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November 29, 2004

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Case 2004-00461

RECEIVED
NOV 30 2004
PUBLIC SERVICE
COMMISSION

Re: East Pendleton Water District, Pendleton County Water District and the County of
Pendleton - Joint Application for the Water System Improvements Project

Dear Ms. O'Donnell:

Enclosed please find the original and ten (10) copies of the Joint Application of the East Pendleton Water District, the Pendleton County Water District and the County of Pendleton for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project pursuant to KRS Chapter 278.


Also enclosed are eleven (11) copies of the required exhibits and three (3) copies of the Project Maps. The Plans and Specifications, as prepared by Tetra Tech Engineers, will be forwarded under separate cover.

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

Sincerely,

Rubin & Hays

By


W. Randall Jones

WRJ:jl
Enclosures
cc: Distribution List

DISTRIBUTION LIST

**Re: East Pendleton Water District, Pendleton County Water District and the
County of Pendleton Joint Public Service Commission Application for Water
System Improvements Project**

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East Pendleton Water District
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Falmouth, Kentucky 41040

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Honorable Henry W. Betram
Pendleton County Judge/Executive
Pendleton County Courthouse
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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

NOV 30 2004

PUBLIC SERVICE COMMISSION

In the matter of:

APPLICATION OF THE EAST PENDLETON)
WATER DISTRICT, PENDLETON COUNTY)
WATER DISTRICT AND THE COUNTY OF)
PENDLETON FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT A WATER IMPROVEMENT)
PROJECT PURSUANT TO KRS 278.020)

Case No. 2004-00461

APPLICATION

The East Pendleton Water District ("EPWD"), the Pendleton County Water District ("PCWD") and the County of Pendleton, Kentucky (the "County"), by counsel, pursuant to KRS 278.020, jointly petition the Commission for a certificate of public convenience and necessity to construct a joint waterworks improvement project. The following information is filed in accordance with the Commission's regulations:

- 1. EPWD's office address is P.O. Box 29, Falmouth, Kentucky 41040. PCWD's office address is P.O. Box 232, Falmouth, Kentucky 41040. The County's office address is 233 Main Street, Falmouth, Kentucky 41040.
2. EPWD and PCWD are non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. The County is a political subdivision of the Commonwealth of Kentucky, organized and existing under Kentucky law.
3. The Priority Scoring 2003 Water Project is a joint project being undertaken by EPWD and PCWD and is being funded by two Tobacco Fund grants to the County and cash and connection fees of EPWD and PCWD. A detailed description of the Project is attached hereto as Exhibit "A".

4. The total project cost is approximately \$1,299,169, as set forth in the Final Project Budget attached hereto as **Exhibit “B”**.

5. EPWD and PCWD have obtained all easements are required for the Project;

6. This service will not compete with any other utility in the area;

7. This Project will provide water service to approximately 19 new EPWD users and 56 new PCWD users, and accordingly, the Applicants believe that it is in the public interest that this certificate of public convenience and necessity be granted;

8. Copies of the certified bid tabulations are attached hereto as **Exhibit “C”**.

9. The following information is provided in response to 807 KAR 5:001 Section (8)(3);

a. Articles of Incorporation - None, EPWD and PCWD are statutorily created water district under KRS Chapter 74, and the County is a political subdivision of the Commonwealth of Kentucky.

10. The following information is supplied to 807 KAR 5:001 Section (9)(2);

a. Facts relied upon to show that the Project is in the public interest: this Project will provide water service for approximately 19 new EPWD users and 56 new PCWD users.

b. No new franchises are required. Copies of the permits are attached hereto as **Exhibit “D”**;

c. Diagrams of the proposed construction and construction specifications broken down for each District are contained in the spreadsheets, three (3) of which are filed with this Application;

d. Three (3) maps of suitable scale showing location of the proposed facilities are filed with this Application;

e. The construction costs will be funded by (i) a Tobacco Fund grant (Phase 1 and 2) to the County in the amount of \$442,000; (ii) a Tobacco Fund grant (Phase 3) to the County in the amount of \$700,000; (iii) connection fees from EPWD in the amount of \$20,169; (iv) a cash contribution from EPWD in the amount of \$15,000; (v) connection fees from PCWD in the amount of \$84,000; and (vi) a cash contribution from PCWD in the amount of \$38,000. Copies of the Tobacco Fund Grant Agreements are attached hereto as **Exhibit “E”**.

f. The estimated cost of operation of the EPWD system after construction is completed is attached hereto as **Exhibit “F”**; and the estimated cost of operation of the PCWD system after construction is completed is attached hereto as **Exhibit “G”**.

WHEREFORE, the Applicants, East Pendleton Water District, Pendleton County Water District and the County of Pendleton request that the Public Service Commission of Kentucky grant to the Applicants a Certificate of Public Convenience and Necessity permitting the Applicants to construct the Priority Funding 2003 Water Project.

East Pendleton Water District

By *Leslie Hubst*
Chairman

Pendleton County Water District

By *J. C. Crowley*
Chairman

County of Pendleton, Kentucky

By *Steph. R. Burt*
County Judge/Executive

Rubin & Hays

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