

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BRONSTON WATER)	
ASSOCIATION, INC., OF WAYNE AND PULASKI)	
COUNTIES, KENTUCKY FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE PURSUANT TO THE)	2000-035
PROVISIONS OF KRS 278.023)	

O R D E R

On February 18, 2000, Bronston Water Association, Inc. ("Bronston Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$903,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to 21 additional customers. It will be funded through the issuance of a \$224,000 promissory note to the U.S. Department of Agriculture's Rural Development ("RD"), a \$672,000 grant from the RD, and \$7,000 of internally generated funds.

Bronston 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 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 February 18, 2000, 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. Bronston Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Bronston Water's proposed plan of financing with RD is accepted.
3. Bronston Water is authorized to issue a promissory note not to exceed \$224,000 to RD.
4. Bronston 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. Three years from the effective date of this Order, Bronston Water shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

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 28th day of February, 2000.

By the Commission

ATTEST:

Executive Director