

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RATTLESNAKE RIDGE)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2004-00016
PURSUANT TO KRS 278.023)	

O R D E R

On January 14, 2004, Rattlesnake Ridge Water District (“Rattlesnake District”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$5,969,000 waterworks improvement project. On December 16, 2003, the Commission, through its Order in Case No. 2003-00428,¹ issued a Certificate of Public Convenience and Necessity to construct and finance Contracts W, Z and Z-1 at a cost of \$4,220,000. This Order will address the remaining \$1,749,000 for the construction of Contracts X and Y and cost overruns. Contract X of this project consists of the installation of a 600,000 gallon clearwell, a 150,000 gallon water storage tank, a 60,000 gallon water storage tank and related appurtenances. Contract Y of this project consists of three booster pumping stations and related appurtenances. These five contracts will provide service to approximately 502 new customers. Project funding consists of an additional \$549,000 loan from the U.S. Department of Agriculture’s Rural Development (“RD”), an additional \$600,000 grant from the RD, and a Coal Severance Fund grant in the amount of \$600,000.

¹ Case No. 2003-00428, The Application of Rattlesnake Ridge Water District for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to

Rattlesnake 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 the case on January 14, 2004, 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. Rattlesnake District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Rattlesnake District's proposed plan of financing is accepted.
3. Rattlesnake District is authorized to issue bonds not to exceed \$600,000 at an interest rate not exceeding 4.5 percent per annum over a period not to exceed 40 years.
4. Rattlesnake 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. 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. Rattlesnake District shall file a new tariff to include the initial rates as set out in Appendix A within 30 days of the date of this Order.

KRS 278.023.

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

8. Rattlesnake District 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, Rattlesnake 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.

10. All provisions of the Commission's Order of December 16, 2003 that do not conflict with this Order shall remain in full force and effect.

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 13th day of February, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00016 DATED February 13, 2004

The following rates and charges are prescribed for the customers in the area served by Rattlesnake Ridge 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 x 3/4 Inch Meter

First	1,000	gallons	\$ 12.50	Minimum bill
Next	4,000	gallons	7.90	per 1,000 gallons
Next	5,000	gallons	6.80	per 1,000 gallons
Next	10,000	gallons	5.80	per 1,000 gallons
Next	20,000	gallons	4.00	per 1,000 gallons
All Over	40,000	gallons	3.10	per 1,000 gallons

3/4 Inch Meter

First	5,000	gallons	\$ 44.00	Minimum bill
Next	5,000	gallons	6.80	per 1,000 gallons
Next	10,000	gallons	5.80	per 1,000 gallons
Next	20,000	gallons	4.00	per 1,000 gallons
All Over	40,000	gallons	3.10	per 1,000 gallons

1 Inch Meter

First	10,000	gallons	\$ 78.00	Minimum bill
Next	10,000	gallons	5.80	per 1,000 gallons
Next	20,000	gallons	4.00	per 1,000 gallons
All Over	40,000	gallons	3.10	per 1,000 gallons

1 ½ Inch Meter

First	30,000	gallons	\$ 175.00	Minimum bill
Next	10,000	gallons	4.00	per 1,000 gallons
All Over	40,000	gallons	3.10	per 1,000 gallons

2 Inch Meter

First	50,000	gallons	\$ 254.00	Minimum bill
All Over	50,000	gallons	3.10	per 1,000 gallons

3 Inch Meter

First	100,000	gallons	\$ 409.00	Minimum bill
All Over	100,000	gallons	3.10	per 1,000 gallons

4 Inch Meter

First	200,000	gallons	\$ 719.00	Minimum bill
All Over	200,000	gallons	3.10	per 1,000 gallons

6 Inch Meter

First	500,000	gallons	\$ 1,649.90	Minimum bill
All Over	500,000	gallons	3.10	per 1,000 gallons

Wholesale Rate

KY Dept of Parks (Golf Course Only)			\$2.10	per 1,000 gallons
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Non-Recurring Charges:

Connection Fees:

Meter Size	Service Connection Charge
5/8" x 3/4"	\$ 700.00
3/4"	800.00
1"	1,100.00
1 1/2"	1,250.00
2"	1,500.00
3"	2,100.00
Larger Size	Actual Cost

Connection Fee for Phase VII Project:

5/8" x 3/4"	\$ 350.00
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