

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MOUNTAIN WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	CASE NO.
AND FINANCE PURSUANT TO THE PROVISIONS)	2003-00269
OF KRS 278.023)	

O R D E R

On July 11, 2003, Mountain Water District (Mountain District) applied for a Certificate of Public Convenience and Necessity (Certificate) to construct Phases 4 and 5 of its \$6,240,300 wastewater improvement project and for the Commission to reaffirm its prior approval of Mountain District s plan of financing. When the total project is completed, Mountain District will be able to provide service to approximately 432 new customers with the installation of a pressurized sewer system consisting of a 250,000 gallon per day wastewater treatment plant, grinder pumps, lift stations, force mains, gravity lines and related appurtenances.

Mountain District s \$6,240,300 wastewater improvement project consists of five phases to serve the Phelps, Freeburn and Buskirk areas of Pike County, Kentucky. Phase 1 involves the purchase of 602 grinder pump stations and related appurtenances. Phase 2 involves the construction of collection facilities necessary to serve the Buskirk area. Phase 3 involves the construction of the wastewater treatment plant. Phases 4 and 5 involve the construction of collection facilities to the Phelps and Freeburn areas.

Mountain District proposes to fund its wastewater improvement project with a \$426,000 loan from the U.S. Department of Agriculture's Rural Development (RD), a \$600,000 grant from RD, a \$1,000,000 Community Development Block Grant, a grant of \$300,000 from the Appalachian Regional Commission, a \$3,000,000 Environmental Protection Agency grant, a grant of \$672,000 from the Army Corps of Engineers, and a contribution of \$242,300 from the applicant.¹

In Case No. 2002-00099,² the Commission granted Mountain District a Certificate for Phases 1, 2, and 3 of the proposed wastewater construction project. The Commission also approved Mountain District's proposed plan of financing.

Mountain District's application is 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 11, 2003, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

Since approval was granted in Case No. 2002-00099 of Mountain District's proposed plan of financing, the Commission believes that it is not necessary to reaffirm that approval in this proceeding.

¹ April 8, 1998 RD letter of conditions.

² See Case No. 2002-00099, The Application of Mountain Water District for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to the Provisions of KRS 278.023 (April 25, 2002).

IT IS THEREFORE ORDERED that:

1. Mountain District is granted a Certificate of Public Convenience and Necessity to construct Phases 4 and 5 of the proposed construction project.

2. Mountain 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.

3. Mountain District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

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 4th day of August, 2003.

By the Commission

ATTEST:


Executive Director