

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST CLARK COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE AN IMPROVEMENT)	2000-021
PROJECT)	

O R D E R

On February 16, 2000, East Clark County Water District ("East Clark") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity for the construction of a water main improvement project and approval of its proposed method of financing.

The project submitted consists of the construction of approximately 224,714 linear feet of water lines throughout Clark County. East Clark states that it is in the process of preparing plans and specifications for additional water line extensions and plans to file a request for another Certificate of Public Convenience and Necessity on the additional water line extensions in the very near future.

East Clark states that the financing plan submitted to the Commission for approval includes funding for both the project presently before the Commission and the additional water line extensions it plans to construct in the near future. The plan includes tap fees in the amount of \$31,900, a Community Development Block Grant in the approximate amount of \$555,931 and a publicly sold revenue bond issue in the approximate amount of \$925,000 (plus or minus 10 percent).

East Clark requests expedited approval of its construction plan submitted so that it may award the construction contracts before the bids expire.

After review of the evidence in the record and being otherwise sufficiently advised, the Commission finds that:

1. East Clark proposes to construct approximately 224,714 linear feet of water lines throughout Clark County.

2. Plans and specifications for the proposed improvements (Phase VI, contracts 415-99-A and 415-99-B) prepared by Howard K. Bell Consulting Engineers, Inc. of Lexington, Kentucky, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

3. Public convenience and necessity require that the construction identified in East Clark's application be performed and that a Certificate of Public Convenience and Necessity be granted.

4. Expiration of the construction bids for this project is imminent, and an Order addressing the construction of this project should be entered prior to the date of a final order in this case.

5. Since the financing plan includes funding for water line extensions yet to be submitted to the Commission for approval, a subsequent Order should be entered by the Commission to address the combined financing plan.

6. No specific findings are made herein regarding the proposed financing and additional water line extensions.

IT IS THEREFORE ORDERED that:

1. East Clark is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project as set forth in the plans and specifications of record herein.

2. East Clark 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 herein shall be undertaken only with the prior approval of the Commission.

4. East Clark 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 should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

5. East Clark shall require the construction to be inspected under the general supervision of a professional engineer with Kentucky licensure, competent to practice civil or mechanical engineering. The inspection and supervision are 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. East Clark 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.

7. Nothing contained herein shall be construed as constituting approval of any other portion of East Clark's application.

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

By the Commission

ATTEST:

Executive Director