

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECES-) CASE NO. 9169
SITY AUTHORIZING THE CONSTRUCTION)
OF A TWENTY-FOUR INCH DISTRIBUTION)
MAIN AND RELATED FACILITIES)

ORDER

The Kentucky-American Water Company ("Kentucky-American") filed its application on March 23, 1983, for approval of a proposed waterworks improvement project in the amount of \$3,631,000. Kentucky-American proposes to finance the initial construction of the improvements by short-term bank borrowings. After completion of the construction and its inclusion in the rate base, Kentucky-American will secure permanent financing consisting of approximately 60 percent general mortgage bonds and approximately 40 percent common equity. Construction bids have not been received for the proposed project.

The purpose of the proposed construction is the improvement of hydraulic flow capability and service reliability in the northeastern quadrant of Kentucky-American's water distribution system. No additional customers would be served by this construction. Construction drawings and specifications for the proposed improvements as prepared by

American Water Works Service Co., Inc., of Haddon Heights, New Jersey, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

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 proposed project includes construction of approximately 28,100 feet of 24-inch water distribution main connecting with an existing facility of equal size in Man 'O War Boulevard and extending along the proposed Man 'O War Boulevard route to Interstate 75 and then along Interstate 75 to the old Louisville and Nashville Railroad right-of-way; of approximately 9,500 feet of 24-inch water distribution main along the old Louisville and Nashville Railroad right-of-way from Interstate 75 to New Circle Road, then along Floyd Drive to and connecting with an existing 24-inch water distribution main at Floyd Drive and Loudon Avenue; of approximately 1,300 feet of 30-inch water distribution main in an existing 48-inch casing pipe located under Interstate 75 and 64, then along the Louisville and Nashville Railroad right-of-way to Hume Road; of approximately 9,000 feet of 24-inch water distribution main along Hume Road and

Interstate 75 from the Louisville and Nashville Railroad right-of-way to Old Paris Pike to and connecting with an existing 12-inch water distribution main; and of approximately 1,300 feet of 16-inch water distribution main along Old Paris Pike from Interstate 75 to Haggard Lane to and connecting with an existing 12-inch water distribution main.

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

4. Kentucky-American should provide full-time resident inspection of the construction under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision 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.

5. Kentucky-American should furnish to the Commission a copy of the "as-built" drawings and a signed statement by a professional engineer that the construction has been satisfactorily completed in accordance with the contract drawings and specifications, within 60 days of the date of substantial completion of this construction.

6. Kentucky-American's financing of this \$3,631,000 project during the initial construction period will be by

means of short-term loans. Kentucky-American should file with this Commission on a later date an application for authorization of permanent financing.

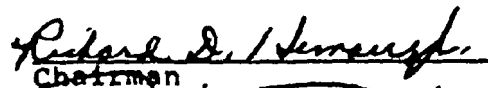
7. Kentucky-American should file with this Commission duly verified documentation of the total cost of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

IT IS THEREFORE ORDERED that Kentucky-American be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein approved.

IT IS FURTHER ORDERED that Kentucky-American shall comply with all matters set out in Findings 3 through 7 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 3rd day of January, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary