

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: .

THE APPLICATION OF BULLOCK PEN WATER )  
DISTRICT OF GRANT COUNTY, KENTUCKY, )  
FOR ORDER APPROVING CONSTRUCTION, ) CASE NO. 89-128  
FINANCING, CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY, AND WATER )  
RATES )

O R D E R

On May 15, 1989, Bullock Pen Water District ("Bullock Pen") filed an application for a Certificate of Public Convenience and Necessity to construct a \$845,050 waterworks improvement project, and for approval of its plan of financing for this project. Bullock Pen'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 212 additional customers. Project funding includes a \$450,000 loan from the Kentucky Infrastructure Authority ("KIA"), a \$358,000 Community Development Block Grant, ("CDBG") and \$37,050 from applicants for service in the proposed project area. The loan will be for a 20-year period at an estimated interest rate of 8 percent per annum.

The chairman of Bullock Pen certifies that reliable and adequate service can be maintained throughout the expanded system

after completion of the proposed construction. The Commission reminds Bullock Pen 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), Bullock Pen 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 May 15, 1989. Bullock Pen'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. Bullock Pen 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), Bullock Pen should take immediate action to bring the system into compliance with the Commission's regulations.

4. Bullock Pen should be granted a Certificate of Public Convenience and Necessity for the proposed construction project.

The proposed construction financing plan with KIA and CDBG funds should also be approved.

5. Bullock Pen 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.

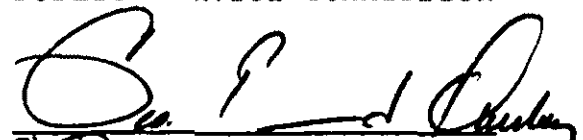
6. Bullock Pen intends to extend water service to a portion of Kenton County. Bullock Pen should comply with KRS 74.110 and KRS 74.115 as they pertain to annexing the area of Kenton County to be served.

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 6th day of June, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director