

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WHITLEY COUNTY WATER)	
DISTRICT, OF WHITLEY COUNTY, KENTUCKY,)	
FOR: (1) CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY, AUTHORIZING)	
AND PERMITTING SAID WATER DISTRICT TO)	
CONSTRUCT A WATERWORKS CONSTRUCTION)	
PROJECT, CONSISTING OF EXTENSIONS,)	CASE NO.
ADDITIONS, AND IMPROVEMENTS TO THE)	93-398
EXISTING WATERWORKS SYSTEM OF THE)	
DISTRICT; (2) APPROVAL OF THE PROPOSED)	
PLAN OF FINANCING OF SAID PROJECT; AND)	
(3) APPROVAL OF INCREASED RATES PROPOSED)	
TO BE CHARGED TO THEIR CUSTOMERS; (4))	
APPROVAL OF THE EXTENSION OF ITS SERVICE)	
AREA)	

O R D E R

On October 25, 1993, Whitley County Water District ("Whitley Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,920,000 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 100 additional customers. Project funding includes a \$750,000 loan from the Farmers Home Administration and Rural Development Administration ("FmHA/RDA"), a \$790,000 grant from FmHA/RDA, a \$350,000 grant from the Appalachian Regional Commission, and \$30,000 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.

Whitley Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and FmHA/RDA 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 25, 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. Whitley Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Whitley Water's proposed plan of financing with FmHA/RDA is accepted.

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

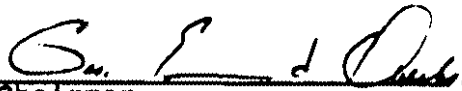
6. Whitley Water shall monitor the adequacies of the expanded water distribution system after construction. If the

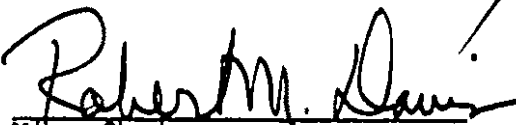
level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Whitley Water shall take immediate action to bring the system into compliance with Commission regulations.


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 23rd 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. 93-398 DATED NOVEMBER 23, 1993.

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

Metered Customers

First 1,000 gallons	\$10.00 Minimum Bill
Next 4,000 gallons	4.00 per 1,000 gallons
Next 95,000 gallons	3.50 per 1,000 gallons
Over 100,000 gallons	3.00 per 1,000 gallons

Non-Metered Customers

\$26.00 per month flat rate