

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH WOODFORD)	
COUNTY WATER DISTRICT, WOODFORD)	
COUNTY, KENTUCKY, (1) FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
AUTHORIZING CONSTRUCTION OF MAJOR)	CASE NO. 99-036
WATER SERVICE IMPROVEMENTS AND)	
ADDITIONS TO ITS WATER DISTRIBUTION)	
SYSTEM, AND (2) SEEKING APPROVAL OF THE)	
ISSUANCE OF CERTAIN SECURITIES)	

O R D E R

On February 17, 1999, South Woodford County Water District (South Woodford District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,106,500 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 new service to 109 additional customers. Project funding is a \$346,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development (RD), a \$333,000 grant from the RD, a \$289,600 Community Development Block Grant (CDBG) grant, a \$107,800 contribution from the Woodford County Fiscal Court, and a \$30,100 contribution from the Applicant.

South Woodford District'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 18, 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. South Woodford District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. South Woodford District's proposed plan of financing with RD is accepted.

3. South Woodford District is authorized to issue bonds not to exceed \$346,000.

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

7. South Woodford District 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), South Woodford District shall take immediate action to bring the system into compliance with Commission regulations.

8. Three years from the effective date of this Order the South Woodford District

shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

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 5rd day of March, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-036 DATED MARCH 5, 1999

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

by South Woodford Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$18.42	Minimum bill
Next	2,000 gallons	3.96	per 1,000 gallons
Next	6,000 gallons	3.75	per 1,000 gallons
Next	90,000 gallons	3.42	per 1,000 gallons
All Over	100,000 gallons	3.02	per 1,000 gallons

All Phase III Customers will pay an additional \$2.00/month surcharge in addition to the above rates.