

*The Law Office of*  
**BRENDON D. MILLER**

1149 MAIN STREET  
JACKSON, KENTUCKY 41339  
EMAIL: [BDMILLER@SETEL.COM](mailto:BDMILLER@SETEL.COM)

PHONE: (606) 666-4400

FAX: (606) 666-4422

---

June 1, 2012

**RECEIVED**

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

JUN 05 2012

PUBLIC SERVICE  
COMMISSION

RE: Breathitt County Water District  
Case No. 2012-\_\_\_\_\_

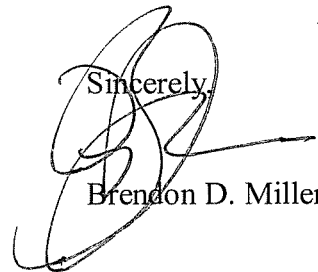
Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Breathitt County Water District for a Certificate of Public Convenience and Necessity to construct and finance pursuant to KRS 278.020.

Also enclosed are eleven (11) copies of the exhibits required pursuant to 807 KAR 5.069.

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

Sincerely,



Brendon D. Miller

Enclosures  
CC: Distribution List

DISTRIBUTION LIST

Case No. 2012-\_\_\_\_\_

Re: Breathitt County Water District Application

District Officials

Mr. Bobby Thorpe, Jr., Chairperson  
Mr. Estill McIntosh, Manager  
Breathitt County Water District  
1137 Main Street  
Jackson, Kentucky 41339

Telephone: (606) 666-3800  
Fax: (606) 666-2860

Engineer

Mr. Paul Nesbitt  
Nesbitt Engineering, Inc.  
227 North Upper Street  
Lexington, Kentucky 40507

Telephone: (859) 233-3111  
Fax: (859) 259-2717

Local Counsel

Hon. Brendon D. Miller  
Breathitt County Attorney  
1149 Main Street  
Jackson, KY 41339

Telephone: (606) 666-4400  
Fax: (606) 666-4422

KIA Loan Administrator

Ms. Jennifer McIntosh  
KRADD  
917 Perry Park Road  
Hazard, Kentucky 41701

Telephone: (606) 436-3158  
Fax: (606) 436-21444

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION  
CASE NO. 2012-\_\_\_\_\_**

**In the Matter of:**

**THE APPLICATION of the BREATHITT COUNTY WATER DISTRICT  
of BREATHITT COUNTY, KENTUCKY, for a CERTIFICATE of PUBLIC  
CONVENIENCE and NECESSITY to CONSTRUCT and FINANCE,  
PURSUANT TO KRS 278.020.**

---

**APPLICATION**

---

This Application of the Breathitt County Water District (“Applicant”) of Breathitt County, Kentucky, respectfully shows:

1. That the Applicant is a water district of Breathitt County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.
2. That the post office address of the Applicant is:  
Breathitt County Water District  
1137 Main Street  
Jackson, Kentucky 41339
3. That Applicant pursuant to the provisions of KRS 278.020, seeks (i) a 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; and (ii) approval of the proposed plan of financing said project.
4. That the KY 1098 “South Fork” Phase 2 Project consists of the construction and installation of approximately 11,600 linear feet of 6-inch pvc waterline; 32,400 linear feet of 4-inch pvc waterline; and 250 linear feet of 2-inch PVC waterline.
5. That Applicant proposes to finance the construction of the KY 1098 “South Fork” Phase 2 Project through a Kentucky Infrastructure Authority loan in the amount of \$684,173.00, (which is 40% forgiveness). This amount is for this project only. The KIA loan (in the entirety of \$2,500,000.00 including funds for other projects) has been reviewed and approved by this agency in Case No. 2011-00399.

6. That Applicant does not contemplate having the project constructed with any deviation from minimum construction standards of this Public Service Commission.
7. That Applicant files herewith the following Exhibits pursuant to 807 KAR 5:069 in support of this Application.
  - A. Copy of the Revised Kentucky Infrastructure Authority - State Revolving Fund Loan, and is Attachment 5 of the Final Engineering Report (FER);
  - B. Copy of the Engineer's Concurrence of Bid Award attached as Attachment 3 of the FER;
  - C. Copy of the Preliminary Engineering Report, amended to the FER based upon bids received on May 4, 2012;
  - D. Certified statement from the Chairperson of the Applicant, based upon statements of the Engineers for Applicant, concerning the following:
    1. The proposed plans and specifications for the Project have been designated to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4 (3) and (4); Section 5 (1); Sections 6 and 7; Section 8 (1) through (3); Section 9(1) and Section 10.
    2. All other state approvals have already been obtained, including a drinking water construction permit from the Kentucky Division of Water, attached as Attachment 6.
    3. The Existing rates of Applicant shall produce the total revenue requirements set out in the engineering reports, therefore no rate increase is necessary, and
    4. Setting out the date of June 15, 2012, when it is anticipated that construction will begin and September, 2012, when construction is anticipated to end.
8. The foregoing constitutes the documents necessary to obtain the approval of the Kentucky Public Service Commission in accordance with Section 278.020 of the KRS and in accordance with the "Filing Requirements" specified in 807 KAR 5:609, Section 1.


WHEREFORE, Applicant the Breathitt County Water District asks that the Public Service Commission of the Commonwealth of Kentucky grant to Applicant the following:

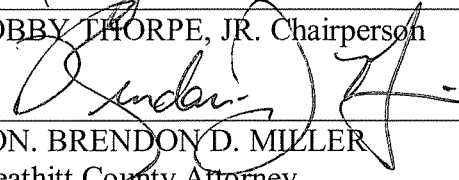
- a. A Certificate of Public Convenience and Necessity permitting Applicant to construct a waterworks project consisting of extensions, additions, and improvements of the existing waterworks system of Applicant.

- b. An order approving the financing arrangements made by Applicant, viz. through agreements made with the Kentucky Infrastructure Authority, Administrator of the State Revolving Fund.

BREATHITT COUNTY WATER DISTRICT

By:

  
BOBBY THORPE, JR. Chairperson

  
HON. BRENDON D. MILLER  
Breathitt County Attorney  
Counsel for Applicant  
1149 Main Street  
Jackson, Kentucky 41339  
(606) 666-4400


VERIFICATION

The undersigned, BOBBY THORPE, JR., being duly sworn, deposes and states that he is the Chairperson of the Board of Commissioners of the Breathitt County Water District, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this the 1st day of June, 2012.

BREATHITT COUNTY WATER DISTRICT

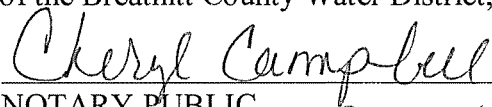
By:

  
BOBBY THORPE, JR., Chairperson

COMMONWEALTH OF KENTUCKY

COUNTY OF BREATHITT

The foregoing was subscribed and sworn to before me by Bobby Thorpe, Jr., Chairperson of the Board of Commissioners of the Breathitt County Water District, on this the 1st day of June, 2012.

  
NOTARY PUBLIC

Commission Expires: 9-30-13