

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARION COUNTY WATER	)	
DISTRICT, MARION, NELSON AND WASHINGTON	)	
COUNTIES, KENTUCKY, (1) FOR A CERTIFICATE	)	
OF PUBLIC CONVENIENCE AND NECESSITY	)	
AUTHORIZING CONSTRUCTION OF MAJOR	)	CASE NO.
IMPROVEMENTS AND ADDITIONS TO ITS	)	2000-250
EXISTING MUNICIPAL WATER DISTRIBUTION	)	
SYSTEM, AND (2) SEEKING APPROVAL OF THE	)	
ISSUANCE OF CERTAIN SECURITIES PURSUANT	)	
TO PROVISIONS OF KRS 278.023	)	

O R D E R

On May 23, 2000, Marion County Water District ("Marion District") submitted an application for a Certificate of Public Convenience and Necessity to construct major improvements and additions to its existing water distribution system and for approval of the issuance of certain securities for a \$1,061,000 waterworks improvement project. This project consists of the construction of approximately 93,100 feet of PVC water main, and a 250,000 gallon water storage tank and its related appurtenances. Project funding is a \$350,000 Rural Utilities Service loan ("RUS"), a \$342,950 RUS grant, user connection fees in the amount of \$22,050, and a Kentucky State Surplus Grant of \$346,000.

Marion 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 June 1, 2000, 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. Marion District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Marion District's proposed plan of financing with RD is accepted.
3. Marion District is authorized to issue bonds not to exceed \$350,000.
4. Marion 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, Marion 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 22<sup>nd</sup> day of June, 2000.

By the Commission

ATTEST:

  
Executive Director