

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR APPROVAL OF)	
CONSTRUCTION OF STANDBY POWER)	CASE NO.
GENERATORS AND ISSUANCE OF A)	2006-00506
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 construct standby power generators at the Dudley Pump Station at an approximate total project cost of \$1,500,000. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. NKWD proposes to construct standby power generators at the Dudley Pump Station.
2. The Dudley Pump Station supplies water to the majority of Kenton County and did not include backup power capabilities in the original design.
3. A Vulnerability Assessment was performed in May 2004 and recommended backup power generators to its most critical facilities, which include the Dudley Pump Station, in case of a power failure. The backup generators will prevent interruptions to the water supply that may be experienced during a power grid failure.
4. Michelle Howlett, P.E. with GRW Engineers, Inc., recommended, and NKWD's Board of Commissioners approved, DeBra-Keumpel as the lowest and best bid

for the construction of the Dudley Pump Station standby generators at a cost of \$1,074,000.

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

6. GRW Engineers, Inc. of Lexington, Kentucky prepared the drawings and specifications for the proposed standby generators.

7. Approval from the Division of Water of the Environmental and Public Protection Cabinet, Department for Environmental Protection, is not required for this type of construction.

8. The public convenience and necessity require the construction of the proposed Dudley Pump Station standby generators.

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 after notifying 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 5th day of January, 2007.

By the Commission

ATTEST:


Executive Director