

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EDMONSON COUNTY)
WATER DISTRICT, EDMONSON COUNTY,)
KENTUCKY, (1) FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY) CASE NO. 94-401
AUTHORIZING CONSTRUCTION OF MAJOR)
IMPROVEMENTS AND ADDITIONS TO ITS)
EXISTING MUNICIPAL WATER DISTRIBUTION)
SYSTEM, AND (2) SEEKING APPROVAL OF)
THE ISSUANCE OF CERTAIN SECURITIES)

O R D E R

On October 26, 1994, Edmonson County Water District ("Edmonson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$919,399 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 185 additional customers. Project funding includes an \$860,000 bond issue to be purchased pursuant to an agreement with Farmers Home Administration ("FmHA"), \$29,399 in Edmonson Water Funds, and \$30,000 from applicants for service in the proposed project area. The bonds will be financed for a 40-year period from the date of the bonds at an interest rate of 5 percent per annum.

Edmonson 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 October 26, 1994, 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. Edmonson Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Edmonson Water is authorized to issue bonds not to exceed \$860,000 to be held or insured by FmHA.

4. Edmonson 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.

5. Edmonson 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 5(1), Edmonson Water shall take immediate action to bring the system into compliance with Commission regulations.

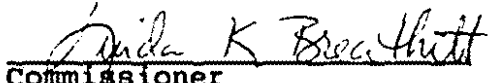
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 22nd day of November, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director