

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AQUA CORPORATION)
FOR AN EXPEDITED ORDER GRANTING A)
CERTIFICATE OF CONVENIENCE AND NECESSITY)
AND APPROVING FINANCING. IN THE) CASE NO. 89-307
ALTERNATIVE, A REQUEST FOR AN ORDER)
DECLARING THE PROJECT TO BE IN THE)
ORDINARY COURSE OF BUSINESS)

INTERIM ORDER

On October 26, 1989, Aqua Corporation ("Aqua") filed an application for a Certificate of Public Convenience and Necessity to make improvements to its water distribution system, and for approval of its plan of financing for this project. In the alternative, Aqua requested that the project be considered in the ordinary course of business to eliminate the need for a certificate filing. Aqua further requested a deviation from 807 KAR 5:001 requirements to the extent necessary in order to allow expedited review of the application due to the nature of the emergency which necessitated the filing.¹

¹ Petition of Aqua Corporation, at page 1: "This is in the nature of an emergency, because two of the three water transmission lines from the water supply source servicing Middlesboro are inoperable and because the possibility exists that water service could be disrupted if the currently operational line malfunctions. The Petitioner seeks an emergency, expedited order to begin the construction."

After a review of the application and other matters of record and being otherwise sufficiently advised, the Commission finds that:

1. Aqua's proposed construction project consists of approximately 3,160 linear feet of 16-inch diameter pipe to replace two water lines damaged by recent earth slippage. It also includes 1,100 linear feet of 6-inch diameter water line to serve six customers.

2. Aqua's proposed construction would be classified as a maintenance/replacement project and as a small extension project. As such these projects should be considered in the ordinary course of business.

3. Construction projects which are in the ordinary course of business do not require a Certificate of Public Convenience and Necessity.

4. Aqua proposes to finance the construction through a \$150,000 loan from Liberty National Bank and Trust Company. However, there is a difference of \$26,093 between the proposed loan amount and total construction costs of \$123,907. Aqua should therefore file information indicating the specific purposes for which the additional \$26,093 will be used within 14 days of the date of this Order, and explain why these purposes are necessary or appropriate for or consistent with the proper performance by Aqua of its service to the public. In addition, Aqua should indicate the specific assets which will secure the proposed loan.

5. Aqua's requested deviation from the filing requirements of 807 KAR 5:001 has not been supported by an adequate showing of

good cause. Aqua should file a statement within 14 days of the date of this Order supporting its request to deviate from filing financial information for a period within 90 days of the filing date.

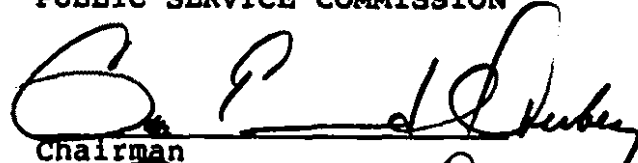
IT IS THEREFORE ORDERED that:

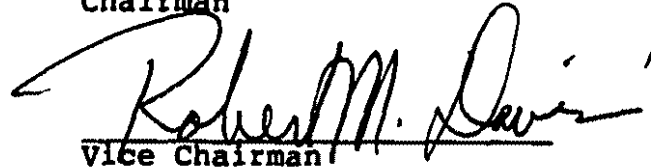
1. A Certificate of Public Convenience and Necessity is not required for the construction projects proposed by Aqua.

2. Aqua shall file the information requested herein within 14 days of the date of this Order. Once the required information is submitted, Aqua's proposed plan of financing shall be addressed pursuant to KRS 278.300 by subsequent Order.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director