

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OHIO COUNTY WATER)	
DISTRICT FOR ISSUANCE OF A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR)	CASE NO.
CONSTRUCTION OF INDUSTRIAL PARK EAST)	2000-535
(500,000 GALLON ELEVATED TANK))	

O R D E R

Ohio County Water District ("Ohio District") has applied for authority to construct an \$875,000 waterworks improvement project. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Ohio District proposes to construct a 500,000 gallon elevated water storage tank and related appurtenances.
2. The proposed water storage tank will replace the 160,000 gallon Taylor Mine Standpipe that failed on September 29, 1999.
3. The proposed construction was originally planned for implementation in Series III of Ohio District's Long Range Improvements Plan to provide additional required storage and to increase the water level to provide for a more efficient operation.
4. Ohio District's existing customers located in and around the community of McHenry are dependent upon one pump station to provide potable water with no storage capacity available for emergency situations.
5. After allowances for fees, contingencies, and other indirect costs, the total project cost is approximately \$875,000.

6. Ohio District's proposed financing includes a \$250,000 Emergency Grant administered through the Department for Local Government; \$280,000 in Coal Severance money received from the Ohio County Fiscal Court; a \$200,000 grant from the Ohio County Fiscal Court for water system improvements; \$73,390 from the remainder of the revenue bonds not used in the Series I Water System Improvements issued pursuant to the Commission's order dated August 19, 1998 in Case No. 98-015;¹ and a \$71,610 contribution from the applicant's unrestricted reserve funds.

7. Construction of the proposed elevated water storage tank will not result in the wasteful duplication of existing facilities.

8. The public convenience and necessity require the construction of the proposed elevated water storage tank.

IT IS THEREFORE ORDERED that:

1. Ohio District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set forth in its application.

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

¹ Case No. 98-015, The Application of Ohio County Water District for: (1) Issuance of a Certificate of Public Convenience and Necessity for Construction of the 1997 Water System Improvements; (2) Authorization to Issue Series I Revenue Bonds in the Amount of \$4,000,000; and Authorization to Raise Rates to Pay for the Additional Indebtedness.

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

4. Ohio 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. Ohio 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.

6. Ohio District shall notify the Commission in writing one week prior to the actual start of construction and at the 50 percent completion point.

Done at Frankfort, Kentucky, this 1st day of February, 2001.

By the Commission

ATTEST:


Executive Director

