

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MOUNTAIN WATER)	
DISTRICT OF PIKE COUNTY, KENTUCKY,)	
FOR ORDER APPROVING CONSTRUCTION,)	CASE NO. 91-008
FINANCING, CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY, AND WATER)	
RATES)	

O R D E R

On January 10, 1991, Mountain Water District ("Mountain Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$890,977 waterworks improvement project and for approval of its plan of financing for this project. Project funding includes a \$203,978 loan from Kentucky Infrastructure Authority ("KIA"), a \$598,025 Community Development Block Grant ("CDBG") from U.S. Department of Housing and Urban Development ("HUD"), and \$88,974 contribution from city of Pikeville. The loan will be for a 20-year period at an interest rate of 3.3 percent per annum.

Mountain Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and HUD 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 January 25, 1991, KRS 278.023 does not grant to the Commission any

discretionary authority to modify or reject any portion of this agreement.

Although Mountain Water's application requested Commission approval of the rates to be charged to its customers, said rates were approved by the Commission in Case No. 90-354¹ and need no further approval.

IT IS THEREFORE ORDERED that:

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

2. Mountain Water's proposed plan of financing with HUD is accepted.

3. Mountain Water 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 the substantial completion of the construction certificated herein.


4. Mountain Water 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 falls outside the requirements of 807 KAR 5:066, Section 6(1), Mountain Water shall take immediate action to bring the system into compliance with Commission regulations.


¹ Case No. 90-354, The Application of Mountain Water District of Pike County, Kentucky, for a Certificate of Public Convenience and Necessity, to Construct, Finance and Increase Rates.

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 4th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director