

*The Law Office of*  
**BRENDON D. MILLER**

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October 23, 2012

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

**RECEIVED**  
OCT 30 2012  
PUBLIC SERVICE  
COMMISSION

RE: Breathitt County Water District  
Case No. 2012-\_\_\_\_\_

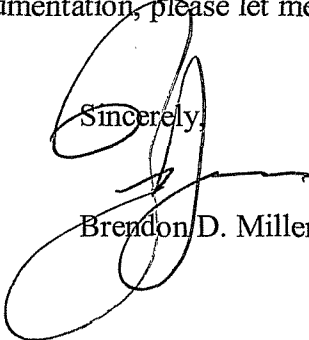
Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Breathitt County Water District for a Certificate of Public Convenience and Necessity to construct and finance pursuant to KRS 278.020.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069.

If you need any additional information or documentation, please let me know.

Sincerely,

  
Brendon D. Miller

Enclosures

CC: Distribution List

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 2012-\_\_\_\_\_**

**In the Matter of:**

**THE APPLICATION of the BREATHITT COUNTY WATER DISTRICT  
of BREATHITT COUNTY, KENTUCKY, for a CERTIFICATE of PUBLIC  
CONVENIENCE and NECESSITY to CONSTRUCT and FINANCE,  
PURSUANT TO KRS 278.020.**

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**APPLICATION**

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This Application of the Breathitt County Water District (“Applicant”) of Breathitt County, Kentucky, respectfully shows:

1. That the Applicant is a water district of Breathitt County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.
2. That the post office address of the Applicant is:  
Breathitt County Water District  
1137 Main Street  
Jackson, Kentucky 41339
3. That Applicant pursuant to the provisions of KRS 278.020, 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 “Frozen Creek Phase 1 Project” consists of the construction and installation of approximately 57,800 linear feet of 8-inch PVC waterline; 4,060 linear feet of 4-inch PVC waterline; 760 linear feet of 2-inch PVC waterline, various sized HDPE directionally drilled waterline, a duplex pump station, a 132,000 gallon water storage tank, and all appurtenances.
5. That Applicant proposes to finance the construction of the “Frozen Creek Phase 1 Project” through a Grant Agreement titled “Federally Funded Memorandum of Agreement Between the Commonwealth of Kentucky Environmental and Public Protection Cabinet and Breathitt County Water District” administered by the Kentucky Division of Abandoned Mine Lands (AML). Applicant has a commitment from AML for up to

\$3,000,000.00 for design and construction of this project. This agreement is Attachment 5 to the Final Engineering Report (FER) filed herewith as an exhibit

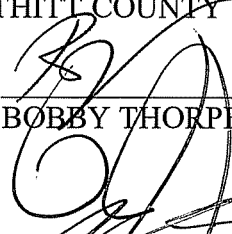
6. That Applicant does not contemplate having the project constructed with any deviation from minimum construction standards of this Public Service Commission.
7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application.
  - A. Copy of the AML Grant Memorandum Agreement is attached as Attachment 5 of the FER.
  - B. Copies of the Engineer's Concurrence of Bid Award attached as Attachment 3 of the FER.
  - C. Copy of the Preliminary Engineering Report amended to the FER, based on bids received on October 12, 2012.
  - D. Certified statement from the Chairperson of the Applicant, based upon statements of the Engineers for Applicant, concerning the following:
    1. The proposed plans and specifications for the Project have been designated to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3) and (4); Section 5 (1); Sections 6 and 7; Section 8 (1) through (3); Section 9(1) and Section 10.
    2. All other state approvals have already been obtained, including the approval of Kentucky Division of Water, attached as Attachment 6.
    3. The Existing rates of Applicant shall produce the total revenue requirements set out in the engineering reports, therefore no rate increase is necessary, and
    4. Setting out the date of December 12, 2012, when it is anticipated that construction will begin and July, 2013, when it is anticipated to end.
8. The foregoing constitutes the documents necessary to obtain the approval of the Kentucky Public Service Commission in accordance with Section 278.020 of the KRS and in accordance with the "Filing Requirements" specified in 807 KAR 5:609, Section 1.

