

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SANDY VALLEY WATER DISTRICT FOR	)	
A CERTIFICATE OF CONVENIENCE AND	)	CASE NO.
NECESSITY TO CONSTRUCT, FINANCE	)	2000-399
AND INCREASE RATES PURSUANT TO	)	
KRS 278.023	)	

O R D E R

Mountain Water District has moved to intervene in this proceeding. In support of its motion, Mountain Water District argues that it is a wholesale customer of Sandy Valley Water District and that it has a substantial interest in the proposed construction and the proposed rates.

Sandy Valley Water District applied, pursuant to KRS 278.023, for a Certificate of Public Convenience and Necessity to construct additional water lines, storage tanks and warehouse space and for authority to adjust its rates for water service. Sandy Valley Water District will finance the proposed construction under the terms of an agreement with Rural Development ("RD"), an agency of the United States Department of Agriculture. This financing agreement further specifies the rates that Sandy Valley Water District must assess as a condition for RD funding.

KRS 278.023 provides that the Commission "shall not prohibit a water utility from fulfilling its obligations" under "an agreement between the water utility and the U.S. Department of Agriculture." KRS 278.023(1). It further provides that

the Commission must review any construction project that is the subject of such agreement but may “not modify or reject any portion of the agreement on its own authority” and must “issue a certificate of necessity and convenience and such other orders as may be required to implement the terms of the agreement no later than thirty (30) days after filing.” KRS 278.023(3).

Having considered the motion and being otherwise sufficiently advised, the Commission finds that Mountain Water District’s intervention is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting this proceeding.

IT IS THEREFORE ORDERED that:

1. Mountain Water District’s Motion for Intervention is granted.
2. Any party filing testimony, exhibits, pleadings, correspondence or any other documents with the Commission shall serve a copy of such documents on Mountain Water District.
3. Within 7 days of the date of this Order, Mountain Water District shall file a memorandum explaining why KRS 278.023 does not govern the Commission’s review of Sandy Valley Water District’s application and why the Commission is not precluded from rejecting the proposed rates and denying Sandy Valley Water District’s application for a certificate of public convenience and necessity for the proposed facilities.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of September, 2000.

By the Commission

ATTEST:

  
Executive Director