

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WESTERN PULASKI COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2009-00532
PURSUANT TO KRS 278.023)	

O R D E R

On December 17, 2009, Western Pulaski County Water District ("Western Pulaski District") applied for a Certificate of Public Convenience and Necessity for construction and authorization to issue revenue bonds and to adjust its water service rates for a \$1,302,000 waterworks improvement project. This project consists of the construction and installation of approximately 18,364 linear feet of 6-inch water main and approximately 11,466 linear feet of 8-inch water main and appurtenances and a new booster pump station.

The applicant proposes to finance the construction of the project through the issuance of \$911,000 of its Waterworks Revenue Bonds and a U. S. Department of Agriculture Rural Development ("RD") grant in the amount of \$391,000. The applicant has a commitment from RD to purchase said \$911,000 of bonds maturing over a 40-year period, at an interest rate not exceeding 2.75 percent per annum.

Western Pulaski 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 December 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. Western Pulaski District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Western Pulaski District's proposed plan of financing is accepted.
3. Western Pulaski District is authorized to issue Water Revenue Bonds in the amount of \$911,000 at an interest rate not to exceed 2.75 percent per annum, maturing over a 40-year period.
4. The proceeds from the proposed bond issuance shall be used only for the purposes specified in Western Pulaski District's application.
5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Western Pulaski District may use such surplus to construct an additional plant facility if Rural Utilities Service approves of the use and the additional construction will not result in a change in Western Pulaski District's rates for service. Western Pulaski District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.
6. Western Pulaski 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.

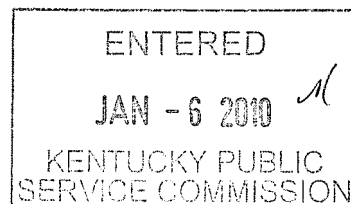
8. Within 30 days of the date of this Order, Western Pulaski District shall file with the Commission its revised tariffs setting out the rates approved herein.

9. Western Pulaski 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 effective date of this Order, Western Pulaski 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. 2009-00532 DATED JAN - 6 2010

The following rates and charges are prescribed for the customers in the area served by Western Pulaski 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 x 3/4 Inch Meter

First	2,000 Gallons	\$12.70	Minimum Bill
Over	2,000 Gallons	5.00	Per 1,000 Gallons

1 Inch Meter

First	10,000 Gallons	\$52.70	Minimum Bill
Over	10,000 Gallons	5.00	Per 1,000 Gallons

1 – 1/2 Inch Meter

First	15,000 Gallons	\$77.70	Minimum Bill
Over	15,000 Gallons	5.00	Per 1,000 Gallons

2 Inch Meter

First	20,000 Gallons	\$102.70	Minimum Bill
Over	20,000 Gallons	5.00	Per 1,000 Gallons

3 Inch Meter

First	30,000 Gallons	\$152.70	Minimum Bill
Over	30,000 Gallons	5.00	Per 1,000 Gallons

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