

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN)	
KENTUCKY WATER DISTRICT FOR APPROVAL OF)	
MADISON PIKE 24-INCH HYDRAULIC)	CASE NO.
REDUNDANCY PROJECT (PHASE 2) AND FOR)	2017-00265
ISSUANCE OF A CERTIFICATE OF CONVENIENCE)	
AND NECESSITY)	

ORDER

On July 11, 2017, Northern Kentucky Water District (“Northern District”) submitted an application for a Certificate of Public Convenience and Necessity (“CPCN”) to construct a ductile iron water main along Madison Pike from Dudley Pike to Rolling Hills Drive replacing the existing 16-inch water main, which has experienced numerous breaks.

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 82,328 customers in Boone, Campbell, and Kenton counties, Kentucky and wholesale water service to Bullock Pen Water District, city of Walton, and Pendleton County Water District.¹

This CPCN is for the construction of hydraulic improvement project along Madison Pike. The project was separated into three phases. The first and third phases

¹ *Annual Report of Northern Kentucky Water District Report to the Kentucky Public Service Commission for the Year Ended December 31, 2016*, at 14, 53, and 59.

of the project are complete. The proposed project is titled "Phase 2," and consists of the construction of approximately 3,215 linear feet of 30-inch Class 50 ductile iron pipe and 1,435 linear feet of 24-inch Class 50 ductile iron pipe along Madison Pike from Dudley Pike to Rolling Hills Drive.²

The total cost of the proposed project, including administrative, legal, engineering, construction, and contingencies, is approximately \$1,675,000. This project will be funded through a future Bond Anticipation Note ("BAN") paid from Northern District's five-year capital budget.³

Viox & Viox, Inc. of Erlanger, Kentucky, 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 Infrastructure Branch, that approved the project with respect to sanitary features of design.⁴ Northern District submitted an approved Encroachment Permit from the Kentucky Transportation Cabinet, Department of Highways, Permits Branch.⁵ Northern District also submitted a Stream Construction Permit issued by DOW's Floodplain Management Section, Surface Water Permit Branch.⁶

Northern District opened bids for this project on June 1, 2017. The bids on this project will expire on August 29, 2017.

² Application, Project Description at 1.

³ *Id.*, Paragraph 6 at 3.

⁴ Application, Exhibit B.3.1 Letter dated Sep. 23, 2016 from Terry Humphries, P.E., Supervisor, Engineering Section, Water Infrastructure Branch of the KDOW.

⁵ Application, Exhibit B.3.2.

⁶ Application, Exhibit B.3.3.

Northern District asserts that the project will improve flows to the Richardson Road Pump Station and strengthen and improve redundancy to customers in the area along Madison Pike.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.
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.

IT IS THEREFORE ORDERED that:

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

⁷ *Id.*, Paragraph 5 at 2-3.

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 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.

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

6. 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, administrative, etc.) 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.

7. 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.

8. Any documents filed in the future pursuant to ordering paragraphs 2, 6, and 7 shall reference this case number and shall be retained in the post case correspondence file.


9. 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.

10. 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
AUG 23 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


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