

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 February 7, 2001, NKWD moved to amend its application to request a Certificate of Public Convenience and Necessity for certain improvements to the Fort Thomas Water Treatment Plant and further requested that the Commission issue an interim order on or before February 9, 2001 regarding its application for these improvements to permit the water district to award contracts based upon offered bids.

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

1. The proposed Project 184-411, Fort Thomas Treatment Plant Phase I Automation Improvements includes the construction of new chemical and maintenance extensions to the existing chemical building. This project provides for new chemical feed and storage systems, new filter valve stations, automated equipment to control plant processes, control feed equipment and continuously monitor water quality.

2. The proposed improvements will not compete with any other water utility.
3. Construction of the proposed improvements will not result in the wasteful duplication of existing utility facilities.
4. CH2M HILL of Cincinnati, Ohio prepared the drawings and specifications for the proposed waterworks improvement projects.
5. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the drawings and specifications for the proposed Water Treatment Plant improvement project.
6. NKWD has advertised for bids on Project 184-411, Fort Thomas Treatment Plant Phase I Automation Improvements and received an acceptable bid of \$5,765,800 November 13, 2000. The engineering cost for this project is \$750,000 for a total project cost of \$6,515,800. The bid for this project expires February 12, 2001.

IT IS THEREFORE ORDERED that:

1. NKWD's motion to amend its application is granted.
2. NKWD is granted a Certificate of Public Convenience and Necessity to construct the Project 184-411, Fort Thomas Treatment Plant Phase I Automation Improvements as set forth in the drawings and specifications contained in its amended 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 licensed 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 9th day of February, 2001.

ATTEST:

By the Commission


Executive Director