

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CANNONSBURG WATER)
DISTRICT, INC., A WATER DISTRICT)
ORGANIZED PURSUANT TO CHAPTER 74 OF THE)
KENTUCKY REVISED STATUTES OF BOYD COUNTY)
KENTUCKY, FOR (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID WATER)
DISTRICT TO CONSTRUCT AN ADDITIONAL)
WATER LINE TO SERVE IN EXCESS OF 117)
CUSTOMERS; (2) APPROVAL OF THE PROPOSED)
PLAN OF FINANCING OF SAID PROJECT; AND)
(3) APPROVAL OF THE WATER RATES PROPOSED)
TO BE CHARGED BY THE DISTRICT OF)
CUSTOMERS OF THE DISTRICT)

CASE NO.
89-165

O R D E R

On June 20, 1989, Cannonsburg Water District ("Cannonsburg") filed an application for a Certificate of Public Convenience and Necessity to construct a \$655,100 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 118 additional customers. Project funding includes a \$615,000 loan from the Farmers Home Administration ("FmHA"), and \$40,100 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 7 7/8 percent per annum.

Cannonsburg's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary orders to implement

the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. The minimum filing requirements were met in this case on August 14, 1989. The Commission has no discretionary authority to modify or reject any portion of this application.

IT IS THEREFORE ORDERED that:

1. Cannonsburg is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Cannonsburg's proposed plan of financing with FmHA is accepted.

3. Cannonsburg 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. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

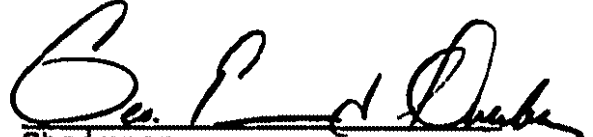
5. Cannonsburg shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

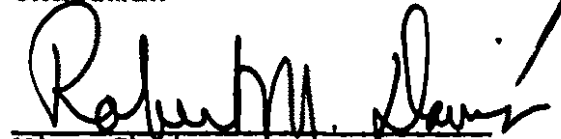
6. Cannonsburg shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Cannonsburg shall take immediate action to bring the system into compliance with Commission regulations.

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 11th day of September, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-165 DATED 9/11/89

The following rates and charges are prescribed for the customers in the area served by Cannonsburg Water District. 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.

RATES: Monthly

5/8 Inch Connection

First 2,000 gallons	\$13.93 Minimum Bill
Next 3,000 gallons	3.44 per 1,000 gallons
Next 15,000 gallons	2.86 per 1,000 gallons
Next 30,000 gallons	2.50 per 1,000 gallons
Next 50,000 gallons	2.35 per 1,000 gallons
Over 100,000 gallons	2.21 per 1,000 gallons

1 Inch and 1 1/2 Inch Connections

First 5,000 gallons	\$24.25 Minimum Bill
Next 15,000 gallons	2.86 per 1,000 gallons
Next 30,000 gallons	2.50 per 1,000 gallons
Next 50,000 gallons	2.35 per 1,000 gallons
Over 100,000 gallons	2.21 per 1,000 gallons

2 Inch and 3 Inch Connections

First 20,000 gallons	\$67.19 Minimum Bill
Next 30,000 gallons	2.50 per 1,000 gallons
Next 50,000 gallons	2.35 per 1,000 gallons
Over 100,000 gallons	2.21 per 1,000 gallons

6 Inch Connections

First 50,000 gallons	\$142.16 Minimum Bill
Next 50,000 gallons	2.35 per 1,000 gallons
Over 100,000 gallons	2.21 per 1,000 gallons

12 Inch Connection

First 100,000 gallons	\$259.84 Minimum Bill
Over 100,000 gallons	2.21 per 1,000 gallons