

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EDMONSON COUNTY)	
WATER DISTRICT (1) FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
AUTHORIZING CONSTRUCTION OF A NEW)	
SANITARY SEWER SYSTEM; (2) SEEKING)	CASE NO.
APPROVAL OF SANITARY SEWER SERVICE)	2005-00203
RATES AND CHARGES; AND (3) SEEKING)	
APPROVAL OF THE ISSUANCE OF CERTAIN)	
SECURITIES)	

O R D E R

On May 19, 2005, Edmonson County Water District (“Edmonson Water”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a new \$1,600,000 wastewater collection system. This project consists of the installation of approximately 15,500 linear feet of gravity sewer mains, two sewage pumping stations, 2,800 linear feet of sewer force mains and related appurtenances to provide sanitary sewer service to approximately 60 new customers. The wastewater from this project will be transported to the city of Brownsville’s wastewater treatment plant. Project funding consists of a \$100,000 loan from the U.S. Department of Agriculture’s Rural Development (“RD”), a \$400,000 grant from the Appalachian Regional Commission, a Kentucky Infrastructure Authority (“KIA”) HB 502 grant in the amount of \$300,000, a KIA 2003 Tobacco Development Fund grant in the amount of \$300,000, and a \$500,000 KIA HB 267 grant.

Edmonson 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 May 19, 2005, 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. Edmonson Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Edmonson Water's proposed plan of financing with RD is accepted.
3. Edmonson Water is authorized to enter into an agreement with RD to borrow \$100,000 at an interest rate not to exceed 4.25 percent per annum.
4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in Edmonson Water's application.
5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Edmonson Water may use such surplus to construct additional plant facility if RD approves of the use and the additional construction will not result in a change in Edmonson Water's rates for service. Edmonson Water shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.
6. Edmonson 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.

7. 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.

8. Within 30 days of the date of this Order, Edmonson Water shall file with the Commission its revised tariffs setting out the rates approved herein.

9. Edmonson Water shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

10. Three years from the effective date of this Order, Edmonson 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.

Done at Frankfort, Kentucky, this 13th day of June, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00203 DATED June 13, 2005

The following rates and charges are prescribed for the customers in the area formerly served by Edmonson 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.

Sewer Monthly Rates

Residential Users:

First	1,500 gallons	\$ 9.85	Minimum bill
Next	6,500 gallons	4.25	per 1,000 gallons
Next	12,000 gallons	3.90	per 1,000 gallons
All Over	20,000 gallons	2.90	per 1,000 gallons

Non-Residential Users:

First	1,500 gallons	\$ 14.78	Minimum bill
Next	6,500 gallons	6.38	per 1,000 gallons
Next	12,000 gallons	5.85	per 1,000 gallons
All Over	20,000 gallons	4.35	per 1,000 gallons