

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CONSTRUCTION OF ADDITIONAL)
SEWAGE FACILITIES FOR THE MALLARD)
POINT SUBDIVISION OF SCOTT COUNTY,) CASE NO. 9834
KENTUCKY)

O R D E R

Mallard Point Disposal Systems, Inc., ("Mallard Point Disposal") by its application filed December 31, 1986, is seeking a certificate of public convenience and necessity for a proposed \$98,500 sewage system project and approval of its financing plan for the project. The proposed construction will extend the sewage collection system to provide sewage service to additional areas of the Mallard Point Subdivision.

Financing of the proposed construction will be by the Mallard Point Subdivision developer - Maric Development Corporation. The developer is anticipating the recovery of its investment by selling the completed construction to the shareholders of Mallard Point Disposal who will transfer ownership of the completed construction to Mallard Point Disposal in return for additional shares of the common capital stock of Mallard Point Disposal.

FINDINGS AND ORDERS

The Commission, after consideration of the 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 includes about 11,665 feet of 6-, 4-, 3-, 2.5-, 2- and 1.5-inch force main, 120 simplex grinder pump units, a duplex booster pumping station, connection to the existing sewer system and miscellaneous appurtenances.

3. Any deviations from the construction herein approved which could adversely affect service to any customer should be done only with the prior approval of the Commission.

4. Mallard Point Disposal should furnish duly verified documentation of the total costs 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 Sewage Utilities prescribed by the Commission.

5. Mallard Point Disposal'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 to insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

6. Mallard Point Disposal 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.

7. The financing plan proposed by Mallard Point Disposal is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of services to the public and will not impair its ability to perform these services, is reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

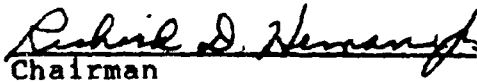
1. Mallard Point Disposal be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction as set forth in the plans and specifications of record herein.

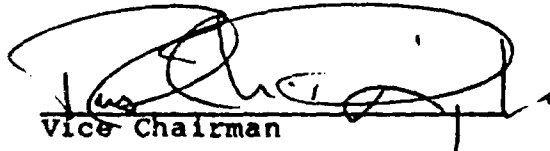
2. Mallard Point Disposal's plan of financing where its shareholders will purchase ownership of the completed construction from the developer and transfer ownership to Mallard Point Disposal in return for the issuance of additional shares of the common capital stock of Mallard Point Disposal be and it hereby is approved.

3. Mallard Point Disposal 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 30th day of April, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director