

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE COUNTY OF)
LAUREL, THE EAST LAUREL WATER DIS-)
TRICT AND THE WOOD CREEK WATER DIS-)
TRICT OF LAUREL COUNTY, KENTUCKY,)
FOR A CERTIFICATE OF PUBLIC CONVEN-)
IENCE AND NECESSITY, AUTHORIZING)
AND PERMITTING THE COUNTY OF LAUREL) CASE NO. 9378
AND SAID WATER DISTRICTS TO CON-)
STRUCT A WATERWORKS CONSTRUCTION)
PROJECT, CONSISTING OF EXTENSIONS)
ADDITIONS, AND IMPROVEMENTS TO THE)
EXISTING WATERWORKS SYSTEMS OF THE)
DISTRICTS)

O R D E R

The County of Laurel, the East Laurel Water District, and the Wood Creek Water District ("Applicants") filed a joint application on July 1, 1985, for authorization to construct a \$286,000 water improvements project and approval of its funding for this project. The funding consists of a \$286,000 grant to Laurel County from the Kentucky Natural Resources and Environmental Protection Cabinet through the Kentucky Abandoned Mine Land Reclamation Program.

The proposed construction will provide service to 25 additional customers in the Upper Slate Lick Creek area of Laurel County, Kentucky. Drawings and specifications for the proposed improvements as prepared by Robert G. Campbell and Associates of Knoxville, Tennessee, ("Engineer") have

been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet. Construction bids were received September 5, 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 39,310 feet of 6- and 4-inch diameter pipelines, a master metering station, and related appurtenances to serve 25 additional customers. The low bid totaled \$173,153, which will require about \$286,000 after allowances are made for fees, contingencies, other indirect costs, and additional construction being considered.

3. Applicants should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

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

5. Applicants should relocate the master meter installation proposed for State Highway 1225 to conform to the location of the revised territorial boundary between the

Wood Creek Water District and the East Laurel Water District.

6. Applicants 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.

7. Applicants' 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.

8. Applicants 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.

9. The financing secured by Applicants for this project will be needed to pay for the work herein approved

and recommended. Applicants' financing plan should, therefore, be approved.

IT IS THEREFORE ORDERED that Applicants be and they hereby are 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.


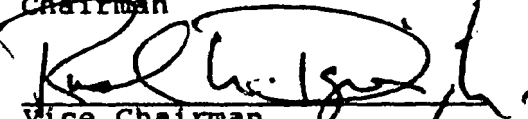
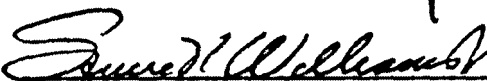
IT IS FURTHER ORDERED that Applicants' plan for financing its construction work in the amount of \$286,000 with a grant from Laurel County be and it hereby is approved.

IT IS FURTHER ORDERED that Applicants shall comply with all matters set out in Findings 3 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 18th day of September, 1985.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary