

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE CRITTENDEN-)	
LIVINGSTON COUNTY WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT A WATERWORKS)	2007-00094
IMPROVEMENTS PROJECT PURSUANT TO)	
KRS 278.020 AND 278.300)	

O R D E R

On March 6, 2007, Crittenden-Livingston County Water District ("Crittenden-Livingston") applied for a Certificate of Public Convenience and Necessity to construct, a \$4,820,000 waterworks project. The proposed project involves the construction and installation of approximately 79 miles of 6-inch and 4-inch water mains and appurtenances to serve approximately 225 new customers.

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

1. Crittenden-Livingston is a water district organized pursuant to KRS Chapter 74.
2. Crittenden-Livingston owns and operates facilities used to distribute water for compensation to approximately 2,790 customers in Crittenden and Livingston counties, Kentucky.
3. Crittenden-Livingston proposes to construct approximately 79 miles of 6-inch and 4-inch water mains and appurtenances.

4. Stigall Engineering Associates, Inc. of Nashville, Tennessee prepared the plans and specifications for the proposed project.

5. The Division of Water of the Kentucky Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

6. The proposed construction will neither create wasteful duplication of plant, equipment, property, or facilities, nor result in uneconomic or wasteful competition between public utilities.

7. Public convenience and necessity require the construction set forth in Crittenden-Livingston's application.

8. The estimated total cost of the proposed project, including construction cost, contingencies, and engineering and inspection fees, is \$4,820,000.

9. Crittenden-Livingston proposes to fund the proposed project through the use of \$1,900,000 from the Tobacco Settlement Fund Grants and Coal Severance Funds; the remaining funds from the Phase IX project in the amount of \$150,000; connection fees in the approximate amount of \$120,000; and a short-term loan in the amount of \$2,650,000 from the Kentucky Rural Water Finance Corporation ("KRWFC") through its Flexible Term Program.¹

IT IS THEREFORE ORDERED that:

1. Crittenden-Livingston is granted a Certificate of Public Convenience and Necessity to construct the proposed waterworks project as set forth in the plans and specifications of record herein.

¹ Because the short-term loan will mature within a 2-year period, Commission approval is not required pursuant to KRS 278.300.

2. Crittenden-Livingston shall obtain approval from the Commission prior to performing any additional construction not expressly authorized within this Order.

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

4. Crittenden-Livingston 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 should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Commission.

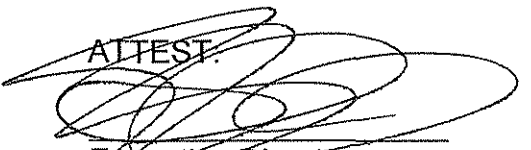
5. Crittenden-Livingston shall require the construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering, to ensure that the construction work is completed in accordance with the contract drawings and specifications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

6. Crittenden-Livingston 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 1st day of May, 2007.

By the Commission

ATTEST.


Executive Director

Case No. 2007-00094