

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER)	
SERVICE DISTRICT FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR THE)	2000-00171
CONSTRUCTION OF SUB-DISTRICT D WATER MAIN)	
EXTENSIONS AND SURCHARGE)	

O R D E R

On May 31, 2000, the Commission entered an Order authorizing Northern Kentucky Water Service District, now Northern Kentucky Water District, (Northern District) to construct certain water main extensions and to assess a surcharge to customers in Sub-district D, located in Campbell County, Kentucky. In that Order, the Commission directed Northern District to obtain prior approval for any construction not expressly authorized therein. The Commission further directed that no proceeds from Sub-district D surcharges could be used to fund any facilities not identified as Sub-district D facilities and authorized therein by the Commission.

On April 15, 2003, Northern District informed the Commission, by letter to the Executive Director, that approximately \$424,000 in funding remains available for additional related projects. Northern District stated that it had received approval from the Department of Local Government (DLG) to use the excess funds for related projects, and attached a letter from DLG dated June 28, 2002. Northern District proposes to construct a new 12-inch water main, approximately 8,900 linear feet, along Licking Pike from Route 10 to south of Thicket Road, and an 8-inch water main,

approximately 1,050 linear feet, along Steffen Road off Licking Pike in Campbell County, Kentucky to be known as Phase 5. It states that the improvement will serve approximately 24 unserved customers.

Northern District further informed the Commission that it would like to expand Sub-district D, with appropriate surcharges, to include Phase 6. Northern District states that the project proposed for Phase 6 was determined by the Commission in Case No. 2002-00105¹ to be an ordinary extension that did not require a Certificate of Public Convenience and Necessity. Phase 6 includes the construction of approximately 8,830 linear feet of new 12-inch main from East Alexandria Pike to Poplar Ridge Road on Upper Tug U.S. 27 at an approximate cost of \$579,885.

Northern District states in its letter of April 15, 2003 that the bids on the Phase 5 project were opened on February 6, 2003 and expired on May 6, 2003. It states that the bids on the Phase 6 project were opened on January 30, 2003 and expired on April 30, 2003. On May 5, 2003, Northern District informed the Commission by letter that it received an addition to the bids on Phase 5 through June 20, 2003 of \$17,781.08 for the increase in material costs.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that this case should be reopened to address Northern District's proposals, and that Northern District should file with the Commission all documents that are required by regulation to be filed for approval of construction on the proposed projects. The Commission further finds that its determination of the Phase 6 project as

¹ Case No. 2002-00105, Application of Northern Kentucky Water District for (A) An Adjustment of rates; (B) A Certificate of Public Convenience and Necessity and (C) Issuance of Bonds (Order dated April 30, 2002).

an ordinary extension should be re-evaluated in light of Northern District's proposal to include the project in the Sub-district D surcharge. The Commission also finds that although Northern District received DLG's approval in June 2002 and opened bids on the projects in January and February 2003, it did not inform the Commission or seek Commission approval until mid-April 2003. This did not allow the Commission adequate time to review the proposals and to render a decision before the expiration of the original bids and before the increase in costs. In the future Northern District should make all filings in a timely manner.

IT IS THEREFORE ORDERED that:

1. Case No. 2000-00171 is reopened to address Northern District's proposals regarding Phase 5 and Phase 6.
2. Within 10 days of the date of this Order, Northern District shall file all documents required to be filed by 807 KAR 5:001, Section 9(2), for its proposed Phase 5 and Phase 6 projects.

Done at Frankfort, Kentucky, this 22nd day of May, 2003.

By the Commission

ATTEST:

Wm H. I. Barber

Deputy Executive Director

Case No. 2000-00171