

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WACO WATER DISTRICT,)	
MADISON COUNTY, KENTUCKY, FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO. 92-117
NECESSITY)	

O R D E R

On March 23, 1992, Waco Water District ("Waco Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$325,233.17 waterworks improvement project. Project funding includes a \$300,000 grant from the Kentucky Infrastructure Authority ("KIA") and \$25,233.17 in Waco Water funds.

The proposed construction will add water storage capacity to Waco Water's water distribution system. Plans and specifications for the proposed improvements prepared by Chrisman, Miller, Woodford, Inc. of Lexington, Kentucky ("Engineer"), have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Engineer by certified statement has indicated that the proposed construction is appropriate for the present operating conditions of Waco Water and will improve service to its customers.

FINDINGS AND ORDERS

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction consists of a 200,000-gallon water storage tank, approximately 3,240 lineal feet of 8-inch diameter pipeline, and related appurtenances. The low bids totaled \$294,895.40 which will require funding of approximately \$325,233.17 after allowances are made for fees, contingencies, and other indirect costs.

3. Waco Water should monitor the adequacies 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), Waco Water should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

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

6. Waco Water 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 Water Utilities prescribed by the Commission.

7. Waco Water'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.

8. Waco 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 signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

IT IS THEREFORE ORDERED that:

1. Waco Water 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 Commission regulations.

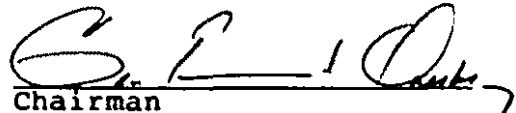
2. Waco Water's financing plan consisting of a grant of \$300,000 from KIA and \$25,233.17 in Waco Water funds be and it hereby is approved.

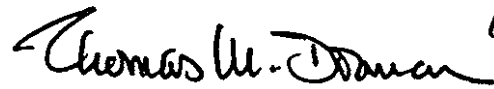
3. Waco Water shall comply with all matters set out in Findings 3 through 8 as if the same were individually so ordered.

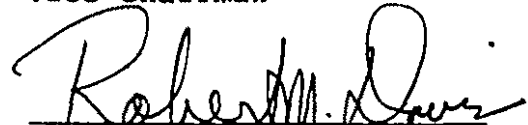
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 11th day of June, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director