

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CORINTH WATER)
DISTRICT FOR COMMISSION APPROVAL TO)
CONSTRUCT A WATER LINE EXTENSION) CASE NO. 10051

O R D E R

By Order entered February 6, 1986, in Case No. 9349, The Application of the Corinth Water District, A Water District Organized Pursuant to Chapter 74 of the Kentucky Revised Statutes, of Grant County, Kentucky, for Approval of Construction, Financing and Rates, the Corinth Water District ("Corinth") was granted a certificate of convenience and necessity for construction of a new water distribution system to serve 160 applicants for service. The \$882,700 in project funds secured by Corinth exceeded the needs for its project. This surplus presented Corinth with an opportunity to extend service to additional residents of Grant County. The Commission recognized this opportunity and approved Corinth's \$882,700 plan of financing.

On September 12, 1987, Corinth filed a letter requesting approval to construct a water line extension using the remaining funds approved in Case No. 9349. This request was returned by letter dated September 16, 1987. On October 2, 1987, Corinth requested the Commission to reconsider its decision requiring the filing of a full construction application. The Commission treated Corinth's letter as a motion to reopen Case No. 9349. By Order

entered October 15, 1987, Corinth's motion filed October 2, 1987, has been assigned a separate case number in lieu of reopening Case No. 9349 as proposed. The record of Case No. 9349 was also incorporated by reference in the instant case by the October 15, 1987, Order.

The construction plans and specifications prepared by Proctor, Davis, Ray, Engineers, of Lexington, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, after consideration of the application and the record of Case No. 9349 and the instant case, 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 approximately .75 miles of 6-inch diameter pipeline and miscellaneous appurtenances thereto to serve 8 customers.

3. The construction costs will total about \$80,142. The remaining funds (\$88,184) approved in Case No. 9349 will be adequate to pay for this work and should be approved for this purpose.

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

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

6. Corinth should furnish duly verified documentation of the total costs of this construction including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.

7. Corinth should require the Engineer to provide full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering to ensure that the construction work is in conformance with the best practices of the construction trades involved in the project.

8. Corinth 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 \$88,184 in funds remaining from those approved by Order entered February 6, 1986, in Case No. 9349 are the funds to be utilized by Corinth for financing the construction herein proposed. The use of said funds by Corinth for this purpose is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of its

services to the public and will not impair its ability to perform these services. The financing is reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Corinth 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.

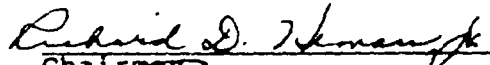
2. Corinth's method for financing the proposed construction be and it hereby is approved.

3. Corinth shall comply with all matters set out in Findings 4 through 8 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 authorized herein.

Done at Frankfort, Kentucky, this 11th day of November, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director