

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CORINTH WATER )  
DISTRICT, A WATER DISTRICT ORGANIZED )  
PURSUANT TO CHAPTER 74 OF THE KENTUCKY )  
REVISED STATUTES, IN GRANT COUNTY, )  
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY AUTHORIZING )  
AND PERMITTING SAID CORINTH WATER )  
DISTRICT TO CONSTRUCT WATER )  
DISTRIBUTION SYSTEM IMPROVEMENTS )  
CONSISTING OF 6 PVC PIPE, 4 PVC PIPE, AND )  
3 PVC PIPE, TOTALLING APPROXIMATELY )  
252,000 LINEAR FEET FOR SERVICE LINES AND )  
RELATED APPURTENANCES, (2) CONSTRUCTION )  
OF A 150,000 GALLON WATER STORAGE TANK, )  
AND (3) THE APPROVAL OF THE PROPOSED )  
PLAN OF FINANCING SAID IMPROVEMENTS )

CASE NO.  
2002-00202

O R D E R

On June 12, 2002, Corinth Water District ( Corinth District ) submitted an application for a Certificate of Public Convenience and Necessity to construct and finance a \$930,500 water system expansion project. The project, Phase IV, Water System Expansion, consists of the installation of approximately 252,000 linear feet of 6-inch, 4-inch, and 3-inch PVC water service lines and related appurtenances; and a 150,000 gallon water storage tank. Corinth District proposes to finance the construction of the project through:

- The issuance of its Water Revenue Bonds in the amount of \$485,000, Series of 2002 at an interest rate not exceeding 4.75 percent per annum, through the U.S. Department of Agriculture, Rural Development (the USDARD ).
- A USDARD grant in the amount of \$396,500.
- An Applicant contribution in the amount of \$49,000.

Corinth 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 12, 2002, 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. Corinth District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Corinth District s proposed plan of financing with USDARD is accepted.
3. Corinth District is authorized to issue bonds not to exceed \$485,000.
4. Corinth 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. Corinth District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

6. Three years from the effective date of this Order, Corinth 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.

7. Corinth 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), Corinth District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

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 1<sup>st</sup> day of July, 2002.

By the Commission

ATTEST:

  
Executive Director