

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WACO WATER DISTRICT FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO.
NECESSITY TO CONSTRUCT A WATERWORKS) 97-418
IMPROVEMENT PROJECT)

O R D E R

Waco Water District ("Waco District") has applied for a Certificate of Public Convenience and Necessity to construct a \$941,874 waterworks improvement project.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds:

1. The proposed construction consists of approximately 116,000 lineal feet of 6-inch and 4-inch PVC water line extensions and related appurtenances
2. The proposed water line extensions will permit Waco District to extend water service to 204 households in northeast Madison County, Kentucky. No water utility presently serves these customers.
3. The proposed improvements will not compete with any other water utility.
4. Construction of the proposed improvements will not result in the wasteful duplication of existing utility facilities.
5. Central Associated Engineers, Inc. of Lexington, Kentucky, prepared the drawings and specifications for the proposed waterworks improvement project.

6. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the drawings and specifications for the proposed waterworks improvement project.

7. After allowances for fees, contingencies, and other indirect costs, estimated total cost of the proposed waterworks improvement project is \$941,874.

8. Waco District proposes to finance the proposed waterworks project from the following sources: \$500,000 from the proceeds of a 24-month bond anticipation note, a \$415,474 Community Development Block Grant, and \$26,400 from applicants for service in the proposed project area.

9. As none of the funding for the proposed waterworks improvement project involves the issuance of securities or evidences of indebtedness which are payable at periods exceeding two years, Commission approval of Waco District's plan of financing is not required. KRS 278.300(8).

IT IS THEREFORE ORDERED that:

1. Waco District is granted a Certificate of Public Convenience and Necessity to construct the proposed waterworks improvement project as set forth in the drawings and specifications contained in its application.

2. Waco District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. Waco District shall 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 shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Waco District shall 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.

6. Waco District shall file 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 within 60 days of the substantial completion of the construction certificated herein.

Done at Frankfort, Kentucky, this 21st day of October, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner