commission reminds Bath County Water of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. 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 6(1), Bath County Water must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on April 24, 1989. Bath County Water's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Bath County Water should monitor the adequacy 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 6(1), Bath County Water should take immediate action to bring the system into compliance with the Commission's regulations.

4. Bath County Water should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA and ARC should also be approved.


5. Bath County Water should file with the Commission, within 60 days of the date of substantial completion of this construction, a copy of the "as-built" drawings and a certified statement from its engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

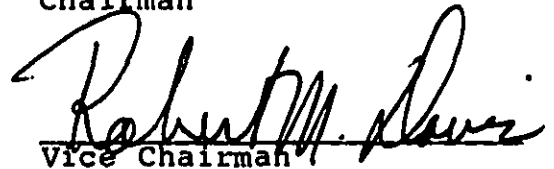
BE IT SO ORDERED.


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

Done at Frankfort, Kentucky, this 12th day of May, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director