

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN)	
KENTUCKY WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY AND APPROVAL OF FINANCING)	2025-00066
FOR THE CONSTRUCTION OF NEWPORT)	
WATER MAIN REPLACEMENT PHASE 3 AND)	
PHASE 4)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO NORTHERN KENTUCKY WATER DISTRICT

Northern Kentucky Water District (Northern Kentucky District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on April 25, 2025. The Commission directs Northern Kentucky District to the Commission's July 22, 2021, Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Northern Kentucky District shall make timely amendment to any prior response if Northern Kentucky District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Northern Kentucky District fails or refuses to furnish all or part of the requested information, Northern Kentucky District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Northern Kentucky District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Application, Exhibit A-1, Description of Phase 3. State the approximate age, size, and expected useful life for each existing water main listed in the bullet points in the description.

2. Refer to Application, Exhibit A-1, Description of Phase 4. State the approximate age, size, and expected useful life of the existing water main for each water main as listed in the bullet points in the description.

3. Refer to Application, Exhibit D, "Newport WMR – Phase 3."

a. State whether Northern Kentucky District plans to recover through customer rates, any portion of listed depreciation amounts for new water mains paid for by grant or loans subject to forgiveness.

b. If Northern Kentucky District plans to recover through customer rates any portion of listed depreciation amounts for new water mains paid for by grant or loans subject to forgiveness, provide calculations of amounts of depreciation to be recovered for each category: grant, forgivable loans, unforgivable loans, and other.

4. Refer to Application, Exhibit A-1, "Newport WMR – Phase 3."

a. For Phase 3, explain why the material and size of the pipe to be installed was selected.

b. For Phase 3, if any alternatives were considered, describe the alternatives.

c. For Phase 3, if alternatives were considered, for each phase provide the estimated costs of each alternative, and why each alternative was not selected.

5. Refer to Application, Exhibit D, "Newport WMR – Phase 4."

a. For Phase 4, state whether Northern Kentucky District plans to recover through customer rates, any portion of listed depreciation amounts for new water mains paid for by grant or loans subject to forgiveness.

b. For Phase 4, if Northern Kentucky District plans to recover through customer rates any portion of listed depreciation amounts for new water mains paid for by grant or loans subject to forgiveness, provide calculations of amounts of depreciation to be recovered for each category: grant, forgivable loans, unforgivable loans, and other.

6. Refer to Application, Exhibit A-1, "Newport WMR – Phase 4."

a. For Phase 4, explain why the material and size of the pipe to be installed was selected.

b. For Phase 4, if any alternatives were considered, describe the alternatives.

c. For Phase 4, if alternatives were considered, for each phase provide the estimated costs of each alternative, and why each alternative was not selected.

7. State what percentage of overall unaccounted-for water loss is attributable to the mains to be replaced in Phases 3 and 4. Provide the percentage by phase. Additionally, indicate how Northern Kentucky District determined those amounts.

8. For Phase 4, explain why the material and size of the pipe to be installed was selected.

9. For Phase 4, if any alternatives were considered, describe the alternatives.

10. For Phase 4, if alternatives were considered, for each phase provide the estimated costs of each alternative, and why each alternative was not selected.

11. Refer to Application, Exhibit A-2, page "4-23," which references a "District Hydraulic Master Plan."

a. Provide or identify in the record in this or in a previous case the District Hydraulic Master Plan.

b. Provide or identify in the record any hydraulic analyses used to assess the pressure in the existing mains.

12. Refer to Application, unnumbered page 2, paragraph 5.

a. Identify all instances of breaks or leaks in the water mains that are scheduled to be replaced as part of this application since January 1, 2015.

b. Identify and summarize (including flow levels) any reports of low-pressure complaints provided by customers or otherwise discovered by Northern Kentucky District in the water mains scheduled to be replaced since January 1, 2015.

13. Identify, summarize and provide the expected material terms of the Bond Anticipation Note, including the expected interest rate and maturity date.

14. State when Northern Kentucky District plans to issue bonds to refinance the future Bond Anticipation Note and provide those plans.

15. Provide an expected timeline for the use of the proceeds derived from the proposed financing. In the response, include the order in which Northern Kentucky District anticipates utilizing the proposed loans and grants.

16. Refer to Application, Exhibit D and Exhibit E-2, Attachment B. Refer also to Case No. 2025-00007.² Reconcile the discrepancy regarding the Total Estimated Annual Debt Service amounts. In the response, provide whether the corrected Total

² Case No. 2025-00007, *Electronic Application of Northern Kentucky Water District for a Certificate of Public Convenience and Necessity and Approval of Financing for the Construction of Newport Water Main Replacement Phase 1 and Phase* (filed Feb 25, 2025), NKWD's Response to Commission Staff's First Request for Information, Item 12.

Estimated Annual Debt Service amount is different than that specified in Case No. 2025-00007.³ If different, provide the reasoning.

17. Refer to Application, Exhibit D, unnumbered page 784 of 948. Confirm there is a typo in the table and that the table summarizes the Phase 3 Total Cost, not the Phase 1 Total Cost. If not confirmed, provide the Phase 3 Total Cost.

18. Refer to Application, Exhibit D and Case No. 2025-00007.⁴ In Case No. 2025-00007, the total cost for Phases 1 and 2 of the Newport Water Main Replacement Project (Project) was \$4.9 million. Explain the need for funding in the amount of \$16 million, if the total cost of Phases 1-4 of the Project is \$11.685 million (\$4.9 million + \$4.235 million for Phase 3 + \$2.55 million for Phase 4).

19. Refer to Application, Exhibit D, “Newport WMR – Phase 3” and “Newport WMR – Phase 4.” While no additional costs are anticipated, explain how Northern Kentucky District will monitor and validate the actual operational and maintenance (O&M) savings post-project completion.

20. State if any contingency plans have been developed in case unforeseen costs arise during or after the project implementation.

21. Refer to Application, Exhibit D, “Newport WMR – Phase 3” and “Newport WMR – Phase 4.” Given that no increase in electricity or chemical use is expected, state if there are any efficiency improvements in materials or technology that could potentially reduce these costs.

³ Case No. 2025-00007, Northern Kentucky District’s Response to Commission Staff’s First Request for Information, Item 12.

⁴ Case No. 2025-00007, *Electronic Application of Northern Kentucky Water District for a Certificate of Public Convenience and Necessity and Approval of Financing for the Construction of Newport Water Main Replacement Phase 1 and Phase* (Ky. PSC Apr 3, 2025), final Order at 6.

22. Explain under what circumstances the project might lead to increased O&M costs, and how would Northern Kentucky District address such scenarios.



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DATED APR 16 2025

cc: Parties of Record

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