

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH MERCER WATER	)	
DISTRICT OF MERCER AND WASHINGTON	)	
COUNTIES, KENTUCKY, FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES	)	2003-00043
PURSUANT TO KRS 278.023	)	

O R D E R

On February 4, 2003, North Mercer Water District ( NMWD ) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a new \$1,727,600 waterworks improvement project. This project consists of the installation of approximately 32 miles of 6-inch through 3-inch water transmission mains, a booster pumping station, a 100,000-gallon water storage tank with telemetry and related appurtenances to provide service to approximately 161 new customers. Project funding consists of a \$1,450,000 loan from the U.S. Department of Agriculture s Rural Development ( RD ) and a \$277,600 contribution from the applicant.

NMWD 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 February 4, 2003, 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. NMWD is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. NMWD is authorized to issue bonds not to exceed \$1,450,000.

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

7. NMWD shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

8. NMWD 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, NMWD 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 6<sup>th</sup> day of March, 2003.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00043 DATED MARCH 6, 2003

The following rates and charges are prescribed for the customers in the area served by North Mercer 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	1,000 gallons	\$10.50 Minimum bill
Next	2,000 gallons	4.36 per 1,000 gallons
Next	2,000 gallons	4.10 per 1,000 gallons
Next	5,000 gallons	3.89 per 1,000 gallons
Over	10,000 gallons	3.73 per 1,000 gallons