Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

October 7, 2010

David L. Armstrong Chairman

> James Gardner Vice Chairman

Charles R. Borders Commissioner

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

RE: Case No. 2010-00384 Hyden-Leslie County Water District

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. 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,

Faulkner

Linda Faulkner Filings Division Director

LF/ke Enclosure

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COMMONWEALTH OF KENTUCKY

RECEN/ED BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

SEP 292010 PUBLIC SERVICE

COMMISSION

THE APPLICATION OF HYDEN-LESLIE **COUNTY WATER DISTRICT** FOR A CERTIFICATE OF PUBLIC **CONVENIENCE AND NECESSITY TO** CONSTRUCT, FINANCE AND INCREASE RATES PURSUANT TO KRS 278.023.

CASE NO. 2010 - 007

APPLICATION

This Application of the Hyden-Leslie County Water District ("Applicant") respectfully shows:

That Applicant is a water district of Leslie County, Kentucky, created and existing 1. under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

> Hyden-Leslie County Water District c/o Mr. Fred Ratliff, Chairman 325 Wendover Road Hyden, Kentucky 41749

That Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a 3. 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; (ii) an Order approving increased rates; and (iii) approval of the proposed plan of financing said Project.

That the project consists of the extensions, additions and improvements to the 4. existing waterworks system of the Applicant, consisting of (i) a 1.5 MGD water treatment plant expansion: (ii) installation of 12 inch water line and appurtenances; and (iii) construction of a 1,000,000 gallon water storage tank.

That Applicant proposes to finance the construction of the Project through (i) the 5. issuance of \$3,050,000 of its Waterworks Revenue Bonds, Series 2010, consisting of \$1,094,000 of Series A Bonds and \$1,956,000 of Series B Bonds; (ii) 2 USDA, Rural Development ("RD") grants in the amounts of \$600,000 and \$1,100,000; (iii) 2 Appalachian Regional Commission ("ARC") grants in the amounts of \$400,000 and \$200,000; (iv) a Community Development Block