

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CHRISTIAN)
COUNTY WATER DISTRICT OF CHRISTIAN)
COUNTY, KENTUCKY, FOR APPROVAL OF) CASE NO. 9986
RELOCATION AND RESTORATION OF WATER)
STORAGE TANK)

O R D E R

Christian County County Water District ("Christian County") by application filed August 3, 1987, is seeking a certificate of public convenience and necessity to construct a \$159,607 water-works improvements project and approval of its plan of financing for this project. The project financing includes a \$50,000 loan from the Planters Bank & Trust Company ("Planters Bank") over a 10-year period at an interest rate of 9.505 percent per annum and \$109,607 from Christian County's Depreciation and Initial Reserve Accounts.

The proposed construction will provide water storage facilities for Christian County's KY 109 service area. The construction plans and specifications prepared by J. T. Blankinship & Associates, Consulting Engineers of Murphysboro, Illinois, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

CONTINUITY OF ADEQUATE AND RELIABLE SERVICE

The evidence indicates that reliable and adequate service can be maintained throughout the expanded system after completion of

the proposed construction. However, Christian County is proposing to control the water level of the proposed water storage tank with pressure switches at the existing pump station and an altitude valve at the proposed water storage tank. This type of control will not be as dependable and efficient as desired.

The Commission reminds Christian County of its obligation to provide adequate and reliable service to all of its customers. Christian County should monitor the adequacy of the proposed control system after construction. If this monitoring indicates that the level of service is inadequate or declining, or the control system is operating unsatisfactorily Christian County must take necessary actions to maintain the level of service in conformance with the regulations of the Commission and provide satisfactory control of its system operations.

The Commission, after consideration of the record and being advised, is of the opinion and finds that:

1. With the appropriate monitoring of system operation 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 the relocation and renovation of a 200,000-gallon elevated water storage tank donated by Western State Hospital and related appurtenances.

3. The low bids totaled \$125,307. The funds required for this work will be approximately \$159,607 including fees, and other indirect construction costs.

4. Christian County should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the control system is operating unsatisfactorily, Christian County should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

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

6. Any deviations from the construction herein approved which could adversely affect service to any customer should be done only with the prior approval of this Commission.

7. Christian County should furnish duly verified documentation of the total costs of this construction including all capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.

8. Christian County should require the Engineer to provide resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering to ensure 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.

9. Christian County should require the Engineer to furnish a copy of the "as-built" drawings 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.

10. The \$159,607 financing plan proposed by Christian County is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of its service to the public and will not impair its ability to perform these services. The financing plan is reasonably necessary and appropriate for such purposes and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Christian County be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed construction as set forth in the plans and specifications of record herein.

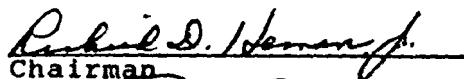
2. Christian County's plan of financing consisting of a \$50,000 loan from the Planters Bank and \$109,607 from Christian County's Depreciation and Initial Reserve Accounts be and it hereby is approved.

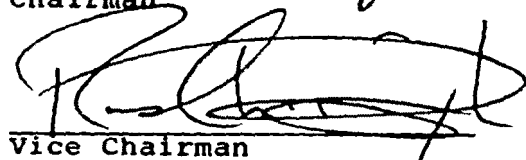
3. Christian County shall comply with all matters set out in Findings 4 through 9 as if the same were individually so ordered.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing authorized herein.

Done at Frankfort, Kentucky, this 28th day of September, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director