

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NORTH WOODFORD)
COUNTY WATER DISTRICT FOR A CERTIFI-)
CATE OF CONVENIENCE AND NECESSITY,)
AND APPROVAL OF A FINANCING PLAN TO) CASE NO. 9714
CONSTRUCT A WATER STORAGE TANK IN THE)
ROSE LANE/LITTLE GERMANY AREA OF)
WOODFORD COUNTY, KENTUCKY)

O R D E R

The North Woodford County Water District ("North Woodford") by application filed October 14, 1986, is seeking authorization to construct an estimated \$111,000 waterworks project and approval of its financing plan for the proposed project. The project is to be funded from North Woodford's working capital.

The proposed construction will add a 117,000-gallon standpipe to North Woodford's water system. Plans and specifications for this construction as prepared by Kennoy Engineers, Inc., of Lexington, Kentucky, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

CONTINUITY OF ADEQUATE AND RELIABLE SERVICE

The Engineer has provided information which indicates that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission is concerned, however, that water service to its

customers in the higher elevations of its service area may not be totally adequate in the long term.

The Commission reminds North Woodford of its obligation to provide adequate and reliable service to all of its customers. North Woodford 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, North Woodford 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 application and record be performed and that a certificate of public convenience and necessity be granted.

2. The proposed project for the North Woodford water system includes the construction of a 117,000-gallon water storage tank, about 1,000 feet of 6-inch water main and miscellaneous appurtenances.

3. The proposed construction is estimated to cost \$99,900 which will require about \$111,000 in project funding after allowances are made for fees, contingencies, and other indirect costs.

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

5. North Woodford should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

6. North Woodford should file with the Commission duly verified documentation which shows the total cost of construction including all capitalized costs (engineering, legal, administrative, etc.,) within 60 days of the date that construction is substantially completed. The construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

7. North Woodford 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.

8. North Woodford should require the Engineer to 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.

9. North Woodford 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 the Commission.

10. The financing plan proposed by North Woodford for this project will be needed to pay for the work herein approved. North Woodford's financing plan should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. North Woodford be and it hereby is granted a certificate of public convenience and necessity to proceed with the waterworks construction projects described by the plans and specifications of record herein approved.

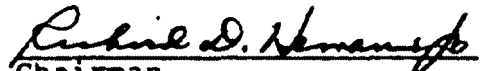
2. North Woodford's plan of financing be and it hereby is approved.

3. North Woodford shall comply with Findings 4 through 9 herein as if each of these findings were also ordered.

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 14th day of November, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director