

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ALTON WATER DISTRICT)
OF ANDERSON COUNTY, KENTUCKY, FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 94-026
NECESSITY TO CONSTRUCT, FINANCE AND)
INCREASE RATES PURSUANT TO KRS 278.023)

O R D E R

On January 26, 1994, Alton Water District ("Alton Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$310,582 sewage improvement project, for approval of its plan of financing for this project, and for adjustments to its sewer service rates. This project will provide sewer service to 23 additional customers. Project funding includes a \$97,000 loan from the Farmers Home Administration ("FmHA"), a \$49,700 grant from FmHA, and a \$163,882 grant from the Environmental Protection Agency. The loan will be for a 40-year period at an interest rate of 5.625 percent per annum.

Alton 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 4, 1994, 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. Alton Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

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

3. Alton 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.

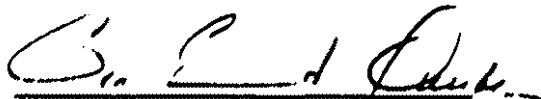
4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

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

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 22nd day of February, 1994.

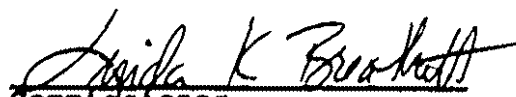
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-026 DATED FEBRUARY 22, 1994

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

Monthly Rates

First 2,000 gallons	\$ 10.30 (Minimum Bill)
Next 2,000 gallons	4.20 per 1,000 gallons
Next 2,000 gallons	3.45 per 1,000 gallons
Next 4,000 gallons	2.65 per 1,000 gallons
Over 10,000 gallons	2.05 per 1,000 gallons