

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION AND MOTION OF NORTHERN)	
KENTUCKY WATER SERVICE DISTRICT TO)	
CONSTRUCT AN EXTENSION, SUB-DISTRICT C,)	
TO SERVE APPROXIMATELY 400 NEW)	
CUSTOMERS, AND TO INSTITUTE A SURCHARGE)	CASE NO. 99-150
UNDER KRS 278.023 WITH NO CHANGE IN)	
NORTHERN'S GENERAL WATER RATES;)	
ESTIMATED FUNDING OF \$5,200,000 IN LARGE)	
MEASURE BY USDA, PLUS COMMUNITY)	
EFFORTS)	

O R D E R

On April 23, 1999, Northern Kentucky Water Service District (Northern District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$5,187,800 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 345 additional customers. Project funding is a \$2,287,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development (RD), a \$1,828,000 private bond issue, a \$886,800 Community Development Block Grant (CDBG) grant, a \$100,000 contribution from the Kenton County Fiscal Court, a \$10,000 contribution from a local fund raising, and a \$76,000 contribution from the Applicant.

Northern District'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 April 23, 1999, 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. Northern District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Northern District's proposed plan of financing with RD is accepted.
3. Northern District is authorized to issue bonds not to exceed \$4,115,000.
4. Northern District 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. Northern District shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. Three years from the effective date of this Order Northern District shall file an income statement, along with any pro forma adjustments, in sufficient detail to

demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

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 May, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-150 DATED MAY 17, 1999

The following rates and charges are prescribed for the customers in the area served by Northern Kentucky Water Service District in Sub-District C. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	200 cubic feet	\$ 5.47	Minimum bill
Next	1,300 cubic feet	1.73	per 100 cubic feet
Next	163,500 cubic feet	1.49	per 100 cubic feet
Over	165,000 cubic feet	.90	per 100 cubic feet

A \$30.00 per month surcharge will be assessed to the customers served in Sub-District C.