

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER VALLEY)	
WATER DISTRICT FOR APPROVAL OF)	
FINANCING AND ISSUANCE OF A)	CASE NO.
CERTIFICATE OF CONVENIENCE AND)	2015-00133
NECESSITY)	

ORDER

Green River Valley Water District (“Green River”) has applied for a Certificate of Public Convenience and Necessity (“CPCN”) to install a standby power generator and for approval of its plan to finance the proposed construction.

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

1. Green River, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that treat and distribute water to approximately 6,848 customers in portions of Barren, Green, Hart, Larue, and Metcalfe counties, Kentucky, and provides wholesale water service to the cities of Bonnieville, Horse Cave, Cave City, and Munfordville, Larue County Water District, Green-Taylor Water District, and Caveland Environmental Authority.¹

2. Green River’s initial application, which was received on April 22, 2015, was accepted as filed with the Commission on May 14, 2015. No person has sought

¹ *Annual Report of Green River Valley Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2014* at 12, 53, and 60.

intervention in this matter. Green River has not requested a hearing in this matter, and the Commission finds the record complete.

3. Green River's proposed project consists of the construction and installation of a 1,000-kilowatt emergency power generator for powering the water treatment plant.²

4. Green River states that this project will allow for adequate power to run the water treatment plant and high service pumps at 100 percent of the plant's capacity once all subsequent connections are made.³

5. Total cost of the proposed project is approximately \$837,700.

6. Kenvirons, Inc. of Frankfort, Kentucky, prepared the plans and specifications for the proposed project.

7. Approval from the Kentucky Division of Water ("KDOW") is not required for this project.⁴

8. The proposed construction and installation will not result in wasteful duplication of existing facilities.

9. The proposed construction and acquisition does not conflict with any existing certificates or the service of any other utility operating in the area.

² Application, paragraph 4.

³ Supplement to paragraph 5 of the Application (filed June 4, 2015).

⁴ Application, Exhibit D, Letter from Mark Rasche, Professional Engineer, Supervisor, Engineering Section, Water Infrastructure Branch, KDOW, to David Paige, Green River Valley Water District (April 3, 2015).

10. Public convenience and necessity require the proposed construction to allow Green River to continue to provide adequate water service to its residential and wholesale customers.⁵

11. In Case No. 2013-00346,⁶ the Commission authorized Green River to execute a loan Assistance Agreement with the Kentucky Infrastructure Authority (“KIA”) to borrow an amount not to exceed \$1,175,000.

12. Green River will fund this project as follows: \$406,106 remaining from the original \$1,175,000 KIA loan;⁷ \$117,500 approved by KIA as an additional 10 percent increase of the original loan amount; and \$314,093.59 of Green River’s available funds.⁸

IT IS THEREFORE ORDERED that:

1. Green River is authorized to execute an assistance agreement with KIA to borrow an amount not to exceed \$117,500 to be repaid over a period not to exceed 20 years at an interest rate of 0.75 percent per annum.

2. Green River is granted a CPCN to proceed with the proposed construction and acquisition as set forth in its Application.

3. Green River shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

4. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

⁵ Application, Paragraph 5.

⁶ Case No. 2013-00346, *Application of Green River Valley Water District for Approval of Financing and Issuance of a Certificate of Convenience and Necessity* (Ky. PSC Nov. 27, 2013), Application, Exhibit A.

⁷ Supplement to paragraph 6 of the Application (filed June 4, 2015).

⁸ *Id.*

5. Green River 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) 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.

6. Green River 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. Green River 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.


8. Any documents filed in the future pursuant to ordering paragraphs 3, 5, and 6 shall reference this case number and shall be retained in the utility's general correspondence file.

9. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon Green River's showing of good cause for such extension.

By the Commission

ENTERED
JUN 09 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2015-00133

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