

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE McCREARY)
COUNTY WATER DISTRICT FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE) CASE NO. 9376
AND NECESSITY AUTHORIZING IT TO)
EXTEND ITS WATER LINES AND SERVICES)
FROM REVELO TO ROSSTOWN)

ORDER

The McCreary County Water District ("McCreary County") filed an application on June 27, 1985, for authorization to construct a \$180,000 water improvements project and approval of its funding for this project. The funding consists of a \$180,000 grant from the U. S. Army Corps of Engineers ("Corps of Engineers").

The proposed construction should extend service to the Corps of Engineers for use in developing the Big South Fork National River and Recreation Area. Drawings and specifications for the proposed improvements as prepared by Kenvirons Incorporated of Frankfort, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet. Construction bids were received May 24, 1985.

FINDINGS AND ORDERS

The 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 construction consists of approximately 3.3 miles of 6-inch diameter pipeline and related appurtenances. The low bid totaled \$129,250, which will require about \$180,000 after allowances are made for fees, contingencies, and other indirect costs.

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

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

5. McCreary 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. Said construction costs should be classified into appropriate

plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.

6. McCreary County's contract with its Engineer should require the provision of full-time resident 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. McCreary County should require the Engineer to furnish a copy of the "as-built" 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 McCreary County 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.

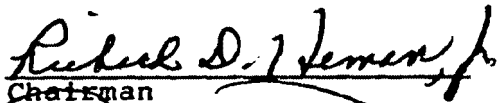
IT IS FURTHER ORDERED that McCreary County's plan for financing its construction work in the amount of \$180,000 with a grant from the Corps of Engineers be and it hereby is approved.

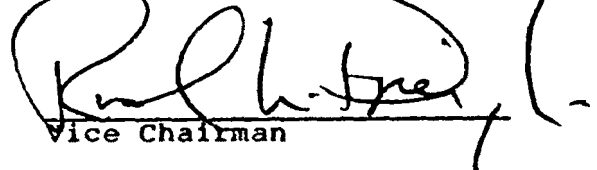
IT IS FURTHER ORDERED that McCreary County shall comply with all matters set out in Findings 5 through 7 as if the same were individually so ordered.

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 August, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

did not participate
Commissioner

ATTEST:

Secretary