

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|---------------------|
| APPLICATION OF BREATHITT COUNTY WATER |) | |
| DISTRICT FOR A CERTIFICATE OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY TO |) | CASE NO. 2009-00206 |
| CONSTRUCT A WATERWORKS |) | |
| IMPROVEMENTS PROJECT PURSUANT TO KRS |) | |
| 278.020 |) | |

ORDER

On June 2, 2009, Breathitt County Water District ("Breathitt District") applied for a Certificate of Public Convenience and Necessity to construct a \$3,000,000 waterworks improvement project. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. Breathitt District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities used to distribute water for compensation in Breathitt County, Kentucky.
2. Breathitt District is a utility subject to Commission jurisdiction. KRS 278.010(3)(d); KRS 278.015.
3. Breathitt District proposes to construct approximately 16.21 miles of water main, ranging from two to ten inches in diameter, a hydro-pneumatic booster pumping station with telemetry, and a 150,000 gallon water storage tank.
4. The estimated cost of the proposed project, including construction costs, engineering and inspection fees, and contingencies, is \$3,000,000.

5. Breathitt District proposes to finance the proposed project through an Abandoned Mine Land Grant of \$3,000,000.

6. Nesibitt Engineers, Inc., of Lexington, Kentucky, prepared the plans and specifications for the proposed project.

7. The Division of Water of the Kentucky Energy and Environment Cabinet has approved the plans and specifications for the proposed project.

8. The proposed project will provide water service to approximately 278 persons along Kentucky Highway 1110 in Breathitt County, Kentucky that are presently not receiving water service.

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 facilities.

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

IT IS THEREFORE ORDERED that:

1. The record of Case No. 2008-00225¹ is incorporated by reference into the record of this proceeding.

2. Breathitt District is granted a Certificate of Public Convenience and Necessity to construct the proposed waterworks project as set forth in the application.

3. Breathitt District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

¹ Case No. 2008-00225, *Application of Breathitt County Water District For a Certificate of Public Convenience and Necessity To Construct a Waterworks Construction Project Pursuant To KRS 278.020* (Ky. PSC filed June 24, 2008).

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

5. Breathitt District shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs, including, but not limited to, engineering, legal, and administrative expenses, 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. Breathitt District shall file with the Commission 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.

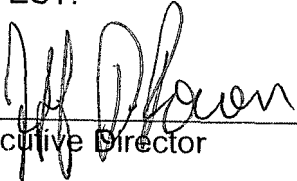
6. Breathitt District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is completed in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Breathitt 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 proposed project.

By the Commission

ENTERED
JUL 15 2009 *al*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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