

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ESTILL COUNTY WATER)
DISTRICT NO. 1 OF ESTILL COUNTY, KENTUCKY)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE) CASE NO.
AND NECESSITY TO CONSTRUCT AND FINANCE) 96-319
PURSUANT TO THE PROVISIONS OF KRS 278.023)

O R D E R

On July 8, 1996, Estill County Water District No. 1 ("Estill Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,193,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 206 additional customers. Project funding includes a \$505,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), a \$676,500 grant from RD, a \$685,200 Community Development Block Grant, a \$300,000 grant from the Appalachian Regional Commission, \$5,000 from the Estill County Fiscal Court, and \$21,300 from applicants for service in the proposed project area.

Estill Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development 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 8, 1996, 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. Estill Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Estill Water's proposed plan of financing with RD is accepted.

3. Estill Water is authorized to issue bonds not to exceed \$505,000.

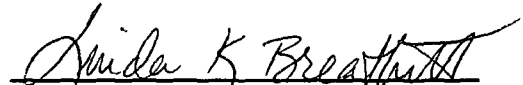
4. Estill Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Estill 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), Estill Water shall take immediate action to bring the system in 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 19th day of July, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director