

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER VALLEY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE A WATER)	2009-00162
IMPROVEMENTS PROJECT PURSUANT TO)	
KRS 278.020)	

ORDER

On April 17, 2009, Green River Valley Water District ("Green River") submitted an application for a Certificate of Public Convenience and Necessity ("CPCN") to construct and install various water lines and a 1,000,000-gallon ground-level storage tank and to replace two steel clearwells. Green River also sought approval for financing as required by KRS 278.300. The initial application was deficient but was corrected and considered filed on June 19, 2009.

Green River's application was amended on August 20, 2009 to reflect the withdrawal of the request for a CPCN on a portion of the project that included replacement of the two steel clearwells and associated water lines. The utility stated that it would apply for a CPCN for that project at a later date, after construction bids have been received and other necessary requirements have been met. The amended application also eliminated the request for approval for financing under KRS 278.300. Green River stated that it had obtained a commitment from the Kentucky Rural Water Finance Corporation ("KRWFC") to provide interim financing for a term of 12 to 18

months. KRS 278.300 does not require the Commission to approve a utility's indebtedness if the financing term is less than a two-year period.

Having considered the application and being otherwise sufficiently advised, the Commission finds that:

1. Green River proposes to construct a 1,000,000-gallon ground-level storage tank and approximately 75,640 linear feet of 16-inch diameter, 1,650 linear feet of 12-inch diameter, and 800 linear feet of 8-inch diameter PVC pipe and related appurtenances (the "project").

2. The estimated total cost of the proposed project, including construction costs, contingencies, and engineering and inspection fees is \$4,067,193.

3. Water Management Services of Nashville, Tennessee prepared the plans and specifications for the proposed project.

4. The Division of Water of the Kentucky Energy and Environment Cabinet has approved the plans and specifications for the proposed project.

5. The proposed project will not compete or conflict with the facilities of other jurisdictional utilities operating in the same area.

6. The proposed project will not result in wasteful duplication of utility facilities.

7. The public convenience and necessity require construction of the proposed project.

8. The total cost of the project is \$4,067,193 and will be paid for by a 12- to 18-month short-term loan from KRWFC in the amount of \$4,067,193.

IT IS HEREBY ORDERED that:

1. Green River is granted a Certificate of Public Convenience and Necessity to construct a 1,000,000-gallon ground-level storage tank and approximately 75,640 linear feet of 16-inch diameter, 1,650 linear feet of 12-inch diameter, and 800 linear feet of 8-inch diameter PVC pipe and related appurtenances.

2. Green River shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

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

4. Green River shall furnish written evidence 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 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.

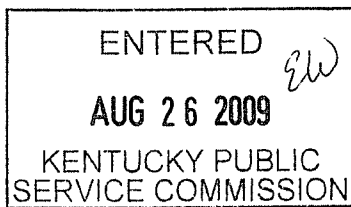
5. Green River shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. Green River 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 performed in accordance with the contract drawings and specifications and in conformance with best practices of the construction trades involved in the project.

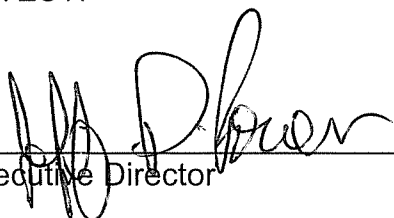
7. Green River shall notify the Commission one week prior to the actual start of construction and at the 50-percent completion point.

Nothing contained herein shall be deemed a warranty or a finding of value of the securities or the financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

By the Commission



ATTEST:



Executive Director

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