

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) 93-037
ADDITIONS TO ITS EXISTING MUNICIPAL WATER)
DISTRIBUTION SYSTEM, AND (2) SEEKING)
APPROVAL OF THE ISSUANCE OF CERTAIN)
SECURITIES)

O R D E R

On January 27, 1993, Marion County Water District ("Marion Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$446,900 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 82 additional customers. Project funding includes a \$235,000 loan from the Farmers Home Administration ("FmHA"), a \$200,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$11,900 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

Marion Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA or HUD and to issue the necessary order 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 27, 1993, 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 Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

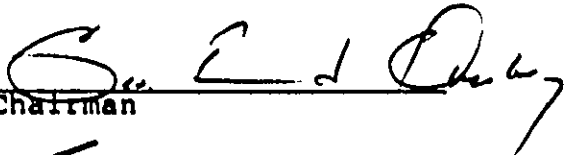
3. Marion Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.


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

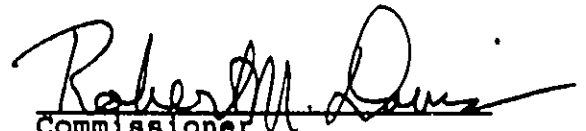
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 19th day of February, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-037 DATED February 19, 1993.

The following rates and charges are prescribed for the customers in the area served by Marion County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Meter Size

Rates

5/8 x 3/4 Meters

First 1,000 gallons	\$ 8.59 Minimum Bill
Next 9,000 gallons	2.01 per 1,000 gallons
Next 90,000 gallons	1.47 per 1,000 gallons
All Over 100,000 gallons	1.36 per 1,000 gallons

1 Inch Meters

First 1,000 gallons	\$13.60 Minimum Bill
Next 9,000 gallons	2.01 per 1,000 gallons
Next 90,000 gallons	1.47 per 1,000 gallons
All Over 100,000 gallons	1.36 per 1,000 gallons

2 Inch Meters

First 1,000 gallons	\$19.04 Minimum Bill
Next 9,000 gallons	2.01 per 1,000 gallons
Next 90,000 gallons	1.47 per 1,000 gallons
All Over 100,000 gallons	1.36 per 1,000 gallons