

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES)
AND AUTHORITY TO BUILD)
AND FINANCE LINE) CASE NO. 8748
EXTENSION OF HENRY COUNTY)
WATER DISTRICT)

O R D E R

On June 27, 1983, the Commission entered an Order in the above case granting Henry County Water District ("Henry County") a certificate of public convenience and necessity to construct a 6-inch waterline extension. On August 29, 1983, Henry County, by counsel, filed its Motion for permission to increase the nominal size of the proposed waterline from 6-inch to 8-inch. Henry County's Motion stated that the proposed construction costs would increase from \$117,930 to \$130,088 for the larger line size. Henry County did not state how it intended to finance the \$12,158 difference in construction costs. Neither did Henry County describe the effect that the additional construction costs would have on its operation and maintenance expenses. Henry County did not request an adjustment of the rates set forth in the June 27, 1983, Order.

The Commission, having considered the Motion and being advised, HEREBY ORDERS that the Motion be and it hereby is sustained to the extent that the certificate of public convenience and necessity issued June 27, 1983, be and it hereby is amended to permit the construction of an 8-inch waterline.

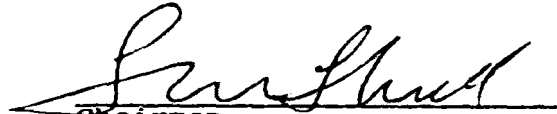
IT IS FURTHER ORDERED that Henry County shall furnish the Commission within 14 days of the date of this Order complete documentation of the proposed method of financing the 8-inch waterline. Such information shall establish the source of financing. Funds to be borrowed shall be substantiated by copies of executed agreements that identify lenders, amounts, terms, periods, and conditions.

IT IS FURTHER ORDERED that Henry County shall furnish the Commission within 14 days of the date of this Order complete documentation of the changes that the increased construction costs will cause to its operation and maintenance expenses.

Nothing contained herein shall be deemed approval by the Commission of any financing of the increased costs resulting from the change in the size of the waterline to be constructed by Henry County.

Done at Frankfort, Kentucky, this 16th day of September, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary