

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN LEWIS-RECTORVILLE )  
WATER DISTRICT, MASON AND LEWIS COUNTIES, )  
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY AUTHORIZING SAID )  
DISTRICT TO CONSTRUCT MAJOR WATER SYSTEM )  
ADDITIONS PURSUANT TO THE PROVISIONS OF )  
CHAPTER 74 OF THE KENTUCKY REVISED STATUTES; )  
(2) SEEKING APPROVAL OF WATER SERVICE RATES )  
AND CHARGES WITH RESPECT TO SUCH ADDITIONS; )  
AND (3) SEEKING APPROVAL OF THE ISSUANCE OF )  
CERTAIN SECURITIES )

CASE NO.  
9948

O R D E R

On April 8, 1988, the Commission entered an Order in this case approving certain water rates, but dismissing the construction and financing portion of the application because Western Lewis-Rectorville was unable to meet the requirements of the Farmers Home Administration ("FmHA") within the 10-month time period for Commission action as required by KRS 278.190(3). On August 18, 1988, Western Lewis-Rectorville Water District ("Western Lewis-Rectorville") filed a Motion to Reopen this case wherein it sought a certificate of public convenience and necessity to construct a waterworks improvement project, approval of its plan of financing for this project, and adjustments to its water service rates. On August 26, 1988, Western Lewis-Rectorville filed an Amended Motion to Reopen this case. Western

Lewis-Rectorville's application and Amended Motion were made pursuant to KRS 278.023 which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 148 additional customers. Funding for the \$824,400 project includes a \$280,000 loan from the FmHA, a \$500,000 grant from the FmHA, and \$44,400 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Western Lewis-Rectorville certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Western Lewis-Rectorville of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Western Lewis-Rectorville must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. The Motion as amended should be granted and this case should be reopened to consider the merits of the proposal.

2. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

3. The minimum filing requirements have been met in this case. Western Lewis-Rectorville's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

4. Western Lewis-Rectorville should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Western Lewis-Rectorville should take immediate action to bring the system into compliance with the Commission's regulations.

5. Western Lewis-Rectorville should be granted a certificate of public convenience and necessity for the proposed construction project. The proposed construction financing plan with FmHA and the adjustment of water service rates should also be approved.

6. Western Lewis-Rectorville should require the engineer to furnish within 60 days of the date of substantial completion of this construction 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.

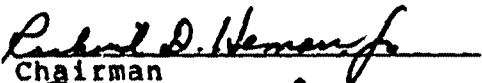
7. Western Lewis-Rectorville should file the proposed water service rates as set out in Appendix A in accordance to 807 KAR 5:011, within 30 days of the date of this Order.

BE IT SO ORDERED.

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

Done at Frankfort, Kentucky, this 22nd day of September, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9948 DATED 9/22/88

The following rates and charges are authorized for the customers in the area served by Western Lewis-Rectorville Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Rate Block</u>	<u>Rate</u>
First 1,000 gallons	\$5.05 Minimum Bill
Next 4,000 gallons	2.15 per 1,000 gallons
Next 10,000 gallons	1.50 per 1,000 gallons
Over 15,000 gallons	1.25 per 1,000 gallons
Truck Sales	4.15 per 1,000 gallons