

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) CASE No. 9687
TO CONSTRUCT ADDITIONAL WATER)
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.

Fleming Water's first phase of additional construction was approved by Order entered July 28, 1986, in Case No. 9630. This

construction extended service to 19 applicants. The total cost was about \$33,700. The direct construction cost was about \$30,100.

Fleming Water requested approval of this second phase of additional construction in a letter filed on September 4, 1986, by Watkins and Associates, Inc., consulting engineers of Lexington, Kentucky ("Engineer"). The purposes of this construction are the provision of water mains for strengthening Fleming Water's hydraulic capacity for providing reliable, adequate and efficient service; providing water mains that will support a proposed storage tank; and the provision of service connections for about 19 applicants for water service. The storage tank project is to be included in the next phase of construction.

The construction plans and specifications prepared by the Engineer for the proposed additional construction have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

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 September 4, 1986, should be considered an application for authorization to construct additional improvements and for approval of its financing for this construction.

2. The records in Cases No. 9250 and 9630 should be incorporated by reference into the record in this matter.

3. Public convenience and necessity require that the construction proposed in the documents of record in this matter be performed and that a certificate of public convenience and necessity be granted.

4. The proposed construction includes about 4.8 miles of distribution system pipeline (16,600 feet of 8-inch and 8,680 feet of 6-inch), about 19 metered service connections, gate valves, air release valves and other miscellaneous construction.

5. The construction cost will total about \$109,672 and the project scope including contingencies, design fees and other indirect costs will total about \$125,000. The funds approved in Case No. 9250 will be adequate to pay for this work and should be approved for this purpose.

IT IS THEREFORE ORDERED that:

1. Fleming Water's letter filed on September 4, 1986, be and it hereby is accepted as an application for authorization to construct additional improvements.

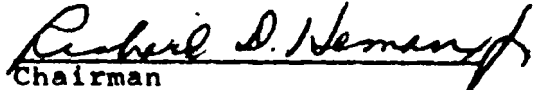
2. The records in Cases No. 9250 and 9630 be and they hereby are incorporated by reference into this Case.

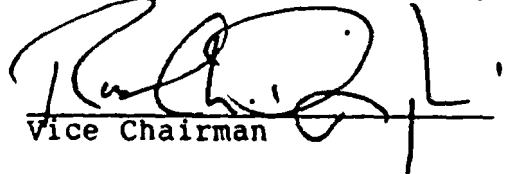
3. Fleming Water be and it hereby is granted a certificate of public convenience and necessity for additional construction as described by the letter of September 4, 1986, and other documents of record herein.

4. Fleming Water's method for financing the proposed construction be and it hereby is approved.

Done at Frankfort, Kentucky, this 8th day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director