

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NORTH MCLEAN COUNTY)	
WATER DISTRICT (1) FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	CASE NO.
CONSTRUCTION OF MAJOR ADDITIONS AND)	97-324
IMPROVEMENTS TO ITS WATER DISTRIBUTION SYSTEM;)	
(2) APPROVAL OF THE PROPOSED PLAN OF FINANCING)	
SAID PROJECTS)	

A M E N D E D O R D E R

On August 20, 1997, North McLean County Water District ("North McLean") applied for a Certificate of Public Convenience and Necessity to construct a \$500,000 waterworks improvement project and for approval of its plan for financing the project. On October 17, 1997, North McLean was granted a Certificate of Public Convenience and Necessity to proceed with the construction of approximately 47,600 linear feet of 6 and 10-inch water main and appurtenances at a total project cost of \$414,887.25. The Commission approved a \$500,00 loan from the Independence Bank of Kentucky located in Livermore, Kentucky at 6.2% for a period of twenty years to fund the proposed project.

On June 17, 1998, North McLean requested approval to construct an additional 1,200 linear feet of 6-inch PVC water transmission line not included in the October 17, 1997 Order. This additional project will loop together two existing 3-inch lines and provide service to one new customer at a cost of \$3,768. This new project will also improve service and pressure all along Brooks Schoolhouse Road and will eliminate two dead end

lines. The project will be funded from the remaining proceeds of the \$500,000 loan included in the October 17, 1997 Order. Plans and specifications for the proposed additional improvements prepared by The Stuart Associates of Hermitage, Tennessee, 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 requested additional construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed additional construction consists of 1,200 linear feet of 6-inch PVC water transmission main and related appurtenances.

3. North McLean should obtain approval from the Commission prior to performing any additional construction not expressly authorized by either this Order or the October 17, 1997 Order.

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

5. North McLean 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.

6. North McLean should require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering.

7. The proposed use of the remaining proceeds of the \$500,000 loan approved in the October 17, 1997 Order is for lawful objects within the corporate purpose of its utility operation, is necessary and appropriate for and consistent with the proper performance of the utility's service to the public and will not impair its ability for such purpose. It should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. North McLean is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 1,200 linear feet of 6-inch PVC water transmission main and related appurtenances as set forth in the drawings and specifications of record herein.


2. North McLean shall comply with the requirements contained in Findings 3 through 6 as if the same were individually so ordered.


3. The financing plan proposed by North McLean be and it hereby is approved.

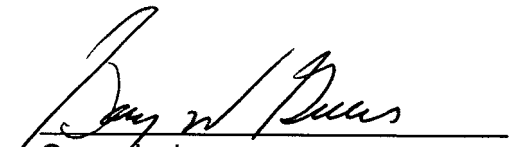
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 15th day of July, 1998.

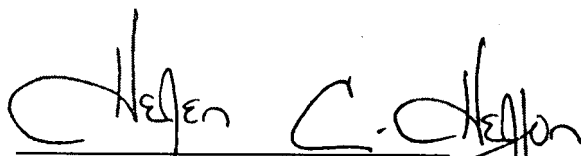
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director