

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KNOTT COUNTY WATER )  
AND SEWER DISTRICT FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY TO )  
CONSTRUCT AND FINANCE PURSUANT TO THE ) CASE NO.  
PROVISIONS OF KRS 278.023 ) 2003-00326

O R D E R

On August 25, 2003, Knott County Water and Sewer District ( Knott County ) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,376,821 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to approximately 306 new customers with the installation of approximately 19 miles of 8-inch through 3-inch water transmission mains, three pump stations and related appurtenances. Project funding includes Federal Earmark Grant #68-SC-16-3-090 in the amount of \$250,000 from the U.S. Department of Agriculture, Natural Resources Conservation Service, acting through Rural Development ("RD"), coal severance funds #WX21071709 in the amount of \$518,500, coal severance funds #392 in the amount of \$300,000, a State Revolving Fund loan in the amount of \$308,321, and coal development funds through the Knott County Fiscal Court in the amount of \$1,000,000.

Knott County'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 August 25, 2003, 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. Knott County is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Knott County's proposed plan of financing with RD is accepted.
3. Knott County 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. Knott County 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), Knott County shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
5. Knott County 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 1<sup>st</sup> day of October, 2003.

By the Commission

ATTEST:

  
Executive Director