

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CHRISTIAN COUNTY)
WATER DISTRICT OF CHRISTIAN COUNTY,)
KENTUCKY, FOR A CERTIFICATE OF PUBLIC) CASE NO. 91-031
CONVENIENCE AND NECESSITY TO CONSTRUCT)
AND FINANCE A PROJECT)

O R D E R

On January 28, 1991, Christian County Water District ("Christian County Water") filed an application for a Certificate of Public Convenience and Necessity to construct an \$821,300 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 43 additional customers. Project funding includes an \$803,000 loan from the Farmers Home Administration ("FmHA"), and \$18,300 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 7.75 percent per annum.

Christian County Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on January 28, 1991, KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Christian County Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Christian County Water's proposed plan of financing with FmHA is accepted.

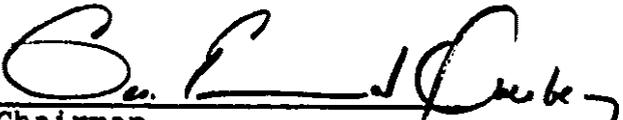
3. Christian County Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Christian County Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Christian County Water shall take immediate action to bring the system into compliance with Commission regulations.

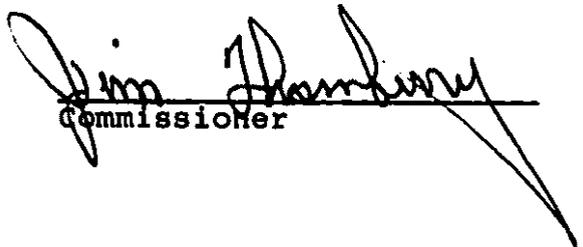
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of February, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director