

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NEBO WATER DISTRICT)	
HOPKINS COUNTY, KENTUCKY, TO CONSTRUCT)	CASE NO. 92-420
AND FINANCE PURSUANT TO KRS 278.023)	

O R D E R

On September 29, 1992, Nebo Water District ("Nebo Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$219,600 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 44 additional customers. Project funding includes a \$200,000 loan from the Farmers Home Administration ("FmHA") and \$19,600 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 7 percent per annum.

Nebo 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 September 29, 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. Nebo Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

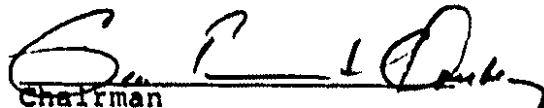
3. Nebo Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

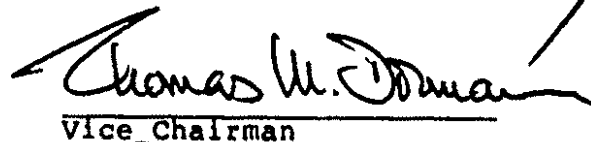
4. Nebo Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Nebo Water shall take immediate action to bring the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

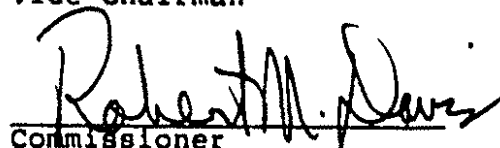
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 28th day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director