

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF EAST DAVIESS COUNTY )  
WATER ASSOCIATION, INC., ORGANIZED )  
PURSUANT TO CHAPTER 273, OF THE KENTUCKY )  
REVISED STATUTES, FOR (1) A CERTIFICATE )  
OF PUBLIC CONVENIENCE AND NECESSITY, )  
AUTHORIZING AND PERMITTING SAID WATER )  
ASSOCIATION TO CONSTRUCT A WATERWORKS )  
CONSTRUCTION PROJECT, CONSISTING OF )  
EXTENSIONS, ADDITIONS AND IMPROVEMENTS )  
TO THE EXISTING WATERWORKS SYSTEM; )  
(2) APPROVAL OF PROPOSED PLAN OF FINANC- )  
ING; (3) APPROVAL OF THE INCREASED WATER )  
RATES PROPOSED TO BE CHARGED BY THE )  
ASSOCIATION; (4) APPROVAL TO ESTABLISH )  
A WATER PURCHASED ADJUSTMENT TARIFF )  
PROVISION )

CASE NO. 8091

O R D E R

Preface

This Order supplements two Interim Orders of this Commission which were entered in this matter on February 4, 1981, and on April 22, 1981, in response to a petition filed December 4, 1980, by the East Daviess County Water Association, Inc., ("Utility") and the formal hearings of January 20, 1981, and March 12, 1981.

The February 4, 1981, Order certificated a \$656,400 construction project for which \$800,000<sup>(1)</sup> financing had been secured prior

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(1) The \$800,000 financing includes \$10,700 in contributions from applicants for water service, a \$235,300 FmHA grant and a \$554,000 FmHA loan at 5% interest with a 40-year amortization period.

to project advertisement. Said Order addressed the funded surplus of approximately \$143,600 resulting from the receipt of exceptionally competitive bids and found that it should be utilized to fund additional improvements to the Utility's water distribution system. The rate determination in the Order issued April 22, 1981, included debt service expense on the Utility's total financing for the construction certificated February 4, 1981, and that now proposed.

On September 16, 1981, the Utility filed an Amendment to Petition seeking certification of the anticipated supplemental improvements to its water distribution system, in compliance with the February 4, 1981, Order.

The Utility's engineering plans, specifications, tabulation of bids, recommendation for proceeding with construction on the basis of the low bid and a letter from the Department for Natural Resources and Environmental Protection approving this proposed construction complete the record for purposes of the determinations made herein.

#### OPINION AND ORDER

The Commission, after a review of the record and being advised, is of the opinion and finds that:

1. The public convenience and necessity requires construction of the facilities now proposed by the Utility as more particularly defined by the contract documents filed with the Amendment to Petition. Further, this construction supplements the project certificated by the Order entered February 4, 1981, which is now substantially completed.

2. The proposed construction includes a booster pumping station adjacent to U.S. 60 near Maceo, 9,200 feet of 6-inch pipe, 49,050 feet of 3-inch pipe, 55 standard service connections, 420 feet of steel casing pipe and other miscellaneous items and appurtenances.

3. Findings 5, 6, 7, 8 and 9 of the February 4, 1981, Order are fully applicable to this phase of construction the same as if fully written herein.

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS that the Utility be and it is hereby granted a certificate of public convenience and necessity for construction of additional waterworks facilities at a cost of \$116,590.82 as a supplementary project to that certificated by the aforementioned Order of February 4, 1981. The said \$116,590.82 is the actual amount of the lowest bid for this work and does not include contingencies, fees and other indirect costs of construction work.

IT FURTHER ORDERED that the Utility, upon receipt of this Order, will be in compliance with the third ordering paragraph of the February 4, 1981, Order which required this Commission's approval before construction of the work certificated herein was begun.

IT IS FURTHER ORDERED that the Utility, on the basis of the scope and financing cost of the work certificated herein, is in compliance with that part of the fourth ordering paragraph of the February 4, 1981, Order wherein an amount of \$143,600 was allowed for the construction certificated herein.

IT IS FURTHER ORDERED that all other ordering paragraphs of the February 4, 1981, Order are hereby incorporated as a part of this Order the same as if fully written herein.

Done at Frankfort, Kentucky, this 6th day of October, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohy  
Chairman

Lesterius Baudell  
Vice Chairman

Don Garvey  
Commissioner

ATTEST:

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Secretary