

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARRISON COUNTY WATER ASSOCIATION
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT
AND FINANCE A PROJECT PURSUANT TO KRS 278.023

APPLICATION

This Application of The Harrison County Water Association, Inc., ("Applicant"), respectfully shows:

1. That the Applicant is a water association created and existing under and by virtue of Chapter 273 of the Kentucky Revised Statutes.
2. That the post office address of Applicant is

Harrison County Water Association
c/o. Mr. Mark Patrick
2167 U.S. Highway 27 South
Cynthiana, Kentucky 41031
Phone: 859-234-4284
Fax: 859-234-
3. That Applicant, pursuant to the provisions of KRS 278.023, seeks (i) a Certificate of Public Convenience and Necessity ("CPCN"), permitting Applicant to construct an improvement project (the "Project"); and (ii) approval of the proposed plan of financing said Project.
4. That the description of the Project is attached hereto as **Exhibit "A"**.
5. That the Applicant proposes to finance the construction of the Project through the issuance of \$469,000.00 of its Waterworks Revenue Bonds and a grant from the United States Department of Agriculture, acting through Rural Development ("RD") in the amount of \$156,500.00. Applicant has a commitment from RD to purchase said \$469,000.00 of bonds maturing over a 40-year period, at an interest rate not to exceed 2.5 % per annum as set out in the RD Letter of Conditions filed herewith as **Exhibit "B"**. The Harrison Count Water Association does not intend to raise rates to finance this project and executed a water purchase agreement extension with the City of Cynthiana until 2060.

6. That the Applicant does not contemplate having the Project constructed with any deviation from minimum construction standards of this Commission.
7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069, Section 2 in support of this Application:
 - A) Description of Project (**Exhibit "A"**)
 - B) Copy of RD Letter of Conditions and Form RD 1940-1; Request for Obligation of Funds (**Exhibit "B"**)
 - C) Copy of RD Letter of Concurrence in Contract Award (**Exhibit "C"**)
 - D) Copy of Preliminary Report, Final Report and certified bid tabulations (**Exhibit "D"**)
 - E) Certified statement from the Chairman of Applicant (**Exhibit "E"**), based upon statements of the Architects/Engineers for Applicant, concerning the following:
 - 1) The proposed plans and specifications for the Project have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066 Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8 (1) through (3); Section 9(1) and Section 10.
 - 2) All other state approvals or permits have been obtained;
 - 3) The proposed rates of Applicant shall produce the total revenue requirements recommended in the reports; and
 - 4) Setting out the dates when it is anticipated that construction will begin and end.
 - F. Copy of the Plans and Specifications of the Project on electronic storage medium in portable document format. **See Exhibit "F"**
8. That the foregoing constitutes the documents necessary to obtain the approval of this Commission in accordance with Section 278. Of the Kentucky Revised Statutes and in accordance with the "Filing Requirements" specified in 807 KAR 5:069, Section 2.

WHEREFORE, Applicant the Harrison County Water Association, Inc., asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct an improvement project.
- b. An Order approving the financing arrangements made by Applicant, viz., the issuance of \$469,000.00 of Harrison County Water Association, Inc. Revenue Bonds at an interest rate not to exceed 2.5%, per annum and and RD grant in the amount of \$156,500.00

HARRISON COUNTY WATER ASSOCIATION

BY: 

VICE PRESIDENT, J FRANK MARSH

Respectfully submitted



JESSE MELCHER LAW OFFICE, PLLC

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DISTRIBUTION LIST

RE: HARRISON COUNTY WATER ASSOCIATION, USDA RD LOAN RUS

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**Ms. Linda Lockett
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250 Sportsman Lake Road, Suite 100
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