

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WEST SHELBY)	
WATER DISTRICT FOR COMMISSION)	
APPROVAL FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY)	2018-00196
TO CONSTRUCT A STORAGE BUILDING)	
NEXT TO THEIR EXISTING OFFICE)	

ORDER

On June 15, 2018, West Shelby Water District (West Shelby District) submitted an application for a Certificate of Public Convenience and Necessity (CPCN) to construct a storage building for machinery and equipment. No person has sought intervention in this matter, and West Shelby District has not requested a hearing. Commission Staff issued one request for information to which West Shelby District has responded. The record for this case is complete, and the matter stands ready for a decision.

West Shelby District, a water district organized under KRS Chapter 74, provides retail water service to approximately 2,146 customers in Shelby County, Kentucky.¹

West Shelby District's Application for a CPCN proposes to construct a storage building on property located at 492 Third Street, Simpsonville, Kentucky. West Shelby District states that the new storage building is necessary because it has occupied the present space for 21 years and as the district has grown from 800 customers to over 2,000 customers, and thus the present facilities have become inadequate.² The present

¹ *Annual Report of West Shelby County Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2017*, at 48 and 12.

² Application, Exhibit A.

storage building is located in downtown Simpsonville, Kentucky, and landlocked by city streets which prevent an addition being added to the current storage building.³ West Shelby District currently owns the property where the proposed new construction is to take place.⁴ There are no mortgages or liens outstanding on the property.⁵ The new construction would be consistent with the local zoning comprehensive zoning plan.⁶

West Shelby District estimates the cost of the construction to be \$223,633.00.⁷ West Shelby District will pay for the new construction from existing funds. West Shelby District is planning to place the existing maintenance building located at 7101 Shelbyville Road, Simpsonville, Kentucky, for sale at a later date; however, proceeds from the sale of this property are not needed to pay for the new construction.⁸

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

1. The proposed construction will not result in wasteful duplication of existing facilities.
2. The proposed construction does not conflict with any existing certificates or service of any other utility operating in the area.

³ Letter from James Hite Hays, dated August 24, 2018, (Aug. 27, 2018).

⁴ *Id.*

⁵ West Shelby Water District's Response to the PSC First Request for Information (Staff's First Request) Item 3.

⁶ *Id.*

⁷ Application at paragraph 5.

⁸ Response to Staff's First Request, Item 1.

3. Public convenience and necessity require the proposed construction, which will allow West Shelby District to continue to provide reliable and adequate water services to its customers.

4. West Shelby District should be authorized to utilize \$223,633.00 of its unrestricted cash reserves to fund the project.

IT IS THEREFORE ORDERED that:

1. West Shelby District is granted a CPCN for the proposed project as submitted.

2. West Shelby District is authorized to use funds from its unrestricted cash reserves in the amount of \$233,633.00.

3. These funds shall be used only for the purposes specified in West Shelby District's application.

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

5. West Shelby District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g., engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs shall be classified in appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

6. West Shelby 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 certified herein.

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

8. West Shelby District shall notify the Commission in writing upon listing for sale the property located at 7101 Shelbyville Road, Simpsonville, Kentucky. West Shelby District shall also notify the Commission in writing upon the sale of this property. Should West Shelby District not list or sell the property within six months of completion of the new storage facility, written notice shall be filed with the Commission detailing West Shelby's scheduled sales plan.

9. Any documents filed in the future pursuant to ordering paragraphs 5, 6, 7, and 8 shall reference this case number and shall be retained in the post case correspondence file.

10. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon West Shelby District's showing of good cause for such extension.

11. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
AUG 31 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2018-00196

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