

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NICHOLAS COUNTY)	
WATER DISTRICT OF NICHOLAS COUNTY,)	
KENTUCKY, FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2001-100
PURSUANT TO KRS 278.023)	

O R D E R

On April 19, 2001, Nicholas County Water District (“Nicholas District”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$279,000 waterworks construction project. This project (phase VI) consists of the construction of a 100,000 gallon water tank with appurtenances and installation of a telemetry system. Nicholas District proposes to finance the construction of the project through the issuance of \$95,000 of its Waterworks Revenue Bonds maturing over a 40-year period, at an interest rate not exceeding 4.50 percent per annum; a Rural Development (“RD”) Grant in the amount of \$175,000; and an applicant contribution in the amount of \$9,000.

Nicholas 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 May 3, 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. Nicholas District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Nicholas District is authorized to issue bonds not to exceed \$95,000.

4. Nicholas 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. Nicholas 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, Nicholas 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. Nicholas 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), Nicholas 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, Nicholas 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 21st 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. 2001-100 DATED MAY 21, 2001

The following rates and charges are prescribed for the customers in the area served by Nicholas 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 Water Rates

5/8 x3/4 Inch Meter

First	1,000	gallons	\$ 13.13	Minimum bill
Next	2,000	gallons	6.17	per 1,000 gallons
Next	2,000	gallons	5.38	per 1,000 gallons
Next	5,000	gallons	4.19	per 1,000 gallons
Next	15,000	gallons	3.80	per 1,000 gallons
All Over	25,000	gallons	3.40	per 1,000 gallons

1 Inch Meter

First	3,000	gallons	\$ 25.47	Minimum bill
Next	2,000	gallons	5.38	per 1,000 gallons
Next	5,000	gallons	4.19	per 1,000 gallons
Next	15,000	gallons	3.80	per 1,000 gallons
All Over	25,000	gallons	3.40	per 1,000 gallons

1 ½ Inch Meter

First	8,000	gallons	\$ 48.80	Minimum bill
Next	2,000	gallons	4.19	per 1,000 gallons
Next	15,000	gallons	3.80	per 1,000 gallons
All Over	25,000	gallons	3.40	per 1,000 gallons

2 Inch Meter

First	13,000	gallons	\$ 68.58	Minimum bill
Next	12,000	gallons	3.80	per 1,000 gallons
All Over	25,000	gallons	3.40	per 1,000 gallons

3 Inch Meter

First	40,000	gallons	\$ 165.18	Minimum bill
All Over	40,000	gallons	3.40	per 1,000 gallons

4 Inch Meter

First	65,000	gallons	\$ 250.18	Minimum bill
All Over	65,000	gallons	3.40	per 1,000 gallons