

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE APPLICATION OF FOREST HILLS DEVELOPERS, INC.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING SAID CORPORATION TO EXPAND)
ITS EXISTING SANITARY SEWAGE COLLECTION,) CASE NO. 8482
TREATMENT AND DISPOSAL SYSTEM LOCATED IN FOREST)
HILLS SUBDIVISION, JEFFERSON COUNTY, KENTUCKY)
SO AS TO PROVIDE TERTIARY TREATMENT FOR EXISTING)
FOREST HILLS DEVELOPERS, INC. SEWAGE TREATMENT)
FACILITIES)

O R D E R

Forest Hills Developers, Inc., ("Forest Hills") filed an application on March 25, 1982, for a certificate of public convenience and necessity authorizing the construction of a major addition to expand the existing sanitary sewage treatment and disposal system.

A hearing was held on June 1, 1982, in the offices of the Public Service Commission in Frankfort, Kentucky. At the hearing certain requests for additional information were made. This information has been filed.

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

1. Public convenience and necessity require that such construction as proposed in the application and record be performed and that a certificate of convenience and necessity be granted.

2. The construction project proposed by Forest Hills consists of two tertiary lagoons with a surface area of 43,365 square feet. The lagoons were required by the Louisville and Jefferson County Department of Public Health ("Health Department") due to the excessive infiltration incurred over the last 10 years at Forest Hills.

3. The Health Department has refused approval of any major additional connections since the mid 70's. The lagoons were required by the Health Department if Forest Hills was to continue to accept new customers. The lagoons will enhance the quality of effluent leaving the plant and will prevent washout of the plant's solids during storms.

4. The estimated total cost of \$53,247 will be financed by the following plan: a short-term construction loan of \$27,000 will be obtained from First National Bank of Louisville, Rockford Lane Branch. The balance of the construction costs of \$26,247 will be obtained through a loan from the development section of Forest Hills Development Corporation to the waste treatment plant section of the corporation.

5. The current customer rates and charges will not be adjusted as a result of the construction of these two tertiary lagoons.

6. Within 60 days of the date of substantial completion of construction, Forest Hills should provide the Commission with duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.).

7. Within 60 days of the date of substantial completion of construction, Forest Hills should require the engineer to furnish the Commission with a copy of the as-built plans and certification that construction has been satisfactorily completed in accordance with the contract plans and specifications.

IT IS THEREFORE ORDERED that Forest Hills be and it hereby is granted a certificate of public convenience and necessity to proceed with the construction set forth in the application and record.

IT IS FURTHER ORDERED that Forest Hills be and it hereby is authorized to finance its proposed construction by means of the \$53,247 financing that has been secured as follows: a \$27,000 short-term loan obtained from the First National Bank of Louisville, Rockford Lane Branch, at an interest rate not to exceed 16 percent, and a \$26,247 loan from the development section of Forest Hills to the waste water treatment plant section, which will subsequently be refinanced through the Louisville Home Federal Savings and Loan at an interest rate of approximately 17 percent. Further, the \$53,247 of project funds shall be used only for the lawful objects set forth in the application.

IT IS FURTHER ORDERED that within 60 days of the date of substantial completion of construction Forest Hills shall provide the Commission with duly verified documentation of the total cost of this project including cost of construction and all other capitalized costs (engineering, legal, administrative, etc.)

IT IS FURTHER ORDERED that within 60 days of the date of substantial completion of construction Forest Hills shall furnish

the Commission with a copy of the as-built plans and certification that construction has been satisfactorily completed in accordance with the contract plans and specifications.

Done at Frankfort, Kentucky, this 4th day of August, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Vohs
Chairman

Katherine Gansdale
Vice Chairman

Len Carreger
Commissioner

ATTEST:

Secretary