

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST SHELBY WATER )  
DISTRICT OF SHELBY COUNTY, KENTUCKY, )  
FOR ORDER APPROVING CONSTRUCTION ) CASE NO. 89-294  
FINANCING AND CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY )

O R D E R

On October 13, 1989, West Shelby Water District ("West Shelby") filed an application for a Certificate of Public Convenience and Necessity to construct a \$837,979 waterworks improvement project and for approval of its plan of financing for this project. Project funding includes a \$650,000 loan from the Farmers Home Administration ("FmHA"), a \$100,000 grant from Community Development Block Grant ("CDBG"), and a \$87,979 contribution by West Shelby. The loan will be for a 40-year period at an interest rate of 7.5 percent per annum.

West Shelby'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 October 13, 1989. The Commission has no discretionary authority to modify or reject any portion of this application. The Commission, however powerless to

affect the agreement between West Shelby and the FmHA, at least wishes to inform the FmHA that West Shelby violated KRS 278.020 by beginning construction of the subject waterworks project before obtaining a Certificate of Public Convenience and Necessity from the Commission. West Shelby did not proceed properly or responsibly in this matter.

IT IS THEREFORE ORDERED that:

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

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

3. West Shelby 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. West Shelby 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), West Shelby shall take immediate action to bring the system into compliance with Commission regulations.

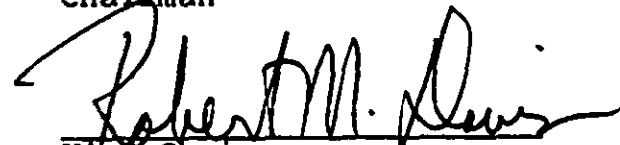
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 9th day of November, 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. 89-294 DATED 11/09/89

The following rates and charges are prescribed for the customers in the area served by West Shelby 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.

Monthly Rates

First	2,500 gallons	\$9.25 (Minimum Bill)
Next	7,500 gallons	3.20 per 1,000 gallons
Next	20,000 gallons	2.70 per 1,000 gallons
Next	200,000 gallons	2.30 per 1,000 gallons
Over	230,000 gallons	2.00 per 1,000 gallons