

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHEAST)	
DAVIESS COUNTY WATER)	
DISTRICT FOR A RATE SURCHARGE)	
AND A CERTIFICATE OF PUBLIC)	CASE NO. 2004-00495
CONVENIENCE AND NECESSITY)	
AUTHORIZING EXPANSION OF)	
EXISTING SYSTEM FACILITIES)	

O R D E R

On December 10, 2004, Southeast Daviess County Water District (“Southeast Daviess”) tendered an application for a Certificate of Public Convenience and Necessity to upgrade, improve, and expand its existing system facilities, and for authority to assess a surcharge pursuant to KRS 74.395 to finance in part the cost of the proposed construction project. After Southeast Daviess submitted additional information, the Commission accepted the application for filing on February 9, 2005.

Southeast Daviess’s proposed project consists of the replacement of a pumping station located in the community of Philpot, a water line extension of approximately 6,700 feet of 10-inch pipeline along Kentucky Highway 142 (Winkler Road, King Road, and Fields Road) north of Philpot, and replacement of approximately 800 feet of 6-inch pipeline across the north fork of Panther Creek south of Philpot. The construction cost estimate is \$316,300, and the total estimated cost is \$445,000. Southeast Daviess proposes to finance the project in part through a surcharge of \$.26 per thousand gallons on all water sales for a period not to exceed 2 years.

Pursuant to KRS 74.395, after a water district's board of commissioners approves a finance plan to fund all or part of a construction project by adding a surcharge to the rates charged for water service, the plan and proposed surcharge rate shall be submitted to the Public Service Commission. The Commission shall issue an Order approving, modifying, or rejecting the plan, after conducting a public hearing on the matter.

IT IS THEREFORE ORDERED that:

1. A public hearing shall be held on July 13, 2005 at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky to hear evidence on the proposed surcharge. If no interested party files written notice of the intent to attend the public hearing by July 5, 2005, the hearing shall be cancelled.

2. Southeast Daviess shall publish in the Owensboro Messenger-Inquirer ("Messenger") newspaper the public notice below in two issues of the Messenger separated by a period of 7 days. The first public notice shall not be less than 7 days prior to the public hearing, and the second public notice shall not be more than 21 days prior to the public hearing. The public notice may be accomplished by a direct mailing to all customers. The public notice shall state as follows:

PUBLIC NOTICE

A public hearing will be held on July 13, 2005, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, to examine the surcharge plan of Southeast Daviess County Water District to fund extensions and upgrades in the amount of approximately \$445,000. Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their

intent to attend no later than July 5, 2005. If no notices of intent to attend are received by that date, this hearing will be cancelled. Written notice of intent to attend this hearing should refer to Case No. 2004-00495 and should be sent to: Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

3. The official record of the proceeding shall be by video only, unless a party to this proceeding requests, prior to July 1, 2005, that a stenographic transcript be made by a reporter.

4. Southeast Daviess shall, no later than June 30, 2005, file with the Commission an affidavit attesting to the publication of notice of the public hearing or of the direct mailing of such notice.

Done at Frankfort, Kentucky, this 31st day of May, 2005.

By the Commission

ATTEST:



Executive Director