

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF WEST LAUREL WATER )  
ASSOCIATION, INC., A WATER ASSOCIATION )  
ORGANIZED PURSUANT TO CHAPTER 273 OF )  
THE KENTUCKY REVISED STATUTES, OF )  
LAUREL COUNTY, KENTUCKY, FOR (1) A )  
CERTIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY, AUTHORIZING AND PERMITTING )  
SAID WATER ASSOCIATION TO CONSTRUCT A )  
WATERWORKS CONSTRUCTION PROJECT, )  
CONSISTING OF EXTENSIONS, ADDITIONS, )  
AND IMPROVEMENTS TO THE EXISTING )  
WATERWORKS SYSTEM OF THE ASSOCIATION, )  
AND (2) APPROVAL OF THE PROPOSED PLAN )  
OF FINANCING OF SAID PROJECT )

CASE NO. 9490

ORDER

The West Laurel Water Association, Inc., ("West Laurel") filed an application on January 2, 1986, for authorization to construct a \$250,000 water improvements project and approval of its funding for this project. The funding consists of a \$250,000 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 32 additional customers in the White Oak Creek area of Laurel County, Kentucky. Drawings and specification for the proposed improvements as prepared by Warner A. Broughman III and Associates of Lexington, Kentucky, ("Engineer") have been approved by

the Division of Water of the Natural Resources and Environmental Protection Cabinet. Construction bids were received January 3, 1986.

#### 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 38,665 feet of 4-inch diameter pipelines, a master metering station, and related appurtenances to serve 32 additional customers. The low bid totaled \$124,806, which will require about \$250,000 after allowances are made for fees, contingencies, other indirect costs, and additional construction being considered.

3. West Laurel 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. West Laurel 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. West Laurel'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. West Laurel 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.

8. The financing secured by West Laurel for this project will be needed to pay for the work herein approved. West Laurel's financing plan should, therefore, be approved.

IT IS THEREFORE ORDERED that West Laurel 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.

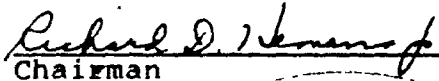
IT IS FURTHER ORDERED that West Laurel's plan for financing its construction work in the amount of \$250,000 with a grant from Laurel County be and it hereby is approved.

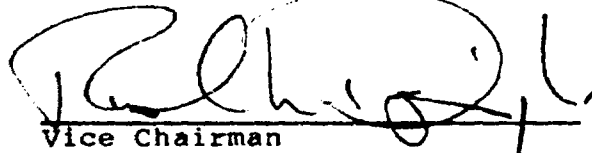
IT IS FURTHER ORDERED that West Laurel shall comply with all matters set out in Findings 3 through 7 as if the same were individually so ordered.

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 29th day of January, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary