

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF EAST JEFFERSON)
WASTEWATER, INC. FOR AUTHORITY TO)
ACQUIRE AND OPERATE THE SEWAGE)
TREATMENT PLANT OPERATED BY P. B.)
CORPORATION FOR CROSS CREEK SUB-)
DIVISION AND TOWN CREEK SUBDIVISION)
IN JEFFERSON COUNTY, KENTUCKY, AND)
APPLICATION FOR EMERGENCY CERTIFI-) CASE NO. 8959
CATE OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING EAST JEFFERSON)
WASTEWATER, INC. TO EXPAND THE)
SEWAGE TREATMENT PLANT FACILITY)
SERVING CROSS CREEK SUBDIVISION,)
TOWN CREEK SUBDIVISION AND OTHERS IN)
JEFFERSON COUNTY, KENTUCKY, SO AS TO)
PROVIDE ADDITIONAL SEWAGE TREATMENT)
FACILITIES IN THE AMOUNT OF 100,000)
G.P.D.)

ORDER

East Jefferson Wastewater, Inc., ("East Jefferson") filed an application on January 5, 1984, for approval to acquire and operate the sewage treatment plant currently owned and operated by the P. B. Corporation ("P. B.") and for approval of an emergency certificate of public convenience and necessity to expand the present sewage treatment facilities. A purchase agreement was signed November 23, 1983, subject to approval by the Commission, wherein East Jefferson agreed to purchase the complete sewage system of P. B., which serves the Cross Creek Subdivision, the Town Creek Subdivision, Eastern High School, and Jane Hite Elementary.

Plans and specifications for the proposed improvements as prepared by Development Planning and Engineering, Inc., ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

FINDINGS AND ORDERS

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

1. P. B. desires to sell its sewage treatment system to East Jefferson and East Jefferson desires to purchase the system from P. B.

2. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

3. The proposed construction includes necessary repairs, improvements and expansion to meet the requirements of the Louisville and Jefferson County Board of Health. The construction is estimated to cost about \$192,000, of which \$9,625 will be funded by East Jefferson with the remaining \$182,375 funded by Durst and Moert Development Corporation ("Durst and Moert"), the developer of the Town Creek Subdivision. The facilities funded by Durst and Moert will be contributed to East Jefferson.

4. Any deviations from the construction herein approved which could adversely affect service to any customer should be subject to the prior approval of this Commission.

5. Those facilities funded by Durst and Moert should be accounted for by East Jefferson as contributed property and should

be afforded rate-making treatment as such by the Commission in future cases.

6. The transfer should be accounted for in accordance with the utility plant instructions and other requirements of the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

7. East Jefferson should file with the Commission duly verified documentation which shows the total costs of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

8. East Jefferson's contract with its Engineer should require the provision of construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. The supervision and inspection should insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

9. East Jefferson should require the Engineer to furnish a copy of the record plans and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

10. East Jefferson should file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.

IT IS THEREFORE ORDERED that the acquisition and transfer of the sewage treatment plant currently owned by P. B. by and to East Jefferson be and it hereby is approved.

IT IS FURTHER ORDERED that East Jefferson be and it hereby is granted a certificate of public convenience and necessity to proceed with the expansion and improvement projects set forth in the plans and specifications of record herein.

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

IT IS FURTHER ORDERED that those facilities funded by Durst and Moert shall be accounted for by East Jefferson as contributed property and shall be afforded rate-making treatment as such by the Commission in the future.

IT IS FURTHER ORDERED that East Jefferson shall complete and record the transfer in accordance with the utility plant instructions and other requirements of the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

IT IS FURTHER ORDERED that East Jefferson shall file with the Commission duly verified documentation which shows the total costs of construction herein certificated including all

capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by this Commission.

IT IS FURTHER ORDERED that the contract between East Jefferson and its Engineer shall require the provision of construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection shall insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

IT IS FURTHER ORDERED that East Jefferson shall require the Engineer to furnish to the Commission a copy of the record plans and a signed statement that the construction has been satisfactorily completed and done in accordance with the contract plans and specifications within 60 days of the date of substantial completion of the proposed construction.

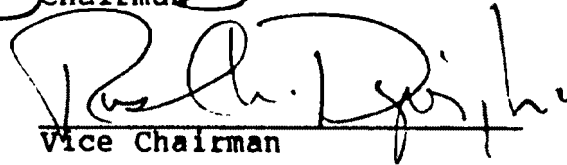
IT IS FURTHER ORDERED that East Jefferson shall file with the Commission a copy of all contractual agreements for the provision of services or for the purchase of services which are subject to the approval of this Commission.

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 15th day of June, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary