

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MORGAN COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	
AND FINANCE PURSUANT TO THE PROVISIONS)	CASE NO.
OF KRS 278.023)	2003-00356

O R D E R

On September 15, 2003, Morgan County Water District (Morgan District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,000,000 waterworks improvement project and for approval of its plan of financing for this project. On September 29, 2003, Morgan District filed an amendment to the Rural Development s (RD) Letter of Conditions showing the total project cost to be \$1,900,000 and existing rates matching those that are already on file with the Commission. This project will provide new service to approximately 275 new customers with the installation of approximately 39 miles of 6-inch through 3-inch water transmission mains, a booster pump station, and a 100,000 gallon elevated water storage tank and related appurtenances. Project funding includes a \$600,000 loan from the U.S. Department of Agriculture s RD, a \$550,000 grant from the RD, a \$400,000 Appalachian Regional Commission grant, a \$275,000 Kentucky Infrastructure Authority grant, and a \$75,000 grant from the Applicant.

Morgan 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 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. Morgan District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Morgan District's proposed plan of financing with RD is accepted.
3. Morgan 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.
4. Morgan 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), Morgan District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
5. Morgan 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 15th 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

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