

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WOOD CREEK WATER)	
DISTRICT FOR CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO. 2005-00312
CONSTRUCT HIGHWAY 25 NORTH 2004)	
SEWER PROJECT)	

ORDER

Wood Creek Water District ("Wood District") has applied for a Certificate of Public Convenience and Necessity to construct a sanitary sewer system extension in northern Laurel County, Kentucky. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Wood District proposes to construct a sanitary sewer extension in northern Laurel County, Kentucky. The proposed extension consists of: 25,499 linear feet of 2-inch polyvinylchloride ("PVC") force main; 2,610 linear feet of 2.5-inch PVC force main; 45,964 linear feet of 3-inch PVC force main; 22,667 linear feet of 4-inch PVC force main; 27,560 linear feet of 6-inch PVC force main; 3,877 linear feet of 8-inch PVC force main; and 2,633 linear feet of 10-inch PVC force main. It further requires the installation of 512 simplex grinder stations, 15 duplex grinder stations, and related appurtenances.

2. The proposed extension will provide sanitary sewer service to approximately 512 households in northern Laurel County, Kentucky.

3. Wood District proposes to finance the proposed facilities through a \$2,000,000 grant from the Kentucky Infrastructure Authority, \$512,000 in customer tap on fees, and applicant contributions of \$140,000.

4. The Division of Water, Department for Environmental Protection, Environmental and Public Protection Cabinet has approved the drawings and specifications for the proposed facilities.

5. No public or municipal sewer systems currently exist within the area that the proposed facilities would serve.

6. The proposed facilities would collect and transport sewage to the wastewater collection and treatment facilities of the city of London, Kentucky.

7. Wood District has executed an agreement with the city of London for the collection and treatment of sewage from this proposed extension.

8. Within the area that the proposed facilities would serve, residential sewer treatment consists of individual septic tanks with leach fields.

9. Only two package sewer treatment plants are located within the area that the proposed facilities would serve. The capacity of neither plant is available to the public.

10. The soil configurations in the area that the proposed facilities would serve are unsuitable for septic tanks for homes and businesses in a densely developed area.

11. Laurel County Fiscal Court Ordinance No. 221.11 requires all property upon which an existing building is located and which is accessible to a public sewer system to make a sewer service connection to that public sewer system within 3 months of the date the sewer line is installed and placed in operation.

12. The proposed facilities will not result in a wasteful duplication of plant, equipment, property or facilities.

13. The proposed facilities will not compete with the facilities of other utilities operating in the same area and under the Commission's jurisdiction.

14. The proposed facilities are consistent with the facilities plan that Wood District prepared in accordance with Section 201 of the National Environmental Policy Act.

15. The public convenience and necessity require the construction of the proposed facilities.

IT IS THEREFORE ORDERED that:

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

2. Wood 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. Wood 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 cost should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts ("USoA") for Water Utilities prescribed by the Commission.

5. Wood 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.

6. Wood District shall notify the Commission in writing 7 days prior to the actual commencement of the proposed construction and when 50 percent of the proposed construction is completed.

7. Wood 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.

Done at Frankfort, Kentucky, this 11th day of August, 2006.

By the Commission

ATTEST:



Executive Director