

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE SIMPSON COUNTY)
WATER DISTRICT, SIMPSON COUNTY, KENTUCKY,)
(1) FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AUTHORIZING)
CONSTRUCTION OF MAJOR IMPROVEMENTS AND)
ADDITIONS TO ITS EXISTING MUNICIPAL WATER)
DISTRIBUTION SYSTEM; (2) SEEKING APPROVAL)
OF REVISED WATER SERVICE RATES AND)
CHARGES; AND (3) SEEKING APPROVAL OF THE)
ISSUANCE OF CERTAIN SECURITIES)

CASE NO.
93-054

O R D E R

On February 12, 1993, Simpson County Water District ("Simpson Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$2,012,900 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 66 additional customers and construct transmission and storage facilities. Project funding includes a \$1,998,000 loan from the Farmers Home Administration ("FmHA"), and \$14,900 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.

Simpson 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 February 12, 1993, 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. Simpson Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

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

6. Simpson 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 5(1), Simpson Water shall take immediate action to bring the system into compliance with Commission regulations.

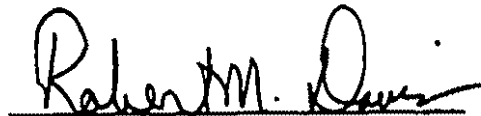
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 11th day of March, 1993.

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. 93-054 DATED MARCH 11, 1993

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

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$11.35 Minimum Bill
Next 8,000 gallons	3.65 per 1,000 gallons
Next 190,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

3/4 Inch Meter

First 3,000 gallons	\$15.45 Minimum Bill
Next 7,000 gallons	3.65 per 1,000 gallons
Next 190,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$23.20 Minimum Bill
Next 5,000 gallons	3.65 per 1,000 gallons
Next 190,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$46.85 Minimum bill
Next 190,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

2 Inch Meter

First 16,000 gallons	\$66.80 Minimum Bill
Next 184,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

3 Inch Meter

First 30,000 gallons	\$134.50 Minimum Bill
Next 170,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

4 Inch Meter

First 50,000 gallons	\$201.90 Minimum Bill
Next 150,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

6 Inch Meter

First 100,000 gallons	\$369.50 Minimum Bill
Next 100,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

8 Inch Meter

First 160,000 gallons	\$573.50 Minimum Bill
Next 40,000 gallons	3.10 per 1,000 gallons
Next 400,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons

10 Inch Meter

First 550,000 gallons	\$1,695.50 Minimum Bill
Next 50,000 gallons	2.80 per 1,000 gallons
Over 600,000 gallons	1.65 per 1,000 gallons