

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF TODD COUNTY WATER	)	
DISTRICT FOR A CERTIFICATE OF PUBLIC	)	CASE NO.
CONVENIENCE AND NECESSITY TO CONSTRUCT)	)	2005-00316
AND FINANCE PURSUANT TO KRS 278.023	)	

O R D E R

On August 5, 2005, Todd County Water District (“Todd Water”) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,800,000 waterworks improvement project and for approval of its plan of financing for this project. This project consists of the installation of approximately 23.4 miles of six-inch through three-inch water mains, a 320-gallon per minute booster pumping station, a 250,000-gallon elevated water storage tank, the demolition of the existing standpipe, master meter station, telemetry system upgrade, and related appurtenances to provide service to approximately sixty new customers. Project funding consists of a \$1,100,000 loan from the U.S. Department of Agriculture’s Rural Development (“RD”) and a \$700,000 grant from RD.

Todd 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 thirty days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in the case on August 5, 2005, 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. Todd Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Todd Water's proposed plan of financing with RD is accepted.

3. Todd Water is authorized to enter into an agreement with RD to borrow \$1,100,000 at an interest rate not to exceed 4.375 percent per annum.

4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in Todd Water's application.

5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Todd Water may use such surplus to construct additional plant facility if RD approves of the use, and the additional construction will not result in a change in Todd Water's rates for service. Todd Water shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. Todd 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 sixty days of the substantial completion of the construction certificated herein.

7. Todd 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 is outside the requirements of 807 KAR 5:066, Section 5(1), Todd Water shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

8. Todd Water shall notify the Commission one week prior to the actual start of construction and at the fifty percent completion point.

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 26<sup>th</sup> day of August, 2005.

By the Commission

ATTEST:

  
Executive Director