

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ADAIR COUNTY)
WATER DISTRICT, FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING THE ADAIR)
COUNTY WATER DISTRICT TO CONSTRUCT A) CASE NO. 10413
WATERWORKS CONSTRUCTION PROJECT,)
CONSISTING OF EXTENSIONS, ADDITIONS,)
AND IMPROVEMENTS TO THE EXISTING)
WATERWORKS SYSTEMS OF THE DISTRICT)

O R D E R

On October 13, 1988, Adair County Water District ("Adair Water") filed an application for a certificate of public convenience and necessity to construct a \$465,105 waterworks improvement project, and for approval of its plan of financing for this project. Adair Water's application was made pursuant to KRS 278.023 which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 397 additional customers. Project funding includes a \$191,105 in previously approved Farmers Home Administration ("FmHA") funds, and \$265,000 in Community Development Block Grant ("CDBG") funds.

The Chairman of Adair Water certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Adair Water of its obligation to provide adequate and

reliable service to all of its customers. The adequacy of the expanded water distribution system after construction should be monitored. 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), Adair Water must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

On review of the record and being advised, the Commission finds:

1. KRS 278.023 provides that the Commission shall approve this application if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements have been met in this case. Adair Water's Chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Adair Water 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), Adair Water should take immediate action to bring the system into compliance with the Commission's regulations.

4. Adair Water should be granted a certificate of public convenience and necessity for the proposed construction project. The proposed construction financing plan which utilizes FmHA and CDBG funds should also be approved.

5. Adair Water 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 certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

BE IT SO ORDERED.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 14th day of November, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
Chairman

Robert M. Davis
Vice Chairman

Spencer H. Williams
Commissioner

ATTEST:

Executive Director