

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON COUNTY WATER)
DISTRICT, GRAYSON COUNTY, KENTUCKY, (1))
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY AUTHORIZING CONSTRUCTION)
OF MAJOR IMPROVEMENTS AND ADDITIONS TO)
ITS EXISTING MUNICIPAL WATER DISTRIBUTION)
SYSTEM; (2) SEEKING APPROVAL OF REVISED)
WATER SERVICE RATES AND CHARGES; AND (3))
SEEKING APPROVAL OF THE ISSUANCE OF)
CERTAIN SECURITIES)

CASE NO.
91-262

O R D E R

On July 30, 1991, Grayson County Water District ("Grayson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,580,500 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 562 additional customers. Project funding includes a \$1,440,000 loan from the Farmers Home Administration ("FmHA"), and \$140,500 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.

Grayson Water'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. Given that minimum

filing requirements were met in this case on July 30, 1991, 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. Grayson Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

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

6. Grayson Water 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), Grayson Water 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 27th day of August, 1991.

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. 91-262 DATED 8/27/91

The following rates and charges are prescribed for the customers in the area served by Grayson County 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.

Rate Increments

Monthly Rates

5/8 x 3/4 Inch Meter

First 1,500 gallons	\$9.56 Minimum Bill
Next 3,500 gallons	5.12 per 1,000 gallons
Next 5,000 gallons	4.54 per 1,000 gallons
Next 15,000 gallons	3.33 per 1,000 gallons
Over 25,000 gallons	2.07 per 1,000 gallons

3/4 Inch Meter

First 3,000 gallons	\$17.24 Minimum Bill
Next 2,000 gallons	5.12 per 1,000 gallons
Next 5,000 gallons	4.54 per 1,000 gallons
Next 15,000 gallons	3.33 per 1,000 gallons
Over 25,000 gallons	2.07 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$27.48 Minimum Bill
Next 5,000 gallons	4.54 per 1,000 gallons
Next 15,000 gallons	3.33 per 1,000 gallons
Over 25,000 gallons	2.07 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$50.18 Minimum Bill
Next 15,000 gallons	3.33 per 1,000 gallons
Over 25,000 gallons	2.07 per 1,000 gallons

2 Inch Meter

First 16,000 gallons	\$70.16 Minimum Bill
Next 9,000 gallons	3.33 per 1,000 gallons
Over 25,000 gallons	2.07 per 1,000 gallons

3 Inch Meter

First 30,000 gallons
Over 30,000 gallons

\$110.48 Minimum Bill
2.07 per 1,000 gallons

4 Inch Meter

First 50,000 gallons
Over 50,000 gallons

\$151.88 Minimum Bill
2.07 per 1,000 gallons

6 Inch Meter

First 100,000 gallons
Over 100,000 gallons

\$255.38 Minimum Bill
2.07 per 1,000 gallons