

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROWAN WATER, INC., )  
A NON-PROFIT CORPORATION INCORPORATED )  
PURSUANT TO CHAPTER 273 OF THE KENTUCKY )  
REVISED BUSINESS STATUTES, WHICH HAS ITS )  
PRINCIPAL PLACE OF BUSINESS IN ROWAN )  
COUNTY, KENTUCKY FOR: (1) A CERTIFICATE ) CASE NO.  
OF PUBLIC CONVENIENCE AND NECESSITY, ) 89-245  
AUTHORIZING AND PERMITTING SAID )  
CORPORATION TO CONSTRUCT AN ADDITION TO )  
ITS WATER WORKS DISTRIBUTION SYSTEM; AND )  
(2) APPROVAL OF THE PROPOSED PLAN OF )  
FINANCING OF SAID PROJECT )

O R D E R

On September 1, 1989, Rowan Water, Inc. ("Rowan Water") filed an application for a Certificate of Public Convenience and Necessity to construct an addition to its water distribution system and for approval of its plan of financing for this project.

After review of the application and evidence of record and being sufficiently advised, the Commission finds that:

1. Rowan Water's proposed construction project consists of approximately 6 miles of 6-, 4-, and 3-inch diameter pipe and related appurtenances.

2. Rowan Water's proposed construction project will provide service to approximately 31 additional customers.

3. Total cost of the proposed construction project is estimated to be \$146,000. Financing for this project includes a

\$52,800 grant from Gateway Area Development District ("Gateway ADD"), contributions from new customers of \$8,060, and \$85,140 from Rowan Water's reserve funds.

4. The Division of Water of the Natural Resources and Environmental Protection Cabinet has granted preliminary approval to the proposed construction project.

5. Public convenience and necessity require that the construction proposed in Rowan Water's application be performed.

6. Rowan Water should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customers is outside the requirements of 807 KAR 5:066, Section 6(1), Rowan Water should take immediate action to maintain the level of service in conformance with the regulations of the Commission.

7. The financing plan proposed by Rowan Water is for lawful objects within its corporate purposes, is necessary and appropriate for and consistent with the proper performance of 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. A Certificate of Public Convenience and Necessity is granted to Rowan Water to construct the proposed addition to its water distribution system.

2. Rowan Water's financing plan consisting of a grant from Gateway ADD of \$52,800, contributions from new customers of

\$8,060, and \$85,140 from Rowan Water's reserve funds be and it hereby is approved.

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

4. Rowan Water's contract with its engineer shall require the provision of a full-time resident inspector 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.

5. Rowan Water shall furnish to the Commission 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.

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

Done at Frankfort, Kentucky, this 7th day of November, 1989.

PUBLIC SERVICE COMMISSION

Handwritten signature of Ben F. ...  
Chairman

Handwritten signature of Robert M. ...  
Vice Chairman

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Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director