COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF JUDY WATER ASSOCIATION)
OF MONTGOMERY COUNTY, KENTUCKY FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 2000-161
NECESSITY TO CONSTRUCT, FINANCE, AND)
INCREASE RATES PURSUANT TO THE)
PROVISIONS OF KRS 278.023)

<u>ORDER</u>

Judy Water Association of Montgomery County, Kentucky ("Judy Water") has moved to amend the Commission's Order of April 28, 2000 to reflect certain changes in its agreement with U.S. Department of Agriculture's Rural Development ("RD") to finance the proposed construction project.

Because of certain construction cost overruns, the estimated total cost of the construction project is now \$2,641,000. Project funding now consists of a Community Development Block Grant of \$1,000,000, a loan of \$1,337,000 from RD, a contribution of \$126,000 from Bourbon County Fiscal Court, a contribution of \$109,939 from Harrison County Water Association, a contribution of \$12,533 from Highland Farms, Inc., and tap-on fees of \$55,528. The change in the estimated total cost requires a revision in the amount of the proposed monthly surcharges that Judy Water will assess to customers served by the Bourbon County Waterline Extension Project. RD has issued a revised letter of conditions reflecting these changes and thus amending the original agreement between RD and Judy Water.

Having considered the motion and being otherwise sufficiently advised, the Commission finds good cause exists to grant Judy Water's Motion.

IT IS THEREFORE ORDERED that:

1. Judy Water's Motion to Amend is granted.

2. The revised plan of financing is accepted.

3. Ordering Paragraph 3 of the Commission's Order of April 28, 2000 is amended as follows: "Judy Water is authorized to issue bonds not to exceed

\$1,337,000."

4. Appendix A of the Commission's Order of April 28, 2000 is vacated and

replaced with Appendix A of this Order.

5. All provisions of the Commission's Order of April 28, 2000 not in conflict

with this Order shall remain in full force and effect.

Done at Frankfort, Kentucky, this 8th day of June, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-161 DATED JUNE 8, 2000

The following rates and charges are prescribed for the customers in the area served by Judy Water Association. 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	1,000 gallons	\$12.00 Minimum bill
Next	4,000 gallons	5.00 per 1,000 gallons
Next	5,000 gallons	4.50 per 1,000 gallons
All ove	r 10,000 gallons	4.00 per 1,000 gallons

In addition, a surcharge of \$16.77 per month will be assessed to all users served by the Bourbon County Waterline Extension Project.