

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARRISON COUNTY)	
WATER ASSOCIATION, INC., OF HARRISON)	
COUNTY, KENTUCKY, FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY TO)	2003-00355
CONSTRUCT AND FINANCE A PROJECT)	

O R D E R

On September 15, 2003, Harrison County Water Association, Inc. (Harrison Association) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$550,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide improved pressure and supply of potable water to approximately 876 underserved customers within a corridor along U.S. 62 from Cynthiana to the Oddville Area with the installation of approximately 2,200 linear feet of 6-inch water transmission mains, a 150 gallon per minute booster pump station, and a 169,000 gallon standpipe water storage tank and related appurtenances. Project funding includes a 40-year \$300,000 loan with an interest rate of 5.125 percent per annum from the U.S. Department of Agriculture's Rural Development (RD) and a \$250,000 grant from Kentucky State Senate Bill 409.

Harrison Association'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, 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:

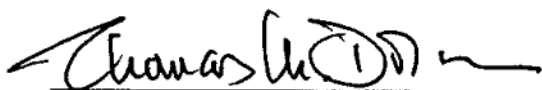
1. Harrison Association is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Harrison Association's proposed plan of financing with RD is accepted.
3. Harrison Association shall file a copy of the as-built drawings and a certified statement that the construction 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. Harrison Association 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), Harrison Association shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
5. Harrison Association 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 21st day of October, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director

Case No. 2003-00355