

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR (A) AN ADJUSTMENT OF)	
RATES; (B) A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY FOR)	2005-00148
IMPROVEMENTS TO WATER FACILITIES; AND)	
(C) ISSUANCE OF BONDS)	

ORDER

Northern Kentucky Water District ("Northern District") has applied for, inter alia, a Certificate of Public Convenience and Necessity to construct a water improvement project to replace certain water mains in Taylor Mill, Kentucky. Northern District has moved for expedited review and approval of this portion of its application. In support of its motion, Northern District states that it has received bids on the proposed project, that these bids expire on January 5, 2006, and that failure to act upon these bids by that date will delay the proposed project and increase the cost of the proposed project.¹

Having considered the motion and the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed project involves the replacement of existing unlined cast iron water mains that currently run along Grand Avenue, Kollman Avenue, Cleveland Avenue, Howard Avenue, Buds Way and Parkview Place in Taylor Mill, Kentucky with approximately 8,656 linear feet of 8-inch CI-50 Ductile Iron Pipe and the installation of related appurtenances.

¹ No party opposes or objects to Northern District's motion.

2. The proposed replacement is part of Northern District's systematic program to replace old water mains in areas in which it has experienced problems with poor water flows, discolored water, and poor water quality.

3. Northern District has, since January 1, 1997, experienced 14 breaks in the water mains that it proposes to replace.

4. Northern District has, since January 1, 1997, experienced at least 42 complaints about discolored water from customers who receive water service through the water mains that Northern District proposes to replace.

5. The proposed water main replacement project will likely improve the quality of the water delivered to the customers who receive water service through the water mains that Northern District proposes to replace.

6. CDS Associates, Inc., of Florence, Kentucky prepared the engineering drawings and specifications for the proposed reinforcement project.

7. The Division of Water of the Kentucky Natural Resources and Environmental Protection Cabinet has approved the drawings and specifications for the proposed waterworks improvement project.

8. Estimated total cost of the proposed water main replacement project is \$1,139,332.

9. The proposed water main replacement project will not result in the wasteful duplication of any existing utility facilities nor will it compete with any other utility.

10. Public convenience and necessity require the proposed water main replacement project.

IT IS THEREFORE ORDERED that:

1. Northern District is granted a Certificate of Public Convenience and Necessity to construct the proposed water main replacement project as set forth in its application.
2. Northern District shall obtain approval from 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. Northern District 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. Northern District shall require the proposed construction to be inspected under the general supervision of a professional engineer with a Kentucky licensure, competent to practice 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 file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the

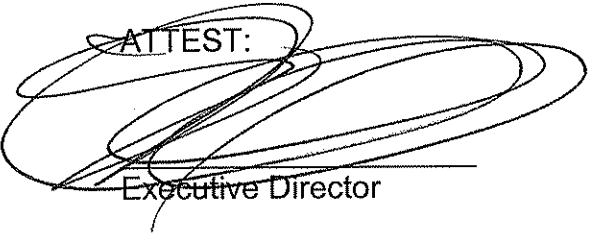
contract plans and specifications within 60 days of the substantial completion of the construction approved herein.

7. Nothing in this Order shall be construed as approval of any other portion of Northern District's application.

Done at Frankfort, Kentucky, this 5th day of January, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2005-00148