

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN LEWIS-	)	
RECTORVILLE WATER DISTRICT, MASON AND	)	
LEWIS COUNTIES, KENTUCKY FOR (1) A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY AUTHORIZING CONSTRUCTION OF	)	
MAJOR WATER SERVICE IMPROVEMENTS AND	)	CASE NO.
ADDITIONS TO ITS COMBINED WATER AND GAS	)	2001-209
DISTRIBUTION SYSTEM, (2) SEEKING APPROVAL	)	
OF REVISED WATER SERVICE RATES AND	)	
CHARGES AND (3) SEEKING APPROVAL OF THE	)	
ISSUANCE OF CERTAIN SECURITIES	)	

O R D E R

On July 9, 2001, Western Lewis-Rectorville Water District (“Western Lewis District”) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance and revise water service rates for a \$1,719,600 water service improvements and additions project named Concord Water Project. This project consists of two contracts: Contract 6 covers the construction and installation of approximately 37 miles of 8-, 6-, 4-, and 3-inch DI and PVC water lines including a 120 GPM pump station and a radio telemetry system, and Contract 7 consists of the construction of a 150,000-gallon water storage tank. Western Lewis District proposes to fund the construction of the project through:

- A Rural Utilities Service (“RUS”) loan administered by U.S. Department of Agriculture, Rural Development in the amount of \$333,000.
- A RUS Grant in the amount of \$333,000.

- A Community Development Block Grant in the amount of \$673,600.
- An Appalachian Regional Commission Grant in the amount of \$350,000.
- An Applicant contribution in the amount of \$30,000.

Western Lewis 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 9, 2001, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

On July 31, 2001, the Attorney General filed a motion asserting his statutory right, pursuant to KRS 367.150(8), to intervene in this case. However, as noted previously, cases of this nature are constrained both by time and discretion limitations. The Attorney General did not state any specific concerns in his motion; however, as the statutory time available for processing this matter does not permit further proceedings, the Commission urges him to file any such concerns pursuant to KRS 278.260.

The Commission also has received in this docket letters from Judy and Ron Dickson ("Complainants") in which they list complaints regarding the service they receive from Western Lewis District. Statutory constraints prevent our addressing these complaints in this Order. The letters will be referred to the Commission's Consumer Services Division pursuant to 807 KAR 5:001 for processing, and a copy of this Order

shall be served upon Complainants to inform them of the current disposition of their filings.

IT IS THEREFORE ORDERED that:

1. The Attorney General's motion to intervene is granted.
2. Western Lewis District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
3. Western Lewis District's proposed plan of financing with RD is accepted.
4. 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.
5. Western Lewis 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.
6. Western Lewis District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.
7. Three years from the effective date of this Order, Western Lewis 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.
8. Western Lewis District 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 is outside the requirements of 807 KAR

5:066, Section 5(1), Western Lewis District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

9. A copy of this Order shall be served upon Complainants.

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 3<sup>rd</sup> day of August, 2001.

By the Commission

ATTEST:

Deputy W. H. Fowler  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2001-209 DATED 8/3/01

The following rates and charges are prescribed for the customers in the area served by Western Lewis-Rectorville 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

First	1,000 gallons	\$ 13.00	Minimum bill
Next	4,000 gallons	4.50	per 1,000 gallons
All Over	5,000 gallons	3.60	per 1,000 gallons