COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE McCREARY COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AN IMPROVEMENTS PROJECT PURSUANT TO KRS 278.020

CASE NO. 2001-270

By application filed August 27, 2001, McCreary County Water District ("McCreary District") is seeking authorization to construct a \$2,109,000 waterworks improvement project. Project funding includes a \$653,000 Economic Development Administration Grant and a contribution from the U.S. Bureau of Prisons in the amount of \$1,456,000.

The proposed project includes the construction of a new 1,000,000 gallon elevated water storage tank, a new pump station, approximately 4 miles of water transmission mains and related appurtenances. This project will provide service to the new U.S. Bureau of Prisons site. Plans and specifications for the proposed improvements prepared by Monarch Engineering, Inc. of Lawrenceburg, Kentucky, 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 a new 1,000,000 gallon elevated water storage tank, a new booster pump station capable of delivering 700 gallons per minute at 81 feet of total dynamic head, 10,700 linear feet of 16 inch ductile iron water line, 10,500 linear feet of 12 inch ductile iron water line and related appurtenances.

3. After allowances for fees, contingencies, and other indirect costs, the total project cost is approximately \$2,109,000.

4. McCreary District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

5. McCreary District should file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. McCreary District should 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. McCreary District should notify the Commission, in writing, one week prior to the start of construction and after fifty percent completion.

IT IS THEREFORE ORDERED that:

1. McCreary District is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project.

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2. McCreary District shall comply with the requirements contained in Findings 4 through 7 as if the same were individually so ordered.

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 30th day of October, 2001.

By the Commission

ATTEST: