

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF EAST LAUREL WATER)
DISTRICT, OF LAUREL COUNTY, KENTUCKY,)
FOR (1) A CERTIFICATE OF PUBLIC CON-)
VENIENCE AND NECESSITY, AUTHORIZING)
AND PERMITTING SAID WATER DISTRICT)
TO CONSTRUCT A WATERWORKS CONSTRUCTION) CASE NO. 8188
PROJECT, CONSISTING OF EXTENSIONS,)
ADDITIONS, AND IMPROVEMENTS TO THE)
EXISTING WATERWORKS SYSTEM OF THE)
DISTRICT; AND (2) APPROVAL OF THE)
PROPOSED PLAN OF FINANCING OF SAID)
PROJECT.)

O R D E R

Preface

On March 31, 1981, the East Laurel Water District (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 improvements to its existing water distribution system, ratification of its existing rates, and approval of its plan for financing the proposed improvements.

The Commission, by Order entered April 8, 1981, set this matter for public hearing at the Commission's offices in Frankfort, Kentucky, on April 16, 1981. All parties of interest were notified in the manner prescribed by the Kentucky Revised Statutes, but no motions to intervene were filed.

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 the 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 Laurel County, Kentucky, as set forth in the application.

2. The construction project proposed by the Utility and herein certificated includes approximately 15,742 feet of eight (8) inch P.V.C. water mains, 4 inch Master Meter, one (1) 8" X 6" tap sleeve and valve, one (1) 8" gate valve and other miscellaneous items, at a total project cost of \$110,000.

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 consists of a \$110,000 FmHA loan with interest rates to be those charged at the time of loan approval, 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 Utility should, upon receiving construction bids, furnish this Commission a certified tabulation of all bids.

8. 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.

9. The financial condition of the Utility is deteriorating and suggests that the Utility seek ways to improve this situation.

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 \$110,000 FmHA loan. Further, that this \$110,000 FmHA loan 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 five (5) 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 contractor's construction 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 April 20, 1977, in Case No. 6666, be and they are hereby ratified and remain in effect as the Utility's official rates.

IT IS FURTHER ORDERED that the Utility shall, upon receiving construction bids, furnish this Commission with a certified tabulation of all bids.

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 5th day of May, 1981.

PUBLIC SERVICE COMMISSION

Merlin M. Vohs
Chairman

Katherine Randall
Vice Chairman

Don Harmon
Commissioner

ATTEST:

Secretary