

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY) CASE NO. 9686
AUTHORIZING THE CONSTRUCTION OF)
HUME ROAD TANK AND BOOSTER STATION)

O R D E R

The Kentucky-American Water Company ("Kentucky-American") filed its application on September 5, 1986, for approval of a proposed waterworks improvement project in the amount of \$1,755,000. Kentucky-American proposes to finance the construction initially through funds internally generated, short term bank borrowings or a combination of both. After construction is complete the costs will be converted to permanent financing.

The purpose of the proposed construction is to strengthen Kentucky-American's water distribution system in the northeast section and to modify the adverse effects of peak hour demands. Construction drawings as prepared by Camp Dresser and McKee, Inc., of Boston, Massachusetts, and construction specifications as prepared by the American Water Works Service Company, Inc., of Haddon Heights, New Jersey, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

FINDINGS AND ORDERS

The Commission, having considered 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 a 3 million gallon water storage tank, a booster pumping station, an emergency generator and miscellaneous appurtenances. The low bids totaled \$1,198,300 which will require about \$1,755,000 after allowances for fees, contingencies and other indirect costs.

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

4. Kentucky-American should provide full-time resident inspection of the construction under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering. This supervision should insure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

5. Kentucky-American should furnish to the Commission a copy of the "as-built" drawings and a signed statement by a professional engineer that the construction has been satisfactorily completed in accordance with the drawings and specifications, within 60 days of the date of substantial completion of this construction.

6. Kentucky-American should file with this Commission 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.

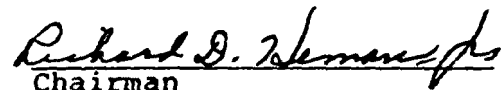
IT IS THEREFORE ORDERED that:

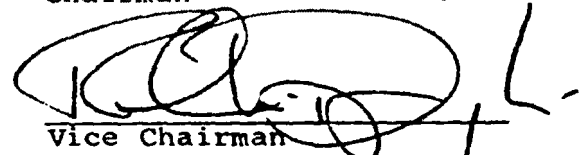
1. Kentucky-American be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein approved.

2. Kentucky-American shall comply with all matters set out in Findings 3 through 6 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 31st day of October, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director