

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CHRISTIAN COUNTY)
WATER DISTRICT, OF CHRISTIAN)
COUNTY, KENTUCKY, FOR (1) A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, PERMITTING SAID)
DISTRICT TO CONSTRUCT A WATERWORKS)
CONSTRUCTION PROJECT, CONSISTING)
OF EXTENSIONS, ADDITIONS, AND)
IMPROVEMENTS TO THE EXISTING)
WATERWORKS SYSTEM OF THE DISTRICT;)
(2) APPROVAL OF THE PROPOSED PLAN)
OF FINANCING OF SAID PROJECT; AND)
(3) APPROVAL OF THE INCREASED WATER)
RATES PROPOSED TO BE CHARGED BY)
THE DISTRICT TO CUSTOMERS OF THE)
DISTRICT)

CASE NO. 8664

O R D E R

On February 1, 1983, the Commission issued an information request relative to this case. Item number four of that request required Christian County Water District ("Christian County") to file information showing that it is in compliance with certain provisions of its 1983 bond resolution.

Bond counsel for Christian County, on February 5, 1983, sent information to the Commission explaining that compliance with the provision in question is not required in this instance and requesting that the portion of the Commission's request dealing with this issue be rescinded.

The Commission has reviewed the information submitted and is of the opinion that compliance with that provision in the 1983 bond resolution is, in fact, not applicable in this instance. However, language identical to that in the 1983 bond resolution is included in the bond resolution of 1976 which should be applicable to this bond issue. If this is not applicable a statement should be submitted reflecting why it is not applicable which will be considered a sufficient response to this request. The primary reason for this item of information is to determine how Christian County calculates its annual debt service requirement to determine its overall revenue requirement and compliance with its bond resolution. This information is essential to the Commission's determination of revenue requirements in this case. The Commission is of the opinion that the information required in item four of its Order of February 1, 1983, regarding the 1983 bond resolution is not applicable and should be rescinded. However, the same information should be filed regarding the 1976 bond resolution or a statement as to why this requirement is not binding for this bond issue.

IT IS THEREFORE ORDERED that item number four of the Commission's Order dated February 1, 1983, be, and it hereby is rescinded.

IT IS FURTHER ORDERED that Section 26, part c, paragraph 3 of the Bond Resolution of 1976 states that "the annual net revenues of the then existing system shall equal

at least 120% of the average annual debt service requirements for principal and interest on all outstanding bonds payable. The calculation of average annual debt service requirements of principal and interest shall be determined on the basis of the principal of and interest on such parity bonds being payable in approximately equal annual installments." Pursuant to this provision, furnish the computation of the annual debt service, including workpapers showing the method of this calculation. Also provide a statement showing this to be in compliance with the bond resolution or a statement as to why the requirement is not binding for the 1976 bond issue.

IT IS FURTHER ORDERED that if the provisions in question are not the basis of Christian County's revenue requirements in this case, Christian County shall provide the earnings requirements used to determine its revenue requirements and some evidence that this method will meet FmHA requirements.

IT IS FURTHER ORDERED that Christian County shall file an original and six copies of the information requested in this Order by March 25, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

Done at Frankfort, Kentucky, this 11th day of March, 1983.

PUBLIC SERVICE COMMISSION

ATTEST:


For the Commission

Secretary