

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY WATER	)	
DISTRICT FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY TO CONSTRUCT	)	CASE NO.
AND FINANCE PURSUANT TO THE PROVISIONS OF	)	2009-00542
KRS 278.023	)	

O R D E R

On December 28, 2009, Meade County Water District ("Meade District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$3,128,154 waterworks construction project. This project consists of the construction and installation of approximately 33 miles of 4-inch, 6-inch, and 8-inch water lines and two pressure reducing valve stations. The project will be funded through the issuance of \$2,150,000 of its Waterworks Revenue Bonds, a U. S. Department of Agriculture Rural Development ("RD") grant in the amount of \$900,000, and a \$79,500 contribution provided by the Applicant. Meade District has a commitment from RD to purchase \$2,150,000 of bonds maturing over a 40-year period at an interest rate not exceeding 4.625 percent per annum.

Meade 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 December 28, 2009, 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. Meade District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Meade District's proposed plan of financing is accepted.

3. Meade District is authorized to issue Waterworks Revenue Bonds in the amount of \$2,150,000 at an interest rate not to exceed 4.625 percent per annum, maturing over a 40-year period.

4. The proceeds from the proposed bond issuance shall be used only for the purposes specified in Meade District's application.

5. Notwithstanding ordering paragraph 4, if surplus funds remain after the approved construction has been completed, Meade District 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 Meade District's rates for service. Meade District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. Meade 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.

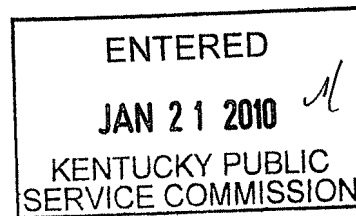
7. Meade District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to

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

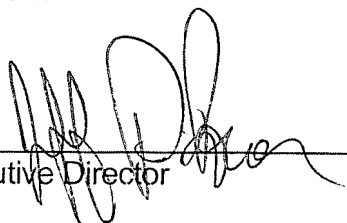
8. Meade District shall notify the Commission one week prior to the actual start of construction and at the 50-percent completion point.

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

By the Commission



ATTEST:

  
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Executive Director

Case No. 2009-00542

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