

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON COUNTY)	
WATER DISTRICT FOR (1) ORDER APPROVING)	CASE NO.
CERTIFICATE OF CONVENIENCE AND NECESSITY)	92-030
FOR CONTRACTS A AND E)	

O R D E R

On January 14, 1992, Henderson County Water District ("Henderson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$711,429 water-works improvement project and for approval of its plan of financing for this project. This project will upgrade and improve existing facilities. Project funding includes a \$371,429 loan from the Kentucky Infrastructure Authority ("KIA"), a \$308,013 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$31,987 in funds remaining from a previously approved construction project. The loan will be for a 20-year period at an estimated interest rate of 8 percent per annum.

Henderson 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 28, 1992, 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. Henderson Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Henderson Water's proposed plan of financing with HUD and KIA is accepted.

3. Henderson 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.

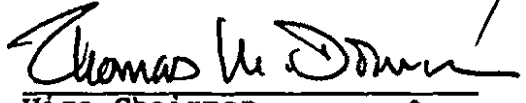
4. Henderson Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Henderson Water shall take immediate action to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

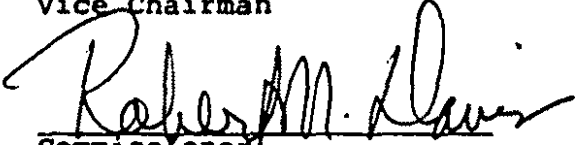
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 11th day of February, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director