

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WHITLEY COUNTY WATER)	
DISTRICT OF WHITLEY COUNTY, KENTUCKY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT AND FINANCE)	2000-433
PURSUANT TO KRS 278.023)	

O R D E R

On September 15, 2000, Whitley County Water District (“Whitley District”) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,489,000 waterworks improvement project and for approval of its plan of financing for this project. This project consists of the installation of approximately 18.3 miles of 3-inch through 8-inch water transmission mains. This project will provide service to 87 new customers. Project funding consists of a \$377,000 loan from the U.S. Department of Agriculture’s Rural Development (“RD”), a \$636,100 grant from the RD, a \$300,000 grant from the Appalachian Regional Commission, a \$150,000 contribution from the Whitley County Fiscal Court, and a \$25,900 contribution from the applicant.

Whitley 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 September 15, 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. Whitley District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Whitley District's proposed plan of financing with RD is accepted.
3. Whitley District is authorized to issue bonds not to exceed \$377,000.
4. Whitley 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. Whitley District 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 is outside the requirements of 807 KAR 5:066, Section 5(1), Whitley District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
6. Whitley District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

7. Three years from the effective date of this Order, Whitley 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 9th day of October, 2000.

By the Commission

ATTEST:


Executive Director