

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PENDLETON COUNTY WATER)	
DISTRICT OF PENDLETON COUNTY, KENTUCKY,)	CASE NO.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	97-325
AND NECESSITY TO CONSTRUCT AND FINANCE)	
PURSUANT TO KRS 278.020)	

O R D E R

On July 23, 1997, Pendleton County Water District ("Pendleton County") applied for a Certificate of Public Convenience and Necessity to construct a \$301,672 waterworks improvement project and for approval of its plan for financing the project. The proposed project involves the construction of 12,500 linear feet of 6-inch pvc looped water transmission main and appurtenances along KY 1054 between KY 22 and Sutton Road and 12,000 linear feet of 6-, 4-, and 3-inch pvc waterline extensions on Ammerman Lane off KY 22. This project will provide service to 51 additional customers. Project funding is a \$265,433 Community Development Block Grant ("CDBG") and \$36,239 from applicants for service in the proposed project area.

The proposed project includes the construction of water main extensions and a looped water main to provide potable water to new customers and improve service to existing customers. Plans and specifications for the proposed improvements as prepared by PDR 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 15,000 linear feet of 6-inch, 7,500 linear feet of 4-inch, and 2,000 linear feet of 3-inch pvc water transmission main and related appurtenances.
3. Pendleton County should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.
4. Any deviation from the construction approved should be undertaken only with the prior approval of the Commission.
5. Pendleton County should 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 should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.
6. Pendleton County should require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering.
7. The financing plan proposed by Pendleton County is for lawful objects within the corporate purpose of its utility operation, is necessary and appropriate for and consistent with the proper performance of the utility's service to the public and will not

impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose. It should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Pendleton County is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 15,000 linear feet of 6-inch, 7,500 linear feet of 4-inch, and 2,000 linear feet of 3-inch pvc water transmission main and related appurtenances as set forth in the drawings and specifications of record herein.

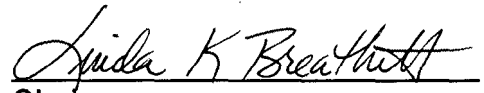
2. Pendleton County shall comply with the requirements contained in Findings 3 through 6 as if the same were individually so ordered.

3. The financing plan proposed by Pendleton County is approved.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of August, 1997.

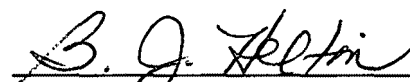
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner