

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE COUNTY OF HARLAN,)
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, AUTHORIZING)
AND PERMITTING SAID COUNTY TO CONSTRUCT A)
NEW WATERWORKS SYSTEM, CONSISTING OF A)
WATER TREATMENT PLANT, PUMPING STATION,) CASE NO. 9001
AND THE NECESSARY DISTRIBUTION LINES TO)
SERVE WATER TO THE LOUELLEN CLOVER/DARBY)
SECTION OF SAID COUNTY: AND (2) APPROVAL)
OF PROPOSED PLAN OF FINANCING OF SAID)
PROJECT)

INTERIM ORDER

The County of Harlan, Kentucky, filed an application on March 7, 1984, for authorization to construct a \$498,254 water-works improvements project and approval of the financing for this project. The financing is a Community Development block grant of \$498,254 through the Kentucky Department of Economic Development. The proposed improvements should provide service to approximately 190 customers in the Louellen Clover/Darby section of Harlan County.

Drawings and specifications for the proposed improvements as prepared by Williams and Associates of Harlan, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

This Interim Order will address the construction and financing of the proposed project. A subsequent Order will address the matter of initial rates. Before a rate Order can be entered, additional information concerning the operation of the utility must be filed with this Commission.

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

2. The construction includes about 3.3 miles of water mains, a storage tank, a water treatment plant, and miscellaneous appurtenances thereto. The low bids received for the proposed work totaled \$376,210 which will require about \$498,254 after allowances are made for fees, contingencies and other indirect costs.

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

4. The financing secured by Harlan County for this project will be needed to pay for the work herein approved. Harlan County's financing plan should, therefore, be approved.

5. Harlan County should furnish duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal,

administrative, etc.) within 60 days of the date that construction is substantially completed.

6. Harlan County'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. This supervision and inspection should insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Harlan County should require the Engineer to furnish a copy of the record drawings 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.

IT IS THEREFORE ORDERED that Harlan County be and it hereby is granted a certificate of public convenience and necessity to proceed with the waterworks improvements project set forth in the drawings and specifications of record herein.

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

IT IS FURTHER ORDERED that Harlan County's plan for financing its construction work in the amount of \$498,254 be and it hereby is approved.

IT IS FURTHER ORDERED that Harlan County 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.

IT IS FURTHER ORDERED that the contract between Harlan County 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.

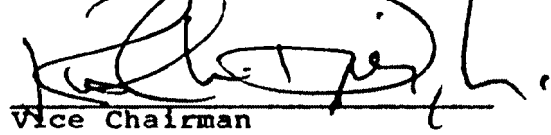
IT IS FURTHER ORDERED that Harlan County shall require the Engineer to furnish to the Commission a copy of the record drawings and a signed statement that the construction has been satisfactorily completed and done in accordance with the contract plans and specifications within 60 days of the date of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

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 24th day of April, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary