

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN ROCKCASTLE)	
WATER ASSOCIATION, INC., OF ROCKCASTLE,)	
LINCOLN AND PULASKI COUNTIES, KENTUCKY)	CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	98-615
AND NECESSITY TO CONSTRUCT, FINANCE AND)	
INCREASE RATES PURSUANT TO THE)	
PROVISIONS OF KRS 278.023)	

O R D E R

On November 25, 1998, Western Rockcastle Water Association, Inc., ("Western Rockcastle Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,142,000 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 better service to the existing customers. Project funding is a \$755,000 promissory note to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD") and a \$387,000 grant from the RD.

Western Rockcastle 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 November 25, 1998, 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 Rockcastle Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Western Rockcastle Water's proposed plan of financing with RD is accepted.
3. Western Rockcastle Water is authorized to issue notes not to exceed \$755,000.
4. Western Rockcastle 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. Western Rockcastle Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. Western Rockcastle 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), Western Rockcastle 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 17th day of December, 1998.

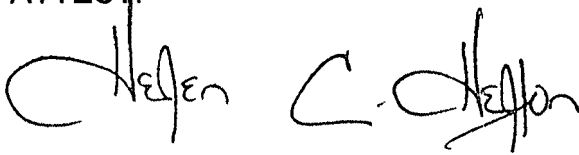
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-615 DATED DECEMBER 17, 1998

The following rates and charges are prescribed for the customers in the area served by Western Rockcastle Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

MONTHLY RATES

5/8 Inch X 3/4 Inch Meter

First	2,000 Gallons	\$13.80	Minimum Bill
Next	3,000 Gallons	4.70	Per 1,000 Gallons
Next	5,000 Gallons	4.40	Per 1,000 Gallons
Next	15,000 Gallons	4.00	Per 1,000 Gallons
Over	25,000 Gallons	3.00	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$27.90	Minimum Bill
Next	5,000 Gallons	4.40	Per 1,000 Gallons
Next	15,000 Gallons	4.00	Per 1,000 Gallons
Over	25,000 Gallons	3.00	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$49.90	Minimum Bill
Next	15,000 Gallons	4.00	Per 1,000 Gallons
Over	25,000 Gallons	3.00	Per 1,000 Gallons

2 Inch Meter

First	25,000 Gallons	\$109.90	Minimum Bill
Over	25,000 Gallons	3.00	Per 1,000 Gallons

Wholesale Water Rate

All Usage	\$1.81	Per 1,000 Gallons
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