

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUMBERLAND COUNTY)	
WATER DISTRICT, A WATER DISTRICT)	
ORGANIZED PURSUANT TO CHAPTER 74 OF THE)	
KENTUCKY REVISED STATUTES, IN)	
CUMBERLAND COUNTY, KENTUCKY, FOR (1) A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY AUTHORIZING AND PERMITTING)	
SAID WATER DISTRICT TO CONSTRUCT WATER)	CASE NO.
DISTRIBUTION SYSTEM IMPROVEMENTS,)	2001-114
CONSISTING OF THE PROJECTS HEREINAFTER)	
IDENTIFIED; (2) THE APPROVAL OF THE)	
PROPOSED PLAN OF FINANCING FOR SAID)	
PROJECTS; AND (3) THE APPROVAL OF)	
INCREASED RATES AND CHARGES FOR WATER)	
SERVICE SUPPLIED BY THE DISTRICT IN)	
CERTAIN AREAS)	

O R D E R

On May 2, 2001, Cumberland County Water District ("Cumberland District") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$1,053,000 waterworks construction project. This project consists of Contract 1-Water Lines and Contract 2-100,000 gallon storage tank renovation. Contract 1 consists of the installation of approximately 3,300 linear feet of 6-inch PVC water line, 108,000 linear feet of 4-inch PVC water line, 14,500 linear feet of 3-inch PVC water line, and a booster pump station and their appurtenances. Cumberland District proposes to finance the construction of the project through a U.S. Department of Agriculture, Rural Development ("RD") loan for the issuance of \$400,000

of its Waterworks Revenue Bonds; an RD Grant in the amount of \$626,000; and an applicant contribution in the amount of \$27,000.

Cumberland 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 7, 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. Cumberland District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Cumberland District's proposed plan of financing with RD is accepted.
3. Cumberland District is authorized to issue bonds not to exceed \$400,000.
4. Cumberland 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. Cumberland 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, Cumberland 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. Cumberland 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), Cumberland 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, Cumberland 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. 2001-114 DATED MAY 21, 2001

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

3/4 Inch Meter

First	2,000 gallons	\$ 12.70	Minimum bill
Next	3,000 gallons	4.85	per 1,000 gallons
Next	5,000 gallons	3.80	per 1,000 gallons
All Over	10,000 gallons	2.70	per 1,000 gallons

1 Inch Meter

First	2,000 gallons	\$ 26.05	Minimum bill
Next	8,000 gallons	3.80	per 1,000 gallons
All Over	10,000 gallons	2.70	per 1,000 gallons

1 ½ Inch Meter

First	12,500 gallons	\$ 53.00	Minimum bill
All Over	12,500 gallons	2.70	per 1,000 gallons

2 Inch Meter

First	25,500 gallons	\$ 86.75	Minimum bill
All Over	25,500 gallons	2.70	per 1,000 gallons

3 Inch Meter

First	35,000 gallons	\$ 113.75	Minimum bill
All Over	35,000 gallons	2.70	per 1,000 gallons

4 Inch Meter

First	35,000 gallons	\$ 148.25	Minimum bill
All Over	35,000 gallons	2.70	per 1,000 gallons