

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH WOODFORD)
COUNTY WATER DISTRICT FOR APPROVAL)
OF THE NEW WATER LINE EXTENSION) CASE NO. 10336
POLICY)

O R D E R

On July 20, 1988, North Woodford County Water District ("District") filed a proposal for making a water main extension in which the cost would be shared by District and an applicant for water service. District's proposal followed the Commission's guidelines for cost sharing of extensions that were mailed to all jurisdictional water districts and water associations on November 10, 1987. District's proposal, however, was lacking in adequate definition and detail for proper review and approval by the Commission.

District's resubmittal of October 3, 1988, made in response to the Commission's Order of September 7, 1988, was more comprehensive than its July 20, 1988 submittal. It included a fully signed "Water Main Extension Agreement" for 2,080 feet of 4-inch class 200 PVC pipe at a total cost of \$7,435. District contributed \$851 in engineering fees in lieu of \$180 that would represent 50 feet of the \$3.60 per foot extension. The one applicant for service, Richard Mucci, contributed \$6,584. The name of the extension is the Mucci Extension.

The "Water Main Extension Agreement" for the Mucci Extension is to be in effect through June 24, 1998 to allow time for other service demands to be met by the extension and for reduction of the per applicant contribution. This contribution will be reduced from \$6,584 to \$3,202 by the second connection; to \$2,074.67 by the third connection; to \$1,511 by the fourth connection; and to \$1,172.80 by the fifth connection. District's contribution of 50 feet of extension per connection will reduce applicants' total contribution by \$180 for each new connection. An equal share of new applicant's contribution will be distributed to all connected applicants by the District. This is all in accordance with the guidelines of the Commission.

District's October 3, 1988 submittal also included additions to its regulations that define extensions such as the Mucci Extension and sets forth procedures for their construction and financing; all in accordance with Commission guidelines.

An Order of this Commission approving acquisition of District by the Frankfort Electric and Water Plant Board ("Frankfort Board") was entered October 6, 1988 in Case No. 10366, The Application of North Woodford Water District for Approval of an Agreement of Sale Providing for the Purchase by the Frankfort Electric and Water Plant Board from North Woodford Water District of the District's Existing Waterworks Distribution System. District will remain under Commission jurisdiction, however, until the date the transfer of ownership takes place. According to a letter received October 25, 1988 from District's chairman, Mr. Jack Kain, Frankfort Board will honor District's Water Main

Extension Agreements that are in effect on the date of Frankfort Board's acquisition of District.

The Commission, after a review of the record and being advised, is of the opinion and finds that:

1. The "Water Main Extension Agreement" for the Mucci Extension is in compliance with the Commission's alternative extension plan of November 10, 1987 for sharing the cost of extensions not covered by the 50 feet per applicant rule described by 807 KAR 5:066, Section 12(1).

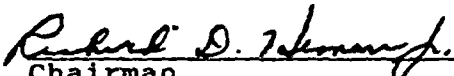
2. The Frankfort Board as future owner of District has agreed to honor District's Water Main Extension Agreements.

3. District's proposed additions to its regulations that establish procedures for water main extensions such as the Mucci Extension are in compliance with the Commission's new water main extension policy and should be approved.

IT IS THEREFORE ORDERED that District's "Water Main Extension Agreement" for the Mucci Extension and the proposed additions to its regulations that establish the proper procedures for making such extensions be and they hereby are approved.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director