

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LAWRENCE COUNTY WATER)	
DISTRICT OF LAWRENCE COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT, FINANCE AND)	97-121
ESTABLISH RATES PURSUANT TO KRS 278.023)	

O R D E R

On March 10, 1997, Lawrence County Water District ("Lawrence Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,690,000 waterworks project, for approval of its plan of financing for this project, and for approval of its initial water service rates. This project will provide service to 256 customers. Project funding includes a \$500,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD") formerly known as the Rural Economic and Community Development Service, a \$606,800 grant from RD, a \$500,000 Appalachian Regional Commission Grant, and \$83,200 from applicants for service in the proposed project area. Lawrence Water's application was amended on March 24, 1997.

Lawrence Water'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. Given that minimum filing requirements were met in this case on March 24, 1997, 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. Lawrence Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Lawrence Water's proposed plan of financing with RD is accepted.

3. Lawrence Water is authorized to issue bonds not to exceed \$500,000.

4. Lawrence 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.

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. Lawrence Water shall submit its tariff setting out the rates in Appendix A within 30 days of the date of this Order. Lawrence Water is also reminded that, pursuant to KRS 278.160 and 807 KAR 5:011, it must have a complete tariff containing its rates, rules, and regulations filed with the Commission prior to providing service to its customers.

7. Lawrence Water shall monitor the adequacies of the new 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), Lawrence 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 23rd day of April, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Broadhurst
Chairman

Elmer J. Hines
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-121 DATED APRIL 23, 1997

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

Monthly Rates

First	2,000	Gallons	\$16.00	Minimum Bill
Next	3,000	Gallons	5.00	Per 1,000 Gallons
Next	5,000	Gallons	4.00	Per 1,000 Gallons
Next	10,000	Gallons	3.50	Per 1,000 Gallons
All Over	20,000	Gallons	3.25	Per 1,000 Gallons

Connection Fee

5/8" x 3/4" Meter	\$500
Larger than 5/8" x 3/4"	Actual Cost of Installation