

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ADAIR COUNTY WATER) CASE NO.
DISTRICT FOR THE ISSUANCE OF A CERTIFICATE) 96-259
OF CONVENIENCE AND NECESSITY)

O R D E R

By application filed June 14, 1996, Adair County Water District ("Adair Water") is seeking authorization to construct a \$246,100 waterworks improvement project. Project funding includes \$232,100 in Adair Water funds, and \$14,000 from applicants for service in the project area.

The proposed construction will provide water service to about 51 additional customers. Plans and specifications for the proposed improvements prepared by Monarch Engineering, Inc. of Lawrenceburg, Kentucky ("Engineer"), have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

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 about 10.5 miles of 4- and 3-inch diameter pipelines and related appurtenances. After allowances are made for fees,

contingencies, and other indirect costs, the total cost of this project is approximately \$246,100.

3. Adair 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 5(1), Adair Water should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

4. Adair Water should only install fire hydrants in those instances where the installation complies with the requirements of 807 KAR 5:066, Section 10(2)(b).

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

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

7. Adair Water should furnish 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. 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. Adair Water should require construction to be inspected 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. Adair Water should furnish, within 60 days of the date of substantial completion of this construction, a copy of "as-built" drawings and a signed statement of the Engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

IT IS THEREFORE ORDERED that:

1. Adair 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.

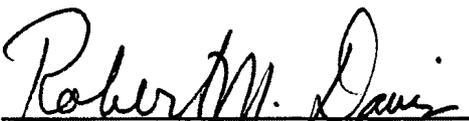
2. Adair Water shall comply with the requirements contained in Findings 3 through 9.

Done at Frankfort, Kentucky, this 27th day of June, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director