

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KNOX COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE, AND INCREASE RATES)	2000-427
PURSUANT TO KRS 278.023)	

O R D E R

On September 12, 2000, East Knox County Water District ("East Knox Water") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$4,336,000 waterworks improvement project. This project consists of the installation of approximately 43 miles of water lines to serve 736 potential new customers, the construction of one 100,000 gallon and one 180,000 gallon water storage tanks, and the installation of three booster pump stations. Project funding is through the issuance of \$2,278,000 of East Knox Water's Waterworks Revenue Bonds maturing over a 40-year period at an interest rate of not exceeding 4.5 percent per annum, a Rural Development ("RD") Grant in the amount of \$995,000, a Community Development Block Grant ("CDBG") in the amount of \$1,000,000, and an applicant contribution in the amount of \$63,000.

East Knox 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 12, 2000, 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. East Knox Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. East Knox Water's proposed plan of financing with RD is accepted.
3. East Knox Water is authorized to issue bonds not to exceed \$2,278,000.
4. East Knox 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. East Knox Water shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.
6. 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.
7. Three years from the effective date of this Order, East Knox Water 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.

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

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 6th day of October, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-427 DATED OCTOBER 6, 2000

The following rates and charges are prescribed for the customers in the area served by East Knox County 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

5/8" x 3/4" Meter:

First	1,000 gallons	\$ 13.25	Minimum bill
Over	1,000 gallons	4.25	per 1,000 gallons

1" Meter:

First	4,700 gallons	\$ 29.00	Minimum bill
Over	4,700 gallons	4.25	per 1,000 gallons

2" Meter:

First	17,650 gallons	\$ 84.00	Minimum bill
Over	17,650 gallons	4.25	per 1,000 gallons

3" Meter:

First	28,250 gallons	\$ 129.00	Minimum bill
Over	28,250 gallons	4.25	per 1,000 gallons

Dewitt Water District	\$1.42	per 1,000 gallons
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Surcharge of \$4.00 per month assessed to Brush Creek Project customers.