

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF OHIO COUNTY)	
WATER DISTRICT TO MODIFY THE FINAL ORDER)	
IN CASE NO. 2016-00115 TO PERMIT USE OF)	CASE NO.
PROCEEDS OF AN ASSISTANCE AGREEMENT)	2018-00240
WITH THE KENTUCKY INFRASTRUCTURE)	
AUTHORITY FOR OTHER PURPOSES)	

ORDER

On August 3, 2018, Ohio County Water District (Ohio District) filed an application requesting that the Commission modify its Order entered on July 21, 2016, in Case No. 2016-00115,¹ approving an assistance agreement (Assistance Agreement) with the Kentucky Infrastructure Authority (KIA) in an amount not to exceed \$1,630,000. Ohio District seeks a modification of that Order to authorize the use of the remaining proceeds for an additional purpose not set forth in its application in Case No. 2016-00115, and not approved by the Commission.

Ohio District, a water district organized under KRS Chapter 74, provides retail water service to 5,751 residential customers and 169 commercial customers, and wholesale water service to four customers in Breckinridge, Daviess, Grayson, and Ohio counties, Kentucky.²

In Case No. 2016-00115, the Commission authorized Ohio District to enter into an

¹ Case No. 2016-00115, *Application of Ohio County Water District for Authorization to Enter an Assistance Agreement with the Kentucky Infrastructure Authority and for a Certificate of Public Convenience to Construct Water Transmission Mains* (Ky. PSC July 21, 2016).

² Application at paragraph 5.

assistance agreement with KIA to borrow up to \$1,630,000 to finance the construction of approximately 12,231 linear feet of 16-inch polyvinyl chloride water main and 3,645 linear feet of 16-inch ductile iron water main (North Transmission Main Project). Ohio District executed the Assistance Agreement with KIA on November 3, 2016, and completed the construction of the North Transmission Main Project with approximately \$365,000 remaining of the Assistance Agreement's proceeds.³

In the instant case, Ohio District seeks permission to use the remaining proceeds of the Assistance Agreement with KIA for the construction of 5,500 linear feet of 8-inch polyvinyl chloride water main to replace and upgrade an existing 6-inch asbestos/concrete water main. This replacement main is expected to reduce friction head loss; increase water pressure in the northwest section of Ohio District's water distribution system; is expected to reduce disinfection byproduct levels by increasing water flow and usage to approximately 800 Ohio District customers, and provide critical backup to an 8-inch main and an existing pump station.⁴

Ohio District has stated that a Certificate of Public Convenience and Necessity is not necessary as Ohio District is exempt from KRS 278.020(1)(a)(2).⁵

Ohio District has received approval of Kentucky Energy and Environment Cabinet, Department of Environmental Protection, Division of Water for the plans and specifications with respect to sanitary features of design in accordance with the requirements contained in the construction permit.⁶ Ohio District has received approval

³ *Id.* at paragraph 9.

⁴ *Id.* at paragraph 10.

⁵ *Id.* at paragraph 22.

⁶ *Id.* Exhibit 9.

of the Transportation Department, Department of Highways for an encroachment permit.⁷ Ohio District has received approval from KIA to use the remaining proceeds from the Assistance Agreement to construct the proposed project.⁸

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Ohio District's request to modify the final Order in Case No. 2016-00115 should be approved.

IT IS THEREFORE ORDERED that:

1. The record in Case No. 2016-00115, including the Post-Case Correspondence, is incorporated by reference into the record of the instant case.

2. Ohio District's request to modify the Commission's July 21, 2016 Order in Case No. 2016-00115 is granted.

3. The Commission's July 21, 2016 Order in Case No. 2016-00115 is modified to the limited extent that the KIA financing approved therein is authorized for the purposes of funding the water main replacement project described herein and for the construction of the proposed project in the application as submitted in this case.

4. All provisions of the July 21, 2016 Order that are not in conflict with the terms of this Order shall remain in effect.

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

⁷ *Id.* Exhibit 10.

⁸ *Id.* Exhibit 16.

By the Commission



ATTEST:


Executive Director

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Vicki Shields
Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347

*Mr. Walt Beasley
General Superintendent
Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347

*Ohio County Water District
124 E Washington Street
P. O. Box 207
Hartford, KY 42347