

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DEXTER-ALMO HEIGHTS	)	
WATER DISTRICT FOR A CERTIFICATE OF	)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR	)	2006-00420
APPROVAL OF COLES CAMPGROUND	)	
EXTENSION	)	

O R D E R

On September 22, 2006, Dexter-Almo Heights Water District (“Dexter-Almo Heights”) applied for a Certificate of Public Convenience and Necessity to construct a water line improvement project. This project, referred to as the “Coles Campground Road Project” consists of the installation of approximately 1,650 feet of 4-inch PVC water line; 2,000 feet of 6-inch PVC water line; 1,100 feet of 8-inch PVC water line; 1,600 feet of 10-inch PVC water line, plus an additional 350 feet of 10-inch PVC water line; and related appurtenances to provide projected adequate flows and pressure to its existing and future customers. Dexter-Almo Heights states the total cost of the proposed project is to be \$181,325.

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

1. Dexter-Almo Heights is a water district organized pursuant to KRS Chapter 74.
2. Dexter-Almo Heights owns and operates facilities used to distribute water for compensation to approximately 686 customers.

3. Dexter-Almo Heights proposes to install approximately 1,650 feet of 4-inch PVC water line; 2,000 feet of 6-inch PVC water line; 1,100 feet of 8-inch PVC water line; and 1,600 feet of 10-inch PVC water line, plus an additional 350 feet of 10-inch PVC water line.

4. The proposed water mains will supply water to areas that Dexter-Almo Heights does not currently serve and will add approximately 50 new customers to Dexter-Almo Heights' distribution system.

5. Estimated total cost of the proposed project, including construction costs, contingencies, and engineering and inspection fees, is \$181,325.

6. Dexter-Almo Heights proposes to finance the project through two grants of \$92,000 and \$41,462 from the Kentucky Infrastructure Authority. The remaining unfunded construction costs of \$46,863 will be financed through a line of credit from The Murray Bank of Calloway County, Kentucky.

7. Oatman Engineering, Inc., of Paducah, Kentucky, prepared the plans and specifications for the proposed project.

8. The Division of Water, Kentucky Environmental and Public Protection Cabinet, has approved the plans and specifications for the proposed project.

9. The proposed project will not compete or conflict with the facilities of other jurisdictional utilities operating in the same area.

10. The proposed project will not result in the wasteful duplication of utility facilities.

11. Public convenience and necessity require the proposed project.

IT IS THEREFORE ORDERED that:

1. Dexter-Almo Heights is granted a Certificate of Public Convenience and Necessity to proceed with the proposed water main extension project, as set forth in the plans and specifications of record herein.
2. The proposed financing through two grants of \$92,000 and \$41,462 from the Kentucky Infrastructure Authority and the \$46,863 financed through a line of credit from The Murray Bank of Calloway County, Kentucky is approved.
3. Dexter-Almo Heights shall obtain approval from the Commission prior to performing any additional construction not expressly authorized within this Order.
4. Any deviation from the construction approved herein shall be undertaken only with the prior approval of the Commission.
5. Dexter-Almo Heights 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.
6. Dexter-Almo Heights shall require the construction to be inspected under the general supervision of a 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. Dexter-Almo Heights 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.

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 21<sup>st</sup> day of November, 2006.

By the Commission

ATTEST:

  
Executive Director