

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE MORGAN COUNTY WATER)
DISTRICT, A WATER DISTRICT ORGANIZED PURSUANT)
TO CHAPTER 74 OF THE KENTUCKY REVISED STATUTES,)
IN MORGAN COUNTY, KENTUCKY, AND THE COUNTY OF)
MORGAN, KENTUCKY, ACTING BY AND THROUGH ITS FISCAL)
COURT FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AUTHORIZING AND PERMITTING THE)
CONVEYANCE OF PHASE I OF THE IDENTIFIED WATER)
DISTRIBUTION SYSTEM IMPROVEMENTS FROM THE COUNTY)
TO THE DISTRICT; (2) A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AUTHORIZING AND)
PERMITTING SAID WATER DISTRICT TO CONSTRUCT WATER)
DISTRIBUTION SYSTEM IMPROVEMENTS, CONSISTING OF)
PHASE II HEREINAFTER IDENTIFIED; (3) THE APPROVAL)
OF THE PROPOSED PLAN OF FINANCING SAID PHASE II;)
AND (4) THE APPROVAL OF RATES AND CHARGES FOR)
WATER SERVICE SUPPLIED BY THE DISTRICT)

CASE NO.
93-438

O R D E R

On December 20, 1993, the Commission issued an Order in this proceeding granting Morgan County Water District ("Morgan Water") a Certificate of Public Convenience and Necessity for a proposed construction project financed in part by the Farmers Home Administration ("FmHA"). The Order was issued 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 filing requirements.

On January 4, 1994, Morgan Water filed a letter with the Commission requesting reconsideration of the proposed financing and rates. This reconsideration would bring the Commission's Order

into agreement with FmHA's Amended Letter of Conditions. The Commission will treat Morgan Water's letter as a Motion. The Commission's December 20, 1993 Order states as follows:

[a] \$792,000 waterworks improvement project . . . Project funding includes a \$300,000 loan from FmHA, a \$235,000 grant from FmHA, a \$195,000 grant from the Appalachian Regional Commission ("ARC") and \$62,000 from applicants for service in the proposed service area.

IT IS THEREFORE ORDERED that:

1. Morgan Water's motion for reconsideration is hereby granted.

2. The financial arrangements for this case are amended to read as follows:

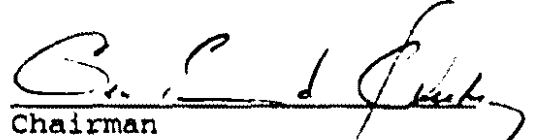
[a] \$795,000 waterworks improvement project . . . Project funding includes a \$317,000 loan from FmHA, a \$283,000 grant from FmHA, and a \$195,000 grant from the Appalachian Regional Commission ("ARC").

3. 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.

4. All other terms and provisions of the Commission's December 20, 1994 Order are hereby reaffirmed.

Done at Frankfort, Kentucky, this 24th day of January, 1994.

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. 93-438 DATED JANUARY 24, 1994

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

<u>Usage</u>	<u>Charges</u>
First 2,000 Gallons	\$12.25 Minimum Bill
Next 3,000 Gallons	5.00 Per 1,000 Gallons
Next 5,000 Gallons	4.00 Per 1,000 Gallons
Next 5,000 Gallons	3.75 Per 1,000 Gallons
All Over 15,000 Gallons	3.50 Per 1,000 Gallons
Tap-On Fee	\$300