

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDIN COUNTY WATER)	
DISTRICT, NO. 2, HARDIN AND LARUE COUNTIES,)	
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	CASE NO.
CONSTRUCTION OF MAJOR ADDITIONS AND)	98-530
IMPROVEMENTS TO ITS WATER SYSTEM; AND)	
(2) SEEKING APPROVAL OF THE ISSUANCE OF)	
CERTAIN SECURITIES, PURSUANT TO THE)	
PROVISIONS OF KRS 278.023 AND 807 KAR 5:069)	

O R D E R

On October 8, 1998, Hardin County Water District No. 2 ("Hardin District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$9,426,000 waterworks improvement project and for approval of its plan of financing for this project. This project consist of an expansion of the existing Water Treatment Plant and the Cecilia Pump Station, Phase II of the Customer Service Center, and the installation of additional water service facilities, pipeline extensions and appurtenances. Project funding is a \$2,421,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development ("RD") and \$7,005,000 from the sale of private revenue bonds.

Hardin District'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 or the U.S. Department of Housing and Urban Development 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 October 8, 1998, 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. Hardin District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Hardin District's proposed plan of financing with RD is accepted.

3. Hardin District is authorized to issue bonds not to exceed \$9,426,000.

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

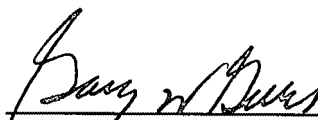
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 30th day of October, 1998.

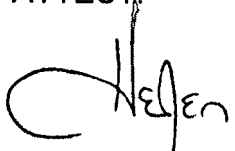
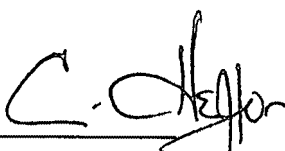
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

 
Executive Director