

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE GREEN HILLS WATER )  
DISTRICT FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO ) CASE NO. 2005-00023  
CONSTRUCT AN IMPROVEMENTS PROJECT )  
PURSUANT TO KRS 278.020 )

ORDER

On January 10, 2005, Green Hills Water District ("Green Hills") applied for a Certificate of Public Convenience and Necessity ("CPCN") to construct a \$296,033.70 waterworks project. The proposed project involves the construction and installation of a 100,000-gallon water storage tank and appurtenances, including approximately 420 linear feet of 6-inch water line. Green Hills states that an existing 44,000-gallon water tank is undersized and in disrepair. Green Hills proposes to finance the project entirely through a coal severance grant.

It was discovered during a periodic compliance inspection of Green Hills that construction on this project began prior to filing an application with the Commission requesting a CPCN as required by KRS 278.020. Green Hills stated that they were unaware of the requirement, and, after instruction from the Commission, halted all construction on the project and applied for a CPCN.

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

1. Green Hills is a water district organized pursuant to KRS Chapter 74.

2. Green Hills owns and operates facilities used to distribute water for compensation to approximately 459 customers in Harlan and Leslie counties, Kentucky.

3. Green Hills proposes to construct a 100,000-gallon water storage tank and install approximately 420 linear feet of 6-inch water main.

4. The proposed 100,000-gallon water storage tank will replace an undersized 44,000-gallon water tank that is in disrepair.

5. The estimated total cost of the proposed project, including construction cost, contingencies, and engineering and inspection fees is \$296,033.70.

6. Green Hills proposes to finance the total project cost through a coal severance grant.

7. Summit Engineers, Inc. of Pikeville, Kentucky, prepared the plans and specifications for the proposed project.

8. The Division of Water of the Kentucky Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

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

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

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

IT IS THEREFORE ORDERED that:

1. Green Hills is granted a Certificate of Public Convenience and Necessity to proceed with the proposed waterworks project as set forth in the plans and specifications of record herein.

2. Green Hills shall obtain approval from the Commission prior to performing any additional construction not expressly authorized within this Order.

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

4. Green Hills 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 should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

5. Green Hills 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. Green Hills 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.

Done at Frankfort, Kentucky, this 2<sup>nd</sup> day of March, 2005.

By the Commission

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ATTEST:



Executive Director