

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

CERTIFICATE OF CONVENIENCE )  
AND NECESSITY, TATEVILLE ) CASE NO. 8166  
WATER ASSOCIATION, INC. )

O R D E R

Preface

On March 5, 1981, the Tateville Water Association (hereinafter referred to as the Utility), filed with this Commission its duly verified Application seeking a Certificate of Public Convenience and Necessity authorizing the construction of extensions, additions, and other improvements to its existing water distribution system; approval of the proposed plan for financing the proposed project; and the ratification of existing rates.

The Commission, by order entered March 20, 1981, set this matter for public hearing at the Commission's offices in Frankfort, Kentucky, on April 1, 1981. All parties of interest were notified and no protests were entered.

A copy of a letter from the Division of Sanitary Engineering of the Kentucky Department for Natural Resources and Environmental Protection, approving the plans and specifications, is on file with this Commission.

Findings In This Matter

The Commission, after consideration of all the evidence of record and being advised, is of the opinion and finds that:

1. The public convenience and necessity requires construction of the proposed water system extensions and other improvements in Pulaski County, Kentucky, as set forth in the Application.

2. The construction project proposed by the Utility and herein certificated includes approximately 15,235 feet of 3-inch and 4-inch PVC water mains, two 2-inch pressure reducers, 34 3/4-inch pressure reducers, two 3-inch blow-offs, nine 4-inch fire hydrants, 3-inch and 4-inch valves, roadway bores and forty residential type customer service connections at a total project cost of approximately \$125,000.

3. Any construction deviations from the contract plans and specifications, herein approved, which could adversely affect service to any customer, should be subject to the prior approval of this Commission.

4. The financing of this project, composed of a \$125,000 HUD grant, is for lawful objects within the corporate purposes of the Utility, is necessary and appropriate for and consistent with the proper performance of service to the public by the Utility, and will not impair its ability to perform that service.

5. The Utility should furnish this Commission with duly verified documentation of the total cost of this project, including the cost of construction and all other capitalized costs (engineering, legal, administration, etc.), within sixty (60) days of the date that construction is substantially completed.

6. The contract between the Utility and the Engineer should require the Engineer to provide full-time resident inspection under his supervision to insure that the construction work conforms to

the best construction practices and is done in accordance with the contract plans and specifications.

7. The Commission further finds that within sixty (60) days of the date of substantial completion of the construction of this project, the Utility should require the Engineer to furnish this Commission with a certification that the construction has been satisfactorily completed and was done in accordance with the contract plans and specifications. Further, that "As-Built Drawings" should be furnished with the said certification.

8. The record in this matter indicates that the Utility's financial condition is not good. The Commission finds, however, that the existing rates should be ratified and remain in effect on the basis that additional revenues from additional customers may provide for adequate improvement of the Utility's financial condition.

#### Orders In This Matter

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 the proposed water system extensions and other improvements as set forth in the Application.

IT IS FURTHER ORDERED that any construction deviations from the contract plans and specifications, herein approved, which could adversely affect the service to any customer shall be subject to the prior approval of this Commission.

IT IS FURTHER ORDERED that the Utility be and it is hereby authorized to finance this construction project by a \$125,000 HUD

grant. Further that this \$125,000 grant shall be used only for the lawful objects set forth in the Application.

IT IS FURTHER ORDERED that the Utility shall file with this Commission a duly verified document or documents which show the total costs of this project, in accordance with finding number six (6) herein, within sixty (60) days of the date that construction is substantially completed.

IT IS FURTHER ORDERED that the contract between the Utility and the Engineer shall require the Engineer to provide full-time resident inspection under his supervision to insure that the construction contractor's work conforms to the best construction practices and is done in accordance with the contract plans and specifications.

IT IS FURTHER ORDERED that the Utility shall require the Engineer, within sixty (60) days of the date of substantial completion of the proposed construction, to furnish this Commission with a certification that the construction has been satisfactorily completed and was done in accordance with the contract plans and specifications. Further, that "As-Built Drawings" shall accompany this certification.

IT IS FURTHER ORDERED that the Utility's existing rates as set by Order entered February 19, 1980, in Case No. 7650 be and they are hereby ratified and remain in effect as the Utility's official rates.

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

Done at Frankfort, Kentucky, this 16th day of April, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth  
Chairman

Katherine Randall  
Vice Chairman

Don Clauger  
Commissioner

ATTEST:

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Secretary