

The surcharge paid by these customers merely reflects the cost of providing service to them. If the extensions to these customers had been made according to the District's "50 foot policy", the customers would have had to make substantial lump sum payments, prior to construction or secure loans at a significantly higher interest rate than the District can obtain. Most could not afford to do so. The surcharge, in effect, provides an installment payment plan for these customers, which allows the payment of that initial cost over a period of years. Because the surcharge is recalculated each year to reflect additional customers and reduction in debt costs, the financial impact is minimized.

The use of the surcharge allows extension of water to areas that the District would not serve due to excessive costs. By imposing the surcharge, more residents are provided access to potable water, which improves public health and safety and reduces the overall cost of water. Most of the residents served in the Sub-district have cisterns or haul water. The cost of water hauling is far greater than the cost being paid to the District for water. It is estimated that it will cost over \$55,000,000 to provide water to the remaining 2,700 plus households in Kenton and Campbell County who do not have access to the District's water system. If the benefited customers are not required to pay a surcharge and participate in the cost of the extension, future extensions will not be feasible. Elimination of the surcharge will essentially prohibit future extensions of water to un-served areas of the District's system.

Additionally, the surcharge reflects the Commission's policy of placing the cost of new customers on those customers similar to a system development charge.

Q15c. Provide for each surcharge listed below the impact it would have if it were to be rolled into the general rates. Include copies of all work papers, calculations, and assumptions used in the determinations.

- (1) Sub-District A
- (2) Sub-District B
- (3) Sub-District C

Q15c. Witness: Howe. As requested, the Petitioner has calculated the impact that rolling each of the identified Sub-Districts would have on the general rates. Please note, in order to refund the accumulated

11/11/2003

surcharge amounts, long-term debt financing will be required. Revenue bond issues have been assumed to be for a 20-year tenure with an interest rate of 5.5 percent. The total debt amount calculated for each Sub-District is the sum of the accumulated surcharge through December 31, 2002 (See Petitioner's Exhibit C) plus the amount surcharged through May 31, 2003 (See Tab 15) plus debt issuance costs.

A15c (1). Witness:Howe. Sub-District A: Increase over revised application is 0.6 percent. Total new debt to be issued = \$1,090,000. See Tab 15a for revised Exhibit N, Schedule IR.

A15c (2) Witness:Howe. Sub-District B: Increase over revised application is 0.4 percent. Total new debt to be issued = \$550,000. See Tab 15a for revised Exhibit N, Schedule IR

A15c (3). Witness:Howe. Sub-District C: Increase over revised application is 1.05 percent. Total new debt to be issued = \$710,000. See Tab 15a for revised Exhibit N, Schedule IR.

NOTE: Based on the questions and review of the data requested by the Commission and the Attorney General, please find revised cost of service schedules that reflect the issues questioned behind Tab 15b.

Q16. Refer to the Response to Item 8 of the Commission's October 1, 2003 Order. For each item listed in the table below, provide a complete description of the engineering service provided and a copy of the supporting invoice.

	Account	Transaction Date	Journal No.	Vendor	Amount
a.	631-3000-022	06/06/02	88,110	Black and Veatch	\$ 1,278.38
b.	631-3000-022	06/06/02	88,112	Black and Veatch	\$ 3,132.66

A15c. As requested, the Petitioner has calculated the impact that rolling each of the identified Sub-Districts would have on the general rates. Please note, in order to refund the accumulated surcharge amounts, long-term debt financing will be required. Revenue bond issues have been assumed to be for a 20-year tenure with an interest rate of 5.5 percent. The total debt amount calculated for each Sub-District is the sum of the accumulated surcharge through December 31, 2002 (See Petitioner's Exhibit C) plus the amount surcharged through May 31, 2003 (See Tab 15) plus debt issuance costs.

- (1) Sub-District A: Increase over revised application is 0.6 percent. Total new debt to be issued = \$1,090,000.

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 1R  
SUMMARY OF TEST YEAR REVENUE REQUIREMENTS

Line No.			
1	OPERATION & MAINTENANCE	\$18,596,697	Schedule 2
2	DEBT SERVICE	10,644,442	Schedule 3
3	DEPRECIATION	4,652,529	Schedule 4
4	DEBT SERVICE COVERAGE	<u>2,128,888</u>	Schedule 3
5	TOTAL REVENUE REQUIREMENTS	36,022,556	
6	LESS: OPERATING REVENUES NOT SUBJECT TO RATE INCREASE	(1,530,523)	Schedule 5
7	LESS: NON-OPERATING INCOME	(1,188,710)	Schedule 6
8	LESS: BOONE & FLORENCE RESERVE AND EARLY TERMINATION	<u>(438,584)</u>	Schedule 6
9	NET REVENUE REQUIREMENTS	32,864,739	
10	REVENUES AT CURRENT RATES	<u>(30,494,156)</u>	Schedule 7
11	NET INCREASE REQUIRED	2,370,583	
12	PERCENTAGE INCREASE IN REVENUE	7.77%	

(2) Sub-District B: Increase over revised application is 0.4 percent. Total new debt to be issued = \$550,000.

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 1R  
SUMMARY OF TEST YEAR REVENUE REQUIREMENTS

Line No.			
1	OPERATION & MAINTENANCE	\$18,596,697	Schedule 2
2	DEBT SERVICE	10,599,046	Schedule 3
3	DEPRECIATION	4,652,529	Schedule 4
4	DEBT SERVICE COVERAGE	<u>2,119,809</u>	Schedule 3
5	TOTAL REVENUE REQUIREMENTS	35,968,081	
6	LESS: OPERATING REVENUES NOT SUBJECT TO RATE INCREASE	(1,533,191)	Schedule 5
7	LESS: NON-OPERATING INCOME	(1,188,710)	Schedule 6
8	LESS: BOONE & FLORENCE RESERVE AND EARLY TERMINATION	<u>(438,584)</u>	Schedule 6
9	NET REVENUE REQUIREMENTS	32,807,596	
10	REVENUES AT CURRENT RATES	<u>(30,494,156)</u>	Schedule 7
11	NET INCREASE REQUIRED	2,313,440	
12	PERCENTAGE INCREASE IN REVENUE	7.59%	

(3) Sub-District C: Increase over revised application is 1.05 percent. Total new debt to be issued = \$710,000.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 1R  
 SUMMARY OF TEST YEAR REVENUE REQUIREMENTS

Line No.			
1	OPERATION & MAINTENANCE	\$18,596,697	Schedule 2
2	DEBT SERVICE	10,612,655	Schedule 3
3	DEPRECIATION	4,652,529	Schedule 4
4	DEBT SERVICE COVERAGE	<u>2,122,531</u>	Schedule 3
5	TOTAL REVENUE REQUIREMENTS	35,984,412	
6	LESS: OPERATING REVENUES NOT SUBJECT TO RATE INCREASE	(1,348,642)	Schedule 5
7	LESS: NON-OPERATING INCOME	(1,188,710)	Schedule 6
8	LESS: BOONE & FLORENCE RESERVE AND EARLY TERMINATION	<u>(438,584)</u>	Schedule 6
9	NET REVENUE REQUIREMENTS	33,008,476	
10	REVENUES AT CURRENT RATES	<u>(30,494,156)</u>	Schedule 7
11	NET INCREASE REQUIRED	2,514,320	
12	PERCENTAGE INCREASE IN REVENUE	8.25%	

## **Appendix C**

### **Rate Case Calculations - Revised**

## Appendix C Rate Case Calculations - Revised

Presented in the following pages are the detailed calculations used to develop the proposed rates for Case No. 2003-0224. Revisions to these calculations have been made as a result of reviewing the PSC's October 28, 2003 First Set of Interrogatories and upon conferring with District staff. A summary of the changes and the resulting impact to the proposed rates is presented in the table below.

