

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARRISON COUNTY)	
WATER ASSOCIATION, INC. OF HARRISON)	CASE NO.
COUNTY, KENTUCKY, FOR A CERTIFICATE OF)	95-342
PUBLIC CONVENIENCE AND NECESSITY TO)	
CONSTRUCT AND FINANCE A PROJECT)	

O R D E R

On August 10, 1995, Harrison County Water Association, Inc. ("Harrison Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$3,100,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 366 additional customers. Project funding includes a \$1,319,800 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 \$902,600 grant from RECD, a \$697,900 Community Development Block Grant ("CDBG") from the U. S. Department of Housing and Urban Development ("HUD"), \$100,000 in Bourbon County funds, \$11,000 in Scott County funds, and \$68,700 from applicants for service in the proposed project area.

Harrison 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 August 10, 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. Harrison Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Harrison Water's proposed plan of financing with RECD and HUD is accepted.

3. Harrison Water is authorized to issue bonds not to exceed \$1,319,800 to be held or insured by RECD.

4. Harrison 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. Harrison 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), Harrison 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 8th day of September, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director