

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NORTHERN KENTUCKY WATER DISTRICT'S)
PROPOSED ADDITIONS TO SUBDISTRICT F)
AND NOTIFICATION OF MODIFICATIONS TO) CASE NO. 2009-00262
PREVIOUSLY APPROVED CONSTRUCTION)
PROJECTS)

ORDER

Northern Kentucky Water District ("NKWD") has submitted revised tariff sheets in which it proposes to add areas to its Subdistrict F and has notified the Commission of modifications to the construction project that we approved in Case No. 2006-00315¹ to provide water service to these areas. On August 12, 2009, we approved the proposed modifications to the construction project but withheld approval of the proposed tariff revisions pending further discovery. By this Order, we approve the proposed revisions.

In Case No. 2006-00315, the Commission granted NKWD a certificate of public convenience and necessity to construct approximately 25,300 linear feet of 8-inch and 13,100 linear feet of 12-inch water transmission mains and related appurtenances to serve 136 additional customers. We further granted NKWD authority to create Subdistrict F and to assess a surcharge to customers within that subdistrict.²

¹ Case No. 2006-00315, *Application of Northern Kentucky Water District for a Certificate of Public Convenience and Necessity for the Construction of Subdistrict F Water Main Extensions, Financing and Surcharge* (Ky. PSC Sep. 20, 2006).

² Order of December 26, 2007.

When the actual cost of construction proved significantly less than the estimated cost, NKWD proposed modifications to the original construction project to add 4,064 linear feet of 8-inch ductile iron water main, 14,853 linear feet of 8-inch polyvinylchloride (“PVC”) water main, 80 linear feet of 6-inch ductile iron water main, and a master meter pit and related appurtenances. This additional construction represents new water mains that would be located along Flatwoods Road and Siry Road in Campbell County, Kentucky.³

Subdistrict F, as shown in Table 1, is located in Campbell County, Kentucky. It presently encompasses several streets that are non-contiguous and have differing customer densities. NKWD chose these streets for inclusion in Subdistrict F based upon their customer density, their relationship to adjoining existing distribution facilities that were in need of hydraulic or water quality improvements, and the potential for future water extension to other streets of high customer density.⁴ The areas currently included in Subdistrict F have among the highest customer density of the unserved areas of Campbell County that are located in NKWD’s territory.⁵

The areas along Flatwoods Road and Siry Road do not have a high customer density.⁶ They, however, are located in an area which may be served as a byproduct of

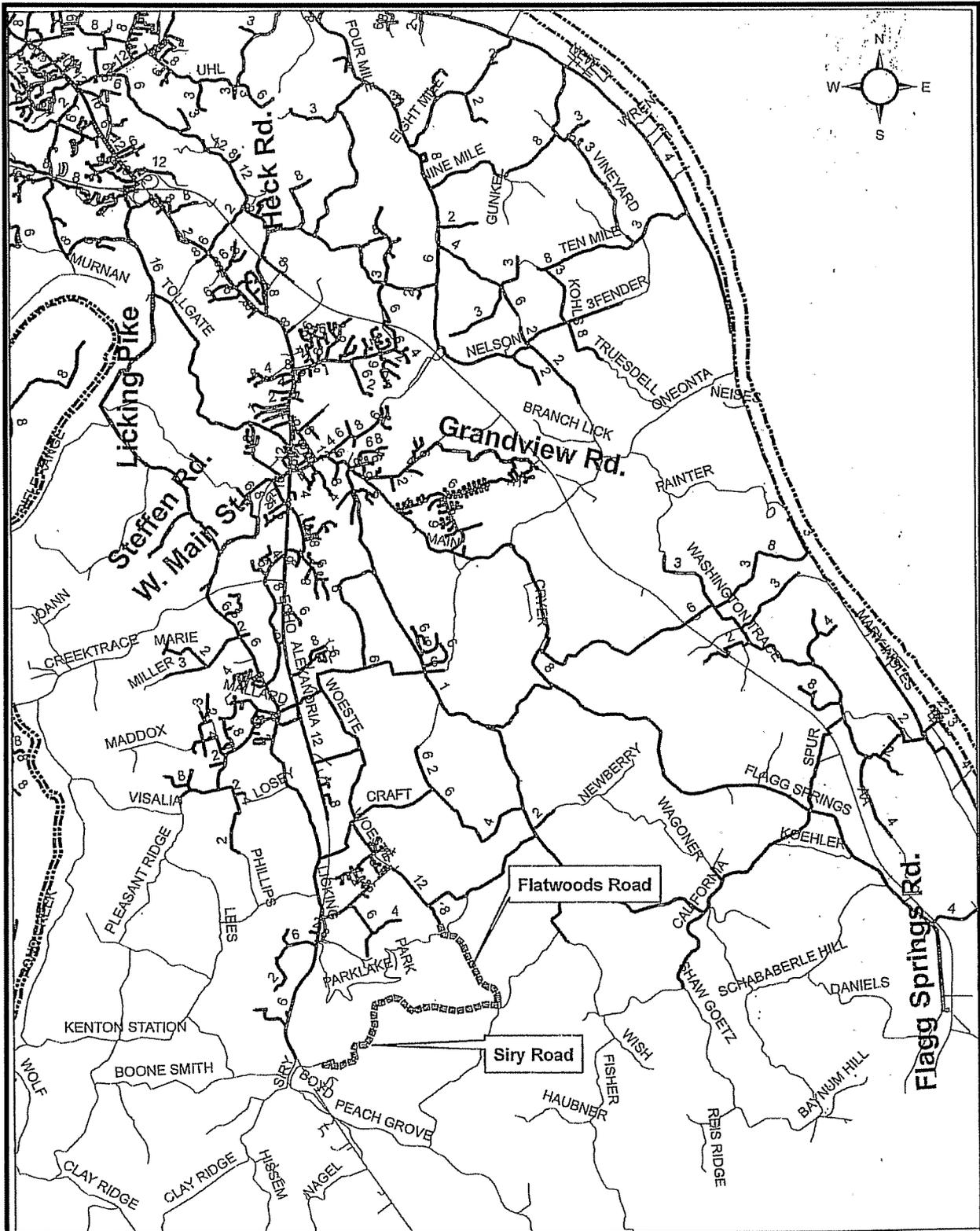
³ Letter from John N. Hughes, NKWD legal counsel, to Jeff Derouen, Executive Director, Public Service Commission (June 8, 2009).