Line No.	Schedule	Modification Made	Impact on Proposed Rates
1	3R	a. Existing Debt Service has been updated to reflect proposed refunding schedule submitted in Petitioner's Application 2003-0404.	Average decrease of \$73,000 partially offset by (c).
2		b. Heading for Proposed Debt has been changed to reflect new title.	No impact
3		c. Proposed Debt Service for 2003 has been corrected to reflect full year's interest accrual.	Increases average debt service by \$42,600.
4	3.1R	a. Shift in Central Facility timing to 2005.	No impact
5	3.2R	a. Accrued total for 2003 corrected.	See Line 3 comment.
6	5R	a. 2002 and Test Year amounts for Surcharge Revenues corrected.	Decreases requested revenue increase 1 percent.
7	7R	a. Reclassification of all Bromley consumption and revenues to the Retail Class.	No impact on proposed rates.
8	12R	a. Correction in Max Hour factor applied to Lines 80 through 130.	Cost distribution under CTA Max Hour increases 1.1 percent.
9		b. Customer Service - General considered part of General & Administrative.	Cost distribution under Billing category decreases 2.4 percent.
10	13.3R	a. Reclassification of all Bromley consumption	See Line 7.
11	15R	a. Reallocation of Private Fire Protection costs.	Negligible impact.

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 1R  
SUMMARY OF TEST YEAR REVENUE REQUIREMENTS

Line No.			
1	OPERATION & MAINTENANCE	\$18,596,697	Schedule 2R
2	DEBT SERVICE	10,553,247	Schedule 3R
3	DEPRECIATION	4,652,529	Schedule 4R
4	DEBT SERVICE COVERAGE	<u>2,110,649</u>	Schedule 3R
5	TOTAL REVENUE REQUIREMENTS	35,913,122	
6	LESS: OPERATING REVENUES NOT SUBJECT TO RATE INCREASE	(1,597,210)	Schedule 5R
7	LESS: NON-OPERATING INCOME	(1,188,710)	Schedule 6R
8	LESS: BOONE & FLORENCE RESERVE AND EARLY TERMINATION	<u>(438,584)</u>	Schedule 6R
9	NET REVENUE REQUIREMENTS	32,688,618	
10	REVENUES AT CURRENT RATES	<u>(30,494,156)</u>	Schedule 7R
11	NET INCREASE REQUIRED	2,194,462	
12	PERCENTAGE INCREASE IN REVENUE	7.20%	



NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 2R  
TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Line  
No.

1	UNADJUSTED TEST YEAR OPERATION AND MAINTENANCE EXPENSE Operation and Maintenance Expense - per Books	18,057,515	Schedule 2.1
2	ADJUSTMENTS FOR KNOWN AND MEASURABLE CHANGES Salary & Wage Increases @ 4.1%	288,254	Schedule 2.2
3	Rate Case Amortization	90,355	Per PSC Order 2002-00105
4	Health Insurance Increases @ 7.6%	121,030	Schedule 2.2
5	Other Insurance Increases @ 7.4%	<u>39,543</u>	Schedule 2.2
6	Total Adjustments for Known and Measurable	539,182	
7	Total Test Year Operation and Maintenance Expense	18,596,697	

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 2.1  
DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1) Unadjusted Test Year	(2) Test Year Adjustments	(3) Adjusted Test Year	
						Fort Thomas Treatment Plant
1		Fort Thomas Treatment Plant				Labor & Labor-Related Expenses
	601-3100	Labor - Ops	\$414,898	\$60,797	\$475,695	Salaries 871,325
	601-3101	Labor - Operators Overtime	65,227	3,431	68,658	FICA 61,844
	601-3102	Labor - Security	35,803	17,770	53,573	Health Insurance 128,700
	601-3103	Labor - Facilities	6,072	8,501	14,573	Pensions & Other Benefits 74,770
	601-3300	Vacation/Paid Time Off - Ops	39,127	3,684	42,811	Electric Cost 78,286
	601-3400	Sick Leave - Ops	2,333	4,046	6,379	Chemicals & Gas 573,925
	601-3500	Holiday - Ops	19,986	1,800	21,785	Materials & Supplies 71,450
	601-4100	Labor - Maint	139,845	22,318	162,162	Contractual Services 141,288
	601-4300	Vacation/Paid Time Off - Maint.	13,198	(294)	12,904	Insurance 83,646
	601-4400	Sick Leave - Maint.	4,620	333	4,954	All Other Expenses 23,021
	601-4500	Holiday - Maint.	7,445	386	7,831	
	699-3000	FICA Expense - Ops	41,820	6,941	48,761	
	699-4000	FICA Expense - Maint	11,631	1,452	13,083	
	604-3300	Pension - Ops	39,389		39,389	
	604-3400	Health Ins. - Ops	135,822	(7,122)	128,700	
	604-3500	Education/Recreation - Ops	19,716		19,716	
	604-3700	Misc. Benefits - Ops	510		510	
	604-4300	Pension - Maint.	13,153		13,153	
	604-4500	Education/Recreation - Maint.	2,002		2,002	
	615-3000	Electric Cost	78,286		78,286	
	616-3000	Gas Cost	38,895		38,895	
	618-3000	Chemicals	535,029		535,029	
	620-3000	Materials & Supplies - Ops.	1,735		1,735	
	620-3001	Office Supplies	11,563		11,563	
	620-3002	Safety Supplies - Ops	4,050		4,050	
	620-4000	Materials & Supplies - Maint.	50,245		50,245	
	620-4001	Materials & Supplies - Building	3,858		3,858	
	620-4002	Housekeeping Supplies	3,629		3,629	
	620-4003	Safety Supplies - Maint	2,604		2,604	
	631-3000	Contract Serv. Eng. - Ops	108		108	
	633-3000	Legal Contractual Services	1,165		1,165	
	635-3001	Contract Serv. Other - Ops.	35,338		35,338	
	635-3002	Snow Removal	5,356		5,356	
	635-3003	Grounds Keeping	41,978		41,978	
	635-3004	Public Relations	2,045		2,045	
	635-3005	Security	3,621		3,621	
	635-4000	Contract Serv. Other - Maint	51,677		51,677	
	642-3000	Rental Expense - Ops	351		351	
	650-3000	Transportation Exp. - Ops.	12,481		12,481	
	650-4000	Transportation Exp. - Maint.	1,211		1,211	
	656-3000	Insurance - Auto	7,164	2,856	10,020	
	657-3000	Insurance - G/L	32,435	(1,595)	30,840	
	658-3000	Insurance - Workers Comp	16,324	5,012	21,336	
	659-3000	Insurance - Pollution	15,759	5,691	21,450	
	675-3000	Misc. Expense - Ops.	303		303	
	675-3002	Uniforms	1,988		1,988	
	675-4000	Misc. Expense - Maint.	453	0	453	
01 Total			1,972,246	136,008	2,108,253	
						Taylor Mill Treatment Plant
2		Taylor Mill Treatment Plant				Labor & Labor-Related Expenses
	601-3100	Labor - Ops.	124,179	(28,327)	95,852	Salaries 172,895
	601-3101	Labor - Overtime Operators	1,939	(1,073)	866	FICA 12,356
	601-3103	Labor - Facilities	16,064	22,489	38,553	Health Insurance 30,732
	601-3300	Vacation/Paid Time Off - Ops.	11,982	(4,229)	7,753	Pensions & Other Benefits 11,819
	601-3400	Sick Leave - Ops.	2,162	(1,376)	786	Chemicals & Gas 215,302
	601-3500	Holiday - Ops.	6,285	908	7,193	Materials & Supplies 32,349
	601-4100	Labor - Maint.	20,561	1,331	21,892	Contractual Services 102,437
	601-4300	Vacation	130	(130)	0	Insurance 22,272
	699-3000	FICA Expense - Ops.	11,462	(663)	10,799	All Other Expenses 10,223
	699-4000	FICA Expense - Facilities	1,480	77	1,557	
	604-3300	Pension - Ops	10,772		10,772	
	604-3400	Health Ins. - Ops	16,350	14,382	30,732	
	604-3500	Education/Recreation - Ops	669		669	
	604-4300	Pension - Maint.	378		378	
	616-3000	Gas Cost	22,987		22,987	
	618-3000	Chemicals	192,315		192,315	
	620-3000	Materials & Supplies - Ops.	344		344	
	620-3001	Materials & Supplies - Office	607		607	
	620-4000	Materials & Supplies - Maint.	28,745		28,745	
	620-4001	Materials & Supplies - Building	2,653		2,653	
	620-4002	Housekeeping Supplies	1,866		1,866	
	631-3000	Contract Serv. Eng. - Ops	524		524	
	635-3001	Contract Serv. Other - Ops.	18,701		18,701	
	635-3002	Snow Removal	6,011		6,011	
	635-3003	Grounds Keeping	15,467		15,467	
	635-3004	Contract Serv. - Carbon Lease	43,380		43,380	
	635-4000	Contract Serv. Other - Maint.	18,354		18,354	
	642-4000	Rental Expense - Maint.	3,060		3,060	
	650-3000	Transportation Exp. - Maint.	32		32	
	650-4000	Transportation Exp. - Maint.	327		327	
	656-3000	Insurance - Auto	652	260	912	
	657-3000	Insurance - G/L	8,900	12,460	21,360	
	658-3000	Insurance - Workers Comp	3,182	886	4,068	
	675-3002	Uniforms	871	0	871	
02 Total			593,389	16,996	610,385	

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 2.1 CONTINUED  
DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1)	(2)	(3)	
			Unadjusted Test Year	Test Year Adjustments	Adjusted Test Year	
						Memorial Parkway Treatment Plant
						Labor & Labor-Related Expenses
29	601-3100	Labor	\$265,365	\$7,866	\$273,231	Salaries
	601-3101	Labor - Overtime	10,255	(9,715)	540	FICA
	601-3103	Labor - Facilities	8,555	11,977	20,532	Health Insurance
	601-3300	Paid Time Off	11,940	(3,895)	8,045	Pensions & Other Benefits
	601-3400	Sick Leave	2,562	2,048	4,610	Chemicals & Gas
	601-3500	Holiday	6,935	1,484	8,419	Materials & Supplies
	601-4100	Labor - Maint	12,849	7,009	19,858	Contractual Services
	601-4500	Holiday - Maint	141	(141)	0	Insurance
	699-3000	FICA - Ops	6,256	8,758	15,014	All Other Expenses
	699-4000	FICA - Facilities	17,243	(7,457)	9,786	
	699-4100	FICA - Maint	39	(39)	0	
	601-6100	Pumping Labor	424	(424)	0	
	604-3300	Pension - Ops	11,999		11,999	
	604-3400	Health Insurance	30,265	16,349	46,613	
	604-3500	Education/Recreation	3,004		3,004	
	615-3000	Electric Service	73,387		73,387	
	616-3000	Gas Cost	35,632		35,632	
	618-3000	Chemicals	163,473		163,473	
	620-3000	Materials & Supplies	2,101		2,101	
	620-3001	Office Supplies	3,015		3,015	
	620-3002	Safety Supplies	4,409		4,409	
	620-4000	Materials & Supplies - Maint	58,418		58,418	
	620-4001	Materials & Supplies - Building	11,848		11,848	
	620-4002	Housekeeping Supplies	3,501		3,501	
	620-4003	Safety Supplies	356		356	
	631-3000	Contractual Services Eng - Ops	28,216		28,216	
	635-3001	Contractual Services Other - Ops	10,820		10,820	
	635-3003	Groundskeeping	3,852		3,852	
	635-3004	Safety Training	16,632		16,632	
	635-3005	Contractual Services - Security	3,734		3,734	
	635-3006	Snow Removal	5,592		5,592	
	635-4000	Contractual Services Other - Maint	38,099		38,099	
	635-4001	Contractual Services - Safety - Maint	4,695		4,695	
	642-4000	Rental Expense - Maint	1,723		1,723	
	650-3000	Transportation Expense - Ops	1,369		1,369	
	650-4000	Transportation Expense - Maint	11		11	
	656-3000	Insurance - Auto	11,549	(8,813)	2,736	
	657-3000	Insurance - G/L	18,840	4,920	23,760	
	658-3000	Insurance - Workers Comp	30,681	(24,585)	6,096	
	675-3000	Misc Expense - Ops	55		55	
	675-3002	Uniforms	1,664	0	1,664	
29 Total			921,504	5,341	926,845	
						Laboratory
						Labor & Labor-Related Expenses
3	601-3100	Labor	222,343	(10,068)	212,275	Salaries
	601-3101	Labor	4,290	(4,290)	0	FICA
	601-3300	Vacation/Paid Time Off	25,731	3,097	28,828	Health Insurance
	601-3400	Sick Leave	17,577	(120)	17,457	Pensions & Other Benefits
	601-3500	Holiday	10,120	(146)	9,974	Chemicals & Gas
	601-3501	Holiday	172	(172)	0	Materials & Supplies
	699-3000	FICA Taxes	19,674	141	19,814	Contractual Services
	699-3001	FICA Taxes	313	(313)	0	Insurance
	604-3300	Pension	19,415		19,415	All Other Expenses
	604-3400	Health Insurance	52,410	2,402	54,812	
	604-3500	Education/Recreation	6,769		6,769	
	604-3700	Misc Benefits	92		92	
	604-3701	Misc Benefits	89		89	
	618-3000	Chemicals	2,917		2,917	
	618-3001	Chemicals	5,690		5,690	
	620-3000	Materials & Supplies	81,377		81,377	
	620-3001	Materials & Supplies	5,280		5,280	
	620-3002	Postage & Shipping	44		44	
	620-3006	Safety Supplies	584		584	
	635-3001	Contract Serv. Other - Ops	42,044		42,044	
	635-3002	Contract Serv - Research	19,544		19,544	
	635-3002	Contract Serv Other - Maint	7,530		7,530	
	635-4000	Contract Serv Other - Maint	2,352		2,352	
	650-3000	Transportation Expense	1,303		1,303	
	656-3000	Insurance - Auto	6,434		6,434	
	658-3000	Insurance - Workers Comp	943	0	943	
03 Total			555,037	(9,469)	545,568	
						Booster Stations
						Labor & Labor-Related Expense
5	601-6100	Labor	22,301	(10,964)	11,337	Electric Cost
	615-5000	Electric Cost	13,379		13,379	Chemicals & Gas
	620-6000	Materials & Supplies	589		589	Materials & Supplies
	635-6000	Contract Serv. Other	234	0	234	Contractual Services
05 Total			36,502	(10,964)	25,538	
6	601-6100	Labor	14,383	303	14,686	
	615-5000	Electric Cost	22,591		22,591	
	620-6000	Materials & Supplies	441		441	
	635-6000	Contract Serv. Other	1,550	0	1,550	
06 Total			38,965	303	39,268	

