

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KIRKSVILLE WATER)
ASSOCIATION, INC., FOR ORDER)
APPROVING CONSTRUCTION FINANCING,) CASE NO. 89-222
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AND INCREASED RATES)

O R D E R

On August 8, 1989, Kirksville Water Association, Inc., ("Kirksville") filed an application for a Certificate of Public Convenience and Necessity to construct a \$656,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 105 additional customers. Project funding includes a \$635,000 loan from the Farmers Home Administration ("FmHA") and \$21,000 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 6 3/8 percent per annum.

Kirksville's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. The

minimum filing requirements were met in this case on August 28, 1989. The Commission has no discretionary authority to modify or reject any portion of this application.

IT IS THEREFORE ORDERED that:

1. Kirksville is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Kirksville's proposed plan of financing with PmHA is accepted.

3. Kirksville 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.

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

5. Kirksville shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. Kirksville shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 6(1), Kirksville shall take immediate action to bring the system into compliance with Commission regulations.

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

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-222 DATED 9/11/89

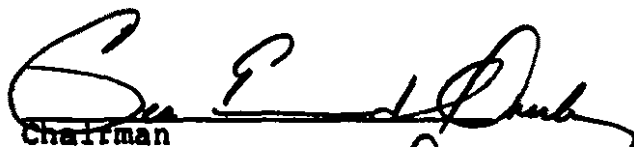
The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

First 2,000 gallons	\$9.80 (Minimum Bill)
Next 3,000 gallons	4.65 per 1,000 gallons
Next 5,000 gallons	3.60 per 1,000 gallons
Over 10,000 gallons	2.60 per 1,000 gallons

Done at Frankfort, Kentucky, this 11th day of September, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director