

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE JESSAMINE-SOUTH	)	
ELKHORN WATER DISTRICT FOR APPROVAL TO	)	
PROCEED WITH PROJECT CONSTRUCTION	)	
PRIMARILY FINANCED BY U.S. DEPARTMENT OF	)	
AGRICULTURE AND THE U.S. DEPARTMENT OF	)	CASE NO. 99-287
HOUSING AND URBAN DEVELOPMENT AND TO	)	
CHANGE RATES IN CONJUNCTION WITH SUCH	)	
PROJECT	)	

O R D E R

On July 21, 1999, Jessamine-South Elkhorn Water District ( Jessamine District ) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$3,433,400 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 309 additional customers. Project funding is a \$2,301,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ( RD ), a \$999,700 Community Development Block Grant ( CDBG ), a \$30,000 contribution from the Jessamine County Fiscal Court, and a \$102,700 contribution from the Applicant.<sup>1</sup>

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<sup>1</sup> In its application, Jessamine District states that the proposed project would serve an additional 343 customers and would be financed through the issuance of \$1,901,000 of bonds, a \$999,700 grant from the Department of Housing and Urban Development, a \$400,000 loan from a local bank, \$72,600 from customer contributions, and \$30,000 in contributions from Jessamine District and Jessamine County Fiscal Court. As the application conflicts with terms of the Rural Development's Letter of Conditions, the Commission has used the project description and proposed financing arrangements contained in the Letter of Conditions.

Jessamine 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 July 21, 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. Jessamine District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Jessamine District's proposed plan of financing with RD is accepted.
3. Jessamine District is authorized to issue bonds not to exceed \$2,301,000.
4. Jessamine 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. Jessamine 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 Jessamine 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 29<sup>th</sup> of July, 1999.

By the Commission

ATTEST:

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Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-287 DATED JULY 29, 1999

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. 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

##### 3/ 4 x 5/8 Meter

First	2,000	gallons	\$ 21.00	Minimum bill
Next	2,000	gallons	4.85	per 1,000 gallons
Next	2,000	gallons	4.75	per 1,000 gallons
Next	10,000	gallons	4.65	per 1,000 gallons
Next	8,000	gallons	4.55	per 1,000 gallons
Over	24,000	gallons	4.45	per 1,000 gallons

##### 1 Meter

First	10,000	gallons	\$ 58.80	Minimum bill
Next	6,000	gallons	4.65	per 1,000 gallons
Next	8,000	gallons	4.55	per 1,000 gallons
Over	24,000	gallons	4.45	per 1,000 gallons

##### 2 Meter

First	24,000	gallons	\$123.10	Minimum bill
Over	24,000	gallons	4.45	per 1,000 gallons

A \$6.50 per month surcharge will be assessed to all new users served by the water expansion project.