

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SANDY HOOK WATER)
DISTRICT OF ELLIOTT COUNTY, KENTUCKY,)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE) CASE NO. 91-233
AND NECESSITY TO CONSTRUCT AND FINANCE)
A PROJECT)

O R D E R

On July 9, 1991, Sandy Hook Water District ("Sandy Hook") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,064,200 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 224 additional customers. Project funding includes a \$316,000 loan from the Farmers Home Administration ("FmHA"), a \$411,400 Community Development Block Grant ("CDBG") from the U.S. Department of Housing and Urban Development ("HUD"), a \$300,000 grant from the Appalachian Regional Commission ("ARC"), and \$36,800 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.

Sandy Hook's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA or HUD 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 July 9, 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. Sandy Hook is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Sandy Hook's proposed plan of financing with FmHA is accepted.


3. Sandy Hook 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. Sandy Hook 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), Sandy Hook 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 7th day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director