

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WEST DAVIESS COUNTY	)	
WATER DISTRICT FOR CERTIFICATE OF	)	CASE NO. 97-268
PUBLIC CONVENIENCE AND NECESSITY	)	

O R D E R

By letter dated September 26, 1997, West Daviess County Water District ("West Daviess") is seeking authorization to the disposition of funds that represent interest earned on surcharged funds. The Commission, by an Order dated September 26, 1997, authorized the construction of the project.

West Daviess stated in its letter that the project is over cost. Therefore, some line extensions, specifically the Haycraft Lane line, will not be constructed. West Daviess also states that the surcharges fund escrow account has earned more interest than originally anticipated, to the present sum of approximately \$23,000 as compared to the original estimated amount of \$6,000. West Daviess requests approval of the Commission to apply all interest earned on the surcharges fund to the project.

KRS 74.395(1) states in part:

All funds so collected shall be set apart in a reserve trust account, shall be invested in securities issued or guaranteed by the United States government until they are needed, and shall be expended, together with any interest or other earnings, solely for the expansions or extensions specified in the plan described under subsection (2) of this section.

KRS 74.395(2) states that if a plan is approved, the Commission shall establish a reasonable surcharge to implement the plan to be collected for a period no longer than five years.

The Commission finds that it is reasonable for West Daviess to apply all interest earned on the surcharged account to the project in accordance with KRS Chapter 74 and the prior Orders issued by the Commission.<sup>1</sup>

IT IS HEREBY ORDERED that:

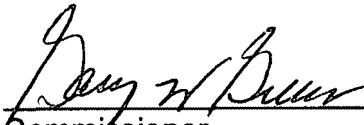
1. West Daviess shall apply all interest earned on the surcharges account to the project as approved in Case No. 93-103 and Case No. 93-115.
2. All other Orders of the Commission entered in the above cases are to remain in effect.

Done at Frankfort, Kentucky, this 5th day of December, 1997.

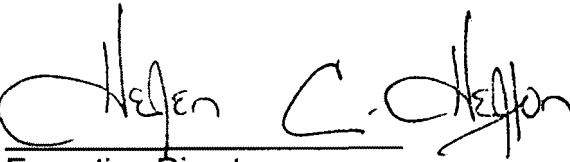
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

<sup>1</sup> Case No. 93-103, Application of West Daviess County Water District for Approval of a Rate Surcharge, Order dated October 2, 1995; Case No. 93-115, Application of West Daviess County Water District for Approval of an Adjustment of Rates, Order dated August 5, 1993; and Case No. 97-268, Order dated August 21, 1997.