

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE SOUTH SHORE WATER)
WORKS CO. FOR A CERTIFICATE OF) CASE NO. 94-377
CONVENIENCE AND NECESSITY TO CONSTRUCT)
THREE NEW RAW WATER WELLS)

O R D E R

On February 7, 1995,¹ South Shore Water Works Company ("South Shore") applied for a Certificate of Public Convenience and Necessity to construct two raw water wells.

The Commission, having reviewed the application and being otherwise sufficiently advised, finds that:

1. South Shore proposes to construct two new raw water wells and related appurtenances. After allowances for fees, contingencies, and other indirect costs, the total cost of this project is approximately \$78,125.

2. South Shore intends to finance the proposed construction through internally generated funds.

3. Diamond Engineering, Inc. of Greenup, Kentucky ("Engineer") prepared the plans and specifications for the proposed improvements.

¹ South Shore submitted its application on October 7, 1994. Deficiencies in the application were not cured and the application was not accepted for filing until February 7, 1995.

4. The Division of Water, Department of Environmental Protection, Natural Resources and Environmental Protection Cabinet has approved these plans and specifications.

5. During dry weather periods, South Shore is experiencing high levels of iron and manganese in its raw water supply.

6. Construction of additional raw water wells in areas where lower levels of iron and manganese are found is expected to alleviate this contamination problem.

7. Construction of additional raw water wells is presently the least cost option available to alleviate the contamination problem.

8. Public convenience and necessity require that the proposed construction be performed.

IT IS THEREFORE ORDERED that:

1. South Shore 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.

2. South Shore shall obtain prior Commission approval before performing any additional construction not expressly approved herein.

3. South Shores shall not deviate from the proposed construction without prior Commission approval.

4. South Shore shall furnish 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. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.


5. South Shore shall require construction to be inspected 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.

6. South Shore shall furnish, within 60 days of the date of substantial completion of this construction, the "as-built" drawings and the Engineer's signed statement attesting that the construction has been satisfactorily completed in accordance with the contract plans and specifications.

Done at Frankfort, Kentucky, this 24th day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director