

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUHLENBERG COUNTY)	
WATER DISTRICT OF MUHLENBERG COUNTY,)	
KENTUCKY FOR APPROVAL OF CONSTRUCTION OF)	CASE NO.
FEDERALLY FUNDED PROJECTS, KRS 278.020,)	92-328
KRS 278.023, AND FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY, TO)	
CONSTRUCT AND TO FINANCE SAME)	

O R D E R

On August 5, 1992, Muhlenberg County Water District ("Muhlenberg Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$979,570 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 50 additional customers as well as the Tennessee Valley Authority's ("TVA") Paradise Steam Plant. Project funding includes a \$174,600 loan from the Kentucky Association of Counties Leasing Trust ("KACOLT"), a \$153,770 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), \$647,700 from TVA, and \$3,500 from the Muhlenberg County Fiscal Court. The loan will be for a 20-year period at an interest rate of 8.2 percent per annum.

Muhlenberg Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and 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 August 13, 1992, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

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

2. Muhlenberg Water's proposed plan of financing is accepted.

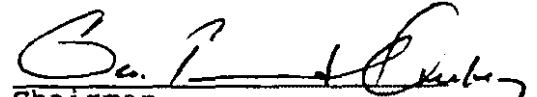
3. Muhlenberg Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Muhlenberg 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), Muhlenberg Water shall take immediate action to bring the system into compliance with Commission regulations.

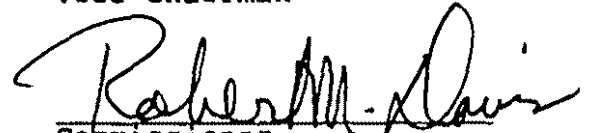
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 24th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director