

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF UNION COUNTY WATER)	
DISTRICT OF UNION COUNTY, KENTUCKY, FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO. 92-557
NECESSITY; AND APPROVAL OF PROPOSED)	
PLAN OF FINANCING)	

O R D E R

By application filed January 22, 1993, Union County Water District ("Union Water") is seeking authorization to construct a \$319,800 waterworks improvement project and for approval of its plan of financing for this project. The project will be solely funded with internal funds from Union Water.

The proposed construction will provide a water storage tank, a booster pump station and booster chlorination facilities in the Waverly area. Plans and specifications for the proposed improvements prepared by Kenroy Engineers, Inc. of Lexington, Kentucky ("Engineer"), have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

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 consists of a 200,000-gallon water storage tank, a booster pump station, a booster chlorination

station, 2,100 feet of 8-inch diameter pipelines, and related appurtenances. The bids totaled \$233,507 which will require a total of approximately \$319,800 after allowances are made for fees, contingencies, and other indirect costs.

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

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

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

6. Union Water 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 Water Utilities prescribed by the Commission.

7. Union Water should require the provision of construction 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 drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

8. Union Water should require the Engineer to furnish within 60 days of the date of substantial completion of this construction 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.

9. As Union Water will not, as part of its proposed financing plan, be issuing any securities or evidence of indebtedness nor be assuming any obligation or liability related to any security or evidence of indebtedness, Commission approval of its financing plan is not required.


IT IS THEREFORE ORDERED that:

1. Union Water be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project as set forth in the drawings and specifications of record herein, on the condition that the service levels be monitored and corrective action taken in accordance with Commission regulations.

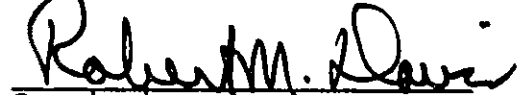
2. Union Water shall comply with all matters set out in Findings 3 through 8 as if the same were individually so ordered.

Done at Frankfort, Kentucky, this 13th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director