

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUMBERLAND)	
COUNTY WATER DISTRICT FOR A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE)	2009-00150
AND NECESSITY TO CONSTRUCT WATER)	
DISTRIBUTION SYSTEM IMPROVEMENTS)	
AND FOR APPROVAL OF THE PROPOSED)	
PLAN OF FINANCING AND RATES)	

O R D E R

On April 10, 2009, Cumberland County Water District (“Cumberland District”) applied for a Certificate of Public Convenience and Necessity to implement system improvements, including the renovation of a water storage tank and distribution system upgrades. Cumberland District proposes to finance the construction of the project through a loan in the amount of \$415,000 from the United States Department of Agriculture, Rural Development (“RD”) and a grant from RD in the amount of \$295,000.

Cumberland 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 April 10, 2009, 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. Cumberland District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Cumberland District's proposed plan of financing with RD is accepted.

3. Cumberland District is authorized to enter into an agreement with RD to borrow \$415,000 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 Cumberland District's application.

5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Cumberland District may use such surplus to construct an additional plant facility if RD approves of the use and the additional construction will not result in a change in Cumberland District's rates for service. Cumberland District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

6. Cumberland 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.

7. The rates set out in the Appendix attached hereto and incorporated herein are the rates approved for service rendered on and after the date of this Order.

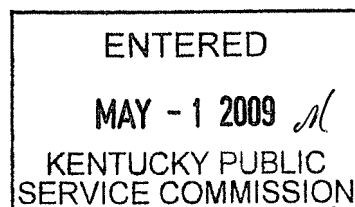
8. Within 30 days of the date of this Order, Cumberland District shall file with the Commission its revised tariffs setting out the rates approved herein.

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

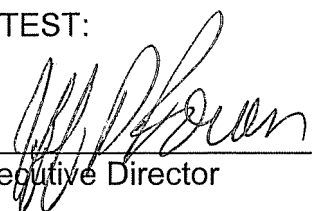
10. Three years from the date of this Order, Cumberland District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00150 DATED **MAY - 1 2009**

The following rates and charges are prescribed for the customers in the area served by Cumberland 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" Meter:

First	2,000 gallons	\$16.99 – Minimum Bill
Next	3,000 gallons	\$6.95 – per 1,000 gallons
Next	5,000 gallons	\$5.75 – per 1,000 gallons
All Over	10,000 gallons	\$4.65 – per 1,000 gallons

1" Meter:

First	5,000 gallons	\$37.39 – Minimum Bill
Next	5,000 gallons	\$5.75 – per 1,000 gallons
All Over	10,000 gallons	\$4.65 – per 1,000 gallons

1 ½" Meter:

First	12,500 gallons	\$76.64 – Minimum Bill
All Over	12,500 gallons	\$4.65 – per 1,000 gallons

2" Meter:

First	25,000 gallons	\$135.14 – Minimum Bill
All Over	25,000 gallons	\$4.65 – per 1,000 gallons

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