

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ESTILL COUNTY WATER)	
DISTRICT NO. 1 OF ESTILL COUNTY, KENTUCKY,)	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY, TO CONSTRUCT, FINANCE AND)	91-380
INCREASE RATES)	

O R D E R

On October 22, 1991, Estill County Water District No. 1 ("Estill Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,120,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. On November 13, 1991, Estill Water amended its application to revise the proposed rates. This project will provide service to 161 additional customers. Project funding includes a \$622,000 loan from the Farmers Home Administration ("FmHA"), a \$266,100 Community Development Block Grant ("CDBG") from the U.S. Department of Housing and Urban Development ("HUD"), a \$206,600 grant from the Appalachian Regional Commission ("ARC"), and \$25,300 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.

Estill Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA or HUD 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 October 22, 1991, 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. Estill Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Estill 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.

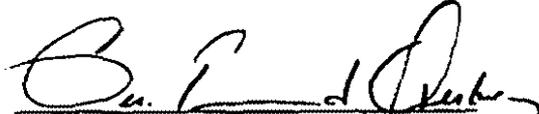
5. Estill Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

6. Estill 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), Estill 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 21st day of November, 1991.

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. 91-380 DATED 11/21/91

The following rates and charges are prescribed for the customers in the area served by Estill County Water District No. 1. 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.

Usage Blocks

First 2,000 gallons
Next 3,000 gallons
Next 5,000 gallons
Over 10,000 gallons

Monthly Water Rates

\$9.50 Minimum Bill
4.50 per 1,000 gallons
4.35 per 1,000 gallons
2.85 per 1,000 gallons

Minimum Bills

Meter Size

5/8 Inch x 3/4 Inch
1 Inch
2 Inch

Gallons

2,000 \$ 9.50
5,000 23.00
16,000 61.85