

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CARROLL COUNTY)
WATER DISTRICT NO. 1 OF CARROLL, GALLATIN)
AND OWEN COUNTIES, KENTUCKY, FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 99-302
NECESSITY TO CONSTRUCT AND FINANCE)
PURSUANT TO KRS 278.023)

O R D E R

On July 19, 1999, Carroll County Water District (Carroll District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,469,300 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to 326 additional customers. Project funding is a \$700,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development (RD), a \$615,000 grant from the RD, and a \$154,300 contribution from the Applicant.

Carroll 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 July 19, 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. Carroll District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Carroll District is authorized to issue bonds not to exceed \$700,000.

4. Carroll 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 Carroll 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 6th day of August, 1999.

By the Commission

ATTEST:

Executive Director