

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE NORTH HOPKINS WATER	)	
DISTRICT FOR A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY TO CONSTRUCT	)	CASE NO.
AND FINANCE AN IMPROVEMENTS PROJECT	)	2001-243
PURSUANT TO KRS 278.020 AND 278.300	)	

O R D E R

On August 30, 2001, North Hopkins Water District ("North Hopkins District") applied for a Certificate of Public Convenience and Necessity to construct a \$634,000 waterworks improvement project and for approval of its plan for financing the project.<sup>1</sup> The proposed project involves the construction of 600 linear feet of 10-inch polyvinyl chloride ("PVC") water transmission main, 18,870 linear feet of 6-inch PVC water transmission main, 3,300 linear feet of 4-inch PVC water transmission main, a new booster pump station, a pump station upgrade, a 100,000 gallon elevated water storage tank and related appurtenances. North Hopkins will fund this project with a \$184,000 loan from the Kentucky Rural Water Finance Corporation ("KRWFC") at 5.5 percent for 10 years, customer connection fees in the amount of \$3,300 and \$446,700 from internally generated funds.

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<sup>1</sup>North Hopkins District submitted its application to the Commission on August 1, 2001. This application failed to meet the requirements of Administrative Regulation 807 KAR 5:001, Sections 9 and 11(2). North Hopkins satisfied the requirements of Administrative Regulation 807 KAR 5:001, Section 9 on August 24, 2001 and was granted authority to deviate from Administrative Regulation 807 KAR 5:001, Section (2) on August 30, 2001.

The proposed project will add 11 customers along Shakerag Hills Ridge and Leroy Road in Hopkins County, Kentucky; will connect two dead end lines and thus improve hydraulic conditions in the area; and will provide additional water storage. Plans and specifications for the proposed improvements, which were prepared by William Aldred and Associates of Nashville, Tennessee, 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 the proposed construction.
2. The proposed construction consists of a 100,000 gallon elevated water storage tank, a new booster pumping station rated at 150 gallons per minute at 121 feet of total dynamic head, a pump station upgrade rated at 225 gallons per minute at 238 feet of total dynamic head, the installation of approximately 4.31 miles of 10-inch through 4-inch water transmission mains and related appurtenances.
3. North Hopkins District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.
4. Any deviation from the construction or financing approved should be undertaken only with the prior approval of the Commission.
5. North Hopkins 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. North Hopkins District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky licensure, competent 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.

7. The proposed loan of \$184,000 from KRWFC is for a lawful object within the corporate purpose of North Hopkins District's 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 for such purpose.

IT IS THEREFORE ORDERED that:

1. North Hopkins District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of a 100,000 gallon elevated water storage tank, a new booster pumping station rated at 150 gallons per minute at 121 feet of total dynamic head, a pump station upgrade rated at 225 gallons per minute at 238 feet of total dynamic head, the installation of approximately 4.31 miles of 10-inch through 4-inch water transmission mains and related appurtenances.

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

3. The proposed loan of \$184,000 from KRWFC 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 25<sup>th</sup> day of October, 2001.

By the Commission

ATTEST:

  
Executive Director