

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

On March 4, 1999, West McCracken County Water District ("West McCracken District") was granted a Certificate of Public Convenience and Necessity to proceed with the construction of approximately 26,805 linear feet of 6-inch polyvinyl chloride (PVC) and appurtenances at a total project cost of \$135,543. The Commission approved a \$135,543 loan from the Paducah Bank and Trust Company located in Paducah, Kentucky for a period of 4.5 years to fund the proposed project.

On June 6, 1999, West McCracken District requested approval of the following changes to be incorporated into change Order No. 1 of its original contract: (1) 6-inch and 10-inch water main along Woodville Road and Kelley Roads; (2) 6-inch water main along Woodville Road from Old Hobbs to Marshall Road; and (3) Changing the line size along Hobbs and Old Hobbs Roads from 6-inch to 10-inch. These changes will eliminate dead end lines and provide loop lines to improve reliability and hydraulics to the distribution system for an additional construction cost of \$86,737. The project will be funded from an increase in the loan amount from the Paducah Bank and Trust Company. The loan amount will increase \$86,737 for a total of \$222,280. at 6.875 percent for 4.5 years. The

Division of Water of the Natural Resources and Environmental Protection Cabinet has approved plans and specifications for the proposed additional improvements, prepared by the Civil Design Group, of Paducah, Kentucky.

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

1. Public convenience and necessity require that the requested additional construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

2. The proposed additional construction consists of 6-inch and 10-inch water main along Woodville Road and Kelley Roads, 6-inch water main along Woodville Road from Old Hobbs to Marshall Road, and changing the line size along Hobbs and Old Hobbs Roads from 6-inch to 10-inch.

3. West McCracken District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by either this Order or the March 4, 1999 Order.

4. Any deviation from the construction or financing plan approved should be undertaken only with the prior approval of the Commission.

5. West McCracken District 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. West McCracken District 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 additional \$86,737 loan from Paducah Bank and Trust Company is for a lawful object within West McCracken District's corporate purpose, is necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability, to perform that service, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. West McCracken District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 6-inch and 10-inch water main along Woodville Road and Kelley Roads, 6-inch water main along Woodville Road from Old Hobbs to Marshall Road, and changing the line size along Hobbs and Old Hobbs Roads from 6-inch to 10-inch.

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

3. West McCracken District is authorized to borrow from Paducah Bank and Trust Company for a period not to exceed 4.5 years an additional amount of \$86,737 not to exceed \$222,280.

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 9th day of August, 1999.

By the Commission

ATTEST:

Executive Director