

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF GREEN RIVER VALLEY)
WATER DISTRICT, HART, BARREN, LARUE,)
GREEN AND METCALFE COUNTIES, KENTUCKY)
(1) FOR A CERTIFICATE OF PUBLIC CON-)
VENIENCE AND NECESSITY AUTHORIZING)
SAID DISTRICT TO CONSTRUCT MAJOR)
IMPROVEMENTS AND ADDITIONS TO ITS) CASE NO. 8955
EXISTING MUNICIPAL WATERWORKS AND)
WATER DISTRIBUTION SYSTEM PURSUANT TO)
THE PROVISIONS OF CHAPTER 74 OF THE)
KENTUCKY REVISED STATUTES; AND (2))
SEEKING APPROVAL OF THE ISSUANCE OF)
CERTAIN SECURITIES)

ORDER

The Green River Valley Water District ("Green River") filed an application on December 27, 1983, for authorization to construct a \$1,375,600 waterworks improvements project, and approval of its financing for this project. Green River's financing includes \$138,600 from applicants for service in the project area, a loan of \$584,000 from the Farmers Home Administration ("FmHA") at 5 percent annual interest, and a FmHA grant of \$653,000. Green River will issue waterworks revenue bonds as security for the FmHA loan. The repayment period will be 40 years. The proposed improvements will provide water service to about 505 additional customers in Hart, Green, Barren, and Metcalfe counties.

Drawings and specifications for the proposed improvements as prepared by Campbell Wallace Consulting Engineers of Knoxville,

Tennessee, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

A hearing was held in the offices of the Public Service Commission, Frankfort, Kentucky, on April 24, 1984. There were no intervenors and no protests were entered.

FINDINGS AND ORDERS

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 construction includes about 65 miles of new water lines, a booster pumping station, 2 water storage tanks, and miscellaneous appurtenances thereto to provide service to about 505 additional customers. The low bids received for the proposed work totaled \$1,200,600, which will require about \$1,375,600 after allowances are made for fees, contingencies and other indirect costs.

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

4. The proposed borrowing of \$584,000 is for lawful objects within the corporate purposes of Green River, is necessary and appropriate for and consistent with the proper performance of services to the public by Green River, will not impair its ability

to perform these services and is reasonably necessary and appropriate for such purposes.

5. The financing secured by Green River for this project will be needed to pay for the work herein approved. Green River's financing plan should, therefore, be approved.

6. Green River intends to extend water service to a portion of Metcalfe County outside its present service area and is in the process of annexing the applicable area. Green River should comply with KRS 74.110 and KRS 74.115 as it pertains to annexing the area of Metcalfe County to be served. Prior to constructing any improvements in or serving the annexed area in Metcalfe County, Green River should file the appropriate Metcalfe County Fiscal Court Order with this Commission.

7. Green River should file with the Commission duly verified documentation which shows the total costs of construction herein certificated, including all capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed.

8. Green River should provide construction inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. The 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.

9. Green River should furnish a copy of the record 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.

10. A 5/8-inch x 3/4-inch meter should be the standard customer service meter for all new customers and should be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter.

11. Green River should file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.

IT IS THEREFORE ORDERED that Green River be and it hereby is granted a certificate of public convenience and necessity to proceed with the waterworks improvements projects set forth in the plans and specifications of record herein.

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

IT IS FURTHER ORDERED that Green River's plan for financing its construction work in the amount of \$1,375,600, including a 40-year loan of \$584,000 at 5 percent annual interest from FmHA, be and it hereby is approved.

IT IS FURTHER ORDERED that Green River shall conclude the required procedures to properly annex the area to be served in

Metcalfe County. Green River shall file a copy of the appropriate Metcalfe County Fiscal Court Order with this Commission prior to constructing any improvements in or serving the annexed area.

IT IS FURTHER ORDERED that Green River shall file with the Commission duly verified documentation which shows the total costs of 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 Green River shall provide construction 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 Green River shall furnish to the Commission a copy of the record plans and a signed statement that the construction has been satisfactorily completed and done in accordance with the contract plans and specifications within 60 days of the date of substantial completion of the proposed construction.

IT IS FURTHER ORDERED that a 5/8-inch x 3/4-inch meter shall be the standard customer service meter for all new customers and shall be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter.

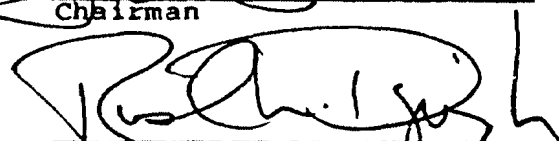
IT IS FURTHER ORDERED that Green River shall file with the Commission a copy of all contractual agreements for the provision of services or the purchase of services which are subject to the approval of this Commission.

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 2nd day of May, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Acting Secretary _____