

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN WATER)	
COMPANY FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	
THE CONSTRUCTION OF A THREE (3) MILLION)	CASE NO.
GALLON GROUND STORAGE TANK AND 400)	2003-00270
FEET OF 24-INCH MAIN)	

O R D E R

On July 25, 2003, Kentucky-American Water Company (Kentucky-American) applied for a Certificate of Public Convenience and Necessity to construct a water improvement project.

The project consists of the construction of a three million-gallon ground storage tank No. 2 on Clays Mill Road just south of the Fayette/Jessamine county line and 400 feet of 24-inch water main. The project cost is estimated to be approximately \$1,411,300. The construction of this tank and associated facilities will be initially funded either by available funds from a previous financing or by short-term bank borrowings that will subsequently be converted to permanent financing consisting of long-term debt and equity.

After reviewing the evidence of the record and being otherwise sufficiently advised, the Commission finds that:

1. Kentucky-American proposes to construct a three million-gallon ground storage tank No. 2 and 400 feet of 24-inch water main and their related appurtenances.

2. Plans and specifications for the proposed improvements prepared by GRW Engineers, Inc. of Lexington, Kentucky, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

3. Public convenience and necessity require that the construction identified in Kentucky-American's application be performed and that a Certificate of Public Convenience and Necessity be granted.

IT IS THEREFORE ORDERED that:

1. Kentucky-American is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project as set forth in the plans and specifications of record herein.

2. Kentucky-American shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. Kentucky-American shall 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.

5. Kentucky-American shall require the construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration 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.

6. Kentucky-American shall 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.

Done at Frankfort, Kentucky, this 9th day of September, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2003-00270