



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

June 30, 2008

R.M. Johnson Engineers, Inc.
P.O. Box 444
Hindman, KY 41822

CERTIFICATE OF SERVICE

RE: Case No. 2008-00177
Knott County Water & Sewer District

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on June 30, 2008.

Handwritten signature of Stephanie Stumbo in cursive script.

Executive Director

SS/tw
Enclosure



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David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Honorable Timothy C. Bates
County Attorney
Office of Knott County Attorney
P.O. Box 470
Hindman, KY 41822

June 30, 2008

CERTIFICATE OF SERVICE

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Knott County Water & Sewer District

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on June 30, 2008.

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June 30, 2008

Alice G. Ritchie
Knott County Water & Sewer District
P. O. Box 884
Hindman, KY 41822

CERTIFICATE OF SERVICE

RE: Case No. 2008-00177
Knott County Water & Sewer District

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on June 30, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KNOTT COUNTY WATER &)	
SEWER DISTRICT FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR)	2008-00177
ALC TANK REPLACEMENT AND PIPPA PASSES)	
TANK REHABILITATION PROJECT)	

O R D E R

On June 24, 2008, Knott County Water & Sewer District ("Knott District") submitted an application for a Certificate of Public Convenience and Necessity to construct a waterworks improvement project. This project consists of the replacement of a deteriorating 100,000-gallon ground storage tank on the Alice Lloyd College ("ALC") campus, rehabilitation of the existing 100,000-gallon ground storage Pippa Passes tank, and installation of telemetry equipment, for a total cost of approximately \$283,000. Project funding includes a \$375,000 grant from the U.S. Department of Agriculture's Rural Development ("RD") and a \$125,000 contribution from Knott County Fiscal Court.

Knott District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water districts and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing

requirements were met in this case on June 24, 2008, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Knott District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. If surplus funds remain after the approved construction has been completed, Knott District may use such surplus to construct additional plant facility if RD approves of the use and the additional construction will not result in a change in Knott District's rates for service. Knott District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

3. Knott District 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 certified herein.

4. Knott District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Knott District shall take immediate action to ensure that the level of service conforms to the regulations of the Commission.

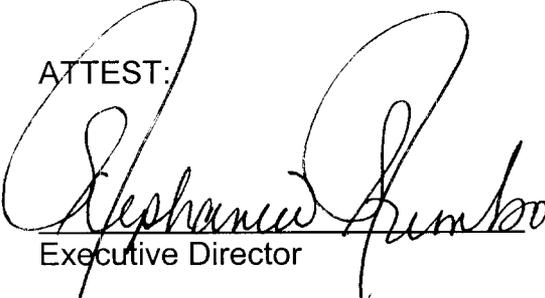
5. Knott District shall notify the Commission one week prior to the actual start of construction and at the 50-percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 30th day of June, 2008.

By the Commission

ATTEST:



Stephanie Sumbo
Executive Director

Case No. 2008-00177