

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BATH COUNTY WATER)
DISTRICT FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO) CASE NO. 2005-00033
CONSTRUCT AN IMPROVEMENT PROJECT)
PURSUANT TO KRS 278.020)

ORDER

On January 19, 2005, Bath County Water District ("Bath County") applied for a Certificate of Public Convenience and Necessity ("CPCN") to construct a \$431,874 waterworks project. The proposed project involves the construction and installation of a 156,000-gallon water storage tank and pump station to serve the residents of the Means area of Menifee County, with the potential to add 42 new customers. Bath County states that an existing 100,000-gallon water tank is undersized and needs to be at a higher elevation. Bath County further states that the residents in this area do not have a good alternative to public water service and that most persons without service rely on hauled water and cisterns. Bath County proposes to finance the project through coal development funds in the amount of \$418,674 and local funds in the amount of approximately \$13,200.

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

1. Bath County is a water district organized pursuant to KRS Chapter 74.

2. Bath County owns and operates facilities used to distribute water for compensation to approximately 3,325 customers in Bath, Menifee, Montgomery, and Rowan counties, Kentucky.

3. Bath County proposes to construct a 156,000-gallon water storage tank and pump station in the Means area of Menifee County.

4. The proposed 156,000-gallon water storage tank will replace an undersized 100,000-gallon water tank that needs to be at a higher elevation.

5. The estimated total cost of the proposed project, including construction cost, contingencies, and engineering and inspection fees is \$431,874.

6. Bath County proposes to finance the project cost through coal development funds in the amount of \$418,674 and local funds in the amount of \$13,200.

7. Tetra Tech, Inc. of Lexington, 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. Bath County 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. Bath County 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. Bath County 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. Bath County 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. Bath County 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 10th day of March, 2005.

By the Commission

ATTEST:



Executive Director