

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MOUNTAIN WATER DISTRICT)
OF PIKE COUNTY, KENTUCKY, FOR A CERTIFICATE) CASE NO.
OF PUBLIC CONVENIENCE AND NECESSITY, TO) 90-354
CONSTRUCT, FINANCE AND INCREASE RATES)

O R D E R

On November 13, 1990, Mountain Water District ("Mountain Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$2,247,900 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 350 additional customers. Project funding includes a \$1,488,000 loan from the Farmers Home Administration ("FmHA"), a \$744,000 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$15,900 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.

Mountain Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts 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. Given that minimum filing requirements were met in this case on November 13,

1990, KRS 278.023 does not grant to the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

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

2. Mountain Water's proposed plan of financing with FmHA is accepted.

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

6. Mountain Water 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), Mountain Water shall take immediate action to bring the system into compliance with Commission regulations.

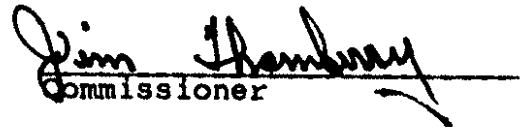
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 13th day of December, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-354 DATED 12/13/90

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

MONTHLY RATES BY METER SIZE

5/8 x 3/4-Inch

First 2,000 gallons \$ 13.50 minimum
Over 2,000 gallons 3.10 per 1,000 gallons

1-Inch

First 15,000 gallons 53.80 minimum bill
Over 15,000 gallons 3.10 per 1,000 gallons

2-Inch

First 50,000 gallons 162.30 minimum bill
Over 50,000 gallons 3.10 per 1,000 gallons

3-Inch

First 75,000 gallons 239.80 minimum bill
Over 75,000 gallons 3.10 per 1,000 gallons

4-Inch

First 100,000 gallons 317.30 minimum bill
Over 100,000 gallons 3.10 per 1,000 gallons

6-Inch

First 150,000 gallons 472.30 minimum bill
Over 150,000 gallons 3.10 per 1,000 gallons

Connection Fees by Meter Size

5/8 x 3/4 Inch \$425.00
1 Inch 500.00
Over 1 Inch Actual Cost of Connection