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 2.1 CONTINUED  
DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dpt	Account	Description	(1) Unadjusted Test Year	(2) Test Year Adjustments	(3) Adjusted Test Year
<b>Carothers Road Station</b>					
10	601-6100	Labor	\$5,478	(\$520)	\$4,958
	615-5000	Electric Cost	21,166		21,166
	616-5000	Gas Cost	1,261		1,261
	620-6000	Materials & Supplies	196		196
	635-6000	Contract Serv. Other	728	0	728
10 Total			28,829	(520)	28,309
<b>Dudley Station</b>					
8	601-6100	Labor	23,080	3,007	26,087
	615-5000	Electric Cost	402,044		402,044
	620-6000	Materials & Supplies	20,094		20,094
	635-6000	Contract Serv. Other	5,001	0	5,001
08 Total			450,218	3,007	453,225
<b>Hands Pike Station</b>					
9	601-6100	Labor	3,985	3,677	7,662
	615-5000	Electric Cost	11,800		11,800
	620-6000	Materials & Supplies	1,165		1,165
	635-6000	Contract Serv. Other	767	0	767
09 Total			17,717	3,677	21,394
<b>Latonia Station</b>					
11	601-6100	Labor	8,346	4,413	12,759
	615-5000	Electric	15,258		15,258
	616-5000	Gas Cost	1,046		1,046
	620-6000	Materials & Supplies	1,346		1,346
	635-6000	Contractual Serv. Other	0	0	0
11 Total			25,996	4,413	30,409
<b>West Covington Station</b>					
12	601-6100	Labor	7,000	(592)	6,408
	615-5000	Electric	10,463		10,463
	620-6000	Materials & Supplies	148	0	148
	635-6000	Contractual Serv. Other	166	0	166
12 Total			17,777	(592)	17,185
<b>Taylor Mill Plant Station</b>					
14	601-6100	Labor	17,060	3,930	20,990
	615-5000	Electric	434,468		434,468
	620-6000	Materials & Supplies	4,410		4,410
	631-5000	Contract Serv. Engineering	0		0
	635-6000	Contract Serv. Other	18,000	0	18,000
14 Total			473,938	3,930	477,869
<b>Licking River Pump Station</b>					
15	601-2100	Labor	3,626	(550)	3,075
	615-1000	Electric Cost	60,670		60,670
	620-1000	Materials and Supplies - Ops.	0		0
	620-2000	Materials and Supplies - Maint.	265		265
	635-1000	Contractual Services - Ops.	0		0
	635-2000	Contractual Services - Maint.	19,173	0	19,173
15 Total			83,734	(550)	83,184
<b>Waterworks Station</b>					
16	601-6100	Labor	4,060	(1,179)	2,882
	615-5000	Electric	71,374		71,374
	616-5000	Gas	438		438
	620-6000	Materials & Supplies	0		0
	635-6000	Contract Serv. Other	274	0	274
16 Total			76,146	(1,179)	74,967
<b>Richardson Road Station</b>					
17	601-6100	Labor	15,132	(4,234)	10,898
	615-5000	Electric	129,352		129,352
	620-6000	Materials & Supplies	8,150		8,150
	635-6000	Contract Serv. Other	15,022	0	15,022
17 Total			167,655	(4,234)	163,421
<b>Ripple Creek Station</b>					
18	601-6100	Labor	10,484	(4,590)	5,893
	615-5000	Electric	17,469		17,469
	620-6000	Materials & Supplies	40		40
	631-5000	Contract Serv. Engineering	0		0
	635-6000	Contract Serv. Other	404	0	404
18 Total			28,397	(4,590)	23,807
<b>Instrumentation</b>					
20	601-4100	Labor	95,325	7,761	103,087
	601-4300	Vacation/Paid Time Off	13,672	(8,776)	4,896
	601-4400	Sick Leave	10,343	(8,899)	1,445
	601-4500	Holiday	4,833	(114)	4,719
	699-4000	FICA Tax	7,552	633	8,185
	604-4300	Pension	10,574		10,574
	604-4400	Health Insurance	16,403	1,377	17,780
	604-4500	Education/Recreation	4,793		4,793
	604-4700	Misc. Benefits	16		16
	620-3000	Materials & Supplies - Ops.	340		340
	620-4000	Materials & Supplies - Maint.	33,233		33,233
	635-3000	Contract Service Other - Ops	5,293		5,293
	635-4000	Contract Service Other - Maint.	25,837		25,837
	642-4000	Rental Expense	0		0
	650-3000	Transportation Exp. - Ops	4,361		4,361
	658-3000	Insurance - Workers Comp.	5,235	(2,187)	3,048
	675-3002	Uniforms	316		316
	675-4000	Misc. Expense	98	0	98
20 Total			238,225	(10,204)	228,020

Taylor Mill Plant Station	
Labor & Labor-Related Expense	20,990
Electric Cost	434,468
Materials & Supplies	4,410
Contractual Services	18,000
	<u>477,869</u>

Licking River Pump Station	
Labor	3,075
Electric Cost	60,670
Materials & Supplies	265
Contractual Services	19,173
	<u>83,184</u>

Instrumentation	
Labor & Labor-Related Expenses	
Salaries	114,146
FICA	8,185
Health Insurance	17,780
Pensions & Other Benefits	15,383
Materials & Supplies	33,573
Contractual Services	31,130
Insurance	3,048
All Other Expenses	4,775
	<u>228,020</u>

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 2.1 CONTINUED  
 DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1)	(2)	(3)	
			Unadjusted Test Year	Test Year Adjustments	Adjusted Test Year	
		Sludge				Sludge
22	601-3100	Labor	\$17,377	(\$15,873)	\$1,505	Labor & Labor-Related Expenses
	699-3000	FICA Tax	1,345	(1,236)	109	Salaries
	601-3400	Sick Leave	160	(160)	0	FICA
	601-3500	Holiday	143	(143)	0	Health Insurance
	604-3300	Pension	320		320	Pensions & Other Benefits
	604-3700	Misc. Benefits	0		0	Chemicals & Gas
	618-3000	Chemicals	10,125		10,125	Materials & Supplies
	620-3000	Materials & Supplies	23,471		23,471	Contractual Services
	631-3000	Contract Serv Engineering	10,922		10,922	Insurance
	635-3000	Contract Serv - FTTP Hauling	75,123		75,123	All Other Expenses
	635-3001	Contract Serv - TMTP Hauling	12,743		12,743	
	635-3002	Contract Serv - MPTP Hauling	89,820		89,820	
	675-3000	Misc. Expense	0	0	0	
22 Total			241,549	(17,412)	224,137	
		US 27 Station				
24	601-6100	Labor	6,451	453	6,903	
	615-5000	Electric	150,681		150,681	
	620-6000	Materials & Supplies	714		714	
	631-5000	Contract Serv Engineering	0		0	
	635-6000	Contract Serv Other	239		239	
24 Total			158,084	453	158,537	
		Source of Supply - General				Source of Supply - General
25	601-2100	Labor	(1,448)	1,448	0	Labor
	610-1000	Water Purchased - Newport, Ky	30,008		30,008	Purchased Water (Newport)
	615-1000	Electric Cost - Newport Pump Station	57,053		57,053	Electric Cost - Newport PS
	618-1000	Chemicals	17,674		17,674	Chemicals
	635-1000	Contract Svc. Other - Ops	787		787	Contractual Services
	635-2000	Contractual Services	0	0	0	All Other Expenses
25 Total			104,073	1,448	105,521	
		Pumping - General				Pumping - General
25	601-6100	Labor	\$78,181	\$9,171	\$87,352	Labor & Labor-Related Expenses
	601-6300	Vacation/Paid Time Off	22,768	(6,719)	16,049	Salaries
	601-6400	Sick Leave	8,022	(4,432)	3,590	FICA
	601-6500	Holiday	9,998	457	10,455	Health Insurance
	699-6000	FICA Taxes	19,767	780	20,547	Pensions & Other Benefits
	604-6300	Pension	19,219		19,219	Electric Cost
	604-6400	Health Insurance	56,142	14,971	71,114	Chemicals & Gas
	604-6500	Education/Recreation	5,465		5,465	Materials & Supplies
	604-6700	Misc. Benefits	96		96	Contractual Services
	615-5000	Electric	1,977		1,977	Insurance
	618-6000	Chemicals	6,394		6,394	All Other Expenses
	620-5000	Materials & Supplies - Ops	212		212	
	620-5001	Safety Supplies	3,176		3,176	
	620-6000	Materials & Supplies - Maint.	4,690		4,690	
	620-6001	Mst. & Supp. - Oil & Lubrication	5,830		5,830	
	620-6002	Materials & Supplies - Regulators	574		574	
	633-5000	Legal Fees - Ops	0		0	
	634-6000	Contract Serv. Mgt. Fees - Maint.	0		0	
	635-5000	Contract Serv. Other - Ops	44,968		44,968	
	635-5001	Annual Maint. Contract - Cinery	14,980		14,980	
	635-5003	Grounds Keeping - Pumping	18,621		18,621	
	635-5004	Contract Serv. Pumping - Safety Training	10,651		10,651	
	635-6000	Contract Serv. Other - Maint	83,919		83,919	
	650-5000	Transportation Exp. - Ops	7,558		7,558	
	650-6000	Transportation Exp. - Maint.	1,704		1,704	
	656-5000	Insurance - Auto	3,910	1,562	5,472	
	657-5000	Insurance - CGL	32,435	(1,595)	30,840	
	658-5000	Insurance - Workers Comp	5,513	583	6,096	
	675-5000	Miscellaneous Expenses	41	0	41	
25 Total			466,812	14,777	481,589	
		Ohio River Pump Station #1				Ohio River Pump Station #1
26	601-2100	Labor	20,888	4,152	25,040	Labor
	615-1000	Electric Cost	626,782		626,782	Electric Cost
	620-1000	Materials and Supplies - Ops	0		0	Materials & Supplies
	620-2000	Materials and Supplies - Maint.	1,704		1,704	Contractual Services
	635-1000	Contractual Services - Ops	380		380	All Other Expenses
	635-2000	Contractual Services - Maint.	11,070		11,070	
	675-1000	Misc. Expense - Ops.	0	0	0	
26 Total			660,824	4,152	664,976	
		Ohio River Pump Station #2				Ohio River Pump Station #2
101	601-2100	Labor	12,373	1,184	13,557	Labor
	615-1000	Electric Cost	34,149		34,149	Electric Cost
	620-1000	Materials and Supplies - Ops	2,888		2,888	Materials & Supplies
	620-2000	Materials and Supplies - Maint	2,528		2,528	Contractual Services
	635-1000	Contractual Services - Ops	563		563	All Other Expenses
	635-2000	Contractual Services - Maint.	27,054		27,054	
	675-1000	Misc. Expense - Ops.	0	0	0	
101 Total			79,556	1,184	80,740	
		Water Towers				Water Towers
27	601-6100	Labor	9,871	6,773	16,644	Labor & Labor-Related Expense
	615-5000	Electric	5,088		5,088	Electric Cost
	620-6000	Materials & Supplies	2,528		2,528	Materials & Supplies
	635-6000	Contract Serv Other	31,202		31,202	Contractual Services
	635-6001	Contract Serv. Water Tower Painting	318,442		318,442	All Other Expenses
	675-5002	Uniforms	1,025	0	1,025	
27 Total			368,156	6,773	374,929	
		Engineering				
30	601-5101	Labor - Operations	236,112	16,519	252,631	
	601-5102	Labor - Clerk	48,644	18,013	66,657	
	601-5103	Labor - Operations Supervision	243,919	34,788	278,706	
	601-5300	Vacation/Paid time Off	49,905	(15,898)	34,007	
	601-5400	Sick Leave	20,950	(15,480)	5,470	
	601-5500	Holiday	21,454	1,530	22,984	
	601-6101	Labor - Vehicle Maint.	305	(305)	0	
	601-6103	Labor - Structure & Impr	1,645	2,304	3,949	
	601-6104	Labor - Maintenance of Mains	862	(862)	0	
	601-6105	Labor - Newport	253	(253)	0	
	699-5000	FICA Taxes	58,186	1,196	59,382	
	604-5300	Pension	48,266		48,266	
	604-5400	Health Insurance	110,632	13,931	124,563	
	604-5500	Education/ Recreation	9,446		9,446	
	604-5700	Misc. Benefits	1,167		1,167	

