

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BREATHITT COUNTY WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO) CASE NO. 2012-00115
CONSTRUCT AND FINANCE PURSUANT TO KRS)
278.020)

ORDER

Breathitt County Water District ("Breathitt District") has applied for a Certificate of Public Convenience and Necessity to construct a water main extension project known as the "Duck Hollow, Copeland and River Caney Project" and for approval of its plan to finance the proposed water main extension project.

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

1. Breathitt District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that distribute water to approximately 1,174 customers in Breathitt County, Kentucky.¹

2. Breathitt District proposes to construct 22,200² linear feet of six-inch polyvinylchloride ("PVC") water main; 3,600 linear feet of six-inch ductile iron water main; 16,000 linear feet of four-inch PVC water main; 6,500 linear feet of two-inch PVC

¹ *Annual Report of Breathitt County Water District to the Public Service Commission of Kentucky For the Calendar Year Ended December 31, 2011* at 5, 27.

² Breathitt District's Application contains a conflict regarding the length of six-inch PVC main. In the Certified Bid Tabulation, it lists the total length of such main as 22,200 linear feet. In its Application, it lists the total length as 22,000 linear feet. We have chosen to rely upon the Certified Bid Tabulation as the project engineer certified its contents.

water main; and 742 linear feet of high density polyethylene directionally drilled water mains of various sizes. It further proposes to construct two pump stations, a 31,000 gallon water storage tank and appurtenances, and a pressure reducing vault.

3. Total project construction cost is \$1,324,838.

4. Estimated total cost of the proposed water main extension project, including contingencies and engineering, legal, and administration costs, is \$1,479,179.

5. The total cost of the proposed water main extension will be financed through the proceeds of a grant under the Abandoned Mine Lands Reclamation Program.

6. Breathitt District will not borrow any funds or adjust its rates to finance the proposed water main extension.

7. Nesbitt Engineering of Lexington, Kentucky prepared the plans and specifications for the proposed water main extension.

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

9. The proposed water main extension has the potential to serve approximately 105 residences that currently have no access to public potable water.

10. The proposed water main extension will not compete or conflict with the facilities of other jurisdictional utilities operating in the same area.

11. The proposed water main extension will not result in the wasteful duplication of facilities or inefficient investment.

12. The public convenience and necessity require the construction of the proposed water main extension.

13. As Breathitt District does not propose to issue evidences of indebtedness or security to finance the construction of the proposed facilities, KRS 278.300 does not require Commission approval of its plan to finance the proposed water main extension.

IT IS THEREFORE ORDERED that:

1. Breathitt District is granted a Certificate of Public Convenience and Necessity to perform the proposed water main extension project set forth in its Application.

2. Breathitt District shall file a copy of the "as-built" drawings and a certified statement from the engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of substantial completion of the construction certified herein.

3. Breathitt District shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

4. Any deviation from the construction approved in this Order shall be undertaken only with the Commission's approval.

5. Breathitt District shall require the construction to be inspected under the general supervision of a 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.

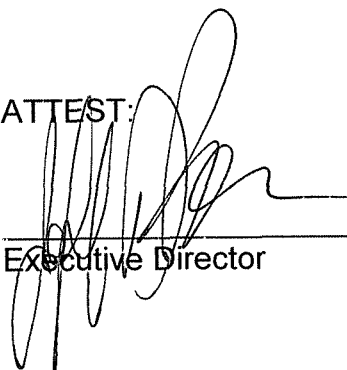
6. Breathitt District shall notify the Commission in writing one week prior to the actual start of construction and at the 50 percent completion point.

7. Any documents filed pursuant to ordering paragraphs 2, 3 and 5 shall reference this case number and shall be retained in the utility's general correspondence file.

By the Commission

ENTERED <i>M</i>
AUG 21 2012
KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00115

Honorable Brendon D Miller
Attorney at Law
1149 Main Street
Jackson, KENTUCKY 41339