

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PENDLETON COUNTY WATER)	
DISTRICT OF PENDLETON COUNTY, KENTUCKY, FOR)	CASE NO.
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	97-196
NECESSITY TO CONSTRUCT, FINANCE AND INCREASE)	
RATES PURSUANT TO KRS 278.023)	

O R D E R

On April 8, 1997, Pendleton County Water District ("Pendleton County") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$761,100 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 122 additional customers. Project funding includes a \$747,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), and \$14,100 from applicants for service in the proposed project area.

Pendleton 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 8, 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. Pendleton County is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Pendleton County is authorized to issue bonds not to exceed \$747,000.

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

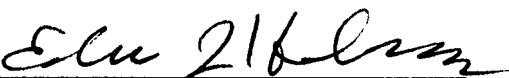
7. Pendleton County shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Pendleton County shall take immediate action 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 8th 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. 97-196 DATED MAY 8, 1997

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

Meters 5/8 through 2 Inch Meter

First	2,000 Gallons	\$15.00	Minimum Bill
Next	3,000 Gallons	6.85	Per 1,000 Gallons
Next	10,000 Gallons	6.50	Per 1,000 Gallons
All Over	15,000 Gallons	5.50	Per 1,000 Gallons

Pendleton County High School

First	125,000 Gallons	\$705.55	Minimum Bill
All Over	125,000 Gallons	5.50	Per 1,000 Gallons

Griffin Industries

First	400,000 Gallons	\$2,218.05	Minimum Bill
All Over	400,000 Gallons	5.50	Per 1,000 Gallons

Connection Fees

Meter Size	
5/8 x 3/4 Inch	\$715.00

Connection fees for all other meter sizes are determined on an individual basis for time, overhead and materials plus 15%.