

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|---|--------|
| THE APPLICATION OF BUTLER COUNTY WATER SYSTEM,) | |
| INC., BUTLER COUNTY, KENTUCKY, (1) FOR A) | |
| CERTIFICATE OF PUBLIC CONVENIENCE AND) | |
| NECESSITY AUTHORIZING SAID SYSTEM TO CONSTRUCT) | |
| MAJOR IMPROVEMENTS AND ADDITIONS TO ITS) | CASE |
| EXISTING MUNICIPAL WATER DISTRIBUTION SYSTEM) | NO. |
| FINANCED BY FARMERS HOME ADMINISTRATION) | 89-051 |
| PURSUANT TO THE PROVISIONS OF KRS 278.020 OF) | |
| THE KENTUCKY REVISED STATUTES; (2) SEEKING) | |
| APPROVAL OF THE ISSUANCE OF CERTAIN SECURITIES;) | |
| AND (3) APPROVAL OF WATER RATES) | |

O R D E R

On March 6, 1989, Butler County Water System, Inc. ("Butler Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$979,000 waterworks improvement project, for approval of its plan of financing for this project, and adjustments to its water service rates. Butler Water's application was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 428 additional customers. Project funding includes a \$940,000 loan from the Farmers Home Administration ("FmHA") and \$39,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The president of Butler Water certifies that reliable and adequate service can be maintained throughout the expanded system

after completion of the proposed construction. The Commission reminds Butler Water of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. 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 6(1), Butler Water must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case on March 24, 1989. Butler Water's president has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Butler Water should monitor the adequacy 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 6(1), Butler Water should take immediate action to bring the system into compliance with the Commission's regulations.

4. Butler Water should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.

5. Butler Water should require the engineer to furnish within 60 days of the date of substantial completion of this construction 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.

6. The rates set out in Appendix A, attached and incorporated hereto, are the rates approved for Butler Water for services rendered on and after the date of this Order.


7. Butler Water should file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


BE IT SO ORDERED.

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 5th day of April, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-051 DATED 4/5/89

The following rates and charges are prescribed for the customers in the area served by Butler County Water System, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 x 3/4 Inch Meter

Rates

| | | | |
|-------|-----------------|---------|-------------------|
| First | 2,000 Gallons | \$ 9.37 | Minimum Bill |
| Next | 4,000 Gallons | 3.00 | Per 1,000 Gallons |
| Next | 44,000 Gallons | 2.60 | Per 1,000 Gallons |
| Next | 50,000 Gallons | 2.20 | Per 1,000 Gallons |
| Over | 100,000 Gallons | 1.28 | Per 1,000 Gallons |

1 Inch Meter

| | | | |
|-------|-----------------|----------|-------------------|
| First | 5,000 Gallons | \$ 19.90 | Minimum Bill |
| Next | 1,000 Gallons | 3.00 | Per 1,000 Gallons |
| Next | 44,000 Gallons | 2.60 | Per 1,000 Gallons |
| Next | 50,000 Gallons | 2.20 | Per 1,000 Gallons |
| Over | 100,000 Gallons | 1.28 | Per 1,000 Gallons |

1 1/2 Inch Meter

| | | | |
|-------|-----------------|----------|-------------------|
| First | 10,000 Gallons | \$ 35.59 | Minimum Bill |
| Next | 40,000 Gallons | 2.60 | Per 1,000 Gallons |
| Next | 50,000 Gallons | 2.20 | Per 1,000 Gallons |
| Over | 100,000 Gallons | 1.28 | Per 1,000 Gallons |

2 Inch Meter

| | | | |
|-------|-----------------|----------|-------------------|
| First | 16,000 Gallons | \$ 53.86 | Minimum Bill |
| Next | 34,000 Gallons | 2.60 | Per 1,000 Gallons |
| Next | 50,000 Gallons | 2.20 | Per 1,000 Gallons |
| Over | 100,000 Gallons | 1.28 | Per 1,000 Gallons |

3 Inch Meter

| | | | |
|-------|-----------------|----------|-------------------|
| First | 30,000 Gallons | \$ 94.47 | Minimum Bill |
| Next | 20,000 Gallons | 2.60 | Per 1,000 Gallons |
| Next | 50,000 Gallons | 2.20 | Per 1,000 Gallons |
| Over | 100,000 Gallons | 1.28 | Per 1,000 Gallons |

4 Inch Meter

| | |
|----------------------|------------------------|
| First 50,000 Gallons | \$152.58 Minimum Bill |
| Next 50,000 Gallons | 2.20 Per 1,000 Gallons |
| Over 100,000 Gallons | 1.28 Per 1,000 Gallons |

6 Inch Meter

| | |
|-----------------------|------------------------|
| First 100,000 Gallons | \$280.15 Minimum Bill |
| Over 100,000 Gallons | 1.28 Per 1,000 Gallons |

Connection Fees

Meter Size

Charge

| | |
|----------------|-------------|
| 5/8 x 3/8 Inch | \$ 250 |
| 1 Inch | 300 |
| 1 1/2 Inch | 500 |
| 2 Inch | 675 |
| 3 Inch | 950 |
| 4 Inch | 1,350 |
| 5 Inch | - |
| 6 Inch | Actual Cost |