

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH SHELBY WATER	)	
COMPANY FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY TO CONSTRUCT	)	CASE NO.
AND FINANCE PURSUANT TO THE PROVISIONS	)	2000-046
OF KRS 278.023	)	

O R D E R

On January 25, 2000, North Shelby Water Company (“North Shelby Company”) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,120,800 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to two additional customers including a new public middle school. Project funding includes a \$568,000 loan from the U.S. Department of Agriculture's Rural Development (“RD”), a \$443,500 grant from the RD, a \$5,000 contribution from the Shelby County Fiscal Court, and a \$104,300 contribution from the Applicant.

North Shelby Company'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 January 25, 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. North Shelby Company is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. North Shelby Company's proposed plan of financing with RD is accepted.
3. North Shelby Company 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. Three years from the effective date of this Order, North Shelby Company 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 23<sup>rd</sup> day of February, 2000.

By the Commission

ATTEST:

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Executive Director