

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ADAIR COUNTY)
WATER DISTRICT, A WATER DISTRICT)
ORGANIZED PURSUANT TO CHAPTER 74 OF THE)
KENTUCKY REVISED STATUTES, IN ADAIR)
COUNTY, KENTUCKY, FOR (1) A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID WATER)
DISTRICT TO CONSTRUCT WATER DISTRIBUTION)
SYSTEM IMPROVEMENTS, CONSISTING OF 27)
MILES OF WATER DISTRIBUTION LINES, A)
100,000 GALLON ELEVATED TANK, A 75 GPM)
BOOSTER PUMP STATION, RENOVATION OF A)
BOOSTER PUMP STATION AND (2) APPROVAL OF)
THE PROPOSED PLAN OF FINANCING OF SAID)
PROJECT)

CASE NO.
95-292

O R D E R

On June 26, 1995, Adair County Water District ("Adair Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$924,110 waterworks improvement project, and for approval of its plan of financing for this project. This project will provide service to 123 additional customers. Project funding includes a \$428,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, a \$400,000 grant from RECD, and \$96,110 from applicants for service in the proposed project area.

Adair Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture 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 June 26, 1995, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

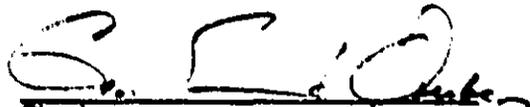
IT IS THEREFORE ORDERED that:

1. Adair Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Adair Water's proposed plan of financing with RECD is accepted.
3. Adair Water is authorized to issue bonds not to exceed \$428,000 to be held or insured by RECD.
4. Adair 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.
5. Adair 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), Adair Water shall take immediate action to bring the system into compliance with Commission regulations.

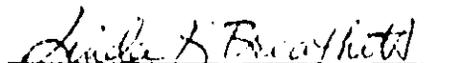
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 25th day of July, 1995.

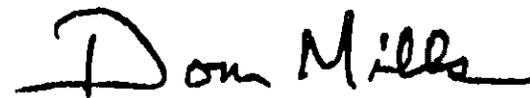
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director