

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF THE GREEN RIVER) | |
| VALLEY WATER DISTRICT FOR A CERTIFICATE) | |
| OF PUBLIC CONVENIENCE AND NECESSITY) | |
| AUTHORIZING AND PERMITTING THE DISTRICT) | CASE NO. 9995 |
| TO CONSTRUCT AN EMERGENCY INTAKE (RIVER) | |
| PUMP) TO IMPROVE THE EXISTING WATER) | |
| SYSTEM BY THE GREEN RIVER VALLEY WATER) | |
| DISTRICT) | |

O R D E R

Green River Valley Water District ("Green River Valley") by application filed August 11, 1987, is seeking a certificate of public convenience and necessity to construct a \$140,000 water-works improvements project and approval of its plan of financing for this project. The project financing includes a \$100,000 loan from the New Farmers Bank ("NFB") for a period of 5 years at 8 1/4 percent per annum, \$25,660 from Green River Valley's depreciation account and \$14,340 from previously approved Farmers Home Administration ("FmHA") funds.

The proposed construction will provide an emergency source of water for Green River Valley. The construction plans and specifications prepared by Campbell Wallace, Consulting Engineers of Knoxville, Tennessee, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, after consideration of the 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 the construction of a new river intake and pump installation and related appurtenances.

3. The low bids totaled \$122,750. The funds required for this work will be approximately \$140,000 including engineering fees, and other indirect construction costs.

4. 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.

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

6. Green River Valley 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.

7. Green River Valley should require the Engineer to provide 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.

8. Green River Valley 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.

9. The \$140,000 financing plan proposed by Green River Valley for its proposed construction is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of its services to the public and will not impair its ability to perform these services, is reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Green River Valley 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.

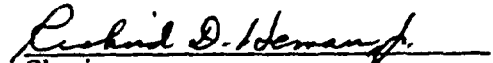
2. Green River Valley's plan of financing consisting of a \$100,000 loan from the NFB, \$25,660 in Green River Valley's depreciation account and \$14,340 in previously approved FmHA funds be and it hereby is approved.

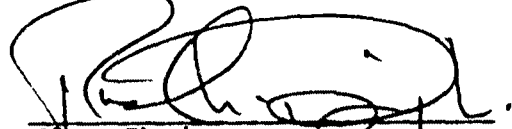
3. Green River Valley shall comply with all matters set out in Findings 4 through 8 as if the same were individually so ordered.

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 11th day of September, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director