

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LETCHER COUNTY WATER)	
AND SEWER DISTRICT FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY TO CONSTRUCT A)	CASE NO.
WATERWORKS IMPROVEMENTS PROJECT)	2007-00492
PURSUANT TO KRS 278.020 AND 278.300)	

O R D E R

Letcher County Water and Sewer District ("LCWSD") has applied for a Certificate of Public Convenience and Necessity ("CPCN") for a waterworks improvement project at an approximate total cost of \$1,335,000. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. LCWSD proposes to construct approximately 8 miles of 8-inch through 3-inch water distribution mains and related appurtenances to provide service to approximately 200 new customers.
2. This project will be constructed northeast of Whitesburg, Kentucky in the Crafts Colley area of Letcher County.
3. The construction is in the public interest and will provide water service to new users who currently rely on wells, cisterns, and springs for potable water.
4. LCWSD proposes to fund the project from the proceeds of an Abandoned Mine Land grant in the amount of \$660,000 and a Kentucky Coal Severance grant in the amount of \$675,000.
5. Bell Engineering, of Lexington, Kentucky, prepared the drawings and specifications for the proposed project.

6. The proposed construction does not conflict with services of other utilities operating in the area.

7. The proposed construction will not result in a wasteful duplication of facilities.

8. The Division of Water of the Kentucky Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

9. The public convenience and necessity require the construction of the proposed improvements.

IT IS THEREFORE ORDERED that:

1. LCWSD is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. LCWSD shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved shall be undertaken only with the prior approval of the Commission.

4. LCWSD shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. LCWSD shall file a copy of the "as-built" drawings and a certified statement 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. LCWSD shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that 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.

Done at Frankfort, Kentucky, this 22nd day of January, 2008.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director