

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE)
WEBSTER COUNTY WATER)
DISTRICT FOR APPROVAL)
OF THE CONSTRUCTION AND) CASE NO. 8787
METHOD OF FINANCING A)
WATER WORKS IMPROVEMENT)
PROJECT)

O R D E R

The Webster County Water District ("Webster County") filed its application on March 23, 1983, for approval of a proposed waterworks improvement project in the amount of \$142,000, and approval of its financing for this project. Webster County's financing includes a \$70,000 contribution from the Webster County Fiscal Court, a \$70,000 contribution from the Webster County Coal Corporation ("Coal Corporation"), and an estimated \$4,200 contribution from customers along the proposed improvement project. Construction bids have not been received for the proposed project.

The proposed improvements are intended to extend service to the community of Lisman and the Coal Corporation.

Plans and specifications for the proposed improvements as prepared by Turner Engineering Company, Inc., of Nashville, Tennessee, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

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 37,200 feet of 6 and 4-inch pipeline along Highways 1340 and 874 from Highway 132 to Lisman, and from Lisman along Highway 270 to the Coal Corporation. The estimated cost for this work totaled \$113,000, which will require about \$142,000 after allowances are made for fees, contingencies and other indirect costs.

3. The Coal Corporation proposes to use water obtained from Webster County in its underground mining operations approximately 1,000 feet below the surface. The use of water so far below the surface presents the potential for significantly disrupting the water service of the existing water customers of Webster County. The Coal Corporation has stated in a letter to the Engineer that it intends to serve its underground operations from its own storage tanks and that the proposed water line "will not be connected directly" to underground mining facilities. The water service agreement between Webster County and the Coal Corporation should explicitly prohibit a direct connection between Webster County's main and the Coal Corporation's underground operations.

4. 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.

5. Webster 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. Webster 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. Webster 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 Webster 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 the water service contract between Webster County and the Coal Corporation shall require the provision of on-site water storage facilities and shall prohibit the direct physical connection of the Coal Corporation's underground mining operations to Webster County's water mains.

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

IT IS FURTHER ORDERED that Webster County's plans for financing its construction work in the amount of \$142,000 including a \$70,000 contribution from the Webster County Fiscal Court, a \$70,000 contribution from the Coal Corporation, and an estimated \$4,200 contribution from customers be and it hereby is approved.

IT IS FURTHER ORDERED that Webster County shall file with the Commission duly verified documentation which shows 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 Webster 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 Webster 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 19th day of May, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary