

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE CRITTENDEN-)	
LIVINGSTON COUNTY WATER DISTRICT)	
FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO. 2001-200
CONSTRUCT AND FINANCE AN)	
IMPROVEMENTS PROJECT PURSUANT)	
TO KRS 278.020 AND 278.300)	

ORDER

On July 2, 2001, Crittenden-Livingston County Water District (“Crittenden-Livingston”) submitted its application requesting the Commission to issue a Certificate of Public Convenience and Necessity (“Certificate”) to construct a \$1,500,000 waterworks improvement project and to grant approval of its proposed plan of financing. The application was considered filed on August 1, 2001, the date the deficiencies in the application were cured.

Initially, Crittenden-Livingston’s proposed waterworks improvement project consisted of (i) the installation of approximately 41.7 miles of 4, 6, and 8-inch water line with appurtenances; (ii) a 365 GPM booster pumping station; and (iii) a master meter station. On September 24, 2001, Crittenden-Livingston filed an amendment to its application removing the booster pump station from its request for a Certificate. According to Crittenden-Livingston, it intends to apply for the Certificate to construct the booster pumping station at the same time it requests a Certificate for either the construction of a water storage tank or the acquisition of an existing tank.

Crittenden-Livingston plans to finance its construction project with a \$1,500,000 Drinking Water State Revolving Fund (“DWSRF”) that will be administered by the Kentucky Infrastructure Authority (“KIA”). According to the July 13, 2001 KIA Conditional Commitment Letter, the DWSRF loan will have an interest rate of 1.8 percent per annum and a term of 20 years.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Construction of the proposed water system improvement project will not result in the wasteful duplication of any existing utility facilities nor will it compete with any other utility. It will provide potable water service to approximately 250 residences in rural Crittenden and Livingston counties.

2. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the plans and specifications for the proposed project.

3. Public convenience and necessity require construction of the proposed project.

4. Crittenden-Livingston’s proposal to obtain a DWSRF loan of \$1,500,000 is for a lawful object within its corporate purpose, is necessary, appropriate for and consistent with the proper performance of its service to the public, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Crittenden-Livingston is granted a Certificate to construct the proposed waterworks improvement project as amended.

2. Crittenden-Livingston 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 shall be undertaken only with the prior approval of the Commission.

4. Crittenden-Livingston 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. Crittenden-Livingston shall require construction to be inspected under the general supervision of a professional engineer with Kentucky licensure, competent to practice 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. Crittenden-Livingston 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. Crittenden-Livingston shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

8. Crittenden-Livingston is authorized to obtain a DWSRF loan in the amount of \$1,500,000 at an interest rate of 1.8 percent per annum and a term of 20 years.

9. Crittenden-Livingston shall, within 30 days of obtaining the KRWFC loan, file with the Commission a statement setting forth the date the loan is entered into, the actual interest rate, and the principal amount.

10. The proceeds from the transaction authorized herein shall be used only for the lawful purposes specified in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency as to the securities authorized herein.

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

By the Commission

ATTEST:


Executive Director