

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

AUG 04 2016

In the Matter of:

PUBLIC SERVICE
COMMISSION

APPLICATION OF)	
MOUNTAIN WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO. 2016-00266
AND NECESSITY TO CONSTRUCT AND)	
FINANCE PURSUANT TO KRS 278.023)	

**ATTORNEY GENERAL’S COMMENTS AND STATEMENT IN SUPPORT OF
MOUNTAIN WATER DISTRICT’S MOTION TO EXPEDITE**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and pursuant to the Commission’s July 22, 2016 Order, tenders the following comments in the above-styled manner. The comments filed herein represent the preliminary position of the Attorney General. The Attorney General reserves his right as an intervenor in this proceeding to fully participate in a hearing or informal conference that may be scheduled, and to file a post-hearing brief, if desired and consistent with the Commission’s Order. The Attorney General also tenders a statement in support of Mountain Water District’s August 1, 2016 Motion to Expedite.

On July 19, 2016, Mountain Water District, a water district created and existing under Chapter 74 of the Kentucky Revised Statutes, filed for a Certificate of Public Convenience and Necessity (CPCN) pursuant to KRS 278.023.¹ The Mountain Water District’s CPCN concerns the Upper Pompey Water Supply Project that will provide potable water to approximately thirty

¹ *Application of Mountain Water District for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to KRS 278.023*, Case No. 2016-00266 (Ky. PSC July 19, 2016) (hereinafter “Application”); Application, Cover Letter July 19, 2016, at 1.

(30) families in Pike County Kentucky.² According to Mountain Water District, the affected families have been without a permanent source of potable water for a number of years due to groundwater contamination as a result of previous mining activities.³

According to the record, no Mountain Water District funds will be used to finance this project, with funding totaling \$1,900,000.00.⁴ Mountain Water District has been approved for an Appalachian Regional Commission grant in the amount of \$500,000 to be administered by the United States Department of Agriculture, Rural Utilities Service.⁵ Portions of the project were also deemed eligible for Abandoned Mine Lands funds totaling \$500,000, which has already been committed to the project.⁶ The final \$900,000 in funds have been provided by the McCoy Elkhorn Coal Corporation through the Department of Mine Reclamation and Enforcement pursuant to an Agreed Order between McCoy Elkhorn and the Energy and Environment Cabinet.⁷ The record indicates that Mountain Water District opened requested bids on the project on April 26, 2016, and H2O Construction was awarded the contract as the lowest bidder at \$1,332,025.⁸ Mountain Water District asserts that H2O has completed numerous water utility projects in the past and has extensive experience in water line installations.⁹

Assuming that the project proceeds as planned and on budget, the Attorney General has no opposition to the Commission granting Mountain Water District's request for a CPCN. As described in the record, this project will extend service to currently unserved citizens of the Commonwealth with no appreciable negative impact on Mountain Water District's existing customers. Mountain Water District stated in its Motion to Expedite that thirty (30) families are

² Mountain Water District's Motion to Expedite; Application, Preliminary Engineering Report.

³ Mountain Water District's Response to AG 5(b); *Id.*, Exhibit "A", at 1-2;

⁴ Application, Summit Engineering Letter dated April 28, 2016, Exhibit "A".

⁵ Application, Exhibits A through C.

⁶ Mountain Water District's Response to AG 3; *Id.*, Exhibits "B" and "C".

⁷ Mountain Water District's Response to AG 2(b). *Id.*, Exhibit "A".

⁸ Application, Summit Engineering Letter dated April 28, 2016; *Id.*, Exhibit A.

⁹ Mountain Water District's Response to AG 4.

currently relying on bottled water as their only source of potable water and that a prompt beginning of construction could allow these families to be connected to the District before winter.¹⁰ Having received timely responses to his requests for information, the Attorney General supports Mountain Water District's Motion to Expedite and respectfully requests that the Commission consider this case as soon as possible.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL


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¹⁰ Mountain Water District's Motion to Expedite.

Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Talina Mathews, Acting Executive Directors, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail to:

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this 4th day of August 2016.



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