

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BRACKEN COUNTY)
WATER DISTRICT FOR AUTHORIZATION TO) CASE NO.
ENTER LOCAL AGREEMENT WITH THE) 2015-00149
KENTUCKY INFRASTRUCTURE AUTHORITY)

ORDER

On May 21, 2015, Bracken County Water District (“Bracken County”) applied to the Commission for approval to enter into an Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”) to borrow approximately \$358,000 for a Water Main Replacement Project.

Having considered the record and being otherwise sufficiently advised, the Commission finds that:

1. Bracken County proposes to execute an assistance agreement with KIA to borrow a sum no greater than \$358,000. The proposed loan will have a 20-year term subject to an interest rate of 1.75 percent.¹

2. Bracken County proposes to use the proceeds from the Assistance Agreement to finance the KY 19 Master Meter to Keely Ridge Water Main Replacement Project. The proposed project involves the replacement of approximately 8,500 feet of four-inch asbestos cement water main from KY 19 to Keely Ridge Road.

¹ Application, Exhibit 5.

3. Given that Bracken County is classified as a Class B Water District, the proposed project is for water line improvements that will cost less than \$500,000, and Bracken County will not increase its general rates as a result of the proposed project, Chapter 117 of the 2014 Kentucky Acts² exempts Bracken County from the requirement to obtain a Certificate of Public Convenience and Necessity for its project.

4. Bracken County's proposed loan is for a lawful object within its corporate purposes, is reasonably necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair Bracken County's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. Bracken County is authorized to enter into an agreement with KIA to borrow no more than \$358,000 for the purpose of the KY 19 Master Meter to Keely Ridge Water Main Replacement Project outlined in its Application.

2. Within 30 days of executing the proposed agreement, Bracken County shall file a copy of the executed Assistance Agreement, and any documents referenced in the executed Assistance Agreement, that Bracken County has not previously filed with the Commission.

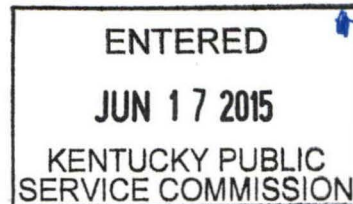
² Water Districts and Water Associations: A water district created pursuant to KRS Chapter 74 and a water association formed under KRS Chapter 273 that undertakes a waterline extension or improvement project shall not be required to obtain a certificate of public convenience and necessity, notwithstanding KRS 278.020(1), if the water district or water association is a Class A or B utility as defined in the Uniform System of Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The water line extension or improvement project will not cost in excess of \$500,000; or (b) The water district or water association will not, as a result of the water line extension or improvement project, incur obligations requiring Public Service Commission approval pursuant to KRS 278.300. In either case, the water district or water association shall not, as a result of the water line extension or improvement project, increase rates to its customers.

3. The proceeds from the Assistance Agreement shall be used only for the lawful purposes specified in Bracken County's Application.

4. Any documents filed pursuant to ordering paragraph 2 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

By the Commission



ATTEST:

Executive Director

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