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June 22, 2006

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Case No. 2006-00315

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JUN 22 2006

PUBLIC SERVICE
COMMISSION

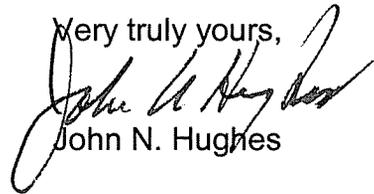
Re: Sub District F Petition

Dear Beth:

Northern Kentucky Water District submits its application for approval of construction of Sub District F. Two copies of the engineering plans, specifications and maps are being provided separately from but as a part of Exhibit C.

If there are any questions about this, please contact me.

Very truly yours,



John N. Hughes

Attorney for Northern Kentucky
Water District

cc: Jack Bragg
Attorney General

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUN 22 2006

PUBLIC SERVICE
COMMISSION/

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY FOR THE) CASE NO. 2006-00315
CONSTRUCTION OF SUB DISTRICT F WATER MAIN)
EXTENSIONS, FINANCING AND SURCHARGE)

PETITION

Northern Kentucky Water District (Northern), by counsel, petitions the Commission for an order authorizing the construction of various water main extensions in an area to be known as Sub District F, financing of the project and approval of a surcharge for the customers to be served by these extensions. The following information is filed in accordance with the Commission's regulations:

1. Northern's office address is 2835 Crescent Spring Rd., Box 18640, Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report, which is filed with the Commission as are its prior years Reports;

2. Northern is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation or by-laws;

3. A description of Northern's water system and its property stated at original cost by accounts is contained in its Annual Report, Exhibit G. All required financial schedules and other data are in that Exhibit and Exhibit H;

e. The construction costs will be funded from several sources as detailed in Exhibit F;

f. Additional operating costs for operation and maintenance are minimal due to the relative size of the project;

g. Description the facilities and operation of the system is in Exhibit C. A current hydraulic analysis is included in Exhibit C;

14. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report, Exhibit G;

b. Financing and sources of funds for the project are described in Exhibits C and F;

c. All funds are to be used for the construction of the proposed water main extensions as described in Exhibits A and C;

d. The property to be constructed is described in Exhibits A and C;

e. The funds are not for refunding or refinancing existing debt

f. There are no trust deeds or mortgages;

g. No property is to be acquired;

h. No stock has been or will be issued;

i. All existing bonds are listed in Exhibits G and H;

j. All existing notes are listed in Exhibits G and H;

k. All other indebtedness is listed in Exhibits G and H;

l. No dividends have been paid or accrued;

m. A balance sheet and income statement are included in Exhibits G and H;

15. Customer notice of the proposed project, proposed tariff and surcharge are attached as Exhibit E;

16. A copy of this petition has been served on the Attorney General;

19. Northern requests that it be granted a deviation under 807 KAR 5:001(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be

4. Northern serves retail customers in Kenton and Campbell Counties and sells water at wholesale to several non-affiliated water distribution systems in Kenton, Boone and Campbell Counties.

5. The proposed project is necessary to provide service to unincorporated areas of Campbell County and to maintain quality water service to the general area of Campbell County.

6. The construction is in the public interest and is required to allow Northern to continue to provide adequate service to its customers;

7. The total construction cost is approximately \$2,539,803.00 See Exhibits A and C. The bids have been received and must be accepted by August 8, 2006.

8. Easements are being obtained and finalized for the facilities;

9. This service will not compete with any other utility in the area;

10. Based on these facts, Northern believes that it is in the public interest that this certificate be granted.

11. General rates to Northern's customers are not affected by this project. No adjustment of rates is being requested.

12. The following information is provided in response to 807 KAR 5:001 (8):

a. Articles of Incorporation - None, Northern is a statutorily created water district under KRS Chapter 74;

13. The following information is supplied pursuant to 807 KAR 5:001(9):

a. Facts relied upon to show that the application is in the public interest: see Exhibits A, B, and C;

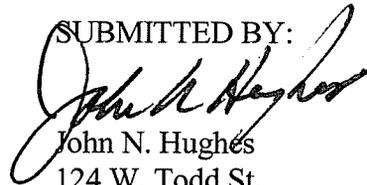
b. No new franchises are required. Copies of the DOW permits are attached as Exhibit D;

c. Diagrams of the proposed construction and construction specifications, description of the location, route, description of facilities, manner of construction are all included in the preliminary and final engineering reports attached as Exhibit C;

d. Maps of the area showing location of the proposed facilities are in Exhibit C;

impracticable, onerous or which would hinder the District's daily operations, including the filing of financial data less than 90 days old. The December 31, 2005 information is representative of the District's current operations.

For these reasons, Northern requests that it be granted an order prior to August 8, 2006 authorizing construction of the Sub F facilities, financing as proposed and an imposition of a surcharge on Sub District F customers.

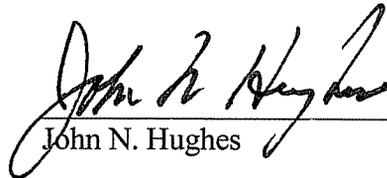
SUBMITTED BY:

John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

ATTORNEY FOR NORTHERN
KENTUCKY WATER DISTRICT

CERTIFICATE OF SERVICE:

I certify that a copy of this Petition was served on the parties listed below by First Class mail the **22** day of June, 2006.

David Spenard
Assistant Attorney General
1024 Capital Center Drive
Frankfort, KY 40601



John N. Hughes