

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER)	
DISTRICT FOR APPROVAL OF CONSTRUCTION OF)	CASE NO.
WATER MAIN AND ISSUANCE OF A CERTIFICATE)	2009-00361
OF PUBLIC CONVENIENCE AND NECESSITY)	

O R D E R

Northern Kentucky Water District ("NKWD") has applied for a Certificate of Public Convenience and Necessity ("CPCN") for a hydraulic improvement project at an approximate total project cost of \$2,898,155. Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. NKWD proposes to construct approximately 7,660 feet of 42-inch steel pipe, 90 feet of 24-inch steel pipe, and related appurtenances.
2. This project will be constructed along Mook Road from Old Joe's Lake Road to U.S. 27 and along U.S. 27 from Mook Road to Blossom Lane in the cities of Southgate and Fort Thomas, Kentucky.
3. The improvement proposed was identified in the Water Distribution System Master Plan as a needed hydraulic improvement to help provide redundancy to the Kenton County water system.
4. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. The project will provide a reliable source of potable water from the Fort Thomas Treatment Plant to the Kenton County service area.

5. James H. Viox III, P.E., L.S. with Viox & Viox recommended, and NKWD's Board of Commissioners approved, Lawrence Construction and Leasing, Inc. as the lowest and best bid for the construction of the proposed 42-inch water transmission main project at a cost of \$2,360,550.25.

6. NKWD proposes to finance \$2,898,155 of the proposed project through the proceeds from a Bond Anticipation Note ("BAN") issued in 2007 and a BAN to be issued in 2009.

7. Viox & Viox of Erlanger, Kentucky prepared the drawings and specifications for the proposed project.

8. The Division of Water of the Kentucky Environmental and Public Protection Cabinet has approved the plans and specifications for the proposed project.

9. The public convenience and necessity require the construction of the proposed improvements.

IT IS THEREFORE ORDERED that:

1. NKWD is granted a CPCN to proceed with the proposed construction as set forth in its application.

2. NKWD shall notify 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. NKWD 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

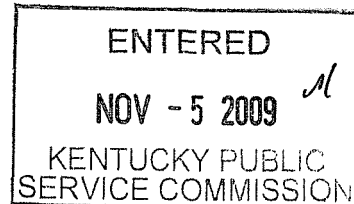
costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

5. NKWD 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 certificated herein.

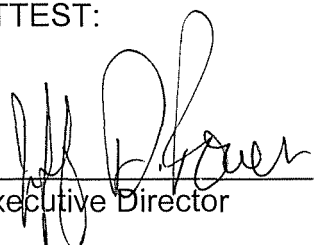
6. NKWD shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil, electrical, or mechanical engineering, to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

By the Commission

Vice Chairman Gardner is disqualified and did not participate.



ATTEST:



Executive Director

Honorable John N Hughes
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