

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FLEMING COUNTY WATER)	
ASSOCIATION, INC. OF FLEMINGSBURG,)	
KENTUCKY FOR (1) A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY AND (2))	2000-475
APPROVAL OF THE PROPOSED PLAN OF)	
FINANCING SAID PROJECT)	

O R D E R

On October 16, 2000, Fleming County Water Association ("Fleming Water") submitted an application for a Certificate of Public Convenience and Necessity to construct and finance a \$678,780 waterworks improvement project. This project consists of Contract VI, Water Line Extensions, and Contract VII, Water Storage Tank. Contract VI consists of the installation of approximately 17.09 miles of water lines. Contract VII consists of the installation of a 184,000-gallon water storage tank. Project funding is through a loan in the amount of \$267,980 from the Rural Utilities Service (RUS) to be repaid over a period of 40 years with the interest at the rate of 4.5 percent per annum, or at such interest rate as may be prevailing at the time of loan closing, a RUS Grant in the amount of \$394,000, and a contribution from the applicant in the amount of \$16,800.

Fleming Water'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 October 16, 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. Fleming Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Fleming Water's proposed plan of financing with RUS is accepted.
3. Fleming Water 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.
4. Fleming Water shall notify the Commission 1 week prior to the actual start of construction and at the 50 percent completion point.
5. Three years from the effective date of this Order, Fleming Water 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 15th day of November, 2000.

By the Commission

ATTEST:

*Delia G. Curran for
Thomas M. Lorman*

Executive Director