

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BREATHITT COUNTY WATER)	
DISTRICT FOR THE ISSUANCE OF A CERTIFICATE)	
OF PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE A WATER SYSTEM)	2016-00407
IMPROVEMENTS PROJECT PURSUANT TO THE)	
PROVISIONS OF KRS 278.020 AND 807 KAR 5:001)	

ORDER

Breathitt County Water District (“Breathitt District”) has applied for a Certificate of Public Convenience and Necessity (“CPCN”) to construct a waterworks construction project, consisting of extensions, additions, and improvements to its existing waterworks system and for approval of its financing of the proposed project.

Breathitt District filed an application for a CPCN on November 28, 2016, which was accepted for filing as of that date. No person has sought intervention in this matter, and Breathitt District has not requested a hearing. The record for this case is complete.

Breathitt District, a water district organized under KRS Chapter 74, provides retail water service to approximately 1,694 customers in Breathitt County.¹ Breathitt District purchases water from the city of Jackson (“Jackson”).² Breathitt District requests a CPCN for the construction of approximately 17,680 linear feet of 8-inch pipeline;

¹ *Annual Report of Breathitt County Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2015* at 12 and 53.

² *Id.* at 58.

22,320 linear feet of 6-inch pipeline; 20,640 linear feet of 4-inch pipeline; 6,800 linear feet of 3-inch pipeline; 3,630 linear feet of 2-inch pipeline; 3,100 linear feet of various-sized directionally drilled creek and river crossings and other appurtenances; two duplex pump stations; a pressure-reducing valve; a hydro pneumatic pump station; telemetry and electrical service; 117 service connections and appurtenances; installation of a 109,000-gallon ground storage tank on KY 28; installation of a 33,000-gallon ground storage tank and Valve Vault on KY 315; access road improvements; and excavation, final grading, site restoration and fencing.³

The total cost of the proposed project, including administrative, legal, engineering, construction, and contingencies, is approximately \$3 million. This project is to be financed with a \$3 million grant from the Kentucky Division of Abandoned Mine Lands (“AML”).⁴

Nesbitt Engineering, Inc. of Lexington, Kentucky, prepared the plans and specifications for the proposed project.

The Kentucky Division of Water (“KDOW”) approved the plans and specifications for the proposed project on November 17, 2016.⁵

The Kentucky Transportation Cabinet (“KTC”) issued the Encroachment Permit on January 26, 2016.⁶

³ Application, Exhibit A.

⁴ *Id.*, Exhibit C.

⁵ *Id.*, Exhibit B.

⁶ *Id.*, Exhibit B, copy of electronic message from Greg Potts of KTC to Matt Steen, Project Development Engineer, Nesbitt Engineering, Inc.

Breathitt District states that the proposed improvements will ensure that the residents of the project area will receive safe and reliable drinking water.⁷

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

1. The record for this case is complete.
2. The proposed construction will not result in wasteful duplication of existing facilities.
3. The proposed construction does not conflict with any existing certificates or service of any other utility operating in the area.
4. Public convenience and necessity require the proposed construction, which allows Breathitt District to provide reliable and adequate water service to its customers.
5. KDOW has approved the plans and specifications for this proposed project.
6. The project will be funded from an AML grant of \$3 million.

IT IS THEREFORE ORDERED that:

1. Breathitt District is granted a CPCN to proceed with the proposed construction as set forth in its application.
2. Breathitt District shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.
3. Any deviation from the construction approved by this Order shall be undertaken only with the prior approval of the Commission.

⁷ *Id.*, Exhibit A.

4. Breathitt District shall require 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.

5. Breathitt District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g., engineering, legal, and administrative) within 60 days from the date that construction authorized under this CPCN 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.

6. Breathitt 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 from the substantial completion of the construction certificated herein.

7. Any documents filed in the future pursuant to ordering paragraphs 2, 5, and 6 shall reference this case number and shall be retained in the post-case correspondence file.

8. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon Breathitt District's showing of good cause for such extension.

By the Commission

ENTERED
DEC 20 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

*Breathitt County Water District
1137 Main Street, Suite 305
Jackson, KY 41339

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202