

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BATH COUNTY WATER)
DISTRICT OF BATH, MENIFEE AND MONTGOMERY)
COUNTIES, KENTUCKY, FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY TO) CASE NO. 94-280
CONSTRUCT, FINANCE AND INCREASE RATES)
PURSUANT TO KRS 278.023)

O R D E R

On July 27, 1994, Bath County Water District ("Bath County") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,341,700 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 225 additional customers. Project funding includes a \$280,000 bond issue to be purchased pursuant to an agreement with Farmers Home Administration ("FmHA"), a \$520,000 grant from FmHA, a \$179,000 grant from the Appalachian Regional Commission ("ARC"), a \$341,700 Community Development Block Grant from the U.S. Department of Housing and Urban Development ("HUD"), and \$21,000 from applicants for service in the proposed project area. The bonds will be financed for a 40-year period from the date of the bond issuance at an interest rate of 5 percent per annum.

Bath County's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts 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 July 27, 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. Bath County is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Bath County's proposed plan of financing with FmHA, ARC, and HUD is accepted.

3. Bath County is authorized to issue bonds not to exceed \$280,000 to be held or insured by FmHA.

4. Bath County 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.

5. 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.

6. Bath County shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Bath County 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), Bath

County shall take immediate action to bring the system into compliance with Commission regulations.

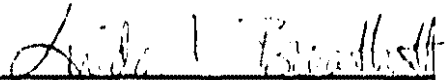
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 17th day of August, 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. 94-280 DATED August 17, 1994.

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

Monthly Water Rates

5/8" x 3/4" Meter:

First	2,000 Gallons	\$ 7.70 Minimum Bill
Next	3,000 Gallons	3.03 Per 1,000 Gallons
Next	5,000 Gallons	1.93 Per 1,000 Gallons
Next	10,000 Gallons	1.38 Per 1,000 Gallons
Next	30,000 Gallons	1.21 Per 1,000 Gallons
All Over	50,000 Gallons	1.10 Per 1,000 Gallons

3/4" Meter:

First	5,000 Gallons	\$16.79 Minimum Bill
Next	5,000 Gallons	1.93 Per 1,000 Gallons
Next	10,000 Gallons	1.38 Per 1,000 Gallons
Next	30,000 Gallons	1.21 Per 1,000 Gallons
All Over	50,000 Gallons	1.10 Per 1,000 Gallons

1" Meter:

First	10,000 Gallons	\$26.44 Minimum Bill
Next	10,000 Gallons	1.38 Per 1,000 Gallons
Next	30,000 Gallons	1.21 Per 1,000 Gallons
All Over	50,000 Gallons	1.10 Per 1,000 Gallons

1-1/2" Meter:

First	20,000 Gallons	\$40.24 Minimum Bill
Next	30,000 Gallons	1.21 Per 1,000 Gallons
All Over	50,000 Gallons	1.10 Per 1,000 Gallons

2" Meter:

First	50,000 Gallons	\$76.54 Minimum Bill
All Over	50,000 Gallons	1.10 Per 1,000 Gallons

Wholesale:

Sharpsburg
Frenchburg

\$ 1.36 Per 1,000 Gallons
1.19 Per 1,000 Gallons