COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WARREN COUNTY WATER) DISTRICT-SEWER DIVISION, WARREN COUNTY,) KENTUCKY, (A) FOR A CERTIFICATE OF) CONVENIENCE AND NECESSITY, PURSUANT TO) KRS 278.020, AUTHORIZING SAID DISTRICT) TO CONSTRUCT IMPROVEMENTS AND EXTENSIONS) TO ITS EXISTING SEWER SYSTEM, WHICH) IMPROVEMENTS AND EXTENSIONS WILL BE) FINANCED IN WHOLE BY GRANTS UNDER THE) TERMS OF AGREEMENTS BETWEEN THE WATER) DISTRICT AND KENTUCKY TRANSPORTATION) CABINET AND THE COUNTY OF WARREN,) KENTUCKY

CASE NO. 91-190

ORDER

Warren County Water District-Sewer Division ("Warren Sewer"), by its application filed June 13, 1991, is seeking a Certificate of Public Convenience and Necessity for a proposed \$714,000 sewage system project. The proposed construction will extend the sewage collection system to two Kentucky Department of Transportation ("KDOT") Rest Areas which should allow Warren Sewer to make future extensions to serve the communities of Oakland and Smiths Grove.

Financing of the proposed construction will be by a \$400,000 grant from the KDOT, and a \$314,000 grant from the Warren County Fiscal Court. Drawings and specifications for the proposed improvements prepared by Warren County Rural Electric Cooperative Corporation of Bowling Green, Kentucky ("Engineer"), have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

FINDINGS AND ORDERS

After consideration of all evidence of record and being otherwise sufficiently advised, the Commission finds:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed construction includes 4 sewage pump stations, 12.5 miles of 8- and 6-inch sewage force main, and .5 mile of 8-inch gravity sewer line and miscellaneous appurtenances.

3. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.

4. Warren Sewer should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

5. Warren Sewer should furnish duly verified documentation of the total costs of this project including the cost of construction and all 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 Sewage Utilities prescribed by the Commission.

6. Warren Sewer's contract with its Engineer should require the provision of construction inspection under the general supervision of a professional engineer with a Kentucky

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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.

7. Warren Sewer 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.

IT IS THEREFORE ORDERED that:

1. Warren Sewer 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. Warren Sewer shall comply with all matters set out in Findings 3 through 7 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 3rd day of July, 1991.

PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Commissioner