

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE EAST CLARK COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	
A WATER IMPROVEMENTS PROJECT AND TO)	CASE NO.
ISSUE SECURITIES IN THE APPROXIMATE)	2003-00139
AMOUNT OF \$264,000 FOR THE PURPOSE OF)	
FINANCING SAID PROJECT PURSUANT TO THE)	
PROVISIONS KRS 278.020, 278.300 AND 807 KAR)	
5:001)	

ORDER

On April 21, 2003, East Clark County Water District (East Clark District) applied for a Certificate of Public Convenience and Necessity (Certificate) to construct a \$902,736 waterworks improvement project and for approval of its plan for financing the project. On May 28, 2003, East Clark District was granted a Certificate to proceed with the construction of approximately 13.25 miles of 4-inch and 6-inch water lines, installation of two new master meter connections to the Winchester Municipal Utilities, installation of a new master meter connection to Kentucky-American Water Company, and upgrade of the booster pump on Bailey Lane. The Commission approved a \$264,000 loan from Kentucky Rural Water Finance Corporation with a 10-year term between 1.45 to 4.16 percent per annum variable interest rate.

On August 6, 2003, East Clark District requested approval to construct an additional 2,954 linear feet of 4-inch PVC water transmission main and related appurtenances not included in the May 28, 2003 Order. This additional project will add

2 new customers at the end of Lillies Ferry Road at a cost of \$26,739.29. This extension will be funded from existing contingency money or from internally generated funds. Plans and specifications for the proposed extension prepared by Howard K. Bell Consulting Engineers, Inc. of Lexington, Kentucky, were approved on July 21, 2003 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 requested additional construction proposed be performed and that a Certificate be granted.

2. The proposed additional construction consists of 2,954 linear feet of 4-inch PVC water transmission main and related appurtenances at the end of Lillies Ferry Road.

3. East Clark District should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order or the May 28, 2003 Order.

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

5. East Clark 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. East Clark 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.

IT IS THEREFORE ORDERED that:

1. East Clark District is granted a Certificate to proceed with the proposed construction project consisting of 2,954 linear feet of 4-inch PVC water transmission main and related appurtenances as set forth in the drawings and specifications of record herein.

2. East Clark District 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 East Clark District be and it hereby 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 28th day of August, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00139