

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CAMPBELL COUNTY)
KENTUCKY WATER DISTRICT FOR)
AUTHORITY TO CONSTRUCT A)
SUPPLY MAIN TO BE FINANCED) CASE NO. 8755
WITH FUNDS ON HAND PLUS SHORT)
TERM DEBT)

ORDER

The Campbell County Kentucky Water District ("Campbell County") filed its application on January 11, 1983, for approval of a proposed waterworks improvement project in the amount of \$958,000, and approval of its financing for this project. Campbell County's financing includes cash reserves of \$606,762, a contribution of \$44,000 from the City of Fort Thomas, Kentucky, and a line of credit of \$250,000 at 2 percent below prime with the Fort Thomas-Bellevue Bank, Fort Thomas, Kentucky. Construction bids were received on January 24, 1983.

The proposed improvements should improve hydraulic flow and service reliability to present customers.

Plans and specifications for the proposed improvements as prepared by Burgess & Niple, Limited, of Cincinnati, Ohio, ("Engineer"), have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

A hearing was held March 22, 1983, in the offices of the Public Service Commission, Frankfort, Kentucky. There were no intervenors in this proceeding, and no protests were entered.

The Public Service Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

2. The proposed project includes construction of about 13,610 feet of a 16-inch pipeline along Fort Thomas Avenue from Alexandria Pike north to Campbell County's existing pump station. The low bids received for this work totaled \$812,231, which will require about \$958,000 after allowances are made for fees, contingencies and other indirect costs.

3. Any construction deviations from the contract plans and specifications herein approved which could adversely affect service to any customer should be subject to prior approval of this Commission.

4. The proposed borrowing of \$250,000 is for lawful objects within the corporate purposes of Campbell County, is necessary and appropriate for and consistent with the proper performance of services to the public by Campbell County,

will not impair its ability to perform these services and is reasonably necessary and appropriate for such purposes.

5. Campbell County should furnish duly verified documentation of the total cost 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.

6. Campbell County's contract with its Engineer should require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection should insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Campbell County should require the Engineer to furnish to the Commission a copy of the as-built plans and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications, within 60 days of the date of substantial completion of this construction.

IT IS THEREFORE ORDERED that Campbell County be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the plans and specifications of record herein.

IT IS FURTHER ORDERED that any construction deviations from the contract plans and specifications approved herein which could adversely affect the service to any customer shall be subject to the prior approval of this Commission.

IT IS FURTHER ORDERED that Campbell County's plan for financing its construction work in the amount of \$958,000, including cash reserves of \$606,762, a contribution of \$44,000 from the City of Fort Thomas, and a line of credit with the Fort Thomas-Bellevue Bank, Fort Thomas, Kentucky, of \$250,000 at 2 percent below prime for a period of 12 months be and it hereby is approved.

IT IS FURTHER ORDERED that Campbell County shall file with the Commission duly verified documentation which shows the total costs of the construction herein certificated including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed.

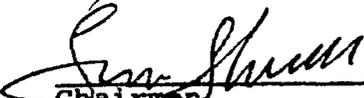
IT IS FURTHER ORDERED that the contract between Campbell County and its Engineer shall require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision and inspection shall insure that the construction work is done in accordance with the contract plans and specifications and in conformance with the best practices of the construction trades involved in the project.

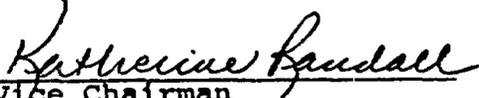
IT IS FURTHER ORDERED that Campbell County shall require the Engineer to furnish this Commission with as-built drawings and a signed statement that the construction has been satisfactorily completed and has been done in accordance with the contract plans and specifications, within 60 days of the date of substantial completion of the proposed construction.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 30th day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary