

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JUDY WATER ASSOCIATION,))
INC., MONTGOMERY COUNTY, KENTUCKY FOR (1)))
A CERTIFICATE OF PUBLIC CONVENIENCE AND))
NECESSITY AUTHORIZING THE DISTRICT TO))
CONSTRUCT A NEW WATER DISTRIBUTION SYSTEM;)) CASE NO.
(2) APPROVAL OF THE PROPOSED PLAN OF)) 90-268
FINANCING SAID PROJECT; AND (3) APPROVAL))
OF THE PROPOSED WATER SERVICE RATES AND))
CHARGES OF THE ASSOCIATION))

O R D E R

On September 4, 1990, Judy Water Association, Inc. ("Judy") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,416,200 water works improvement project, approval of its plan of financing for the project, and approval of the water service rates and charges proposed to be charged to Judy's customers. This project will provide service to approximately 460 residents. Project funding includes a \$647,000 loan from the Farmers Home Administration ("FmHA"), a \$721,800 grant from FmHA, and at least \$47,400 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of five percent per annum.

Judy's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements.

Minimum filing requirements were met in this case on October 5, 1990. KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this application.

IT IS THEREFORE ORDERED that:

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

2. Judy's proposed plan of financing with FmHA is accepted.

3. The rates set out in Appendix A, which is attached hereto and incorporated herein, are approved for services rendered on and after the date of this Order.

4. Within 30 days of the date of this Order, Judy shall file its tariff setting out the rates approved herein.

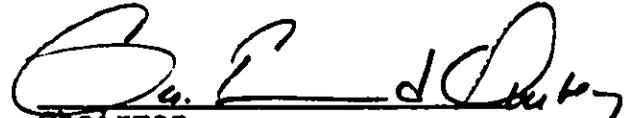
5. Judy shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of substantial completion of the construction certificated herein.

6. Judy shall monitor the adequacies of the water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Judy shall take immediate action to bring the system into compliance with Commission regulations.

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 8th day of October, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director