

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE REID VILLAGE WATER)
DISTRICT, A WATER DISTRICT ORGANIZED PURSUANT)
TO CHAPTER 74 OF THE KENTUCKY REVISED STATUTES,)
OF MONTGOMERY AND CLARK COUNTIES, KENTUCKY, FOR)
(1) A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY, AUTHORIZING AND PERMITTING SAID)
WATER DISTRICT TO CONSTRUCT A CONSTRUCTION)
PROJECT, CONSISTING OF EXTENSIONS, ADDITIONS) CASE NO.
AND IMPROVEMENTS OF THE EXISTING WATERWORKS) 9012
SYSTEM OF THE DISTRICT; (2) APPROVAL OF THE)
PROPOSED PLAN OF FINANCING OF SAID PROJECT;)
AND (3) APPROVAL OF THE WATER RATES PROPOSED)
TO BE CHARGED BY THE DISTRICT TO CUSTOMERS OF)
THE DISTRICT)

O R D E R

On August 6, 1984, the Commission entered an Order granting the Reid Village Water District ("Reid Village") a certificate of public convenience and necessity for a waterworks improvement project. The Order also approved the financing for that project and adjustments to its water service rates.

On May 7, 1985, Reid Village filed for authorization to extend a water line to serve an additional 27 customers on Wades Mill Road and requested approval of this construction.

Supplemental information concerning this additional construction was filed on June 21, 1985, by Geo Technical Engineers, Inc. ("Engineer") of London, Kentucky.

CONTINUITY OF ADEQUATE AND RELIABLE SERVICE

Reid Village's Engineer has provided information which appears to indicate that reliable and adequate service can be maintained on the Wades Mill Road water line after completion of the proposed construction. The Commission is concerned, however, that Reid Village's service to its customers in the higher elevations on Wades Mill Road may not be totally adequate in the long term.

The Commission reminds Reid Village of its obligation to provide adequate and reliable service to all of its customers. Reid Village should monitor the adequacy of the expanded water distribution system after construction. If this monitoring indicates that the level of service is inadequate or declining, Reid Village must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

FINDINGS AND ORDERS

The 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 supplemental information be performed and that a certificate of public convenience and necessity be granted.

2. The financing plan for the supplemental work consisting of \$39,633 in previously approved Farmers Home Administration funds, \$9,450 in additional service connection fees and \$15,900 from Reid Village funds should be approved.

3. The Commission's Order entered August 6, 1984, should be affirmed in all other respects.

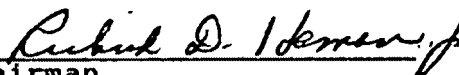
IT IS THEREFORE ORDERED that Reid Village be and it hereby is granted a certificate of public convenience and necessity to proceed with the construction as set forth in the supplemental information herein approved.

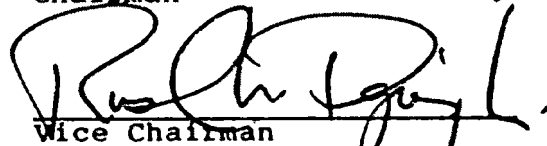
IT IS FURTHER ORDERED that the financing plan for the proposed construction be and it hereby is approved.

IT IS FURTHER ORDERED that the Commission's Order entered August 6, 1984, be and it hereby is affirmed in all other respects.

Done at Frankfort, Kentucky, this 12th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary