COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY TO)	2010-00038
CONSTRUCT AND FINANCE MEMORIAL)	
PARKWAY TREATMENT PLANT)	

ORDER

On January 28, 2010, Northern Kentucky Water District ("Northern Kentucky") filed an application for a certificate of public convenience and necessity and approval for financing. In its filing, Northern Kentucky requested permission to deviate from the filing requirement of 807 KAR 5:001, Section 11(1)(b), which requires the submission of information regarding the indebtedness, including the amount of the loan, a description of all terms, the interest rate, whether the debt is to be secured, and, if so, a description of how it is secured. The utility stated that the final loan documents were expected shortly and would be filed with the Commission as soon as they were available.

807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from that regulation for good cause shown. In support of its request for permission to deviate from these requirements, Northern Kentucky states that all other material has been included with the application and that delaying review of the project until receipt of the loan documents will unnecessarily delay the project.

The Commission acknowledges that Northern Kentucky has met the minimum filing requirements for an application for a certificate of public convenience and

necessity, and we have started our review of the proposed project. As for approval to issue evidences of indebtedness, KRS 278.300 requires that the Commission find that the loan is "for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose." The Commission would be hard-pressed to make such a finding without knowing the specific amount of the loan, its interest rate, a detailed description of its other terms, and whether the debt is to be secured.

Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that Northern Kentucky has not demonstrated good cause to deviate from the filing requirement of 807 KAR 5:001, Section 11(1)(b). We therefore must deny Northern Kentucky's request. We note that the effect of this denial is minimized because the Commission was able to begin its review of whether a certificate of public convenience and necessity should be issued for the proposed project when the materials were initially filed. Moreover, once the filing requirements for the request of approval of financing are met, the Commission has a statutory directive to place the issue "at the head of the docket" and complete its review within 60 days unless good cause requires a longer review period.¹

On February 24, 2010, Northern Kentucky filed the approval letter and loan conditions from the Kentucky Infrastructure Authority. By filing this document (in

¹ KRS 278.300.

addition to the previously filed materials), Northern Kentucky has met the filing requirements set forth in 807 KAR 5:001, Section 11.

IT IS THEREFORE ORDERED that:

- 1. Northern Kentucky's request for deviation from the filing requirement of 807 KAR 5:001, Section 11(1)(b), is denied.
 - 2. The case shall be deemed to be filed as of February 24, 2010.

By the Commission

ENTERED

MAR - 8 2010

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST

Executive Directo

Honorable John N Hughes Attorney at Law 124 West Todd Street Frankfort, KY 40601