

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MCCREARY COUNTY WATER )  
DISTRICT, MCCREARY COUNTY, KENTUCKY, (1) FOR A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY AUTHORIZING CONSTRUCTION OF A )  
MAJOR SANITARY SEWER SYSTEM PROJECT; (2) )  
SEEKING APPROVAL OF MONTHLY SEWER SERVICE )  
RATES AND CHARGES; AND (3) SEEKING APPROVAL )  
OF THE ISSUANCE OF CERTAIN SECURITIES )

CASE NO.  
97-248

O R D E R

On May 12, 1997, McCreary County Water District ("McCreary Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$3,142,500 sewer works improvement project, for approval of its plan of financing for this project, and for adjustments to its sewer service rates. This project will provide service to 566 additional customers. Project funding includes a \$972,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Utilities Service ("RUS"), a \$897,000 grant from RUS, a \$450,000 grant from the Appalachian Regional Commission, a \$749,500 Community Development Block Grant ("CDBG"), a local business contribution in the amount of \$49,000, and a \$25,000 contribution from applicants for service in the proposed project area.

McCreary Water's application was made pursuant to KRS 278.023 and 807 KAR 5:069, 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 May 12, 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. McCreary Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. McCreary Water's proposed plan of financing with RUS is accepted.

3. McCreary Water is authorized to issue bonds not to exceed \$972,000.

4. McCreary 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.

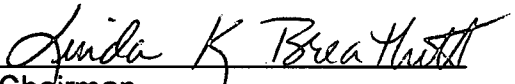
6. McCreary Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.


7. McCreary Water shall monitor the adequacies of the expanded sewer plant and collection system after construction. If the level of service is inadequate or declining to any customer and falls outside the requirements of 807 KAR 5:069, McCreary Water shall take immediate action to bring the system into compliance with Commission regulations.

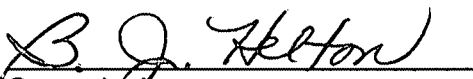
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 9th day of June, 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. 97-248 DATED JUNE 9, 1997

The following rates and charges are prescribed for the customers in the area served by McCreary County Water District, Sewer Division. 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 Sewer Rates:

##### Residential

First	2,000 gallons	\$ 8.10 Minimum Bill
Next	8,000 gallons	4.30 per 1,000 gallons
Next	10,000 gallons	3.40 per 1,000 gallons
Over	20,000 gallons	2.70 per 1,000 gallons

##### Business

First	2,000 gallons	\$10.80 Minimum Bill
Next	8,000 gallons	5.80 per 1,000 gallons
Next	10,000 gallons	4.50 per 1,000 gallons
Over	20,000 gallons	3.60 per 1,000 gallons

##### East Pine Knot System and American Bag Corporation:

Flat Rate	\$11.82 per unit
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