

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN)	
KENTUCKY WATER DISTRICT FOR A)	
CERTIFICATE OF CONVENIENCE AND NECESSITY)	CASE NO.
FOR OHIO RIVER PUMP STATION #2)	2016-00303
REHABILITATION)	

ORDER

On September 1, 2016, Northern Kentucky Water District (“Northern District”) submitted an application for a Certificate of Public Convenience and Necessity (“CPCN”) for modest rehabilitation work throughout the Ohio River Pump Station No. 2. The application was found to be deficient. Northern District submitted information into the record on September 29, 2016, that cured the deficiencies, and the application was deemed filed as of that date.

No person has sought intervention in this matter, and Northern District has not requested a hearing. The record for this case is complete.

Northern District, a water district organized under KRS Chapter 74, provides retail water service to approximately 81,671 customers in Boone, Campbell, and Kenton counties, Kentucky, and wholesale water service to Bullock Pen Water District, the city of Walton, and Pendleton County Water District.¹

¹ *Annual Report of Northern Kentucky Water District Report to the Kentucky Public Service Commission for the Year Ended December 31, 2015 at 14, 56, and 63.*

This CPCN is for various rehabilitation projects at the Ohio River Pump Station No. 2. The improvements will consist of various select demolition, new windows, new static trash rack, new inlet sluice gate, new suction inlet valve, new wet well platforms, installation of new lighting, installation of new ventilation equipment, replacement of the reinforced concrete operating floor, miscellaneous new electrical work, various new carpentry work, and the rehabilitation of the foundation walls by tuck-pointing and block replacement.²

The total cost of the proposed project, including administrative, legal, engineering, construction, and contingencies, is approximately \$2 million. This project will be funded through a future Bond Anticipation Note ("BAN") paid from the Northern District's five-year capital budget.³

Wade Trim, Inc. of Cincinnati, Ohio, prepared the plans and specifications for the proposed project.

In support of its application, Northern District submitted a letter from the Kentucky Division of Water ("DOW"), Water Quality Certification Branch, which states that the project does not require its approval but that the project may require other permits from the DOW.⁴ Northern District also submitted a Stream Construction Permit issued by the DOW's Floodplain Management Section, Surface Water Permit Branch.⁵ On November 10, 2016, Northern District, filed into the record correspondence

² Application, Project Description at 1.

³ *Id.*, Paragraph 6, page 3.

⁴ Letter dated Sept. 23, 2016, from Sarah Atherton, Project Manager, Water Quality Certification Section of the DOW filed in response to deficiencies on Sept. 26, 2016.

⁵ Application, Exhibit B.3 and B.4.

from the DOW indicating that the construction did not require any additional DOW permitting. Northern District states that it has applied to the United States Army Corp of Engineers (“USACE”) for a Nationwide Permit No. 3 and to the city of Fort Thomas (“Fort Thomas”) for a Building Permit, but as of the date of this Order, the permits have not been issued.⁶

Northern District opened bids for this project on July 21, 2016. The bids on this project will expire on November 18, 2016.

Northern District states that to continue providing reliable supply of water to the plant, a modest rehabilitation project was recommended to repair the deteriorated concrete floor, replace the windows and add a slide gate to shut off flow from the river station.⁷

Having reviewed the record and being sufficiently advised, the Commission finds that:

1. The record for this case is complete.
2. The proposed construction will not result in wasteful duplication of existing facilities.
3. The proposed construction does not conflict with any existing certificates or service of any other utility operating in the area.
4. Public convenience and necessity require the proposed construction, which will allow Northern District to continue providing reliable and adequate water services to its customers.

⁶ *Id.*, Exhibit B, Plan Review and Permit Status.

⁷ *Id.*, Paragraph 5 at 2–3.

5. This project will be financed through a BAN. Commission approval of the financing is not required at present. However, pursuant to KRS 278.300, Northern District must obtain Commission approval before issuing any long-term revenue notes.

6. The omission from Northern District's application of the USACE permit and the Fort Thomas permit does not impede the Commission's investigation and review of the application, but Northern District should provide a copy of the USACE permit and the Fort Thomas permit within ten days of obtaining each permit or approval.

IT IS THEREFORE ORDERED that:

1. Northern District is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. Northern District shall notify the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approved by this Order shall be undertaken only with the prior approval of the Commission.

4. Northern District shall not begin construction on the project until the USACE and Fort Thomas have issued their permits for this project. Northern District shall file a copy of the permit, certification, approval, or document within ten days of obtaining each permit, certification, approval or document.

5. Northern District 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.

6. Northern District shall submit an application to the Commission prior to issuing any securities that require approval pursuant to KRS 278.300.

7. Northern District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g., engineering, legal, and administrative) within 60 days of the date that construction authorized under this CPCN 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.

8. Northern District 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.

9. Any documents filed in the future pursuant to ordering paragraphs 2, 4, 7, and 8 shall reference this case number and shall be retained in the Post Case correspondence file.

10. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon Northern District's showing of good cause for such extension.

11. Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities discussed herein.

By the Commission

ENTERED
NOV 17 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2016-00303

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