

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN PULASKI	)	
COUNTY WATER DISTRICT FOR A CERTIFICATE	)	
OF PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES	)	2001-429
PURSUANT TO KRS 278.023	)	

O R D E R

On December 10, 2001, Western Pulaski County Water District ( Western Pulaski ) submitted an application for a Certificate of Public Convenience and Necessity to construct and finance a \$2,270,000 waterworks construction project. The project consists of the construction of a 500,000-gallon water tank with appurtenances, an upgrade to the telemetry system, replacement of a pump station, an upgrade to the bridge water line, and the installation of approximately 200,000 linear feet of 3-inch to 6-inch water line. Western Pulaski proposes to finance the construction of the project through:

- The issuance of \$1,450,000 of its Waterworks Revenue Bonds, consisting of \$900,000 Series A Bonds and \$550,000 Series B Bonds. The Applicant has a commitment from Rural Development ( RD ) to purchase said bonds maturing over a 40-year period, at an interest rate not exceeding 4.50 percent per annum.
- An RD Grant in the amount of \$400,000.
- An Applicant contribution in the amount of \$420,000.

Western Pulaski'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 December 10, 2001, 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. Western Pulaski is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Western Pulaski's proposed plan of financing with RD is accepted.
3. Western Pulaski is authorized to issue bonds not to exceed \$1,450,000.
4. Western Pulaski 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. Western Pulaski shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

6. Three years from the effective date of this Order, Western Pulaski 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.

7. Western Pulaski 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 Pulaski shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

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 9<sup>th</sup> day of January, 2002.

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2001-429 DATED January 9, 2002

The following rates and charges are prescribed for the customers in the area served by Western Pulaski 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 Inch X 3/4 Inch Meter

First	2,000 gallons	\$ 10.00	Minimum bill
All Over	2,000 gallons	4.50	per 1,000 gallons

1 Inch Meter

First	10,000 gallons	\$ 46.00	Minimum bill
All Over	10,000 gallons	4.50	per 1,000 gallons

1 1/2 Inch Meter

First	15,000 gallons	\$ 68.50	Minimum bill
All Over	15,000 gallons	4.50	per 1,000 gallon

2 Inch Meter

First	20,000 gallons	\$ 91.00	Minimum bill
All Over	20,000 gallons	4.50	per 1,000 gallons