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408 South Main Street
Hartford, Ky. 42347

RECEIVED

March 15, 2004

MAR 16 2004

Hon. Tom Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601-0615

Case 2004-00089

PUBLIC SERVICE
COMMISSION

RE: OHIO COUNTY WATER DISTRICT NEW-APPLICATION
WATER SYSTEM IMPROVEMENTS TO SERVE CITY OF FORDSVILLE

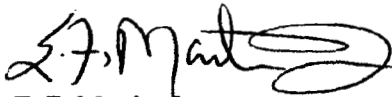
Dear Sir:

On behalf of Ohio County Water District, there is submitted herewith an original and 10 copies of the Application and Exhibits for a Certificate of Public Convenience and Necessity for the referenced project. Please note that only 3 copies of Exhibit D (contract documents) are included in this submittal.

Copies of the Application and Exhibits (excluding Exhibit D) have been forwarded to all interested parties which I request be made "Parties of Record", as shown on the enclosed list.

If any additional information is required or if you have any questions please feel free to contact me by phone, FAX, or at my E-mail address of fmlaw@ohiocounty.net.

Respectfully,



E. F. Martin, Jr.
Attorney, Ohio County Water District

cc: All Parties of Record

mlm

OHIO COUNTY WATER DISTRICT

PSC CASE NO. 2004-00089

APPLICATION
FOR
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
FOR
CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS TO SERVE THE CITY OF
FORDSVILLE

PARTIES OF RECORD

DATE: MARCH 10, 2004

Honorable Thomas Dorman
Executive Director
Kentucky Public Service
Commission
211 Sower Blvd.
Frankfort, KY 40601
pscfilings@mail.state.ky.us

Mr. Henry Morgan, Chairman
9551 Red Hill Maxwell Rd.
Utica, KY 42376
hmorgan700@omuonline.net

Mr. E. F. Martin, Jr.
Attorney at Law
408 North Main Street
Hartford, KY 42347-0207
fmlaw@ohiocounty.net

Mr. Walt Beasley,
Superintendent
Ohio County Water District
130 Washington Street
Hartford, KY 42347
walterocwd@ccol.net

Mayor Jack Edge
City Of Fordsville
P.O. Box 164
Fordsville, KY 42343

Rod H. Martin, P.E.
Hunter Martin & Associates, Inc.
3220 Lone Oak Road
Paducah, KY 42001
rod@huntermartin.com

COMMONWEALTH OF KENTUCKY
Before the Public Service Commission

IN THE MATTER OF THE APPLICATION OF)
OHIO COUNTY WATER DISTRICT FOR:)
)
)
ISSUANCE OF A CERTIFICATE OF)
PUBLIC CONVENIENCE AND)
NECESSITY FOR CONSTRUCTION OF)
WATER SYSTEM IMPROVEMENTS)
TO SERVE THE CITY OF FORDSVILLE.)

No. 2004-00089

APPLICATION

This Application of OHIO COUNTY WATER DISTRICT (the "Applicant") of Ohio County, Kentucky, respectfully states:

- a) The full name and post office address of the applicant is:

Ohio County Water District
130 East Washington Street
Hartford, KY 42347

807 KAR 5:001, Section 8 (1).

- b) The original and 10 copies of this application and all exhibits (with the exception of Plans & Specifications) are being filed with the Kentucky Public Service Commission and a copy is being submitted to all Parties Of Record. Three Copies of the Plans and Specifications are being filed with the Commission.

807 KAR 5:001, Section 8 (2).

- c) The Applicant is not a corporation. The Applicant is a water district of Ohio County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes, pursuant to Order No. 138 by the County Court of Ohio County, Kentucky, duly entered on April 2, 1962, and previously filed in Case No. 7667.

807 KAR 5:001, Section 8 (3).

- d) Additional territories were annexed to the Applicant as follows:

Additional territory in Ohio County was annexed by Orders of the Ohio County Court dated April 27, 1964, and November 21, 1978, as referenced previously in Case No. 7667.

Additional territory in Daviess County was annexed by Orders of the Daviess County Court dated September 27, 1965, and July 31, 1976, as referenced previously in Case No. 7667.

Additional territory in Grayson County was annexed by Order of the Grayson County Court dated January 29, 1985, as filed previously in Case No. 9559.

Additional territory in McLean County was annexed by Order of the McLean County Court dated January 14, 1985, as filed previously in Case No. 9559.

Additional territory in Butler County was annexed by Order of the Butler County Court dated January 29, 1985, as filed previously in Case No. 9559.

Reference is hereby made to the records in previous Case No. 7667 and Case No. 9559, which is requested to be incorporated herein as a part of this Application.

- e) By Order dated October 10, 1996 the Public Service Commission gave approval for Butler County Water System, Inc. to acquire a portion of Ohio County Water District's existing service territory and to provide service to 11 customers of Ohio

County Water District. Reference is hereby made to the records in previous Case No. 96-389, which are requested to be incorporated herein as a part of this Application.

- f) By Order dated December 3, 1996, Public Service Commission granted approval for Ohio County Water District to assume ownership, operation and maintenance of the Rough River Water System, Inc. Reference is hereby made to the records in previous Case No. 95-459, which are requested to be incorporated herein as a part of this Application.
- g) The governing body of Ohio County Water District consists of seven Commissioners. Five of the Commissioners are duly appointed by the County Judge Executive of Ohio County, with approval of the Fiscal Court. The remaining two are appointed by the County Judge Executive of Daviess County with the approval of that Fiscal Court. The present Commissioners are:
- Henry Morgan, Chairman
Angie Henry, Secretary
Bernard Ballard, Treasurer
Waymon Cambron
Julie Cartwright
James "Dewayne" Johnson
Harry Storm
- h) The Applicant seeks a Certificate of Public Convenience and Necessity permitting it to construct Water System Improvements to serve the City Of Fordsville, Kentucky. The Water System improvements will include approximately 8.5 miles of water mains, a master meter station and radio telemetry. The City Of Fordsville is a current wholesale customer of the Applicant but is limited to approximately 35 gpm. The City owns and operates its own surface water treatment plant. During months of low precipitation, the plant is limited and on occasion can not meet the daily demands without supplementing its supply from

the Ohio County Water District. Additionally, the water treatment plant is in need of upgrading in order to comply with current regulations.

i) The City of Fordsville has agreed to purchase its total daily requirement of water from the Applicant. The total demand shall not exceed 216,000 gpd and shall not be drawn at a rate exceeding 150 gpm. A copy of the Contract For Water Service is included in Exhibit A.

j) The facts relied upon to show that the proposed new construction is or will be required by public convenience and necessity are set forth in the entirety of this Application, including exhibits.

807 KAR 5:001, Section 9 (2) (a).

k) Franchises are not required for the proposed new construction. Copies of permits from proper public authorities are shown Exhibit B.

807 KAR 5:001, Section 9 (2) (b).

l) A full description of the proposed location of the new construction, including a description of the manner in which same will be constructed, is set forth in the Engineering Report (Exhibit C), and the Plans and Specifications (Exhibit D). Maps to suitable scale, showing the location of the proposed new construction, are included in the Plans and Specifications. There are no public utilities, corporations or persons with whom the proposed new construction or extension is likely to compete. There are no like facilities owned by others located anywhere within the map area. 807 KAR 5:001, Section 9 (2) (c) and (d)

m) Advertisements for sealed bids were duly published and upon bids being received, were opened and publicly read aloud. The Applicant has approved the award of the contract to Bobby Luttrell and Sons, Inc. in the amount of

\$573,372.50. Exhibit E includes a copy of the Advertisement for Bids, the Publisher's Affidavit, the bid opening sign-in sheet, the bid opening form, and the bid tabulations. Exhibit F shows the low bid submitted by Bobby Luttrell & Sons, Inc. The Engineer's letter of recommendation for Award and the District's Resolution of Award are included in Exhibit G.

- n) The estimated project cost is \$800,000.00 as shown in Exhibit H.
- o) The proposed construction will be financed by a Community Development Block Grant in the amount of \$500,000.00; a Coal Severance Grant in the amount of \$241,500.00, and; District funds in the amount of \$58,500.00. A rate increase is not required to pay for the improvements. The CDBG Grant Agreement is included in Exhibit J.

807 KAR 5:001, Section 9 (2) (e).

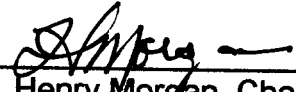
- p) A Cost Of Service Study for the year ending 12/31/02 was completed for PSC Case 2003-00034 which is requested to be incorporated herein as a part of this Application and is included in Exhibit I. The study shows on Page 11 that the cost attributable to wholesale water production is \$200,275 including power, chemicals, and O&M for treatment and distribution. Based on the total wholesale water produced (124,329,000 gallons), the treatment cost is \$1.61 per 1,000 gallons.

Fordsville's average daily use is approximately 100,000 gpd or 36,500,000 gallons per year. The estimated increase in treatment cost is \$58,765. The estimated increase in annual cost for electrical to operate the telemetry equipment is \$300.00.

807 KAR 5:001, Section 9 (2) (f).

WHEREFORE, the Applicant, **OHIO COUNTY WATER DISTRICT**, respectfully requests an Order approving issuance of a Certificate of Convenience and Necessity for construction of the Water System Improvements to serve the City Of Fordsville, Ky.

OHIO COUNTY WATER DISTRICT


Henry Morgan, Chairman

ATTORNEY FOR PETITIONER:

E. F. Martin, Jr., Attorney
Attorney At Law
408 North Main
Hartford, KY 42347

STATEMENT BY APPLICANT:

The undersigned, Henry Morgan, Chairman of the **OHIO COUNTY WATER DISTRICT**, hereby verifies that he has personal knowledge of the matters set forth in the above stated Application, that the information set forth therein is true and correct and that he is duly designated by **OHIO COUNTY WATER DISTRICT** to sign this Application on its behalf.

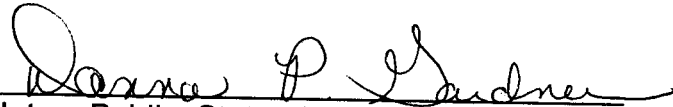

Henry Morgan, Chairman

STATE OF KENTUCKY
COUNTY OF OHIO

Subscribed and sworn to before me this 2ND day of MARCH, 2004, by

Henry Morgan, CHAIRMAN OF **OHIO COUNTY WATER DISTRICT**.

My Commission Expires: 11/27/2007.


Notary Public, State of Kentucky at Large

(Seal)