

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CHRISTIAN COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2003-00469
PURSUANT TO KRS 278.023)	

O R D E R

On December 5, 2003, Christian County Water District (Christian District) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$2,000,000 waterworks improvement project. The project consists of the construction of a 200,000-gallon elevated water storage tank with appurtenances on Old Haley's Mill Road in the Apex area; an upgrade to the telemetry system; construction of a booster pump station; and installation of approximately 18 miles of 4-inch and 6-inch water distribution lines and appurtenances to serve 87 potential customers in the Apex area.

Christian District proposes to finance the construction of the project through the issuance of United States Department of Agriculture ("USDA"), Rural Development (RD) Water System Revenue Bond in the amount of \$400,000; an RD Grant in the amount of \$600,000; and a Kentucky Infrastructure Authority Fund B grant in the amount of \$1,000,000. Christian District has a commitment from RD to purchase said \$400,000 of bonds maturing over a 40-year period, at an interest rate not exceeding 4.625 percent per annum.

Christian District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the USDA 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 5, 2003, 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. Christian District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Christian District's proposed plan of financing with RD is accepted.
3. Christian District is authorized to issue Water System Revenue Bonds, in the amount of \$400,000 maturing over 40 years and at an interest rate not exceeding 4.625 percent per annum.
4. Christian 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. Christian District 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, Christian District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the proposed water rates are sufficient to meet its operating expenses and annual debt service requirements.

7. Christian 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 Administrative Regulation 807 KAR 5:066, Section 5(1), Christian District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

8. 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.

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 29th day of December, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00469 DATED December 29, 2003

The following rates and charges are prescribed for the customers in the area served by Christian 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.

5/8 Inch Meter

First 0 gallons
Over 0 gallons

Rate

\$15.00 Minimum Bill
4.50 per 1,000 gallons

1" Inch Meter

First 5,000 gallons
Over 5,000 gallons

\$37.50 Minimum Bill
4.50 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons
Over 10,000 gallons

\$60.00 Minimum Bill
4.50 per 1,000 gallons

2 Inch Meter

First 50,000 gallons
Over 50,000 gallons

\$240.00 Minimum Bill
4.50 per 1,000 gallons

4 Inch Meter

First 100,000 gallons
Over 100,000 gallons

\$465.00 Minimum Bill
4.50 per 1,000 gallons