

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY WATER)
DISTRICT OF MEADE COUNTY, KENTUCKY, FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO ACQUIRE, CONSTRUCT AND)
FINANCE PURSUANT TO THE PROVISIONS OF)
SECTION 278.023 OF THE KENTUCKY REVISED)
STATUTES)

CASE NO. 92-257

O R D E R

On June 19, 1992, Meade County Water District ("Meade Water") filed an application for a Certificate of Public Convenience and Necessity for a \$415,000 waterworks improvement project (\$100,000 for the acquisition of the Flaherty Water Company, Inc. ("Flaherty") water system, \$315,000 for water system improvements to the Flaherty water system), and for approval of its plan of financing for this project. Project funding will be a \$415,000 loan from the Farmers Home Administration ("FmHA"). The loan will be for a 40-year period at an interest rate of 6.875 percent per annum.

Meade Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts 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. Given that minimum filing requirements were met in this case on June 19, 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. Meade Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Meade Water's acquisition of the Flaherty water system is hereby approved.

3. Meade Water's proposed plan of financing with FmHA is accepted.

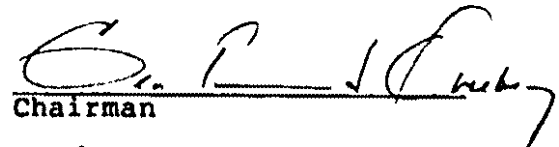
4. Meade Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Meade 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), Meade Water shall take immediate action to bring the system into compliance with Commission regulations.

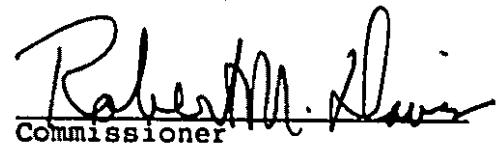
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting