

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BRACKEN COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AN IMPROVEMENTS PROJECT)	2006-00053
PURSUANT TO KRS 278.020)	

O R D E R

Bracken County Water District (“BCWD”) has applied for a Certificate of Public Convenience and Necessity to construct a \$3,100,000 waterworks improvement project (“Delisle Curve Water Project”) to provide service to approximately 75 new customers. Project funding includes an interim loan from the Kentucky Rural Water Finance Corporation in the principal amount of \$2,790,000, a Kentucky Infrastructure Authority Tobacco Development Fund grant in the amount of \$265,000, and an applicant contribution of \$45,000.

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

1. BCWD proposes to construct approximately 27 miles of 8-, 6- and 4-inch transmission mains, a 300,000-gallon elevated water storage tank, and a booster pumping station.
2. The proposed project will provide new service to approximately 75 new customers and will improve service to existing customers and the city of Brooksville.

3. BCWD proposes to finance the Delisle Curve Water Project through an interim loan from the Kentucky Rural Water Finance Corporation in the principal amount of \$2,790,000, a Kentucky Infrastructure Authority Tobacco Development Fund grant in the amount of \$265,000, and an applicant contribution of \$45,000.

4. The BCWD's proposed loan from Kentucky Rural Water Finance Corporation will mature on or before August 1, 2007. As the proposed evidence of indebtedness is for a term of less than 2 years, Commission approval is not required. KRS 278.300(8).

5. HMB Professional Engineers, Inc. of Frankfort, Kentucky prepared the drawings and specifications for the proposed Delisle Curve Water Project.

6. The Division of Water of the Environmental and Public Protection Cabinet's Department for Environmental Protection has approved the proposed drawings and specifications.

7. The proposed facilities will not compete with the existing facilities of any other jurisdictional utility.

8. The construction of the proposed facilities will not result in the wasteful duplication of facilities.

9. The public convenience and necessity require the construction of the proposed Delisle Curve Water Project.

IT IS THEREFORE ORDERED that:

1. BCWD is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set forth in its application.

2. BCWD 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. BCWD 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. BCWD 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.

6. BCWD 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.

7. BCWD shall notify the Commission 7 days prior to the actual start of construction and at the 50 percent completion point.

Done at Frankfort, Kentucky, this 19th day of April, 2006.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director