

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BUFFALO TRAIL)
WATER ASSOCIATION FOR A CERTIFICATE)
OF APPROVAL FOR CONSTRUCTION OF A) CASE NO. 10183
WATER LINE EXTENSION)

O R D E R

On March 4, 1988, Buffalo Trail Water Association ("Buffalo Trail") filed proposed plans and specifications for a water line extension, and sought Commission approval of the proposed construction. Due to the potential for some customers to receive inadequate service, the Commission by Order entered March 11, 1988, established this case to further investigate the proposed construction. The construction which is estimated to cost \$30,400 will not involve a change in customers' rates. Project funding includes \$7,500 from the Farmers Home Administration, \$16,600 in Buffalo Trail funds, and \$6,300 from applicants for service in the proposed project area.

The proposed construction will provide service to approximately 25 additional customers. Drawings and specifications for the proposed improvements prepared by Maysville Survey and Engineering Company, Inc., of Maysville, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet ("Division of Water").

CONTINUITY OF ADEQUATE AND RELIABLE SERVICE

The information provided by the Engineer indicates that the potential exists for several areas of the system to experience service pressure well below 30 psig after completion of the proposed construction. This low pressure, which could occur during peak customer usage, would be in violation of 807 KAR 5:066, Section 6(1). Buffalo Trail in a letter filed with the Commission on April 18, 1988, requested a deviation to this regulation.

The Commission reminds Buffalo Trail of its obligation to provide adequate and reliable service to all of its customers. Buffalo Trail should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Buffalo Trail must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

FINDINGS AND ORDERS

The Commission, after consideration of the evidence of record, and being advised, is of the opinion and finds that:

1. A deviation to 807 KAR 5:066, Section 6(1) is not in the public interest and should be denied.
2. With the appropriate monitoring of service system-wide, public convenience and necessity require the construction proposed in Buffalo Trail's application. A certificate of public convenience and necessity should be granted.

3. The proposed construction consists of approximately 3.3 miles of 4- and 3-inch diameter pipelines, and related appurtenances. The proposed construction is estimated to cost \$30,400.

4. Buffalo Trail should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Buffalo Trail should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

5. 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.

6. Buffalo Trail should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

7. Buffalo Trail should furnish proof 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 the Commission.

8. Buffalo Trail's contract with its Engineer should require the provision of construction 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 done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

9. Buffalo Trail should require the Engineer to furnish within 60 days of the date of substantial completion of this construction 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.

10. Buffalo Trail should also file a copy of the Engineer's written certificate required by the Division of Water.

IT IS THEREFORE ORDERED that:

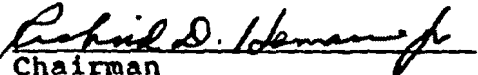
1. A deviation to 807 KAR 5:066, Section 6(1) be and it hereby is denied.

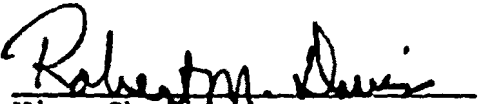
2. Buffalo Trail be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein on the condition that service levels be monitored, and corrective action taken in accordance with Finding Number 2 and Finding Number 4 of this Order.

3. Buffalo Trail shall comply with all matters set out in Findings 4 through 10 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 11th day of May, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director