

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--|---|----------|
| THE APPLICATION OF LARUE COUNTY WATER |) | |
| DISTRICT NO. 1 OF LARUE AND NELSON |) | |
| COUNTIES, KENTUCKY, FOR A CERTIFICATE |) | CASE NO. |
| OF PUBLIC CONVENIENCE AND NECESSITY TO |) | 97-284 |
| CONSTRUCT, FINANCE AND INCREASE RATES |) | |
| PURSUANT TO KRS 278.023 |) | |

O R D E R

On June 20, 1997, Larue County Water District No. 1 ("Larue Water No. 1") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,177,000 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 239 additional customers. Project funding includes a \$844,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), a Community Development Block Grant ("CDBG") in the amount of \$293,000, and a \$40,000 cash contribution from applicants for service.

Larue Water No. 1's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development 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 June 20, 1997, 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. Larue Water No. 1 is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Larue Water No. 1's proposed plan of financing with RD is accepted.

3. Larue Water No. 1 is authorized to issue bonds not to exceed \$844,000.

4. Larue Water No. 1 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. Larue Water No. 1 shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Larue Water No. 1 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), Larue Water No. 1 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 8th day of July, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Ed J. Gless
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

D. Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-284 DATED JULY 8, 1997

The following rates and charges are prescribed for the customers in the area served by Larue County Water District No. 1. 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:

5/8-Inch Meter

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 1,000 | Gallons | \$10.05 | Minimum Bill |
| Next | 4,000 | Gallons | 3.70 | Per 1,000 Gallons |
| Next | 5,000 | Gallons | 3.10 | Per 1,000 Gallons |
| All Over | 10,000 | Gallons | 2.20 | Per 1,000 Gallons |

3/4-Inch Meter

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 3,000 | Gallons | \$17.45 | Minimum Bill |
| Next | 2,000 | Gallons | 3.70 | Per 1,000 Gallons |
| Next | 5,000 | Gallons | 3.10 | Per 1,000 Gallons |
| All Over | 10,000 | Gallons | 2.20 | Per 1,000 Gallons |

1-Inch Meter

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 5,000 | Gallons | \$24.85 | Minimum Bill |
| Next | 5,000 | Gallons | 3.10 | Per 1,000 Gallons |
| All Over | 10,000 | Gallons | 2.20 | Per 1,000 Gallons |

1-1/2 Inch Meter

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 10,000 | Gallons | \$40.35 | Minimum Bill |
| All Over | 10,000 | Gallons | 2.20 | Per 1,000 Gallons |

2-Inch Meter

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 20,000 | Gallons | \$62.35 | Minimum Bill |
| All Over | 20,000 | Gallons | 2.20 | Per 1,000 Gallons |

A \$3.50 monthly surcharge will be assessed to those users on the Nelsonville-Icetown Water Project.