

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CLEARWATER DISPOSAL, INC.) CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND) 96-299
NECESSITY TO CONSTRUCT)

O R D E R

Clearwater Disposal, Inc. ("Clearwater Disposal") filed its application on July 25, 1996 seeking a Certificate of Public Convenience and Necessity for the expansion of its existing sewage treatment plant. The total project cost is estimated to be \$60,000 and will be financed by Ambleside, Ltd., a developer of residential property to be served by Clearwater Disposal. Ambleside, Ltd. will obtain a bank loan to pay for the construction and will repay the loan out of the proceeds from the sale of lots. Since Clearwater Disposal will not be financing the construction, no approval under KRS 278.300 is needed.

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

1. In order to comply with its wastewater discharge permit issued by the Division of Water, Natural Resources and Environmental Protection Cabinet ("DOW") and to serve additional customers, Clearwater Disposal proposes to construct an additional 40,000-gallon per day sewage treatment plant. This plant and related appurtenances

will be constructed adjacent to and be operated in parallel with the existing sewage treatment facilities.

2. The proposed facilities have been approved by the DOW, are cost effective, and will not create wasteful duplication with any existing facilities. The total cost of the proposed construction, after allowances are made for fees, contingencies, and other indirect costs, is approximately \$60,000. The public convenience and necessity require that the proposed construction be performed and a Certificate of Public Convenience and Necessity should be granted.

3. Any deviation from the construction approved should be undertaken only upon Commission Order approving same.

4. Clearwater Disposal shall not perform construction not expressly authorized by this Order or execute any evidence of indebtedness within the purview of KRS 278.300, until authorized to do so by Commission Order.

5. Clearwater Disposal should document 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 should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewage Utilities prescribed by the Commission.

IT IS THEREFORE ORDERED that:


1. Clearwater Disposal is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set forth in the plans of record herein.
2. Clearwater Disposal shall comply with requirements contained in Findings 3 through 5.

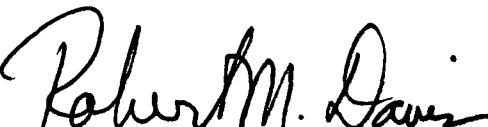
Nothing contained herein shall be construed as Commission approval of any financing related to this project.

Done at Frankfort, Kentucky, this 29th day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director