

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER	)	
SERVICE DISTRICT FOR A CERTIFICATE OF	)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR THE	)	2000-00171
CONSTRUCTION OF SUB-DISTRICT D WATER MAIN	)	
EXTENSION, FINANCING, AND SURCHARGE	)	

O R D E R

On May 31, 2000, the Commission entered an Order authorizing Northern Kentucky Water Service District now Northern Kentucky Water District ( Northern District ) to construct certain water main extensions and to assess a surcharge to customers in Sub-District D, located in Campbell County, Kentucky. In that Order, the Commission directed Northern District to obtain prior approval for any construction not expressly authorized therein. The Commission further directed that no proceeds from Sub-District D surcharges could be used to fund any facilities not identified as Sub-District D facilities and authorized therein by the Commission.

On April 15, 2003, Northern District informed the Commission, by letter to the Executive Director, that approximately \$424,000 in funding remains available for additional related projects.<sup>1</sup> Northern District stated that it had received approval from the Department of Local Government to use the excess funds for related projects. On

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<sup>1</sup> The funding sources included a \$1,000,000 Community Development Block Grant ( CDBG ); a grant of \$50,000 from the Campbell County Kentucky Fiscal Court; a contribution of \$20,000 from Saints Peter and Paul School of Campbell County, Kentucky; appropriated funds of \$125,000 from the Kentucky State Treasury; tap-on fees of \$39,000; and bond anticipation note proceeds of \$1,165,986.

May 21, 2003, Northern District filed a supplemental petition and provided the Commission with additional information on the proposed project.

Northern District proposes to construct a new 12-inch water main, approximately 8,900 linear feet, along Licking Pike from Route 10 to south of Thicket Road and an 8-inch water main, approximately 1050 linear feet, along Steffen Road off Licking Pike in Campbell County, Kentucky, to be known as Phase 5. Northern District requests that the Commission grant it a Certificate of Public Convenience and Necessity ( CPCN ) and permit it to include the project in Sub-District D. It states that the improvement will serve approximately 24 unserved customers. Northern District further states that the income eligibility requirements for the CDBG will be maintained by this extension.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Northern District s request is reasonable and should be granted.

IT IS THEREFORE ORDERED that:

1. Northern District is granted a CPCN to construct the additional water mains described in this proceeding.
2. Northern District is authorized to use the remaining funds, as requested in its May 21, 2003 filing, and to include the project in Sub-District D.
3. Any deviation from the construction approved herein 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 should 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 construction to be inspected under the general supervision of a professional engineer licensed in Kentucky with competency in civil or mechanical engineering to ensure that the construction work is done in accordance with the 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. The surcharge, and all conditions thereto, established by the Commission in its Order of May 31, 2000 shall remain in effect with the exception that Ordering Paragraph 8 of that Order is amended to permit Northern District to use the surcharge proceeds to finance the facilities identified and approved by this Order as well as those identified and approved in our May 31, 2000 Order.

Done at Frankfort, Kentucky, this 19<sup>th</sup> day of June, 2003.

By the Commission

ATTEST:

  
Executive Director