

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LETCHER COUNTY WATER AND)	
SEWER DISTRICT FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO CONSTRUCT A)	2009-00439
WATERWORKS IMPROVEMENTS PROJECT)	
PURSUANT TO KRS 278.020)	

O R D E R

By application filed November 12, 2009, Letcher County Water District ("Letcher District") has applied for a Certificate of Public Convenience and Necessity to construct a \$1,300,000 water system improvements project pursuant to KRS 278.020. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. The proposed project involves the construction and installation of an inter-county connection along Kentucky 1410 and Kentucky 7 that will connect Letcher District's system to the Knott County Water District's distribution system. The project also includes the construction and installation of approximately 8,317 linear feet of 12-inch water line; 20,302 linear feet of 8-inch water line; 120 linear feet of 6-inch water line; and 15,438 linear feet of 3-inch water line. It will serve approximately 116 new customers in the northern area of Letcher County.
2. Construction of the proposed water system improvements project will not result in the wasteful duplication of any existing utility facilities, will not compete with any other utility, and will provide water service to approximately 116 households.
3. Bell Engineering, PLLC of Lexington, Kentucky prepared the engineering plans and specifications for this project.

4. The Energy and Environment Cabinet's Division of Water has approved the plans and specifications for the proposed project.

5. The estimated total cost of the proposed improvement project is \$1,300,000.

6. This project will be funded by an Abandoned Mine Lands grant in the amount of \$300,000 and a Kentucky Coal Severance grant in the amount of \$1,000,000.

7. Public convenience and necessity require construction of the proposed project.

IT IS THEREFORE ORDERED that:

1. Letcher District is granted a Certificate of Public Convenience and Necessity to construct the proposed water system improvements project as set forth in its application.

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

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

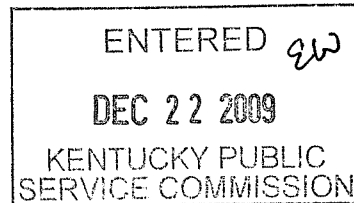
4. Letcher District shall furnish documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. Letcher District shall require construction to be inspected under the general supervision of a professional engineer with Kentucky licensure, competent to practice 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. Letcher 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 certified herein.

7. Letcher District shall notify the Commission one week prior to the actual start of construction and at the 50-percent completion point.

By the Commission



ATTEST:



Executive Director

Case No. 2009-00439

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