

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARION COUNTY WATER	)	
DISTRICT, MARION AND NELSON COUNTIES,	)	
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY AUTHORIZING	)	CASE NO.
CONSTRUCTION OF MAJOR IMPROVEMENTS AND	)	92-303
ADDITIONS TO ITS EXISTING MUNICIPAL WATER	)	
DISTRIBUTION SYSTEM, AND (2) SEEKING	)	
APPROVAL OF THE ISSUANCE OF CERTAIN	)	
SECURITIES	)	

O R D E R

On July 21, 1992, Marion County Water District ("Marion County") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,065,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 213 additional customers. Project funding includes a \$500,000 loan from the Farmers Home Administration ("FmHA"), a \$200,000 grant from FmHA, a \$338,700 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$26,300 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate not to exceed 5 percent per annum.

Marion County'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 July 21, 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. Marion County is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Marion County 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.

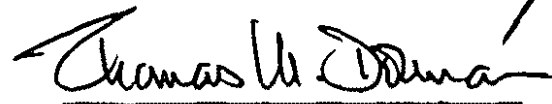
4. Marion County shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Marion County shall take immediate action to bring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

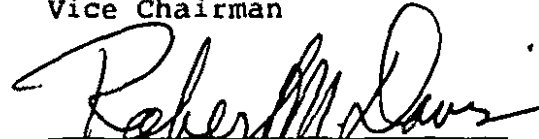
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 13th day of August, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director