

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CARROLL COUNTY	)	
WATER DISTRICT NO. 1 FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES	)	2009-00447
PURSUANT TO KRS 278.023	)	

O R D E R

On November 17, 2009, Carroll County Water District ("Carroll District") applied for a Certificate of Public Convenience and Necessity to construct a waterworks construction project (the "Project") consisting of extensions, additions, and improvements to its existing waterworks system; for authorization to increase rates; and for approval of its proposed plan of financing the Project. The Project consists of the construction and installation of (1) approximately 22,000 linear feet of 10- and 8-inch water main; (2) approximately 6,000 linear feet of 6-inch water main; (3) approximately 6,000 linear feet of 4-inch water main; (4) a 300,000-gallon elevated water storage tank; and (5) a booster pump station and appurtenances.

Carroll District proposes to finance the construction of the Project through (1) the issuance of \$1,246,000 of its Waterworks Revenue Bonds; (2) a USDA Rural Development ("RD") grant in the amount of \$410,000; and (3) an applicant contribution in the amount of \$100,000. Carroll District has a commitment from RD to purchase said \$1,246,000 of bonds maturing over a 40-year period at an interest rate not exceeding 4.625 percent per annum. Carroll District also proposes to change its rate schedule, as described in Exhibit D of its Application.

Carroll 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 Orders necessary to implement the terms of such agreements within 30 days of filing of the required documents. Given that minimum filing requirements were met in this case on November 17, 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. Carroll District is granted a Certificate of Public Convenience and Necessity to construct a waterworks project consisting of extensions, additions, and improvements to its existing waterworks system.

2. Carroll District's proposed plan of financing is accepted, including the issuance of (1) \$1,246,000 of its Waterworks Revenue Bonds at an interest rate not exceeding 4.625 percent per annum, (2) acceptance of an RD grant in the amount of \$410,000; and (3) a contribution from Carroll District of \$100,000. The proceeds from this financing plan shall be used only for the purposes specified in Carroll District's application.

3. If surplus funds remain after the approved construction has been completed, Carroll District may use such surplus to construct an additional plant facility without prior Commission approval if no change in existing rates will result. Carroll District shall notify the Commission in writing of any additional construction proposed and shall attach to the notice a statement of the federal lending agency authorizing the use of the remaining funds in the manner proposed.

4. Within 30 days after completion of construction, Carroll District shall revise its system maps and records maintained pursuant to 807 KAR 5:006, Section 22, to include all required information regarding the new construction. Carroll 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 Exhibit D of the application and attached hereto and incorporated herein as the Appendix are approved for service rendered on and after the date of this Order.

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

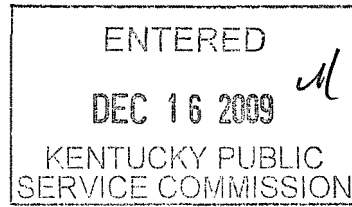
7. Carroll District shall notify the Commission one week prior to the actual start of construction and at the 50-percent completion point.

8. Three years from the effective date of this Order, Carroll 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.


9. Any documents filed in the future pursuant to ordering paragraphs 3, 4, 7 or 8 herein shall be identified by this case number. These documents shall be retained in the utility’s company correspondence file following Commission review.

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:

  
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Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00447 DATED **DEC 16 2009**

The following rates and charges are prescribed for the customers in the area served by Carroll 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

First	1,000	Gallons	\$13.50	Minimum Bill
Next	4,000	Gallons	7.50	Per 1,000 Gallons
Next	5,000	Gallons	8.00	Per 1,000 Gallons
Next	30,000	Gallons	5.00	Per 1,000 Gallons
All Over	40,000	Gallons	2.80	Per 1,000 Gallons
Bulk Rate			\$1.66	Per 1,000 Gallons

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