

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)	2008-00149
RATES PURSUANT TO KRS 278.023)	

O R D E R

On April 22, 2008, Christian County Water District (“Christian District”) applied for a Certificate of Public Convenience and Necessity to construct, authorization to issue revenue bonds and adjust its water service rates for a \$3,561,000 waterworks improvement project. This project includes the construction and installation of an upgrade to the telemetry system, a new booster pumping station, master meters, approximately 48 miles of water distribution main and appurtenances, and relocation of an existing booster pump station.

Christian District proposes to finance the construction of the project through the issuance of \$1,850,000 of Waterworks Revenue Bonds; a United States Department of Agriculture, Rural Development (“RD”) grant in the amount of \$650,000; an appropriation from the Kentucky General Assembly in the amount of \$1,000,000; and internal funds in the amount of \$61,000. Christian District has obtained a commitment from RD to purchase \$1,850,000 of its bonds maturing over a 40-year period, at an interest rate not exceeding 4.375 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 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 the case on April 22, 2008, 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 enter into an agreement with RD to borrow \$830,000 at an interest rate not to exceed 4.375 percent per annum.
4. The proceeds from the loan agreement with RD shall be used only for the purposes specified in Christian District's application.
5. Notwithstanding Ordering Paragraph 4, if surplus funds remain after the approved construction has been completed, Christian District may use such surplus to construct an additional plant facility if RD approves of the use and the additional construction will not result in a change in Christian District's rates for service. Christian District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.
6. 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.

7. 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.

8. Within 30 days of the date of this Order, Christian District shall file with the Commission its revised tariffs setting out the rates approved herein.

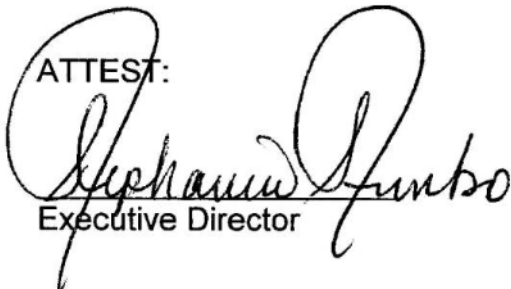
9. Christian District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

10. 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 rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

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 21st day of May, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00149 DATED May 21, 2008.

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.

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	0 Gallons	\$ 16.00	Minimum Bill
All over	0 Gallons	5.65	Per 1,000 Gallons

1 Inch Meter

First	5,000 Gallons	\$ 44.25	Minimum Bill
All Over	5,000 Gallons	5.65	Per 1,000 Gallons

1 1/2 Inch Meter

First	10,000 Gallons	\$ 72.50	Minimum Bill
All Over	10,000 Gallons	5.65	Per 1,000 Gallons

2 Inch Meter

First	50,000 Gallons	\$ 298.50	Minimum Bill
All Over	50,000 Gallons	5.65	Per 1,000 Gallons

4 Inch Meter

First	100,000 Gallons	\$ 581.00	Minimum Bill
All Over	100,000 Gallons	5.65	Per 1,000 Gallons