

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLACK MOUNTAIN UTILITY)	
DISTRICT OF HARLAN COUNTY, KENTUCKY, FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT, FINANCE AND INCREASE)	95-194
RATES PURSUANT TO KRS 278.023)	

O R D E R

On April 28, 1995, Black Mountain Utility District ("Black Mountain") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,399,600 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 248 additional customers. Project funding includes a \$432,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, a \$471,400 grant from RECD, a \$172,000 grant from the Appalachian Regional Commission ("ARC"), a \$320,500 Community Development Block Grant ("CDBG"), and \$3,700 from applicants for service in the proposed project area.

Black Mountain's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture 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 April 28, 1995, 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. Black Mountain is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Black Mountain's proposed plan of financing with RECD, ARC and CDBG funds is accepted.

3. Black Mountain is authorized to issue bonds not to exceed \$432,000 to be held or insured by RECD.

4. Black Mountain 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.

5. 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.

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

7. Black Mountain 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


5(1), Black Mountain 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 25th day of May, 1995.

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. 95-194 DATED MAY 25, 1995

The following rates and charges are prescribed for the customers in the area served by Black Mountain Utility 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.

First	2,000 gallons	\$ 13.50 Minimum Bill
All Over	2,000 gallons	4.25 per 1,000 gallons
Connection Fee		\$400.00 per customer