

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FLEMING COUNTY WATER)	
ASSOCIATION, INC. OF FLEMINGSBURG, KY. FOR)	
(1) A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY (2) APPROVAL OF THE PROPOSED PLAN)	97-105
OF FINANCING SAID PROJECT (3) AN ORDER)	
APPROVING THE ADJUSTMENT OF RATES)	

O R D E R

On February 28, 1997, Fleming County Water Association, Inc. ("Fleming Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$529,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. The project includes a storage tank, pump station, pipeline, and related appurtenances. This project will provide additional storage and improved pressures for Fleming Water's existing customers as well as enabling the utility to connect to the Vanceburg Utility System. Project funding is a \$529,000 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.

Fleming 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 19, 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. Fleming Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Fleming Water is authorized to issue bonds not to exceed \$529,000.

4. Fleming 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. Fleming Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Fleming Water 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), Fleming 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 3rd day of April, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Edna 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. 97-105 DATED APRIL 3, 1997

The following rates and charges are prescribed for the customers in the area served by Fleming County Water Association, Inc. 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	\$12.05	Minimum Bill
Next	8,000	Gallons	5.20	Per 1,000 Gallons
Next	40,000	Gallons	3.50	Per 1,000 Gallons
All Over	50,000	Gallons	2.55	Per 1,000 Gallons