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Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

May 3, 2012

Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, KY 40202

RE: Case No. 2012-00165  
Southern Water and Sewer District  
(Construct, Finance; 278.023)

The Commission staff has reviewed Southern Water and Sewer District's application in the above case and finds that it met the minimum filing requirements on April 30, 2012 and has been accepted for filing.

Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner  
Filings Division Director

LF/ke

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

FILED  
APR 30 2012  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

RECEIVED

THE APPLICATION OF SOUTHERN WATER  
AND SEWER DISTRICT FOR A CERTIFICATE  
OF PUBLIC CONVENIENCE AND NECESSITY  
TO CONSTRUCT AND FINANCE PURSUANT  
TO KRS 278.023.

) APR 30 2012  
)  
) CASE NO. 2012-PUBLIC SERVICE  
) COMMISSION  
) 2012-00165

APPLICATION

This Application of the Southern Water and Sewer District ("Applicant") of Floyd and Knott Counties, Kentucky, respectfully shows:

1. That Applicant is a water district of Floyd and Knott Counties, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.
2. That the post office address of Applicant is:  
  
Southern Water and Sewer District  
c/o Mr. Hubert Halbert, Manager  
P.O. Box 610  
McDowell, Kentucky 41647
3. That Applicant, pursuant to the provisions of 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of Applicant; and (ii) approval of the proposed plan of financing said Project.
4. That the Project consists of the (i) construction of a new 100,000 gpd regional water treatment plant and appurtenances; (ii) installation of approximately 26,150 linear feet of sanitary sewer trunk force mains; and (iii) installation of approximately 1,430 linear feet of gravity sewer lines.
5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$1,094,143 loan from the Kentucky Infrastructure Authority; (ii) a grant from USDA, Rural Development ("RD") in the amount of \$200,000; (iii) a grant from the Appalachian Regional Commission ("ARC") in the amount of \$500,000; (iv) Coal Severance Grants in the aggregate amount of \$1,655,944; and (v) Local Government Economic Development Fund grant in the amount