

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN-TAYLOR WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE, AND INCREASE RATES)	2004-00272
PURSUANT TO KRS 278.023)	

O R D E R

On July 2, 2004, Green-Taylor Water District ("Green-Taylor District") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$2,016,000 waterworks improvement project. The project consists of the construction of a 200,000-gallon water tank with appurtenances, the construction of a new booster pump station and renovation of an existing booster pump station, and the installation of approximately 19.3 miles of water distribution line and appurtenances.

Green-Taylor District proposes to finance the construction of the project through the issuance of \$970,000 of its Water Revenue Bonds consisting of \$673,000 of Series A Bonds and \$297,000 of Series B Bonds, a grant from the United States Department of Agriculture ("USDA"), acting through Rural Development ("RD"), in the amount of \$846,000, and a Kentucky Infrastructure Authority 2020 Program grant in the amount of \$200,000. Green-Taylor District has a commitment from RD to purchase said \$970,000 of bonds maturing over a 40-year period, at an interest rate not exceeding 4.75 percent per annum as to the Series A Bonds and 4.375 percent per annum as to the Series B Bonds.

Green-Taylor 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 July 2, 2004, 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. Green-Taylor District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Green-Taylor District's proposed plan of financing is accepted.
3. Green-Taylor District is authorized to issue Water System Revenue Bonds in the amount of \$673,000 of Series A Bonds and \$297,000 of Series B Bonds maturing over 40 years and at an interest rate not exceeding 4.75 percent per annum as to the Series A Bonds and an interest rate of 4.375 percent per annum as to the Series B Bonds.
4. The proceeds from the revenue bond issuance shall be used only for the purposes specified in Green-Taylor District's application.
5. Green-Taylor District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.
6. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Green-Taylor District may use such surplus to construct additional plant facility if RD approves of the use and the additional construction will not result in a change in Green-Taylor District's rates for service.

Green-Taylor District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

7. Green-Taylor 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.

8. Green-Taylor District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

9. Three years from the effective date of this Order, Green-Taylor 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.

10. Green-Taylor 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), Green-Taylor District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

11. 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.

12. Within 30 days of the date of this Order, Green-Taylor District shall file revised tariff sheets setting out the rates approved in Appendix A.

Nothing contained herein shall be deemed a warranty on the part of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 23rd day of July, 2004.

By the Commission

ATTEST:


Executive Director

Case No. 2004-00272

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00272 DATED July 23, 2004

The following rates and charges are prescribed for the customers in the area served by Green-Taylor 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" X 3/4" Meter:

First	2,000 gallons	\$16.80 minimum bill
Next	3,000 gallons	6.95 per 1,000 gallons
Next	5,000 gallons	5.50 per 1,000 gallons
All Over	10,000 gallons	3.40 per 1,000 gallons

3/4" Meter:

First	3,000 gallons	\$23.25 minimum bill
Next	2,000 gallons	6.95 per 1,000 gallons
Next	5,000 gallons	5.50 per 1,000 gallons
All over	10,000 gallons	3.40 per 1,000 gallons

1" Meter:

First	5,000 gallons	\$36.15 minimum bill
Next	5,000 gallons	5.50 per 1,000 gallons
All over	10,000 gallons	3.40 per 1,000 gallons

1-1/2" Meter:

First	10,000 gallons	\$61.15 minimum bill
All over	10,000 gallons	3.40 per 1,000 gallons

2" Meter:

First	20,000 gallons	\$90.15 minimum bill
All over	20,000 gallons	3.40 per 1,000 gallons