

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST CASEY COUNTY)	
WATER DISTRICT FOR APPROVAL OF)	
FINANCING AND ISSUANCE OF A)	CASE NO.
CERTIFICATE OF CONVENIENCE AND)	2014-00378
NECESSITY)	

- ORDER

East Casey County Water District ("East Casey District") has applied for a Certificate of Public Convenience and Necessity ("CPCN") to construct and acquire certain water facilities and for approval of its plan to finance the proposed construction and acquisition.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. East Casey District, a water district organized under KRS Chapter 74, owns and operates facilities that distribute water to approximately 4,483 customers in Casey and Lincoln counties, Kentucky.¹

2. East Casey District's initial application, which was received on October 27, 2014, was supplemented and accepted as filed with the Commission on January 20, 2015. No person has sought intervention in this matter. East Casey District has not requested a hearing in this matter, and the Commission finds the record complete.

¹ *Annual Report of East Casey County Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2013* at 12, 53, and 61.

3. East Casey District's proposed project consists of the construction and installation of a new pump station to replace the existing Allen Town Pump Station. The project also includes the acquisition and installation of approximately 2,500 Hersey 420 Bronze residential meters² with Automated Meter Reading ("AMR") modules to replace existing residential meters.³

4. East Casey District states that its number of customers has approximately doubled since the existing underground Allen Town Pump Station was last upgraded in 1998. The pump station was built in 1992. East Casey District asserts that the construction of the new aboveground Allen Town Pump Station should aid East Casey District in providing adequate water service during peak customer demand and mitigate any potential confined-space entry hazards.⁴

5. East Casey District will have replaced and converted to the AMR system all its residential meters after this project. East Casey District states that it will realize approximately \$2,000 in savings per month, as the AMR system will reduce inaccurate meter readings, meter re-reads and re-billings, and billing errors.⁵

6. Total cost of the proposed project is approximately \$450,000.

7. Kenvirons, Inc. of Frankfort, Kentucky, prepared the plans and specifications for the proposed project.

² East Casey Districts response to a telephone request by Commission Staff, filed Mar. 2, 2015.

³ Application at 2.

⁴ *Id.* at 3.

⁵ *Id.* at 4.

8. The Kentucky Division of Water (“KDOW”) has approved the plans and specifications for the proposed pump station project.⁶

9. Approval from the KDOW is not required for the AMR portion of the proposed project.

10. The proposed construction and acquisition will not result in wasteful duplication of existing facilities.

11. The proposed construction and acquisition does not conflict with any existing certificates or the service of any other utility operating in the area.

12. Public convenience and necessity require the proposed construction to allow East Casey District to continue to provide reliable and adequate water service to its customers.

13. In Case No. 2013-00155,⁷ the Commission authorized East Casey District to execute a loan Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”) to borrow an amount not to exceed \$1,545,000.

14. East Casey District has \$450,000 remaining from the \$1,545,000 KIA loan that it will use to fund the proposed construction of the Allen Town Pump Station and the installation of 2,500 AMR meters. This construction expands the scope of the previously approved project in Case No. 2013-00155 by providing additional system enhancements.

⁶ Letter from Mark Rasche, Professional Engineer, Supervisor, Engineering Section, Water Infrastructure Branch, KDOW, to Andy Greynolds, East Casey Co. Water District (January 14, 2015), East Casey District Response to Request for Information.

⁷ Case No. 2013-00155, *Application of East Casey County Water District for Approval of Financing and Issuance of a Certificate of Convenience and Necessity* (Ky. PSC June 7, 2013) at 5.

IT IS THEREFORE ORDERED that:

1. East Casey District is granted a CPCN to proceed with the proposed construction and acquisition as set forth in its Application.

2. Prior to placing the proposed meters in service, East Casey District shall ensure that each meter is tested for accuracy by an approved agency or utility and a Commission-certified meter tester pursuant to 807 KAR 5:006, Section 17.

3. East Casey District shall adopt procedures to test its meters as soon as possible after removal from service and shall maintain test records in accordance with 807 KAR 5:006, Section 18.

4. East Casey District shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

5. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

6. East Casey District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g., engineering, legal, administrative) within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

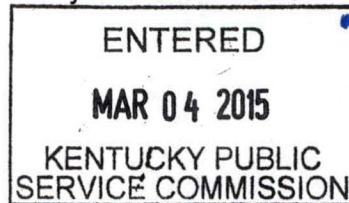
7. East Casey District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

8. East Casey District shall require construction to be inspected, under the general supervision of a licensed professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

9. Any documents filed in the future pursuant to ordering paragraphs 4, 6, and 7 shall reference this case number and shall be retained in the utility's general correspondence file.

10. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon East Casey District's showing of good cause for such extension.

By the Commission



ATTEST:



Executive Director

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