

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT (A) FOR AUTHORITY TO ISSUE)	
PARITY REVENUE BONDS IN THE APPROXIMATE)	CASE NO. 2000-481
AMOUNT OF \$16,545,000; AND (B) A CERTIFICATE)	
OF CONVENIENCE AND NECESSITY FOR THE)	
CONSTRUCTION OF WATER MAIN FACILITIES)	

INTERIM ORDER

On October 27, 2000, Northern Kentucky Water District ("NKWD") applied for authority to issue approximately \$16.5 million of revenue bonds and a Certificate of Public Convenience and Necessity for certain water system improvements. On December 28, 2000, NKWD requested by letter that the Commission issue an interim order, on or before January 3, 2001 regarding its application for a Certificate of Public Convenience and Necessity for Project Z (Phase II) and Project W (Phase 1a) to permit the water district to award contracts based upon offered bids on these projects. The Commission shall consider NKWD's request as a motion for an interim order.

Having considered the motion and the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed Project Z (Phase II) includes the construction of approximately 3,990 linear feet of 16-inch water main along Kentucky Highway 17 in Kenton County, Kentucky, from Alvin Drive to Oby Street to replace an existing 8-inch water main. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs.

2. The proposed Project W (Phase 1a) consists of the construction of approximately 9,600 linear feet of 24-inch water main in Kenton County, Kentucky along Beechgrove Drive and Bristow Road from an existing 12-inch water main at Richardson Road. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs.

3. The proposed improvements will not compete with any other water utility.

4. Construction of the proposed improvements will not result in the wasteful duplication of existing utility facilities.

5. Viox and Viox Inc. of Erlanger, Kentucky prepared the drawings and specifications for the proposed waterworks improvement projects.

6. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the drawings and specifications for the proposed waterworks improvement projects.

7. NKWD has advertised for bids on Project Z (Phase II) and Project W (Phase 1a) and received an acceptable bid of \$249,814.40 and \$755,065.25 respectively on October 6, 2000. Both bids are below the estimated construction cost and, if accepted, would result in savings for NKWD. The bids expires January 3, 2001.

IT IS THEREFORE ORDERED that:

1. NKWD's motion for an interim order is granted.

2. NKWD is granted a Certificate of Public Convenience and Necessity to construct the Project Z (Phase II) and Project W (Phase 1a) as set forth in the drawings and specifications contained in its application.

3. NKWD shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

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

5. NKWD 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 that 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.

6. NKWD shall require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration 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. NKWD 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 certificated herein.

8. NKWD shall notify the Commission 7 days prior to the actual scheduled start of construction and at the 50 percent completion point.

9. Nothing contained herein shall be deemed as a decision on the merits of the remaining portions of NKWD's application.

Done at Frankfort, Kentucky, this 3rd day of January, 2001.

By the Commission

ATTEST:


Executive Director