

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OHIO COUNTY WATER )	
DISTRICT FOR (1) ISSUANCE OF A CERTIFICATE )	
OF PUBLIC CONVENIENCE AND NECESSITY FOR )	
CONSTRUCTION OF THE SERIES II WATER )	CASE NO.
SYSTEM IMPROVEMENTS (2) AUTHORIZATION )	2000-00170
TO ISSUE SERIES II REVENUE BONDS IN THE )	
AMOUNT OF \$4,035,000 AND (3) AUTHORIZATION )	
TO ADJUST RATES TO PAY FOR THE )	
ADDITIONAL INDEBTEDNESS )	

O R D E R

On May 31, 2000, Ohio County Water District ( Ohio District ) applied for a Certificate of Public Convenience and Necessity to construct Series II water system improvements that consisted of contracts A, B, C, D, and E, for authority to issue \$4,035,000 in revenue bonds to finance these improvements, and for approval to raise rates to pay for the additional indebtedness. On July 14, 2000, the Commission issued an Interim Order granting a Certificate of Public Convenience and Necessity to proceed with the construction of contracts A through E and approving the requested financing. On September 6, 2000, the Commission issued an Order approving rates sufficient to recover the construction and financing of the improvements.

On May 30, 2002, Ohio District advised the Commission in writing that \$523,369.64 of proceeds from the approved bond issuance remain after the construction of the proposed facilities. Ohio District requested that these remaining

proceeds be used to fund contract F of Series II and certain plant maintenance such as filter media replacement, repair and painting of the clearwell and other general maintenance items. Ohio District further requested a Certificate of Public Convenience and Necessity for the improvements contained in contract F.

The Contract F project involves the construction of 49,000 linear feet of 8-inch SDR 21 PVC pipe and 2,500 linear feet of 4-inch SDR 21 PVC pipe at a cost of \$380,409.12. When completed, it will extend water service to 16 additional customers and improve existing water service to 46 customers.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require the construction of the improvements set forth in contract F.
2. The proposed additional construction included in contract F consists of 49,000 linear feet of 8-inch SDR 21 PVC pipe and 2,500 linear feet of 4-inch SDR 21 PVC pipe and related appurtenances.
3. Ohio District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by either this Order or the July 14, 2000 Order.
4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.
5. Ohio 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. Ohio District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration 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 proposed use of the remaining proceeds of the \$4,035,000 revenue bonds approved in the July 14, 2000 Order 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 IS THEREFORE ORDERED that:

1. Ohio District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 49,000 linear feet of 8-inch SDR 21 PVC pipe and 2,500 linear feet of 4-inch SDR 21 PVC pipe and related appurtenances as set forth in the drawings and specifications of record herein.

2. Ohio District shall comply with the requirements contained in Findings 3 through 7 as if the same were individually so ordered.


3. Ohio District's use of the remaining proceeds of the previously approved bond issuance 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 11th day of June, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Chambers" followed by a stylized flourish and a circled "11".

Executive Director