

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF JACKSON COUNTY WATER)	
ASSOCIATION FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY, FINANCING)	CASE NO.
AND ADJUSTMENT OF RATES PURSUANT TO)	2003-00140
KRS 278.023)	

O R D E R

On April 25, 2003, Jackson County Water Association (Jackson Water) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a new \$5,770,000 waterworks improvement project. This project consists of the construction of a new 2.25 million gallon per day water treatment plant. Project funding consists of a \$1,815,000 loan from the U.S. Department of Agriculture s Rural Development (RD), a \$1,955,000 grant from the RD, a \$1,000,000 Community Development Block Grant , a \$500,000 Appalachian Regional Commission grant and a \$500,000 Economic Development Administration grant.

Jackson Water 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 25, 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. Jackson Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Jackson Water is authorized to issue bonds not to exceed \$1,815,000.

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

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

8. Jackson Water 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, Jackson Water 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. associated with this transaction.

Done at Frankfort, Kentucky, this 23rd day of May, 2003.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00140 DATED May 23, 2003

The following rates and charges are prescribed for the customers in the area served by Jackson County Water Association. 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 x 3/4 Inch Meter

First	2,000 gallons	\$ 14.48	Minimum bill
Next	18,000 gallons	5.96	per 1,000 gallons
Next	30,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 32.37	Minimum bill
Next	15,000 gallons	5.96	per 1,000 gallons
Next	30,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

1 ½ Inch Meter

First	10,000 gallons	\$ 62.20	Minimum bill
Next	10,000 gallons	5.96	per 1,000 gallons
Next	30,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

2 Inch Meter

First	20,000 gallons	\$ 121.85	Minimum bill
Next	30,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

3 Inch Meter

First	30,000 gallons	\$ 172.54	Minimum bill
Next	20,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

4 Inch Meter

First	40,000 gallons	\$ 223.23	Minimum bill
Next	10,000 gallons	5.07	per 1,000 gallons
Over	50,000 gallons	4.17	per 1,000 gallons

Bulk User Rates

Rockcastle County Water Association	\$ 2.18	per 1,000 gallons
City of Beattyville	1.98	per 1,000 gallons
City of McKee	1.78	per 1,000 gallons