

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR APPROVAL OF)
CONSTRUCTION OF FILTERS AND BUILDING) CASE NO. 2009-00255
IMPROVEMENTS AT FORT THOMAS)
TREATMENT PLANT AND ISSUANCE OF A)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY)

ORDER

Northern Kentucky Water District ("NKWD") has applied for a Certificate of Public Convenience and Necessity to construct improvements at its Fort Thomas Water Treatment Plant. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. NKWD has three water treatment plants to meet its water requirements: the Fort Thomas Water Treatment Plant, Newport Water Treatment Plant and Taylor Mill Water Treatment Plant.

2. The Fort Thomas Water Treatment Plant has a production capacity of 44 million gallons of water per day ("MGD") and is a conventional surface water plant that has 12 mixed-media filters.

3. The Fort Thomas Water Treatment Plant's filters are divided into two banks of six filters. These filters were installed in 1982 (Filters 1-6) and in 1992 (Filters 7-12). Each is of mixed media type and totaled 30 inches in depth at the time of installation.

4. A survey of the media in January 2000 indicated that some of the media had migrated from the filters and that media depth varied between filters.

5. NKWD proposes to replace the existing media filters and to make several additional improvements at the Fort Thomas Water Treatment Plant, including the installation of new filter underdrains and a blower and piping for air scour backwashing.

6. Construction of the proposed improvements will enable NKWD to maintain the adequacy and quality of its water service and to more efficiently operate its Fort Thomas Water Treatment Plant.

7. Estimated total cost of the proposed construction is \$1,665,000.

8. NKWD has selected PAE & Associates to construct the proposed improvements. PAE & Associates submitted a bid of \$1,394,000, which was the lowest bid to construct the proposed improvements.

9. NKWD intends to finance the cost of the construction initially through the issuance of bond anticipation notes in 2009.

10. Burgess & Niple, Inc., prepared the drawings and specifications for the proposed improvements.

11. The Division of Water of the Kentucky Energy and Environment Cabinet has approved the plans and specifications for the proposed improvements.

12. The proposed improvements will not conflict with the existing service of other utilities operating in the same area and under Commission jurisdiction.

13. The proposed improvements will not create wasteful duplication of plant equipment, property or facilities.

14. The public convenience and necessity require the construction of the proposed improvements.

IT IS THEREFORE ORDERED that:

1. NKWD is granted a Certificate 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.

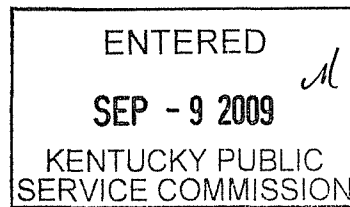
5. NKWD shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of substantial completion of the construction certificated herein.

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.

By the Commission

Vice Chairman James Gardner is disqualified and did not participate.



ATTEST:

Executive Director

Honorable John N Hughes
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