

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH ANDERSON	)	
WATER DISTRICT, ANDERSON COUNTY,	)	
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY AUTHORIZING	)	
CONSTRUCTION OF MAJOR ADDITIONS AND	)	CASE NO.
IMPROVEMENTS TO ITS WATER SYSTEM; (2)	)	2001-090
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 April 6, 2001, South Anderson Water District ("South Anderson") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$2,206,500 waterworks improvement project. This project consists of the installation of approximately 51 miles of 12-inch through 3-inch water transmission mains to provide service to approximately 342 new customers. Project funding consists of a \$1,089,000 loan from the U.S. Department of Agriculture's Rural Development ("RD"), a \$1,000,000 Community Development Block Grant, a \$56,000 contribution from the Anderson County Fiscal Court, and a \$61,500 contribution from the applicant.

South Anderson'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 the case on April 6, 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. South Anderson is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. South Anderson is authorized to issue bonds not to exceed \$1,089,000.

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

7. South Anderson 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), South Anderson shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

8. South Anderson shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

9. Three years from the effective date of this Order, SouthAnderson 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 3<sup>rd</sup> day of May, 2001.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2001-090 DATED MAY 3, 2001

The following rates and charges are prescribed for the customers in the area served by South Anderson 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	\$ 12.50	Minimum bill
Next	1,000	gallons	6.10	per 1,000 gallons
Next	2,000	gallons	5.15	per 1,000 gallons
Next	2,000	gallons	4.25	per 1,000 gallons
Next	3,000	gallons	3.30	per 1,000 gallons
All Over	10,000	gallons	3.00	per 1,000 gallons