

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BRONSTON WATER)
ASSOCIATION, INC. OF WAYNE AND PULASKI)
COUNTIES, KENTUCKY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE NO.
TO CONSTRUCT, FINANCE AND INCREASE) 2010-00372
RATES PURSUANT TO THE PROVISIONS OF)
KRS 278.023)

O R D E R

On September 17, 2010, Bronston Water Association, Inc. ("Bronston Association") applied for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project, authorization to borrow \$462,000, and authorization to adjust its water service rates. The proposed waterworks improvement project consists of the construction and installation of approximately 22,650 linear feet of three-inch and six-inch water main to replace existing lines along Kentucky Highway 790, Twin Rivers Road, Old Kentucky 90 Loop, Cumberland Drive, and Woodson Cove near Bronston, Kentucky. Estimated total cost of the project is \$660,000.

The applicant proposes to finance the construction of the project through a loan of \$462,000 and a grant of \$198,000 from Rural Development ("RD"), an agency of the U.S. Department of Agriculture. The applicant will repay the loan amount over a 40-year period at an interest rate not to exceed 2.50 percent per annum.

Bronston Association'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 this case on September 17, 2010, 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. Bronston Association is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Bronston Association's proposed plan of financing is accepted.
3. Bronston Association is authorized to enter into an agreement with RD to borrow \$462,000 at an interest rate not to exceed 2.50 percent per annum.
4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in Bronston Association's application.
5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Bronston Association 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 Bronston Association's rates for service. Bronston Association shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.
6. Bronston Association 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, Bronston Association shall file with the Commission its revised tariffs setting out the rates approved herein.

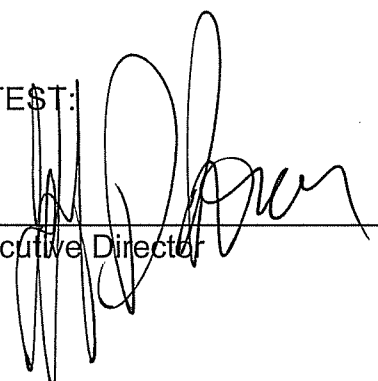
9. Bronston Association shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

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

ENTERED *sl*
OCT 13 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00372 DATED **OCT 13 2010**

The following rates and charges are prescribed for the customers in the area served by Bronston Water Association, Inc. 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" Meter

First	1,500	Gallons	\$ 15.67	Minimum Bill
All Over	1,500	Gallons	6.50	Per 1,000 Gallons

1" Meter

First	5,000	Gallons	\$ 37.72	Minimum Bill
All Over	5,000	Gallons	6.50	Per 1,000 Gallons

2" Meter

First	20,000	Gallons	\$ 105.95	Minimum Bill
All Over	20,000	Gallons	6.50	Per 1,000 Gallons

4" Meter

First	50,000	Gallons	\$ 250.85	Minimum Bill
All Over	50,000	Gallons	6.50	Per 1,000 Gallons

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