

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FLEMING COUNTY)
WATER ASSOCIATION, INC., FOR (1) A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY, AUTHORIZING AND)
PERMITTING SAID WATER ASSOCIATION)
TO CONSTRUCT ADDITIONAL WATER) CASE NO 9630
DISTRIBUTION SYSTEM LINES TO SERVE)
WATER TO NEW MEMBERS OF THE ASSOCI-)
ATION; (2) APPROVAL OF THE PROPOSED)
PLAN OF FINANCING OF SAID PROJECT)

O R D E R

By Order entered July 8, 1985, in Case No. 9250 the Fleming County Water Association ("Fleming Water") was granted a certificate of convenience and necessity for construction of distribution system extensions to serve 95 applicants for service. The \$800,000 in project funds secured by Fleming Water exceeded the needs for its new project by about \$340,000. This surplus presented Fleming Water with an opportunity to extend service to additional residents of Fleming County. The Commission recognized this opportunity and approved Fleming Water's \$800,000 plan of financing with the stipulation that its additional construction would also require approval of the Commission.

On June 23, 1986, Fleming Water by letter from its consulting engineer, Watkins and Associates, Inc., requested approval to construct additional waterworks facilities. Financing for the

proposed construction is from grant funds from the financing approved in Case No. 9250.

The Commission will consider Fleming Water's letter as a application for authorization to construct \$33,649 water improvements project and approval of its financing for this project.

Fleming Water proposes to extend service to 19 new customers through about 13,700 feet of 4- and 3-inch pipelines. The cost including fees, contingencies and other indirect costs will be about \$33,649 of which \$30,064 is the estimate for direct construction costs.

A copy of a letter from the Division of Water of the Natural Resources and Environmental Protection Cabinet approving the proposed construction has been received.

Findings and Orders

The Commission, after consideration of the application for approval of additional construction, is of the opinion and finds that:

1. Fleming Water's letter of June 23, 1986, should be considered an application for authorization to construct additional improvements and approval of its financing for this project.
2. The record in Case No. 9250 should be incorporated by reference into this case.
3. Public convenience and necessity require that the construction proposed in the application filed June 23, 1986, be

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

4. The method of financing utilizing funds from Fleming Water's previously approved FmHA funding of \$800,000 should be approved.

IT IS THEREFORE ORDERED that Fleming Water's letter filed on June 23, 1986, be and it hereby is accepted for filing and that this Case is hereby opened to consider the merits of the proposal.

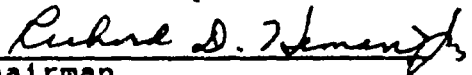
IT IS FURTHER ORDERED that the record in Case No. 9250 be and it hereby is incorporated by reference into this case.

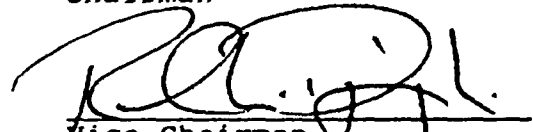
IT IS FURTHER ORDERED that Fleming Water be and it hereby is granted a certificate of public convenience and necessity for additional construction as described by its application filed June 23, 1986, and herein approved.

IT IS FURTHER ORDERED that Fleming Water's method for financing the proposed construction be and it hereby is approved.

Done at Frankfort, Kentucky, this 28th day of July, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director