

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 NECESSITY)
AUTHORIZING THE CONSTRUCTION OF)
APPROXIMATELY 96,000 FEET OF 24-INCH)
WATER TRANSMISSION AND DISTRIBUTION) CASE NO. 9623
FACILITIES, 5,000 FEET OF 16-INCH)
WATER TRANSMISSION AND DISTRIBUTION)
FACILITIES ALONG WITH APPROPRIATE)
VALVES, FITTINGS AND ATTACHMENTS)

O R D E R

The Kentucky-American Water Company ("Kentucky-American") filed its application on June 30, 1986, for approval of a proposed waterworks improvement project in the amount of \$5,522,000 and approval of its contract with the Commonwealth of Kentucky. Kentucky-American proposes to finance the construction through funds provided by the Commonwealth of Kentucky.

The purpose of the proposed construction is to strengthen Kentucky-American's water distribution system in order to be able to provide the projected initial water demands of the proposed Toyota Motor Corporation ("Toyota") plant site in Scott County, Kentucky. Construction drawings as prepared by William H. Finnie and Associates of Lexington, Kentucky, and construction specifications as prepared by the American Waterworks Service Company,

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 \$5,522,000 project includes construction of approximately 96,000 feet of 24-inch water distribution main from Kentucky-American's existing facilities at the intersection of Paris Pike and Interstate 75 to the proposed Toyota plant site on Delaplain Road and approximately 5,000 feet of 16-inch water distribution main from Kentucky-American's existing facilities at Delaplain Road and Triport Road to the proposed Toyota plant site.

3. Any construction deviations from the 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 drawings and specifications, within 60 days of the date of substantial completion of this construction.

6. 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.

7. The contract entered into between Kentucky-American and the Commonwealth of Kentucky outlining the financial arrangements for the project as well as the refund provision for the connection of new customers to the proposed facilities should be approved.

IT IS THEREFORE ORDERED that:

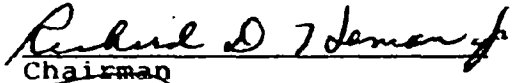
1. Kentucky-American be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein approved.

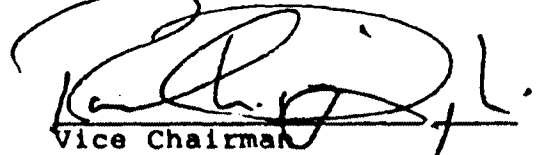
2. The contract entered into between Kentucky-American and the Commonwealth of Kentucky outlining the financial arrangements for the project as well as the refund provision for the connection of new customers to the proposed facilities be and it hereby is approved.

3. Kentucky-American shall comply with all matters set out in Findings 3 through 6 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 21st day of July, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director