

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BARNESBURG WATER)	
ASSOCIATION, INC. OF PULASKI COUNTY,)	CASE NO.
KENTUCKY, FOR ORDER APPROVING CONSTRUCTION)	91-295
FINANCING, CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY, AND INCREASED RATES)	

O R D E R

On August 19, 1991, Barnesburg Water Association, Inc. ("Barnesburg Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,061,000 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 275 additional customers. Project funding includes a \$376,000 loan from the Farmers Home Administration ("FmHA"), a \$393,800 Community Development Block Grant ("CDBG") from U.S. Department of Housing and Urban Development ("HUD"), a \$250,000 grant from Appalachian Regional Commission, a grant of \$20,000 from Pulaski County Fiscal Court, and \$21,200 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.

Barnesburg Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA or HUD 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 August 28, 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. Barnesburg Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Barnesburg Water's proposed plan of financing with FmHA and HUD is accepted.

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

6. Barnesburg 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), Barnesburg 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 20th day of September, 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. 91-295 DATED 9/20/91

The following rates and charges are prescribed for the customers in the area served by Barnesburg Water Association, 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.

Monthly Rates

First 1,500 gallons	\$8.57 (Minimum Bill)
Next 1,500 gallons	3.34 per 1,000 gallons
Next 2,000 gallons	3.06 per 1,000 gallons
Over 5,000 gallons	2.77 per 1,000 gallons

Minimum Monthly Rates by Meter Size

5/8 Inch x 3/4 Inch Meter	\$ 8.57
1 Inch Meter	19.70
2 Inch Meter	33.55