

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BULLOCK PEN WATER )  
DISTRICT TO ADJUST SURCHARGE ) CASE NO. 2007-00448  
ASSESSMENT )

ORDER

On March 18, 2002, the Commission issued a Certificate of Public Convenience and Necessity to Bullock Pen Water District (“Bullock Pen”) for the Phase V Project, which involved the construction of 23 miles of 6-inch water main at an estimated cost of \$1,187,875.<sup>1</sup> We also authorized Bullock Pen to borrow \$719,000 from the Kentucky Rural Water Finance Corporation (“KRWFC”) to finance a portion of the cost of this construction and to assess a monthly surcharge of \$15 from each customer who receives water service through Phase V Project facilities to retire the KRWFC loan.

On October 15, 2007, Bullock Pen applied for authorization to decrease the monthly surcharge from \$15 to \$10. In support of its application, it states that, based upon the number of customers currently served through Phase V Project facilities and projected to be served, a monthly surcharge of \$10 will be sufficient to service the KRWFC loan. The present monthly surcharge is based upon service to 145 customers

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<sup>1</sup> Case No. 2002-00015, Application of the Bullock Pen Water District for a Certificate of Public Convenience and Necessity to Construct and Finance an Improvements Project and to Implement a Surcharge to Its Existing Rates Pursuant To KRS 278.020 and 278.300 (Ky. PSC Mar. 18, 2007).

through Phase V Project facilities. These facilities currently serve approximately 219 customers and are expected to add at least one customer annually through 2026.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that a monthly surcharge of \$10 on all customers who are served through Phase V Project facilities will provide sufficient revenues to meet Bullock Pen's obligations under the KRWFC loan and that the proposed reduction should be approved.

IT IS THEREFORE ORDERED that:

1. Effective the date of this Order, the Phase V Project monthly surcharge is reduced from \$15 to \$10.
2. All provisions of the Commission's Order of March 18, 2002 in Case No. 2002-00015 not expressly modified remain in full effect.
3. Within 20 days of the date of the Order, Bullock Pen shall file with the Commission a revised tariff sheet setting forth a Phase V Project monthly surcharge of \$10.

Done at Frankfort, Kentucky, this 8<sup>th</sup> day of November, 2007.

By the Commission

ATTEST:



Executive Director