

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR APPROVAL OF) CASE NO.
CONSTRUCTION OF UV DISINFECTION) 2007-00052
FACILITIES AND ISSUANCE OF A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)

O R D E R

Northern Kentucky Water District (“NKWD”) has applied for a Certificate of Public Convenience and Necessity to make improvements to its 12 million-gallon-per-day (“MGD”) Taylor Mill Treatment Plant (“TMTP”) at an approximate total project cost of \$1,650,000. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. NKWD proposes to construct Ultraviolet (“UV”) disinfection facilities at its TMTP.
2. The UV disinfection project consists of two UV light disinfection reactors between the existing filters and clearwell with local control panels for each reactor and instrumentation as required for monitoring the system. The project also consists of modifications to the existing chemical feed piping to provide a new application point for sodium hypochlorite, caustic soda, corrosion inhibitor, and fluoride at the new entrance to the clearwell; new electric utility service including a pad mount transformer, service entrance switchboard, and distribution power panels to support the new UV disinfection

system; and new instrumentation and controls to connect the new equipment devices to the plant SCADA system.

3. The improvements proposed will provide an additional disinfection barrier; increase the degree of inactivation of Cryptosporidium, giardia, and viruses; minimize the formation of potential disinfection byproducts; and achieve enhanced treatment goals in the future.

4. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. The project will provide additional protection against potential contaminants.

5. Marissa H. Albright, P.E. with Black & Veatch Corporation, recommended, and NKWD's Board of Commissioners approved, Fryman-Kuck General Contractors, Inc. as the lowest and best bid for the construction of the TMTP improvements project at a cost of \$1,200,000.

6. NKWD proposes to finance \$1,150,000 of the proposed project through a Bond Anticipation Note to be issued in 2007 and \$500,000 of the bonds issued in 2006.

7. Black & Veatch Corporation, of Cincinnati, Ohio, prepared the drawings and specifications for the proposed UV disinfection system.

8. The Division of Water, 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 to the TMTP.

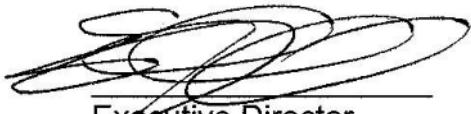
IT IS THEREFORE ORDERED that:

1. NKWD is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set forth in its application.
2. NKWD 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. 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.
5. 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.
6. NKWD 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 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.

Done at Frankfort, Kentucky, this 2nd day of April, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "S. J. Smith". It is written in a cursive style with a large, stylized initial 'S' and 'J'.

Executive Director

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