

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EDMONSON COUNTY)	
WATER DISTRICT, EDMONSON, WARREN,)	
GRAYSON AND HART COUNTIES, KENTUCKY, (1))	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY AUTHORIZING CONSTRUCTION)	CASE NO.
OF MAJOR ADDITIONS AND IMPROVEMENTS TO)	2001-037
ITS WATER SYSTEM; (2) SEEKING APPROVAL OF)	
REVISED WATER SERVICE RATES AND)	
CHARGES; AND (3) SEEKING APPROVAL OF THE)	
ISSUANCE OF CERTAIN SECURITIES)	

O R D E R

On February 9, 2001, Edmonson County Water District ("Edmonson District") submitted an application for a Certificate of Public Convenience and Necessity to construct, to revise water service rates and charges, and to seek approval of the issuance of certain securities for a \$4,896,000 waterworks improvement project. This project consists of the construction of water line extensions, a 1 MGD ground storage tank with telemetry, and the expansion of the Brownsville Water Treatment Plant. Edmonson District proposes to finance the construction of the project through a loan in the amount of \$4,113,000 from the U.S. Department of Agriculture's Rural Development ("RD"), an RD grant in the amount of \$775,000, and an \$8,000 contribution from the Applicant.

Edmonson 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 February 9, 2001, 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. Edmonson District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Edmonson District is authorized to issue bonds not to exceed \$4,113,000.

4. Edmonson 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. Edmonson District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

6. 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.

7. Three years from the effective date of this Order, Edmonson 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.

8. Edmonson 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 is outside the requirements of 807 KAR 5:066, Section 5(1), Edmonson District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

9. Within 20 days from the date of this Order, Edmonson District shall file with the Commission revised tariff sheets showing the approved rates herein.

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 2nd day of March, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2001-037 DATED March 2nd, 2001

The following rates and charges are prescribed for the customers in the area served by Edmonson County 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 RATES

First	1,500	Gallons	\$9.85	Minimum Bill
Next	6,500	Gallons	4.25	Per 1,000 Gallons
Next	12,000	Gallons	3.90	Per 1,000 Gallons
Over	20,000	Gallons	2.90	Per 1,000 Gallons
Wholesale Rate to the City of Brownsville			2.00	Per 1,000 Gallons