

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALLEN COUNTY WATER)
DISTRICT OF ALLEN COUNTY, KENTUCKY, FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO.
NECESSITY TO CONSTRUCT AND FINANCE) 93-146
PURSUANT TO THE PROVISIONS OF SECTION)
278.023 OF THE KENTUCKY REVISED STATUTES)

O R D E R

On April 20, 1993, Allen County Water District ("Allen Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,903,200 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 301 additional customers. Project funding includes a \$615,000 loan from the Farmers Home Administration ("FmHA"), a \$504,700 grant from FmHA, a \$729,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$54,500 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.

Allen 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 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 April 20, 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. Allen Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Allen Water's proposed plan of financing with FmHA and HUD is accepted.

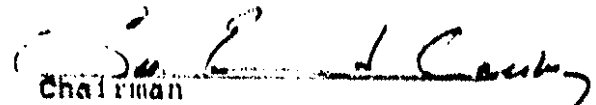
3. Allen Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

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

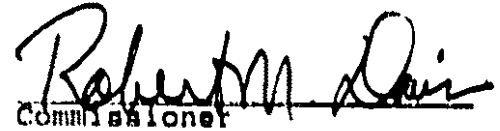
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of May, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director