

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH)
WOODFORD COUNTY WATER)
DISTRICT, WOODFORD COUNTY,)
KENTUCKY (1) FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING)
CONSTRUCTION OF MAJOR WATER)
SERVICE IMPROVEMENTS AND) CASE NO. 96-253
ADDITIONS TO ITS WATER)
DISTRIBUTION SYSTEM, (2) SEEKING)
APPROVAL OF REVISED WATER)
SERVICE RATES AND CHARGES AND)
(3) SEEKING APPROVAL OF THE)
ISSUANCE OF CERTAIN SECURITIES)

O R D E R

On May 30, 1996, South Woodford County Water District ("South Woodford") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$518,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. Project funding includes a \$446,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development ("RD") and \$72,000 in South Woodford funds.

South Woodford'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 or the U.S. Department of Housing and Urban Development 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 Commission notified South Woodford of deficiencies in its application by letter dated June 25, 1996. South Woodford filed its response to the letter on July 8, 1996. After consideration of South Woodford's response, the Commission finds that its notice of a deficiency was in error and South Woodford's application was complete at the time it was filed on May 30, 1996.

Given that South Woodford's application was properly filed on May 30, 1996, KRS 278.023 does not authorize the Commission to modify or reject any portion of the agreement with the U.S. Department of Agriculture's RD. Further, by operation of the statute the Commission should have, but for its error, approved the agreement by Order issued no later than June 29, 1996. We therefore issue this Order affirming the approval mandated by KRS 278.023 as effective by operation of KRS 278.023 and other relevant provisions of KRS Chapter 278, effective June 29, 1996.

IT IS THEREFORE ORDERED that:

1. South Woodford is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. South Woodford's proposed plan of financing with RD is accepted.
3. South Woodford is authorized to issue bonds not to exceed \$446,000.
4. South Woodford 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 June 29, 1996.


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

7. South Woodford 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), South Woodford shall take immediate action to bring the system into compliance with Commission regulations.

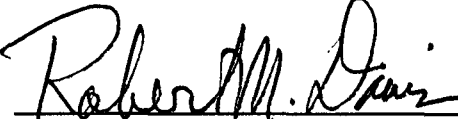
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 10th day of July, 1996.

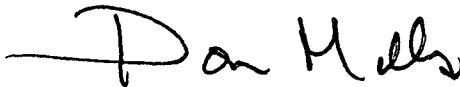
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-253 DATED July 10, 1996.

The following rates and charges are prescribed for the customers in the area served by South Woodford 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.

RATES:

First 2,000 gallons	\$18.42 (Minimum Bill)
Next 2,000 gallons	3.96 per 1,000 gallons
Next 6,000 gallons	3.75 per 1,000 gallons
Next 90,000 gallons	3.42 per 1,000 gallons
All Over 100,000 gallons	3.02 per 1,000 gallons