

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF REID VILLAGE WATER)
DISTRICT OF MONTGOMERY COUNTY, KENTUCKY,)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE) CASE NO. 96-613
AND NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023)

O R D E R

On December 26, 1996, Reid Village Water District ("Reid Village") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$417,000.00 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 13 additional customers. Project funding includes a \$411,000.00 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, and \$6,000.00 from applicants for service in the proposed project area.

Reid Village'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 December 26, 1996, 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. Reid Village is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Reid Village's proposed plan of financing with RD is accepted.
3. Reid Village is authorized to issue bonds not to exceed \$411,000.00.
4. Reid Village 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. Reid Village shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. Reid Village 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), Reid Village shall take immediate action to bring the system in 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 27th day of January, 1997.

PUBLIC SERVICE COMMISSION

Linda K Breadwell
Chairman

Edwin J Holmes
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Dan Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-613 DATED JANUARY 27, 1997

The following rates and charges are prescribed for the customers in the area served by Reid Village 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
Over	2,000	Gallons	2.50	Per 1,000 Gallons