

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PENDLETON COUNTY)	
WATER DISTRICT OF PENDLETON COUNTY,)	
KENTUCKY, FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2004-00034
CONSTRUCT, FINANCE AND INCREASE RATES)	
PURSUANT TO KRS 278.023)	

O R D E R

On February 2, 2004, Pendleton County Water District ("Pendleton District") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$1,921,000 waterworks improvement project. This project consists of the installation of approximately 19.7 miles of 8-inch through 3-inch water transmission mains, telemetry additions, a 200,000-gallon elevated water storage tank, and related appurtenances to provide service to approximately 146 new customers. Project funding consists of a \$596,000 loan from the U.S. Department of Agriculture's Rural Development, an \$844,000 Community Development Block Grant, a Pendleton County Fiscal Court grant in the amount of \$300,000, and a \$181,000 contribution from the applicant.

Pendleton 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 February 2, 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. Pendleton District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Pendleton District's proposed plan of financing is accepted.

3. Pendleton District is authorized to issue bonds not to exceed \$596,000 at an interest rate not exceeding 4.625 percent per annum over a period not to exceed 40 years.

4. Pendleton 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. Within 30 days of the date of this Order, Pendleton District shall file with the Commission revised tariff sheets setting out the rates approved herein.

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

8. Pendleton 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, Pendleton 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.

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 3rd day of March, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2004-00034 DATED March 3, 2004

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

First	2,000 gallons	\$ 19.10	Minimum bill
Next	3,000 gallons	8.20	per 1,000 gallons
Next	10,000 gallons	7.70	per 1,000 gallons
All Over	15,000 gallons	6.60	per 1,000 gallons

Special Users

High School

First	125,000 gallons	\$846.70	Minimum Bill
Over	125,000 gallons	6.60	per 1,000 gallons

Griffin Industries

First	400,000 gallons	\$2,680.80	Minimum Bill
Over	400,000 gallons	6.60	per 1,000 gallons