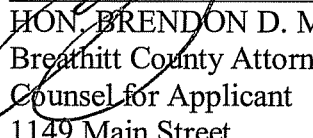
WHEREFORE, Applicant the Breathitt County Water District asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a waterworks project consisting of extensions, additions, and improvements of the existing waterworks system of Applicant.
- b. An order approving the financing arrangements made by Applicant, viz. through a Federally Funded Memorandum of Agreement Between the Commonwealth of Kentucky Environmental and Public Protection Cabinet and Breathitt County Water District administered by the Kentucky Division of Abandoned Mine Lands (AML).

BREATHITT COUNTY WATER DISTRICT

By:

  
BOBBY THORPE, JR. Chairperson

  
HON. BRENDON D. MILLER  
Breathitt County Attorney  
Counsel for Applicant  
1149 Main Street  
Jackson, Kentucky 41339  
(606) 666-4400


VERIFICATION

The undersigned, BOBBY THORPE, JR., being duly sworn, deposes and states that he is the Chairperson of the Board of Commissioners of the Breathitt County Water District, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this the 24th day of October, 2012.

BREATHITT COUNTY WATER DISTRICT

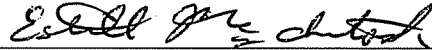
By:

  
BOBBY THORPE, JR., Chairperson

COMMONWEALTH OF KENTUCKY

COUNTY OF BREATHITT

The foregoing was subscribed and sworn to before me by Bobby Thorpe, Jr.,  
Chairperson of the Board of Commissioners of the Breathitt County Water District, on  
this the 24<sup>th</sup> day of October, 2012.



\_\_\_\_\_  
NOTARY PUBLIC

Commission Expires: 12-28-2014

DISTRIBUTION LIST

Case No. 2012-\_\_\_\_\_

Re: Breathitt County Water District Application

District Officials

Mr. Bobby Thorpe, Jr., Chairperson  
Mr. Estill McIntosh, Manager  
Breathitt County Water District  
1137 Main Street  
Jackson, Kentucky 41339

Telephone: (606) 666-3800  
Fax: (606) 666-2860

Engineer

Mr. Paul Nesbitt  
Nesbitt Engineering, Inc.  
227 North Upper Street  
Lexington, Kentucky 40507

Telephone: (859) 233-3111  
Fax: (859) 259-2717

Local Counsel

Hon. Brendon D. Miller  
Breathitt County Attorney  
1149 Main Street  
Jackson, KY 41339

Telephone: (606) 666-4400  
Fax: (606) 666-4422

Division Abandoned Mine Lands

Mr. Robert Scott, Assistant Director  
Division of Abandoned Mine Lands  
2521 Lawrenceburg Road  
Frankfort, Kentucky 40601

Telephone: (502) 564-2141  
Fax: (502) 564-6544

CERTIFICATE of CHAIRPERSON of BREATHITT COUNTY  
WATER DISTRICT, as to STATEMENT REQUIRED by  
SECTION 1 (5) OF 807 KAR 5:06

I, BOBBY THROPE, JR., hereby certify that I am the duly qualified and acting Chairperson of the Breathitt County Water District, and that said District is in the process of arranging to finance the construction of extensions, additions and improvements to the existing waterworks system of the District (the "Project"), in cooperation with Nesbitt Engineering, Inc., Lexington, Kentucky, the Engineers for the District (the "Engineers").

Based on information furnished to me by said Engineers for the District, I hereby certify as follows:

1. The proposed plans and specifications for the Project have been designated to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3) and (4); Section 5 (1); Sections 6 and 7; Section 8 (1) through (3); Section 9 (1) and Section 10.

2. All other state approvals have already been obtained, including the approval of the Kentucky Division of Water.

3. The Existing rates of the District filed with the Public Service Commission of Kentucky are contemplated to produce total revenue requirements set out in the Engineering Reports, prepared by the Engineers and filed with the Public Service Commission.

4. That it is now contemplated that construction of the "Frozen Creek Phase 1" begin on or about December 13, 2012, and will end on or about July, 2013.

IN TESTIMONY WHEREOF, witness my signature this 24th day of October, 2012.

BREATHITT COUNTY WATER DISTRICT

By: \_\_\_\_\_

Bobby Thorpe, Jr.  
BOBBY THORPE, JR., Chairperson

STATE OF KENTUCKY  
COUNTY OF BREATHITT

Subscribed and sworn to before me by Bobby Thorpe, Jr., Chairperson of the Board of Commissioners of the Breathitt County Water District, on this the 24th day of October, 2012.

Estelle J. ...  
NOTARY PUBLIC

Commission Expires: 12-28-2014