

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PARKSVILLE WATER)	
DISTRICT, OF BOYLE COUNTY, KENTUCKY,)	
FOR APPROVAL OF THE INCREASED WATER)	CASE NO. 10332
RATES PROPOSED TO BE CHARGED BY THE)	
DISTRICT TO CUSTOMERS OF THE DISTRICT)	

O R D E R

Parksville Water District ("Parksville") has moved for release of certain funds held in escrow. More specifically, Parksville seeks to disburse approximately \$5,500 from its surcharge proceeds account to pay its auditors.

By Order dated December 13, 1988, the Commission authorized Parksville to assess a monthly surcharge of \$2.56 for each customer for a period not to exceed 75 months. The Commission ordered Parksville to invest the surcharge proceeds in a separate interest bearing account and limited the use of these proceeds to the retirement of certain bond obligations.

The Farmer's Home Administration ("FmHA") has approved Parksville for consideration of a loan and grant totaling \$1,330,200. A portion of this funding will be used to retire these bond obligations. As a condition for obtaining this funding, however, FmHA requires an audit of Parksville's present financial condition.

Parksville states that it lacks sufficient funds to pay its auditors approximately \$5,500 for a prior audit and approximately \$5,000 for a current audit. It therefore seeks authorization to disburse \$5,500 from its surcharge proceeds account to pay its

auditors. Parksville states that such disbursement will not jeopardize payment of its bond obligations and will assist in obtaining FmHA funding to meet those bond obligations. It further states all funds remaining in the surcharge proceeds account will be used in conjunction with any FmHA funding to retire or refinance Parksville's outstanding bond obligations.


Having considered the motion and being otherwise sufficiently advised, the Commission finds that release of the funds for the purpose stated in the motion is consistent with the purpose for which the surcharge proceeds account was established and that Parksville's motion should be granted.

IT IS THEREFORE ORDERED that:

1. Parksville's Motion for Release of Funds is granted.
2. Parksville is authorized to disburse \$5,500 from the surcharge proceeds account to its auditors for financial audits which have been or are being conducted.
3. Within 30 days of the authorized disbursement, Parksville shall advised the Commission in writing of the disbursement and shall provide proof of such disbursement.

Done at Frankfort, Kentucky, this 21st day of December, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner