

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)	
WATER COMPANY FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY)	CASE NO.
AUTHORIZING THE BID ON A FRANCHISE)	2015-00407
ESTABLISHED BY THE LEXINGTON-FAYETTE)	
URBAN COUNTY GOVERNMENT)	

ORDER

On December 9, 2015, Kentucky-American Water Company ("Kentucky-American") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity ("CPCN") to qualify it to bid on a franchise offered by the Lexington-Fayette Urban County Government ("LFUCG") to supply water to the inhabitants of Fayette County, Kentucky. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a CPCN from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for water service in Fayette County, Kentucky. Since the Commission's authority is limited by statute to finding only whether there is need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchisees offered by LFUCG, or the manner in which any franchise is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

1. Kentucky-American is granted a CPCN that authorizes it to bid on a franchise offered by LFUCG to provide water service.

2. If Kentucky-American is not the successful bidder, Kentucky-American shall, within ten days of the award of the franchises at issue, file with the Commission a written notice stating that Kentucky-American was not the successful bidder.

3. If Kentucky-American is the successful bidder, Kentucky-American shall, within ten days of the award of the franchises at issue, file with the Commission a copy of the executed franchise agreements and a statement disclosing the amount of the initial franchise fees.

4. If Kentucky-American is the successful bidder, Kentucky-American shall, within ten days of an increase or decrease in the amount of the initial franchise fees set forth in the franchise agreements, file with the Commission documentation setting forth the revised fees.

5. Any documents filed pursuant to ordering paragraphs 2, 3, or 4 of this Order shall reference the number of this case and shall be electronically submitted via the Commission's electronic Tariff Filing System.

6. This Order shall not be construed as granting a CPCN to construct utility facilities in Fayette County, Kentucky.

By the Commission

ENTERED
DEC 16 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Arnold D. Greenwell
Executive Director *for*

Case No. 2015-00407

*Honorable Lindsey W Ingram, III
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