

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SOUTHERN WATER &)	
SEWER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AN IMPROVEMENTS PROJECT)	2003-00019
PURSUANT TO KRS 278.020)	

O R D E R

By application filed February 14, 2003, Southern Water & Sewer District (Southern District) has applied for a Certificate of Public Convenience and Necessity to construct a \$3,215,100 improvements project, Contract No. 16, Knott County KY 7 and KY 1498 water main extensions. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. The proposed water system improvements project consists of the installation of approximately 84,560 linear feet of 12-inch D.I.P. water main, 15,443 linear feet of 8-inch water main, and 5,001 linear feet of 4-inch water main from Wayland in southern Floyd County, down KY Route 7 to the Letcher County line. This project also includes the replacement of an existing pump station at Wilson Creek.

2. Construction of the proposed water system improvements project will not result in the wasteful duplication of any existing utility facilities nor will it compete with any other utility in the area. It will provide potable water service potentially to approximately 1000 residents of the Right Beaver area of Knott County.

3. PDR Engineers, Inc. of Lexington, Kentucky prepared the engineering plans and specifications for this project.

4. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the plans and specifications for the proposed project.

5. Estimated total cost of the proposed improvements project is approximately \$3,215,100.

6. The construction costs will be funded by coal severance funds in cooperation with the Knott County Fiscal Court. Southern District is not borrowing any funds in connection with this project.

7. Public convenience and necessity require construction of the proposed project.

IT IS THEREFORE ORDERED that:

1. Southern District is granted a Certificate of Public Convenience and Necessity to construct the proposed water system improvements project as set forth in its application.

2. Southern District 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. Southern District 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 shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Southern District should require construction to be inspected under the general supervision of a professional engineer with Kentucky licensure, competent to practice 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. Southern 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.

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

Done at Frankfort, Kentucky, this 27th day of February, 2003.

By the Commission

ATTEST:


Executive Director