

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EDMONSON COUNTY WATER)
DISTRICT, EDMONSON COUNTY, KENTUCKY, FOR)
A CERTIFICATE OF CONVENIENCE AND NECESSITY)
AUTHORIZING SAID DISTRICT TO FINANCE AND)
CONSTRUCT ADDITIONS, EXTENSION AND) CASE NO.
IMPROVEMENTS TO ITS EXISTING MUNICIPAL) 10261
WATER DISTRIBUTION SYSTEM; SEEKING APPROVAL)
FOR THE ISSUANCE OF CERTAIN SECURITIES; AND)
SEEKING TO CONTINUE THE SAME SERVICE RATES)
AND CHARGES UNLESS CHANGES ARE FOUND TO BE)
NECESSARY)

O R D E R

On May 24, 1988, Edmonson County Water District ("Edmonson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project, for approval of its plan of financing for this project, and adjustments to its water service rates. Edmonson Water's application is being considered as though it was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 200 additional customers at an estimated total project cost of \$1,285,400. Project funding includes a \$1,160,000 loan from the Farmers Home Administration ("FmHA") and \$125,400 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Edmonson Water certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Edmonson Water of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. 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 6(1), Edmonson Water must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on March 6, 1989. Edmonson Water's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Edmonson Water should monitor the adequacy 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 6(1), Edmonson Water should take immediate action to bring the system into compliance with the Commission's regulations.

4. Edmonson Water should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.

5. Edmonson Water should require the engineer to furnish within 60 days of the date of substantial completion of this construction 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.

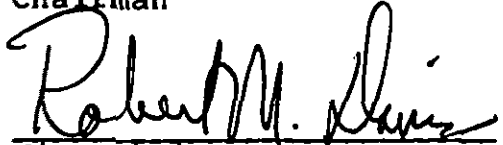
BE IT SO ORDERED.


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

Done at Frankfort, Kentucky, this 21st day of March, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director