

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON COUNTY WATER	)	
DISTRICT, INC. OF LEITCHFIELD, KY FOR (1)	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE NO.
NECESSITY (2) APPROVAL OF THE PROPOSED	)	2001-067
PLAN OF FINANCING SAID PROJECT	)	

O R D E R

On April 23, 2001, Grayson County Water District ("Grayson District") applied for a Certificate of Public Convenience and Necessity to construct a \$4,400,000 waterworks improvement project and for approval of its plan for financing the project. The proposed project will provide a regional, treated water supply to the western end of Grayson County currently either unserved or underserved by small, aging, and inefficiently operated water treatment plants. Grayson District intends to continue purchasing water from the city of Leitchfield to serve the eastern portion of Grayson County. This project will also provide water to the Rough River State Park and the city of Caneyville, allowing their water treatment plants to be removed from service. Project funding is a \$4,000,000 loan from the Kentucky Infrastructure Authority at 1.8 percent for 20 years and a \$400,000 contribution from the Applicant.

The proposed project includes the construction of a 1.5 MGD Water Treatment Plant on the Rough River reservoir in Grayson County and the installation of approximately

4.61 miles of 12-inch water transmission main, 1.42 miles of 8-inch water transmission main, 0.55 miles of 4-inch water transmission main and related appurtenances.

The new plant will be of conventional design with a flash mixer, flocculation and sedimentation basin, gravity filters, clearwell, and chemical storage and automatic feed facilities. Plans and specifications for the proposed improvements prepared by Cann & Lee, LLC of Lawrenceburg, 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. The proposed construction consists of a 1.5 MGD Water Treatment Plant and the installation of approximately 4.61 miles of 12-inch water transmission main, 1.42 miles of 8-inch water transmission main, 0.55 miles of 4-inch water transmission main and related appurtenances.
3. Grayson 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. Grayson 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. Grayson District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky licensure, competent 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.

7. The financing plan proposed by Grayson District is for a lawful object 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. Grayson District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of a 1.5 MGD Water Treatment Plant and the installation of approximately 4.61 miles of 12-inch water transmission main, 1.42 miles of 8-inch water transmission main, 0.55 miles of 4-inch water transmission main and related appurtenances.

2. Grayson 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 Grayson District 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 31<sup>st</sup> day of May, 2001.

By the Commission

ATTEST:

  
Executive Director