

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTH LOGAN WATER)	
ASSOCIATION, INC., LOGAN COUNTY, KENTUCKY,)	CASE NO.
AUTHORIZING SAID ASSOCIATION TO CONSTRUCT)	93-099
AN ADDITION TO WATER DISTRIBUTION SYSTEM,)	
AND APPROVAL OF WATER RATE INCREASE)	

O R D E R

On March 23, 1993, South Logan Water Association, Inc. ("South Logan") filed an application for a Certificate of Public Convenience and Necessity to construct a \$611,700 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 76 additional customers. Project funding includes a \$419,500 loan from the Farmers Home Administration ("FmHA"), a \$177,200 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$15,000 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.

South Logan's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations 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 March 31,

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

2. South Logan's proposed plan of financing with FmHA and HUD is accepted.

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

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

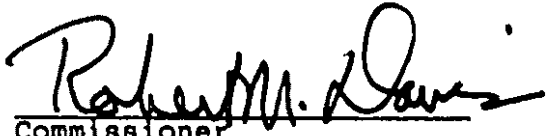
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 12th day of April, 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. 93-099 DATED APRIL 12, 1993

The following rates and charges are prescribed for the customers in the area served by South Logan 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

5/8 Inch Meter

First 2,000 gallons	\$10.00 Minimum Bill
Next 2,000 gallons	4.50 per 1,000 gallons
Next 2,000 gallons	3.50 per 1,000 gallons
Next 4,000 gallons	2.50 per 1,000 gallons
All Over 10,000 gallons	2.00 per 1,000 gallons

3/4 Inch Meter

First 3,000 gallons	\$14.50 Minimum Bill
Next 1,000 gallons	4.50 per 1,000 gallons
Next 2,000 gallons	3.50 per 1,000 gallons
Next 4,000 gallons	2.50 per 1,000 gallons
All Over 10,000 gallons	2.00 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$22.50 Minimum Bill
Next 1,000 gallons	3.50 per 1,000 gallons
Next 4,000 gallons	2.50 per 1,000 gallons
All Over 10,000 gallons	2.00 per 1,000 gallons

1 1/2 Inch Meter

First 25,000 gallons	\$66.00 Minimum Bill
All Over 25,000 gallons	2.00 per 1,000 gallons

2 Inch Meter

First 50,000 gallons	\$116.00 Minimum Bill
All Over 50,000 gallons	2.00 per 1,000 gallons