

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NICHOLAS COUNTY WATER)
DISTRICT OF NICHOLAS COUNTY, KENTUCKY, FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO.
NECESSITY TO CONSTRUCT, FINANCE AND INCREASE) 97-390
RATES PURSUANT TO KRS 278.023)

O R D E R

On September 17, 1997, Nicholas County Water District ("Nicholas Water") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,039,740 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 new service to 120 additional customers and upgrade service to 30 existing customers. Project funding is a \$247,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), a \$247,000 grant from the RD, a \$519,640 Community Development Block Grant ("CDBG"), a \$10,000 contribution from the Nicholas County Fiscal Court, and a \$16,100 contribution from the Applicant.

Nicholas Water'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 September 17, 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. Nicholas Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Nicholas Water's proposed plan of financing with RD is accepted.

3. Nicholas Water is authorized to issue bonds not to exceed \$247,000.

4. Nicholas 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.

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

7. Nicholas 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), Nicholas 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 17th day of October, 1997.

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. 97-390 DATED OCTOBER 17, 1997

The following rates and charges are prescribed for the customers of the area served by Nicholas 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 the Order.

5/8-inch x 3/4-inch Meter

First	1,000 gallons	\$ 13.00 Minimum Bill
Next	2,000 gallons	6.04 per 1,000 gallons
Next	2,000 gallons	5.25 per 1,000 gallons
Next	5,000 gallons	4.06 per 1,000 gallons
Next	15,000 gallons	3.67 per 1,000 gallons
All Over	25,000 gallons	3.27 per 1,000 gallons

1-inch Meter

First	3,000 gallons	25.08 Minimum Bill
Next	2,000 gallons	5.25 per 1,000 gallons
Next	5,000 gallons	4.06 per 1,000 gallons
Next	15,000 gallons	3.67 per 1,000 gallons
All Over	25,000 gallons	3.27 per 1,000 gallons

1-1/2-inch Meter

First	8,400 gallons	49.38 Minimum Bill
Next	1,600 gallons	4.06 per 1,000 gallons
Next	15,000 gallons	3.67 per 1,000 gallons
All Over	25,000 gallons	3.27 per 1,000 gallons

2-inch Meter

First	12,667 gallons	65.67 Minimum Bill
Next	12,333 gallons	3.67 per 1,000 gallons
All Over	25,000 gallons	3.27 per 1,000 gallons

3-inch Meter

First	41,125 gallons	163.66 Minimum Bill
All Over	41,125 gallons	3.27 per 1,000 gallons

4-inch Meter

First	66,125 gallons	245.41 Minimum Bill
All Over	66,125 gallons	3.27 per 1,000 gallons