

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT LICK WATER	)	
ASSOCIATION OF LEWIS COUNTY, KENTUCKY,	)	
FOR ORDER APPROVING CONSTRUCTION,	)	CASE NO.
FINANCING, CERTIFICATE OF PUBLIC	)	93-384
CONVENIENCE AND NECESSITY, AND	)	
INCREASED RATES	)	

O R D E R

On October 15, 1993, Salt Lick Water Association ("Salt Lick") filed an application for a Certificate of Public Convenience and Necessity to construct a \$786,200 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 108 additional customers. Project funding includes a \$248,300 loan from the Farmers Home Administration and Rural Development Administration ("FmHA/RDA"), a \$224,700 grant from FmHA, a \$294,600 Community Development Block Grant from the U. S. Department of Housing and Urban Development ("HUD"), and \$18,600 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.

Salt Lick's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water associations and FmHA/RDA 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 15, 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. Salt Lick is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Salt Lick's proposed plan of financing with FmHA/RDA is accepted.

3. Salt Lick 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.

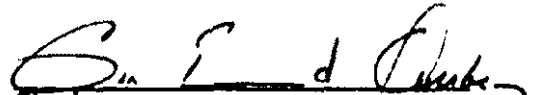
5. Salt Lick shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

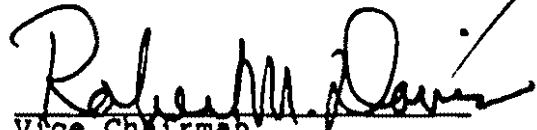
6. Salt Lick shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Salt Lick shall take immediate action to bring the 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 November, 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. 93-384 DATED NOVEMBER 12, 1993.

The following rates and charges are prescribed for the customers in the area served by Salt Lick Water Association. 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 1,500 gallons	\$12.12 Minimum Bill
Next 3,500 gallons	2.90 per 1,000 gallons
Next 5,000 gallons	2.60 per 1,000 gallons
Next 10,000 gallons	2.50 per 1,000 gallons
Over 20,000 gallons	2.30 per 1,000 gallons