

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MONROE COUNTY	)	
WATER DISTRICT TO MODIFY THE ORDER OF	)	
MARCH 18, 2016 IN CASE NO. 2015-00315 TO	)	CASE NO.
REFLECT REVISIONS IN THE DESIGN OF THE	)	2018-00148
APPROVED WATER TREATMENT FACILITY AND IN	)	
THE ASSISTANCE AGREEMENT WITH THE	)	
KENTUCKY INFRASTRUCTURE AUTHORITY	)	

ORDER

On May 22, 2018, Monroe County Water District (Monroe District) submitted an application requesting that the Commission modify its Order entered on March 18, 2016, in Case No. 2015-00315,<sup>1</sup> approving an assistance agreement with the Kentucky Infrastructure Authority (KIA) in an amount not to exceed \$15,564,032. Monroe District seeks a modification of that Order to authorize revisions to the design of the approved water treatment facility and to authorize an increase in the amount that Monroe District may borrow under the approved Assistance Agreement with KIA. Also on May 22, 2018, Monroe District filed a motion requesting to incorporate by reference the record of Case No. 2015-00315 into the record of this case. Monroe District also requested a deviation from the requirement set forth in 807 KAR 5:001, Section 15(2)(b), to file copies of permits for the proposed construction. As a basis for its deviation request, Monroe District states

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<sup>1</sup> Case No. 2015-00315, *Application of Monroe County Water District for Authorization to Enter an Assistance Agreement with the Kentucky Infrastructure Authority and for a Certificate of Public Convenience to Construct a Water Treatment Facility, Elevated Storage Tank, and Water Transmission and Distribution Mains* (Ky. PSC March 18, 2016).

that the plans for the proposed project require the approval of the Kentucky Division of Water (KDOW), that an application for such approval was filed on April 20, 2018, and that Monroe District has not yet received final approval from KDOW. On May 24, 2018, Monroe District filed a Motion for Leave to Substitute Exhibits. As a basis for its motion, Monroe District states that the filing provides a more complete and accurate record because the original Exhibit 3 filed with the application was incomplete, and the original Exhibit 19 contained an error in the estimated cost of the proposed construction.<sup>2</sup>

Monroe District, a water district organized under KRS Chapter 74, provides retail water service to approximately 3,474 retail customers and wholesale water service to Fountain Run Water District and the city of Glasgow in Monroe County, Kentucky.<sup>3</sup> Monroe District proposes to construct a one-million-gallon flocculation and sedimentation basin.<sup>4</sup> Monroe District requests approval to finance the cost of the additional construction by increasing the amount of the KIA Fund F Infrastructure Revolving Loan Program from \$15,564,332 to \$15,675,679; an increase of \$111,347. KIA approved the requested increase by letter dated May 17, 2018.<sup>5</sup> On April 28, 2018, Monroe District and the city of Tompkinsville entered into a mutual aid agreement in which both water utilities agreed to provide water service to the other as needed.<sup>6</sup>

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<sup>2</sup> *Motion For Leave to Substitute Exhibits*, (filed May 24, 2018) at 1.

<sup>3</sup> *Annual Report of Monroe County Water District, Water Utilities Report to the Kentucky Public Service Commission for the Year Ended December 31, 2016* at 48 and 55.

<sup>4</sup> Application, Paragraph 17 at 5.

<sup>5</sup> Application, Exhibit 14.

<sup>6</sup> *Id.* Exhibit 3.

On July 19, 2018, Monroe District filed with the Commission a motion for leave to supplement its Application with a copy of the KDOW approval of the project. Monroe District included a copy of the July 18, 2018 KDOW approval in its motion.

There are no intervenors. Monroe County did not request a hearing in the proceeding. The case stands submitted to the Commission for a decision.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Monroe District established good cause, and its motion to incorporate by reference the record from Case No. 2015-00315 should be granted.
2. Monroe District's motion to deviate from the filing requirements of 807 KAR 5:011, Section 15(2)(b), should be denied as moot.
3. Monroe District's Application should be accepted for filing.
4. Monroe District established good cause, and its motion to substitute exhibits should be granted.
5. Monroe District established good cause, and its motion to supplement its Application should be granted.
6. The proposed use of KIA funds is for lawful objects within Monroe District's corporate purpose, is necessary, appropriate for and consistent with the proper performance of Monroe District's service to the public, will not impair Monroe District's ability to perform that service, and is reasonably necessary and appropriate for such purpose. For this reason, Monroe District's request to increase the amount it may borrow under the Approved Agreement with KIA should be granted.

IT IS THEREFORE ORDERED that:

1. The record in Case No. 2015-00315, including the Post-Case Correspondence, is incorporated by reference into the record of the instant case.

2. Monroe District's request to deviate from the filing requirements of 807 KAR 5:011, Section 15(2)(b), is denied as moot.

3. Monroe District's Motion to Supplement Application is granted.

4. Monroe District's Motion for Leave to Substitute Exhibits is granted.

5. Monroe District's request to modify the Commission's March 18, 2018 Order in Case No. 2015-00315 to approve an increase in the amount Monroe District is authorized to borrow from KIA to fund construction of the proposed flocculation and sedimentation basin is granted.

6. The Commission's March 18, 2018 Order in case No 2015-00315 is modified to the limited extent that the Monroe District is authorized to borrow from KIA an amount not to exceed \$15,675,679 for the purposes of funding the additional required construction of the proposed flocculation and sedimentation basin.

7. All other provisions of the Commission's March 18, 2016 Order shall remain in full force and effect.

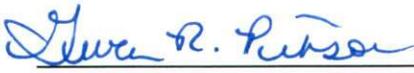
8. Documents filed pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the utility's general correspondence file.

9. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED  
AUG 06 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

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