

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR CERTIFICATE OF PUBLIC )	
CONVENIENCE AND NECESSITY BY LEVEE ROAD )	CASE NO.
WATER ASSOCIATION, INC. OF MONTGOMERY )	94-455
COUNTY, KENTUCKY )	

O R D E R

On December 14, 1994, Levee Road Water Association, Inc. ("Levee Road") submitted to the Commission an application for a Certificate of Public Convenience and Necessity to construct a \$602,917 waterworks improvement project and for approval of its plan of financing for this project. This project will make system improvements and provide service to 82 additional customers. Project funding includes a \$42,917 loan from the Farmers Home Administration ("FmHA"), a \$196,360 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), a \$360,000 grant from the Appalachian Regional Commission, and \$3,640 from applicants for service in the proposed project area.

Levee Road's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and U.S. Department of Agriculture 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. Minimum filing requirements were met in this case on December 14, 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. Levee Road is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Levee Road's proposed plan of financing with FmHA and HUD is accepted.

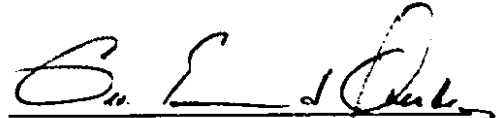
3. Levee Road shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

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

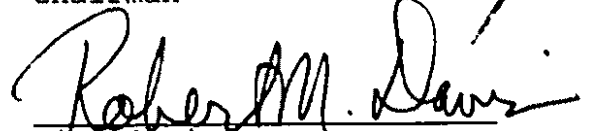
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 15th day of December, 1994.

PUBLIC SERVICE COMMISSION



Chairman

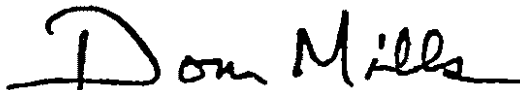


Vice Chairman



Commissioner

ATTEST:



Executive Director