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 2.1 CONTINUED  
DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1) Unadjusted Test Year	(2) Test Year Adjustments	(3) Adjusted Test Year
Engineering (continued)					
	620-5001	Materials & Supplies - Eng.	\$8,115		\$8,115
	620-5002	Materials & Supplies - Shop/Tools	8,205		8,205
	620-5003	Materials & Supplies - Safety	2,382		2,382
	620-6001	Materials & Supplies - Struct & Impr	6,806		6,806
	631-5000	Contract Engineering - Ops	104,695		104,695
	631-6000	Contract Engineering - Maint	546		546
	633-5000	Contract Serv - Legal	12,064		12,064
	635-5001	Contract Serv Other - Ops	121,046		121,046
	635-5002	Communications	14,980		14,980
	635-5003	Utilities	8,069		8,069
	635-6001	Contract Serv Other - Maint.	1,499		1,499
	635-6002	Contract Serv - Struct. & Impr.	11,294		11,294
	635-6003	Contract Serv - Maint Of Mains	4,417		4,417
	635-6004	Contract Serv - Maint of Misc. Plant	0		0
	650-5001	Auto Gas & Oil	10,342		10,342
	650-5002	Vehicle Maint. - Contractors	0		0
	650-5003	Vehicle Maint. - Supplies	2,761		2,761
	656-5000	Insurance - Auto	5,860	2,336	8,196
	657-5000	Insurance - G/L	39,360	8,081	47,441
	658-5001	Insurance - Workers Comp.	14,133	3,135	17,268
	675-5000	Miscellaneous Expenses	2,761	0	2,761
30 Total			1,231,082	69,034	1,300,116
Distribution					
31	601-5101	Labor - Operations	\$28,570	(\$8,266)	\$20,304
	601-5102	Labor - Clerk	47,897	2,056	49,953
	601-5400	Sick Leave	23,437	16,370	39,807
	601-5500	Holiday	47,791	1,259	49,050
	601-6101	Labor - Vehicle Maint	66,606	2,602	69,207
	601-6102	Labor - Tractor/ Compressor	157	(157)	0
	601-6103	Labor - Grounds Maint.	999	(999)	0
	601-6104	Labor - Maint. Supervision	212,650	(4,836)	207,814
	601-6105	Labor - Structure & Impr.	476	(476)	0
	601-6106	Labor - Maint. of Mains	697,655	19,375	717,030
	601-6107	Labor - Maint. of Services	190,739	15,319	206,058
	601-6108	Labor - Maint. of Meters	96,934	16,721	113,654
	601-6109	Labor - Maint. of Hydrants	46,617	7,392	54,010
	601-6110	Labor - Maint. Of Misc. Plant	1,078	1,509	2,587
	601-6111	Labor - Newport	58,378	22,166	80,544
	601-6112	Labor - Mainline Cleaning & Lining	3,116	2,998	6,114
	601-6300	Vacation/Paid Time Off	93,310	(14,035)	79,275
	699-6000	FICA Taxes	116,483	6,993	123,476
	604-5300	Pension	107,587		107,587
	604-5700	Misc. Benefits	3,029		3,029
	604-6400	Health Insurance	237,886	27,268	265,154
	604-6500	Education/Recreation	8,823		8,823
	620-5001	Materials & Supplies - Office	9,036		9,036
	620-5002	Materials & Supplies - Shop & Tools	39,569		39,569
	620-5003	Materials & Supplies - Safety	20,137		20,137
	620-5004	Materials & Supplies - Computer	3		3
	620-6001	Materials & Supplies - Struct. & Impr.	1,075		1,075
	620-6002	Materials & Supplies - Maint of Mains	343,727		343,727
	620-6003	Materials & Supplies - Services	214,534		214,534
	620-6004	Materials & Supplies - Meters	30,217		30,217
	620-6005	Materials & Supplies - Hydrants	45,345		45,345
	620-6006	Materials & Supplies - Maint of Misc. Plant	3,259		3,259
	620-6007	Materials & Supplies - Cleaning & Lining	2,922		2,922
	620-6009	Inventory Adjustment	(8,616)		(8,616)
	631-6000	Contract Serv - Engineering	2,743		2,743
	635-5001	Contract Serv Other - Ops	18,902		18,902
	635-5002	Communications	11,669		11,669
	635-5003	Utilities	22,897		22,897
	635-5004	Contract Computer Svc.	0		0
	635-6001	Contract Serv. Other - Maint.	12,001		12,001
	635-6002	Contract Serv - Grounds Maint.	1,623		1,623
	635-6003	Contract Serv. - Struct. & Impr.	2,308		2,308
	635-6004	Contract Serv. - Maint. of Mains	224,414		224,414
	635-6005	Contract Serv. - Contractors	181,973		181,973
	635-6006	Contract Serv. - Maint. of Meters	12,903		12,903
	635-6008	Contract Serv. - Maint. of Misc. Plant	2,008		2,008
	635-6009	Contract Serv. - Blow Off Charges	115,780		115,780
	635-6012	Contract Serv. - Main Clean & Lining	515,566		515,566
	650-6001	Auto Gas & Oil	57,258		57,258
	650-6002	Vehicle Maint. - Contractors	2,228		2,228
	650-6003	Vehicle Maint. - Supplies	46,164		46,164
	650-6004	Tractor/Compressor Gas & Oil	6,974		6,974
	650-6005	Tractor/Compressor Maint. - Contractors	720		720
	650-6006	Tractor/Compressor Maint. - Supplies	17,073		17,073
	656-5000	Insurance - Auto	22,148	8,836	30,984
	657-5000	Insurance - G/L	39,360	8,082	47,442
	658-5001	Insurance - Workers Comp.	30,603	4,973	35,576
	675-6000	Miscellaneous Expenses	20		20
	675-6001	Uniforms	14,420	0	14,420
31 Total			4,153,181	135,152	4,288,332

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 2.1 CONTINUED  
 DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1) Unadjusted Test Year	(2) Test Year Adjustments	(3) Adjusted Test Year		
						Meter Reading	
50	601-7101	Labor - Meter Reading	\$148,509	(\$5,640)	\$142,869	Labor & Labor-Related Expenses	
	601-7103	Meter Change Out Labor	13,815	19,341	33,155	Salaries	197,960
	601-7104	Labor - Vehicle Maint	79	(79)	0	FICA	10,515
	601-7105	Labor - Meter Reading Newport	11,695	(10,988)	708	Health Insurance	41,141
	601-7300	Vacation/Paid Time Off	10,036	(1,673)	8,364	Pensions & Other Benefits	13,517
	601-7400	Sick Leave	3,236	1,809	5,045	Materials & Supplies	5,316
	601-7500	Holiday	7,273	546	7,819	Contractual Services	3,002
	699-7000	FICA Taxes	12,322	(1,807)	10,515	Insurance	13,500
	604-7300	Pension	12,226		12,226	All Other Expenses	12,996
	604-7400	Health Insurance	33,969	7,172	41,141		297,949
	604-7500	Education/Recreation	1,244		1,244		
	604-7700	Miscellaneous Benefits	48		48		
	620-7001	Materials & Supplies	768		768		
	620-7002	Materials & Supplies - Shop & Tools	3,127		3,127		
	620-7003	Materials & Supplies - Ludlow	314		314		
	620-7004	Materials & Supplies - Safety	846		846		
	620-7005	Materials & Supplies - Newport	261		261		
	635-7000	Contract Svc - Legal	111		111		
	635-7001	Contract Svc - Other	2,891		2,891		
	650-7001	Auto Gas & Oil	7,517		7,517		
	650-7002	Vehicle Maint - Contract	3		3		
	650-7003	Vehicle Maint - Supplies	2,691		2,691		
	656-7000	Insurance - Auto	4,562	1,822	6,384		
	658-7000	Insurance - Workers Comp	5,938	1,178	7,116		
	675-7001	Miscellaneous Expenses	421		421		
	675-7002	Uniforms	2,364	0	2,364		
50 Total			286,267	11,682	297,949		
						Field Services	
51	601-7101	Labor - Field	389,239	(5,092)	384,147	Labor & Labor-Related Expenses	
	601-7102	Labor - Delinquent Accounts	0		0	Salaries	421,995
	601-7103	Labor - Vehicle Maintenance	354	(354)	0	FICA	30,380
	601-7104	Labor - Newport	15,969	(14,941)	1,028	Health Insurance	65,493
	601-7300	Vacation/Paid Time Off	29,706	(13,367)	16,339	Pensions & Other Benefits	29,339
	601-7400	Sick Leave	8,287	(329)	7,958	Materials & Supplies	9,133
	601-7500	Holiday	13,737	(1,214)	12,523	Contractual Services	6,060
	699-7000	FICA Taxes	33,039	(2,659)	30,380	Insurance	15,420
	604-7300	Pension	25,709		25,709	All Other Expenses	38,767
	604-7400	Health Insurance	64,684	809	65,493		616,586
	604-7500	Education/Recreation	3,458		3,458		
	604-7700	Miscellaneous Benefits	172		172		
	620-7001	Materials & Supplies	2,491		2,491		
	620-7002	Materials & Supplies - Shop & Tools	5,342		5,342		
	620-7003	Safety	1,299		1,299		
	635-7001	Communications	5,974		5,974		
	650-7001	Auto Gas & Oil	23,964		23,964		
	650-7002	Contract Maint	86		86		
	650-7003	Vehicle Maint - Supplies	10,300		10,300		
	656-7000	Insurance - Auto	5,138	2,158	7,296		
	658-7000	Insurance - Workers Comp	7,066	1,058	8,124		
	675-7001	Miscellaneous Expenses	769		769		
	675-7002	Uniforms	3,733	0	3,733		
51 Total			650,517	(33,931)	616,586		
						Account Services	
52	601-7101	Labor	470,454	65,379	535,833	Labor & Labor-Related Expenses	
	601-7101	Labor	5,662	7,927	13,589	Salaries	628,794
	601-7102	Labor - Newport	12,151	419	12,570	FICA	42,324
	601-7300	Vacation/Paid Time Off	32,012	(3,789)	28,223	Health Insurance	128,776
	601-7300	Vacation/Paid time Off	2,445	3,423	5,868	Pensions & Other Benefits	45,018
	601-7301	PTO - Newport	944	(853)	91	Materials & Supplies	147,435
	601-7400	Sick Leave	7,674	4,211	11,885	Contractual Services	284,985
	601-7400	Sick Leave	0		0	Insurance	18,288
	601-7500	Holiday	17,687	1,645	19,333	All Other Expenses	6,779
	601-7500	Holiday	489	685	1,174		1,302,398
	601-7501	Holiday - Newport	229		229		
	699-7000	FICA Taxes	37,765	3,637	41,403		
	699-7000	FICA Taxes	384	538	922		
	604-7300	Pension	35,641		35,641		
	604-7300	Pension	990		990		
	604-7400	Health Insurance	102,398	16,120	118,517		
	604-7400	Health Insurance	4,274	5,984	10,258		
	604-7500	Education/Recreation	4,705		4,705		
	604-7700	Miscellaneous Benefits	3,682		3,682		
	620-7001	Materials & Supplies	23,712		23,712		
	620-7001	Materials & Supplies	0		0		
	620-7002	Postage	123,723		123,723		
	620-7003	Safety	0		0		
	635-7001	Contract Serv. - Other	231,967		231,967		
	635-7002	Communications	6,509		6,509		
	635-7003	Contract Serv - Sanitation Billing	0		0		
	635-7005	Temporary Employees - Newport	46,508		46,508		
	650-7001	Auto Gas & Oil	671		671		
	656-7000	Insurance - Auto	76	(76)	0		
	658-7000	Insurance - Workers Comp	15,337	2,951	18,288		
	675-7001	Miscellaneous Expenses	6,139		6,139		
	675-7002	Uniforms	(32)		(32)		
	675-7003	Uniforms	0	0	0		
52 Total			1,194,198	108,201	1,302,398		

