

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BLACK MOUNTAIN)	
UTILITY DISTRICT OF HARLAN COUNTY,)	
KENTUCKY FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2003-00178
CONSTRUCT A WATER LINE PROJECT)	
PURSUANT TO THE PROVISIONS OF KRS)	
278.020)	

O R D E R

On May 27, 2003, Black Mountain Utility District (Black Mountain) applied to the Commission for a Certificate of Public Convenience and Necessity (Certificate) to construct a waterworks improvement project under KRS 278.023 and to obtain Commission approval of its proposed plan of financing.

On June 17, 2003, Black Mountain amended its application to correct financial data and apply to the Commission for a Certificate to construct a waterworks improvement project under KRS 278.020. The total cost of the construction project is approximately \$2,045,001.

The proposed waterworks improvement project includes installation of approximately 11 miles of 6-inch and 4 miles of 4-inch water lines, installation of a water booster pumping station, and a 100,000 gallon water storage tank. The project will allow Black Mountain to serve approximately 411 new customers along KY 522 and US 119 between Putney and Totz in Harlan County, Kentucky. Plans and specifications for the proposed improvements were prepared by Summit Engineering, Inc. of Pikeville,

Kentucky, and were approved on May 1, 2003 by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

Black Mountain proposes to fund its waterworks improvement project with a \$2,000,001 grant from the Coal Severance money administered by the Kentucky Infrastructure Authority and a \$45,000 contribution from the applicant.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Public convenience and necessity require that the construction proposed be performed and that a Certificate be granted.

2. The proposed construction consists of the installation of approximately 11 miles of 6-inch and 4 miles of 4-inch water lines, installation of a water booster pumping station, and a 100,000 gallon water storage tank to serve approximately 411 potential new customers.

3. After allowances for fees, contingencies, and other indirect costs, the total project cost is approximately \$2,045,001.

4. Black Mountain should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

5. Black Mountain should 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 certificated herein.

6. Black Mountain should require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky licensure,

competent in civil or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Black Mountain should notify the Commission, in writing, one week prior to the start of construction and after 50 percent completion.

IT IS THEREFORE ORDERED that:

1. Black Mountain is granted a Certificate to proceed with the proposed waterworks improvement project.

2. Black Mountain shall comply with the requirements contained in Findings 4 through 7 as if the same were individually so ordered.

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 18th day of July, 2003.

By the Commission

ATTEST:


Executive Director