

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WEST CARROLL WATER)	
DISTRICT FOR A CERTIFICATE OF)	CASE NO.
CONVENIENCE AND NECESSITY FOR THE)	2013-00041
CONSTRUCTION OF WATER)	
INFRASTRUCTURE IMPROVEMENTS)	

ORDER

West Carroll Water District (“West Carroll District”) has applied for a Certificate of Public Convenience and Necessity (“Certificate”) for the construction of water infrastructure improvements in its water distribution system. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. West Carroll District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that distribute water to approximately 982 customers in Carroll, Henry, and Trimble counties, Kentucky.¹ It purchases its total water requirements from Henry County Water District, Trimble County Water District, Milton Water and Sewer, and Carrollton Utilities.²

2. West Carroll District’s originally proposed project consisted of approximately 37,330 linear feet of water distribution mains, two booster pump stations, and related appurtenances to serve approximately 18 new customers.

¹ *Annual Report of West Carroll Water District to the Public Service Commission of Kentucky for the Year Ending December 31, 2012* at 5 and 27.

² *Id.* at 29 and 31.

3. West Carroll District proposed to finance the proposed project with approximately \$868,097 of the proceeds from the city of Carrollton's loan with the Kentucky Infrastructure Authority approved in Case No. 2012-00386.³

4. The originally proposed project was bid on May 15, 2013. The lowest and only bid was received by C&H/M Excavating, Inc. at a total bid cost of approximately \$998,123.

5. Due to the cost of the project exceeding West Carroll District's funding, West Carroll District now proposes to reduce the size of the project to construct approximately 27,000 linear feet of water distribution mains, two booster pump stations, and related appurtenances.⁴

6. The proposed infrastructure improvement project, known as County-Wide Underserved Project, is in the public interest and is needed to extend water service to approximately five new customers⁵ in unserved portions of West Carroll District's service area, and to improve water service to its existing customers.

7. Total cost of the proposed water infrastructure improvements, including contingencies, engineering fees, inspection fees, legal and administrative fees, is approximately \$868,097.

³ Case No. 2012-00386, Application of West Carroll Water District for an Order Authorizing the District Securities Pursuant to KRS 278.300 (Ky. PSC Nov. 16, 2012).

⁴ West Carroll District tendered its application on Jan. 24, 2013. On Feb. 25, 2013, West Carroll District's application complied with 807 KAR 5:001 and was accepted as filed. On June 7, 2013, West Carroll District submitted a supplemental response to a Commission Staff request for information that describes the reduced size of the project.

⁵ *Id.* The number of customers to be served by this project decreased from approximately 18 customers to approximately five customers.

8. Strand Associates, Inc. of Louisville, Kentucky prepared the plans and specifications for the proposed project.

9. The Division of Water of the Kentucky Energy and Environment Cabinet has approved the plans and specifications for the proposed project. The proposed construction will not result in wasteful duplication of existing facilities.

10. The proposed construction does not conflict with any existing Certificates or the service of any other utility operating in the area.

11. The public convenience and necessity require the proposed construction.

IT IS THEREFORE ORDERED that:

1. West Carroll District is granted a Certificate to proceed with the proposed construction as set forth in Exhibit 1 to West Carroll District's June 7, 2013 supplemental response to Commission Staff's request for information.

2. West Carroll District shall notify 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 prior approval of the Commission.

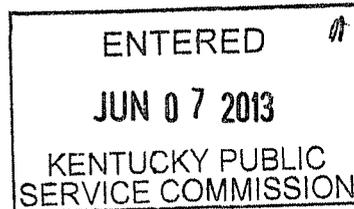
4. West Carroll District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. West Carroll District 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.

6. West Carroll District shall require construction to be inspected under the general supervision of a Licensed Professional Engineer, with a Kentucky registration in civil, electrical, 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. Any documents filed in the future pursuant to ordering paragraphs 4 and 5 shall reference this case number and shall be retained in the utility's general correspondence file.

By the Commission



ATTEST:

Executive Director

Honorable Ruth H Baxter
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