

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST MCCRACKEN)	
COUNTY WATER DISTRICT FOR A)	CASE NO. 98-543
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY AND APPROVAL OF FINANCING)	

ORDER

West McCracken County Water District (West McCracken District) has applied for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project and for approval of its plan for financing the proposed project. Having considered the application and being otherwise sufficiently advised, the Commission finds:

1. West McCracken District proposes to construct 26,805 linear feet of 6-inch polyvinylchloride (PVC) water transmission main and appurtenances along Childress Road, Old Hinkleville Road, Hobbs Road, and Old Hobbs Road in McCracken County, Kentucky.
2. The proposed project will provide water service and improve fire protection service to 33 customers. Twenty-five of these customers are currently without water service. The remaining customers are presently served by West McCracken District, but will receive improved water service and fire protection service as a result of the proposed project.
3. Civil Design Group, of Paducah, Kentucky, prepared the plans and specifications for the proposed project.

4. The Division of Water, Natural Resources and Environmental Protection Cabinet, has approved the plans and specifications for the proposed project.

5. Public convenience and necessity require the construction of the proposed project.

6. Based upon final bid tabulations, estimated total project cost is \$135,543.

7. West McCracken District proposes to finance the cost of construction with the proceeds a 4.5-year loan from Paducah Bank and Trust Company in the amount of \$370,000. In addition to the proposed project, West McCracken District intends to use the proceeds from the proposed loan to finance the construction of an elevated water storage tank.

8. As West McCracken District has not yet applied for a Certificate of Public Convenience and Necessity for the proposed storage tank and as no review of that project has been undertaken, the Commission is unable to approve at this time the issuance of any evidence of indebtedness whose proceeds would be used to finance that project.

9 A loan in an amount not to exceed \$135,543 from Paducah Bank and Trust Company is for lawful objects within West McCracken District's corporate purposes, is necessary and appropriate for and consistent with West McCracken District's proper performance of its service to the public and will not impair its ability to perform that service and is reasonably necessary and appropriate for that purpose.

IT IS THEREFORE ORDERED that:

1. West McCracken District is granted a Certificate of Public Convenience and Necessity to construct the proposed construction project as set forth in the drawings and specifications of its application.

2. West McCracken District shall obtain prior Commission approval to perform any additional construction not expressly authorized herein.

3. No deviation to the proposed construction project shall be undertaken without prior Commission approval.

4. Within 60 days of the date that the proposed construction project is substantially completed, West McCracken District shall inform the Commission in writing of the total project costs, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.). 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. West McCracken District shall require that the proposed construction project be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering.

6. West McCracken District is authorized to borrow from Paducah Bank and Trust Company for a period not to exceed 4.5 years an amount not to exceed \$135,543.

7. West McCracken District shall use the proceeds from the loan authorized herein only for the purpose of financing the proposed project.

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

Done at Frankfort, Kentucky, this 4th day of March, 1999.

By the Commission

ATTEST:

Executive Director