

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MORGAN COUNTY WATER)	
DISTRICT OF MORGAN COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT AND FINANCE)	99-085
PURSUANT TO PROVISIONS OF KRS 278.023)	

O R D E R

On March 10, 1999, Morgan County Water District (Morgan District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$411,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 75 additional customers. Project funding is a \$75,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development (RD), a \$350,000 Appalachian Regional Commission (ARC) grant, and an \$8,000 contribution from the applicant.

Morgan District'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 March 10, 1999, 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. Morgan District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Morgan District's proposed plan of financing with RD is accepted.

3. Morgan District is authorized to issue bonds not to exceed \$75,000.

4. Morgan District 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. Three years from the effective date of this Order, Morgan District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

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 8th day of April, 1999.

By the Commission

ATTEST:

Executive Director