

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE MEADE COUNTY)
WATER DISTRICT FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO CONSTRUCT) CASE NO. 99-442
NEW FACILITIES AND EXTEND WATER SERVICE)
TO THE PAYNEVILLE-BATTLETOWN AREA OF)
MEADE COUNTY)

O R D E R

On January 27, 2000, Meade County Water District ("Meade District") applied for a Certificate of Public Convenience and Necessity to construct a \$2,850,757 waterworks improvement project. The proposed project involves the construction of approximately 33 miles of 10, 8, and 6-inch water transmission mains, a 300,000 gallon elevated water storage tank, a 350 gallon per minute booster pump station, a pressure reducing vault, and an upgrade of the existing Brandenburg pump station and will provide service to approximately 670 new customers. Project funding is a \$2,500,000 grant from the Kentucky Infrastructure Authority ("KIA") Grant Program and a \$407,608 Fund C loan from KIA at an interest rate of 6.5 percent per annum and a loan term of 20 years.¹

Plans and specifications for the proposed improvements prepared by Quest Engineers, Inc. of Louisville, Kentucky, 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. Meade District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

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

4. Meade District 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.

5. Meade 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. The financing plan proposed by Meade District 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. Meade District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of approximately 33 miles of 10, 8, and 6-inch water transmission mains, a 300,000 gallon elevated water storage tank, a 350 gallon per minute booster pump station, a pressure reducing vault, an upgrade of the existing Brandenburg pump station and related appurtenances.

2. Meade District 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 Meade District be and it hereby is approved. Nothing contained in this Order shall be deemed a warranty of the Commonwealth of Kentucky, or any agency, thereof of the financing herein accepted.

Done at Frankfort, Kentucky, this 28th day of February, 2000.

By the Commission

ATTEST:

Executive Director