

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GALLATIN COUNTY)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO) CASE NO. 99-493
CONSTRUCT AND FINANCE AN IMPROVEMENTS)
PROJECT)

O R D E R

On December 10, 1999, Gallatin County Water District ("Gallatin District") applied for a Certificate of Public Convenience and Necessity to construct a \$752,610 waterworks improvement project and for approval of its plan for financing the project.

The proposed project includes the construction of a ground water well system, a chlorine and fluoride building, approximately 30,000 linear feet of 10-inch water transmission main and its related appurtenances to provide water service to Kentucky Speedway, LLC ("Kentucky Speedway") and the surrounding communities. The Division of Water of the Natural Resources and Environmental Protection Cabinet has approved the plans and specifications for the proposed project, prepared by Gastineau and Associates, Inc. of Nicholasville, Kentucky. The project is to be funded pursuant to a loan from Kentucky Infrastructure Authority ("KIA") in the amount of \$660,000 and a Funding Agreement with Kentucky Speedway guaranteeing the remaining \$92,610.

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 ground water well system, a chlorine and fluoride building, approximately 30,000 linear feet of 10-inch water transmission main, and its related appurtenances.

3. Gallatin District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

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

5. Gallatin 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.

6. Gallatin District 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 financing plan proposed by Gallatin 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.

1. Gallatin District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of approximately 30,000 linear feet of 10-inch water transmission main, a ground water well system, its chlorination system, and related appurtenances.

2. Gallatin 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 Gallatin District is granted.

Done at Frankfort, Kentucky, this 25th day of January, 2000.

By the Commission

ATTEST:

Executive Director