

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON COUNTY WATER )  
DISTRICT, GRAYSON COUNTY, KENTUCKY, (A) FOR )  
A CERTIFICATE OF CONVENIENCE AND NECESSITY, )  
PURSUANT TO KRS 278.020, AND 278.023 AUTHORIZING )  
SAID DISTRICT TO CONSTRUCT IMPROVEMENTS AND )  
EXTENSIONS TO ITS EXISTING WATER SYSTEM, )  
WHICH IMPROVEMENTS AND EXTENSIONS WILL BE ) CASE NO.  
FINANCED IN WHOLE OR IN PART UNDER THE TERMS ) 97-176  
OF AN AGREEMENT BETWEEN THE WATER DISTRICT )  
AND THE U.S. RURAL DEVELOPMENT; (B) FOR )  
AUTHORITY TO ISSUE CERTAIN SECURITIES AS )  
REQUIRED BY KRS 278.300; AND (C) FOR APPROVAL )  
OF WATER RATES AND CHARGES )

O R D E R

On April 4, 1997, Grayson County Water District ("Grayson County") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,584,500 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 448 additional customers. Project funding includes a \$1,500,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), an \$800,000 grant from RUS, and \$284,500 from applicant contributions.

Grayson County'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 April 4, 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. Grayson County is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Grayson County's proposed plan of financing with RUS is accepted.

3. Grayson County is authorized to issue bonds not to exceed \$1,500,000.

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

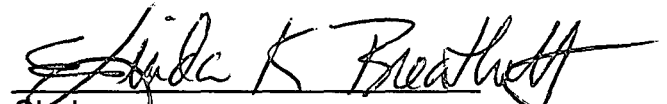
7. Grayson County shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section

5(1), Grayson County 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 5th day of May, 1997.

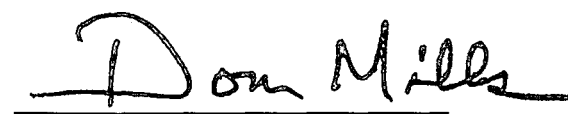
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-176 DATED MAY 5, 1997

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

#### 5/8 x 3/4 Inch Meter

First	1,500	Gallons	\$12.54	Minimum Bill
Next	8,500	Gallons	5.50	Per 1,000 Gallons
Next	40,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

#### 3/4 Inch Meter

First	3,000	Gallons	\$21.24	Minimum Bill
Next	7,000	Gallons	5.50	Per 1,000 Gallons
Next	40,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

#### 1 Inch Meter

First	5,000	Gallons	\$32.71	Minimum Bill
Next	5,000	Gallons	5.50	Per 1,000 Gallons
Next	40,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

#### 1-1/2 Inch Meter

First	10,000	Gallons	\$65.78	Minimum Bill
Next	40,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

2 Inch Meter

First	16,000	Gallons	\$94.22	Minimum Bill
Next	34,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

3 Inch Meter

First	30,000	Gallons	\$182.49	Minimum Bill
Next	20,000	Gallons	4.51	Per 1,000 Gallons
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

4 Inch Meter

First	50,000	Gallons	\$278.20	Minimum Bill
Next	100,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

6 Inch Meter

First	100,000	Gallons	\$515.41	Minimum Bill
Next	50,000	Gallons	3.74	Per 1,000 Gallons
Over	150,000	Gallons	2.97	Per 1,000 Gallons

8 Inch Meter

First	160,000	Gallons	\$778.55	Minimum Bill
Over	160,000	Gallons	2.97	Per 1,000 Gallons

10 Inch Meter

First	550,000	Gallons	\$1963.79	Minimum Bill
Over	550,000	Gallons	2.97	Per 1,000 Gallons