

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE WESTERN MASON COUNTY)
WATER DISTRICT, A WATER DISTRICT ORGANIZED)
PURSUANT TO CHAPTER 74 OF THE KENTUCKY)
REVISED STATUTES, IN MASON COUNTY, KENTUCKY,)
FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AUTHORIZING AND PERMITTING)
SAID WATER DISTRICT TO CONSTRUCT WATER)
DISTRIBUTION SYSTEM IMPROVEMENTS, CONSISTING)
OF CONSTRUCTION OF BOOSTER PUMP STATION,)
APPURTENANCES AND 2.25 MILES OF 10" TRANS-)
MISSION LINE FROM CITY OF MAYSVILLE SYSTEM)
ALONG AA HIGHWAY TO HIGHLAND HEIGHTS TANK)
AND (2) APPROVAL OF THE PROPOSED PLAN OF)
FINANCING OF SAID PROJECT)

CASE NO.
97-057

O R D E R

On March 26, 1997, Western Mason County Water District ("Western Mason") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$251,000 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 improved service to 747 existing customers. Project funding includes a \$201,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), and a Rural Business Enterprise Grant of \$50,000.

Western Mason'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 26, 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:

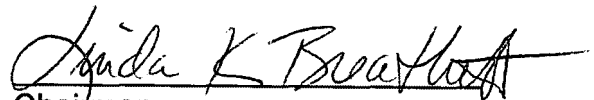
1. Western Mason is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Western Mason's proposed plan of financing with RUS is accepted.
3. Western Mason is authorized to issue bonds not to exceed \$201,000.
4. Western Mason shall file a copy of 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. Western Mason shall submit its tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. Western Mason 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),

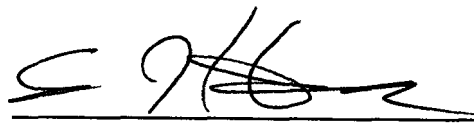
Western Mason shall take immediate action to bring the system into compliance with Commission regulations.

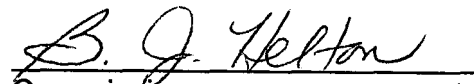
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of April, 1997.

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. 97-057 DATED APRIL 21, 1997

The following rates and charges are prescribed for the customers in the area served by Western Mason 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	1,500 gallons	\$9.50 Minimum Bill
Next	1,500 gallons	\$3.25 per 1,000 gallons
Next	1,000 gallons	\$2.00 per 1,000 gallons
Next	6,000 gallons	\$1.75 per 1,000 gallons
All Over	10,000 gallons	\$1.50 per 1,000 gallons