⁴ Case No. 2006-00316, Order of December 26, 2007 at 4.

⁵ *Id.* at 5.

⁶ NKWD’s Response to the Commission’s Order of July 13, 2009 at Item 6.

Figure 1
SubDistrict F



Source: Enclosure to Letter from John N. Hughes to Jeff Derouen (June 8, 2009).

the construction of a necessary hydraulic improvement to ensure continued reliable service to Pendleton County Water District ("Pendleton District"). NKWD currently provides water service to Pendleton County Water District through a 6-inch ductile iron main that runs along U.S. Highway 27 and is scheduled to be relocated as a result of highway construction. NKWD has strong concerns about the survivability of this main during construction activities due to the questionable structural stability of the ductile iron piping and has proposed the construction of the 6-inch main along Flatwoods and Siry Roads to provide a secondary feed.⁷ The proposed main will also permit future extensions to areas in Campbell County that are currently unserved.

While the proposed additions to Subdistrict F were not chosen because of their customer density, their customer density is near the median customer density of NKWD's unserved areas in Campbell County.⁸ Moreover, most of the areas with a higher customer density cannot presently be served without a more significant expenditure of funds and the construction of major facilities. Given these circumstances, the Commission finds that the addition of Flatwoods and Siry Roads to Subdistrict F is consistent with the principles that we set forth in Case No. 2006-00315 regarding the creation of subdistricts for the imposition of surcharges.⁹

IT IS THEREFORE ORDERED that:

1. The proposed addition of Flatwoods Road and Siry Road to Subdistrict F is approved.

⁷ *Id.* at Item 5.

⁸ *Id.* at Item 6.

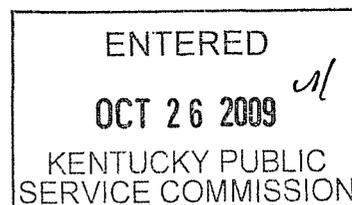
⁹ Case No. 2006-00315, Order of December 26, 2007 at 8-9.

2. Effective the date of this Order, NKWD may assess the monthly Subdistrict F Surcharge of \$30.00 to customers located along Flatwoods Road and Siry Road.

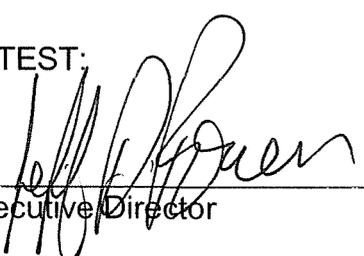
3. Within 20 days of the date of this Order, NKWD shall file with the Commission revised tariff sheets that are signed by an official authorized to issue tariffs and that reflect the revisions approved in this Order.

By the Commission

Vice Chairman Gardner is disqualified and did not participate.



ATTEST:



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