

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NORTH SHELBY WATER COMPANY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO CONSTRUCT, FINANCE)	
AND INCREASE RATES PURSUANT TO)	CASE NO. 92-255
PROVISIONS OF KRS 278.020 AND 278.023)	

O R D E R

On June 19, 1992, North Shelby Water Company ("North Shelby") filed an application for a Certificate of Public Convenience and Necessity to construct a \$504,388 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 125 additional customers. Project funding includes a \$300,600 loan from the Farmers Home Administration ("FmHA"), a \$154,088 Community Development Block Grant from the U.S. Department of Housing and Urban Development, a \$14,750 voluntary contribution, a \$12,650 contribution from Franklin County Fiscal Court, and \$22,300 from applicants for service in the proposed project area. The loan will be for a 40-year period.

North Shelby's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations 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 June 29, 1992, 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. North Shelby is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. North Shelby's proposed plan of financing with FMHA is accepted.

3. North 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. 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.

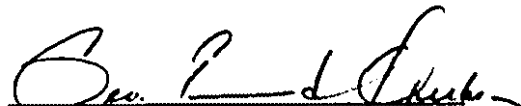
5. North Shelby shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. North 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), North 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 8th day of July, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-255 DATED July 8, 1992.

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. 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 2,000 gallons	\$10.48 Minimum Bill
Next 3,000 gallons	4.12 per 1,000 gallons
Next 5,000 gallons	3.00 per 1,000 gallons
Next 40,000 gallons	2.44 per 1,000 gallons
Over 50,000 gallons	1.88 per 1,000 gallons