

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR APPROVAL OF)	CASE NO.
MADISON PIKE 24 INCH HYDRAULIC)	2015-00324
REDUNDANCY PROJECT (PHASE 1) FOR)	
ISSUANCE OF A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY)	

ORDER

On October 2, 2015, Northern Kentucky Water District ("Northern District") tendered its application seeking authority to construct a waterworks improvements project. The application was found to be deficient. The deficiencies were cured on October 13, 2015, and the application was deemed filed as of that date.

Northern District's application for a Certificate of Public Convenience and Necessity ("CPCN") includes engineering plans, specifications, plats, reports and information; bid information and board resolution; project finance information; schedule of mortgages, bonds, notes, and other indebtedness; a current balance sheet and income statement; and certification of the application by an authorized official of the district.

No person has sought intervention in this matter, and Northern District has not requested a hearing. The record for this case is complete.

Northern District, a water district organized under KRS Chapter 74, provides retail water service to approximately 81,171 customers in Boone, Campbell, and Kenton

counties, Kentucky, and wholesale water service to Bullock Pen Water District, city of Walton, and Pendleton County Water District.¹

This CPCN is for the construction and installation of approximately 5,590 linear feet of 24-inch Class 50 ductile iron pipe and appurtenances² and related work along Madison Pike from Mary Laidley Road to Hands Pike in the city of Covington, Kenton County, Kentucky.³

Northern District is constructing this project to reduce the velocity of water flow in the existing lines along Madison Pike ("KY 17").⁴ The existing line in the area is a 16-inch water line.⁵

Additionally, this project will allow for the construction of future hydraulic improvements, including replacement of the Richardson Road Pump Station and the construction of a new pump station on KY 17 to serve a new water storage tank east of Independence.⁶ These future projects are not part of this CPCN.

The total cost of the proposed project, including administrative, legal, engineering, construction, and contingencies, is approximately \$1,991,000. This project

¹ *Annual Report of Northern Kentucky Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2014* at 14, 56, and 63.

² Application, Exhibit C.

³ *Id.*, numbered paragraph 5.

⁴ Deficiency Response, October 13, 2015, Northern Kentucky Water District 2008 Asset Management Plan Update, paragraph 1.6.1.

⁵ Application, Exhibit A.

⁶ Deficiency Response, October 13, 2015, Northern Kentucky Water District 2008 Asset Management Plan Update, paragraph ES.2.4.

will be funded through a future Bond Anticipation Note (“BAN”) paid from the Northern District’s five-year capital budget.⁷

Bayer Becker, Inc. of Fort Mitchell, Kentucky, prepared the plans and specifications for the proposed project.⁸

The Kentucky Division of Water (“KDOW”) approved the plans and specifications for the proposed project on March 25, 2015.⁹

Northern District opened bids for this project on September 3, 2015. Bids are subject to acceptance for 90 days. The bids on this project will expire on December 1, 2015.¹⁰

Northern District states that the proposed improvements will enable it to continue to provide adequate service to its customers.¹¹

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that:

1. The proposed construction will not result in wasteful duplication of existing facilities.
2. The proposed construction does not conflict with any existing certificates or the service of any other utility operating in the area.

⁷ Application, numbered paragraph 6.

⁸ *Id.*, Exhibit A.

⁹ *Id.*, Exhibit B.

¹⁰ *Id.*, numbered paragraph 10.

¹¹ *Id.*, numbered paragraph 7.

3. Public convenience and necessity require the proposed construction, which allows Northern District to continue to provide reliable and adequate water service to its customers.

4. KDOW has approved the plans and specifications for this proposed project.

5. Northern District has not yet applied for a CPCN for any other project that may be assisted by the construction of this project.

6. This project will be financed through a BAN, and Commission approval of the financing is not required at present. However, pursuant to KRS 278.300, Northern District should seek Commission approval before issuing any long-term revenue notes.

IT IS THEREFORE ORDERED that:

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

2. Northern District 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. Northern District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil 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.

5. Northern District shall submit an application to the Commission prior to issuing any securities that require approval pursuant to KRS 278.300.

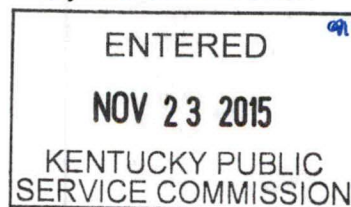
6. Northern District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs, (e.g., engineering, legal, administrative) within 60 days of the date that construction authorized under this CPCN is substantially 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.

7. 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 certificated herein.

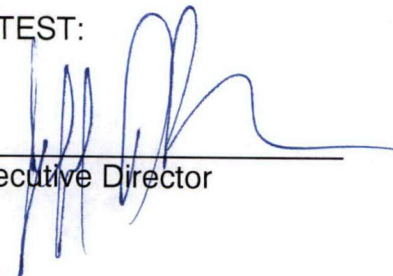
8. Any documents filed in the future pursuant to ordering paragraphs 2, 6, and 7 shall reference this case number and shall be retained in the post case correspondence file.

9. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon Northern District's showing of good cause for such extension.

By the Commission



ATTEST:



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