

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RATTLESNAKE RIDGE WATER)
DISTRICT FOR AUTHORITY TO CONSTRUCT A)
NEW OFFICE BUILDING AND FOR APPROVAL) CASE NO. 91-163
OF FINANCING)

O R D E R

By application filed May 24, 1991, Rattlesnake Ridge Water District ("Rattlesnake Ridge") is seeking authorization to construct a \$39,679.15 office building and for approval of its plan of financing for this project. Project funding includes a loan in the amount of \$35,000 from The Commercial Bank of Grayson. The loan will be for a 15-year period using a variable interest rate of 10 percent per annum.

In its application Rattlesnake Ridge stated that continued repairs and maintenance to the existing mobile home which is used as an office building are not cost effective due to severe structural deterioration.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require the construction proposed in the application be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction consists of an office building. The low bids totaled \$39,679.15.

3. Rattlesnake Ridge should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

4. Rattlesnake Ridge should furnish duly verified documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed. Said construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

5. The financing plan proposed by Rattlesnake Ridge is for lawful objects within the corporate purpose of its utility operations, is necessary and appropriate for and consistent with the proper performance of the utility's service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose. It should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Rattlesnake Ridge be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project set forth in the drawings and specifications of record herein.

2. Rattlesnake Ridge's financing plan consisting of a \$35,000 loan from The Commercial Bank of Grayson is hereby approved. The financing herein approved shall be used only for the lawful purposes specified in Rattlesnake Ridge's application.

3. Rattlesnake Ridge shall comply with all matters set out in Findings 3 through 6 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 21st day of August, 1991.

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman

Commissioner

ATTEST:


Executive Director