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 2.1 CONTINUED  
DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1) Unadjusted Test Year	(2) Test Year Adjustments	(3) Adjusted Test Year	
						Flushing
						Labor & Labor-Related Expenses
53	601-7101	Labor - Flushing	\$111,643	(\$29,821)	\$81,823	Salaries
	601-7102	Labor - Leak Detection	13,634	(6,646)	6,988	163,066
	601-7104	Labor - Flushing Newport	2,311	(2,311)	0	FICA
	601-7105	Labor - Leak Detection Newport	20,366	28,513	48,879	Health Insurance
	601-7300	Vacation/Paid Time Off	13,897	(2,382)	11,515	Pensions & Other Benefits
	601-7400	Sick Leave	5,089	1,329	6,418	Materials & Supplies
	601-7500	Holiday	6,603	842	7,444	Contractual Services
	699-7000	FICA Taxes	10,924		10,924	Insurance
	604-7300	Pension	37,506	1,728	39,233	All Other Expenses
	604-7400	Health Insurance	1,288		1,288	
	604-7500	Education/Recreation	48		48	
	604-7700	Miscellaneous Benefits	777		777	
	620-7001	Materials & Supplies	1,343		1,343	
	620-7002	Materials & Supplies - Shop & Tools	1,744		1,744	
	620-7003	Materials & Supplies - Leak Detection	624		624	
	620-7004	Safety	9,790		9,790	
	635-7001	Contract Svc - Other	0		0	
	635-7002	Communication	7,710		7,710	
	650-7001	Auto Gas & Oil	0		0	
	650-7002	Vehicle Maint - Contract	3,855		3,855	
	650-7003	Vehicle Maint - Supplies	2,607	1,041	3,648	
	656-7000	Insurance - Auto	3,677	391	4,068	
	658-7000	Insurance - Workers Comp.	495		495	
	675-7001	Miscellaneous Expenses	1,445	0	1,445	
	675-7002	Uniforms	270,792	(5,515)	265,277	
53 Total						Customer Services - General
						Insurance
54	620-7001	Promotional Materials & Supplies	\$13,784		\$13,784	162,811
	635-7001	Contract Serv - Building	14,066		14,066	38,224
	635-7002	Collections	9,219		9,219	224,795
	635-7003	Utilities	21,651	2,109	23,760	
	657-7000	Insurance - G/L	162,811	0	162,811	
	670-7000	Bad Debt Expense	222,686	2,109	224,795	
54 Total						Executive Management
						Labor & Labor-Related Expenses
72	601-8100	Salaries	269,100	4,786	273,886	311,149
	601-8300	Vacaton/Paid Time Off	30,439	(5,083)	25,356	23,214
	601-8400	Sick Leave	3,203	(939)	2,264	28,176
	601-8500	Holiday	9,935	(293)	9,643	52,511
	699-8000	FICA Taxes	18,911	4,303	23,214	13,409
	604-8300	Pension	18,839		18,839	7,520
	604-8400	Health Insurance	22,566	5,610	28,176	3,960
	604-8500	Education/Recreation	20,043		20,043	16,822
	604-8700	Miscellaneous Benefits	13,629		13,629	456,761
	620-8000	Materials & Supplies	13,409		13,409	
	633-8000	Contract Serv - Legal	0		0	
	634-8000	Contract Serv - Mgt Fees	0		0	
	635-8000	Contract Serv - Other	7,520		7,520	
	642-8000	Rental Expense	9,250		9,250	
	650-8000	Transportation Expense	2,553		2,553	
	656-8000	Insurance - Auto	652	260	912	
	658-8000	Insurance - Workers Comp.	2,757	291	3,048	
	675-8000	Miscellaneous Expenses	5,018	0	5,018	
72 Total			447,825	8,936	456,761	
						Accounting/HR/Info Systems
						Labor & Labor-Related Expenses
74	601-8100	Labor	141,904	4,632	146,536	561,078
	601-8300	Vacation/Paid Time Off	14,465	3,146	17,611	40,205
	601-8400	Sick Leave	8,803	1,064	9,866	63,789
	601-8500	Holiday	5,860	105	5,966	78,612
	699-8000	FICA Taxes	12,311	721	13,033	50,235
	604-8300	Pension	10,875		10,875	258,753
	604-8400	Health Insurance	15,072	(728)	14,343	13,100
	604-8500	Education/Recreation	2,819		2,819	13,081
	604-8700	Miscellaneous Benefits	449		449	1,078,853
	620-8000	Materials & Supplies	4,237		4,237	
	632-8000	Contract Accounting/Audit	15,000		15,000	
	635-8000	Contract Serv - Other	11,666		11,666	
	650-8000	Transportation Expenses	0		0	
	656-8000	Insurance - Auto	0		0	
	658-8000	Insurance - Workers Comp.	3,677	391	4,068	
	675-8000	Miscellaneous Expenses	181	0	181	
74 Total			247,320	9,330	256,650	
						Board of Commissioners
						Labor & Labor-Related Expenses
76	601-8100	Salaries	35,800	200	36,000	36,000
	699-8000	FICA Taxes	2,623	32	2,655	2,655
	604-8400	Health Insurance	22,922	(4,184)	18,739	18,739
	604-8500	Education/Recreation	4,407		4,407	4,457
	604-8700	Miscellaneous Benefits	50		50	14,148
	658-8000	Insurance - Other	228		228	7,918
	659-8000	Insurance - Public Officials	18,671	(4,751)	13,920	83,918
	675-8000	Miscellaneous Expenses	7,918	0	7,918	
76 Total			92,620	(8,702)	83,918	



NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 2.1 CONTINUED  
 DETAIL TEST YEAR OPERATION AND MAINTENANCE EXPENSE

Dept	Account	Description	(1)	(2)	(3)	
			Unadjusted Test Year	Test Year Adjustments	Adjusted Test Year	
78	HR/Information Systems/Safety					
	601-8100	Labor	\$325,974	\$15,411	\$341,385	
	601-8300	Vacation/PTO	25,550	(3,962)	21,589	
	601-8400	Sick	10,485	(4,178)	6,308	
	601-8500	Holiday	12,700	(882)	11,818	
	699-8000	FICA Taxes	26,049	1,124	27,172	
	604-8300	Pension	22,598		22,598	
	604-8400	Health Insurance	44,484	4,962	49,446	
	604-8500	Education/Recreation	22,629		22,629	
	604-8700	Miscellaneous Benefits	19,241		19,241	
	620-8000	Materials & Supplies	16,027		16,027	
	620-8001	Computer Supplies	25,341		25,341	
	620-8002	Safety Supplies	4,630		4,630	
	633-8000	Legal Fees	1,979		1,979	
	635-8000	Contract Expenses	135,385		135,385	
	635-8001	Contract Computer Expenses	94,281		94,281	
	635-8002	Contract Services Safety	442		442	
	650-8000	Transportation	1,390		1,390	
	658-8000	Insurance	7,010	2,022	9,032	
	675-8000	Miscellaneous	11,509	0	11,509	
78 Total			807,707	14,496	822,204	
	Administration - Other		49		49	Administration - Other
79	604-8700	Misc Benefits	16,092		16,092	Labor & Labor-Related Expens: 611,100
	620-8000	Materials & Supplies Adm.	25,023		25,023	Materials & Supplies 73,959
	620-8001	Dues & Subscriptions	32,844		32,844	Contractual Services 378,090
	620-8005	Materials & Supplies Bottling	127		127	Insurance 78,712
	620-8006	Clearing Account	2,667		2,667	All Other Expenses (498,580)
	631-8000	Contract Serv - Engineering Svc.	127,021		127,021	643,281
	633-8000	Contract Serv. - Legal Fees	247,631		247,631	
	635-8000	Contract Services - Other	9,201		9,201	
	635-8002	Damages	24,298		24,298	
	635-8003	Grounds Keeping	1,303	521	1,824	
	656-8000	Insurance Expense - Auto	12,784	(904)	11,880	
	657-8000	Insurance Expense - G/L	41,710	(41,710)	0	
	658-8000	Insurance Expense - Workers' Comp.	27,090	37,918	65,008	
	659-8000	Insurance Expense - Officials	4,489		4,489	
	660-8000	Advertising Expense	108		108	
	667-8000	PSC Rate Case Expenses	42,957		42,957	
	667-8000	PSC Annual Assessment Fee	0		0	
	667-8000	PSC Expense Other	22	(22)	0	
	601-8000	Gross Payroll Clearing Account	1,373	(463)	910	
	601-8100	Labor - Bottling	(992)		(992)	
	604-8000	Dental Benefits Clearing Account	96	(49)	47	
	699-8000	FICA	32,099	0	32,099	
	675-8000	Miscellaneous Expenses	647,991	(4,709)	643,281	
79 Total			647,991	(4,709)	643,281	
<b>GRAND TOTAL</b>			<b>18,057,515</b>	<b>448,827</b>	<b>18,506,342</b>	

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 2.2  
ADJUSTMENT FOR SALARIES AND INSURANCE COST INCREASES

<u>Category</u>	<u>Unadjusted Test Year</u>	<u>Adjusted Test Year</u>	<u>Percent Change</u>
Salaries/Wages & FICA	\$6,956,475	\$7,244,728	4.14%
Pension & Benefits	1,585,314	1,706,344	7.63%
Other Insurance	533,714	573,257	7.41%
Total	9,075,503	9,524,330	4.95%

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 3R  
 DEBT SERVICE

Line No.	Year	Existing Bonds <sup>(a)</sup>		2003 Bonds, Series D <sup>(b)</sup>		Total
		Total Debt Service	Interest	Principal	Total	
1	2003	\$8,371,108	\$392,084	\$270,000	\$9,033,192	
2	2004	10,363,203	424,166	275,000	11,062,369	
3	2005	10,192,228	419,222	280,000	10,891,450	
4	2006	10,186,377	413,144	285,000	10,884,520	
5	2007	10,198,767	405,938	290,000	10,894,705	
Average 2003 to 2007					10,553,247	
Debt Service Coverage @ 20%					2,110,649	

(a) Includes proposed refunding debt service schedule submitted in Petitioner's Application 2003-0404.  
 (b) Represents required deposits during year (accrued basis).

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 3.1R  
 MAJOR CAPITAL IMPROVEMENT PROGRAM

Line No.	2002 <sup>(a,b)</sup>	2003 <sup>(b,c)</sup>	2004 <sup>(c)</sup>	2005 <sup>(c)</sup>	2006 <sup>(c)</sup>	Total
Major Capital Improvement Program						
Water Quality						
1	FTTP Plant Automation & Valves Phase:2	57,000,000				57,000,000
2	Bristow Road Pump Station - Relocation	2,000,000				2,000,000
3	TMTP Filter to Waste	1,950,000				1,950,000
4	Upgrade Latonia Pump Station	175,000				175,000
5	SCADA Upgrade Phase 2	300,000	2,425,000			2,725,000
6	TMTP UV					0
7	FTTP GAC Filter Adsorbers/UV		2,500,000	3,500,000	3,500,000	9,500,000
8	SCADA Upgrade Phase 3		400,000	1,000,000	1,000,000	2,400,000
9	Ripple Creek Pump Station - Expansion				165,000	165,000
10	Total Water Quality	11,425,000	2,425,000	2,900,000	4,500,000	4,665,000
11	Total					25,915,000
Distribution System						
11	Banklick Connector Rd to Pump Station	122,000				122,000
12	Garvey Ave.	198,000				198,000
13	Sunglow Water Main Replacement (2002)	245,000				245,000
14	Sandford St. Water Main Replacement (2002)	285,000				285,000
15	Sub-District C - Final Cost		191,700			191,700
16	Upper Tug Fork, E. Alex Pike, Poplar Rd					0
17	Rosford Ave. from 12" to Tank, Covert	660,000				660,000
18	Covert Rund Pike to Lincoln Road	310,000	110,250			420,250
19	New Water Tower, South Campbell	50,000				50,000
20	Losey Rd. (Licking Pike to New Tank)					0
21	US27 from State Rt 824 to Pendleton Co Meter					0
22	24" on US27 from FTTP to Sunset (Phase 1)					840,804
23	24" on US27 from FTTP to Sunset (Phase 2)	840,804				1,300,000
24	24" Redundancy Glenn Ave., Covington	1,300,000				650,000
25	Sub-District E (Kenton County)	650,000				1,300,000
26	Sub-District RF (Ryland/Fairview)	160,000	1,140,000			172,000
27	Licking Pike (Existing 8 to Ripple Creek)		172,000			150,000
28	Richardson Rd (from US25 to Bristow Rd)	150,000				815,000
29	Old State Rd, Marshman Rd to Racetrack	815,000				555,000
30	Racetrack Rd. (From Flatwoods to Ky 1121)	555,000				450,000
31	Orphanage Rd. (from Dudley 1040 Pump st	450,000				400,000
32	Water Main Replacement Program - 2002	400,000				498,325
33	Grandview Drive Water Main Replacement	498,325				430,675
34	Bramble Road Water Main Replacement	430,675				121,000
35	Mains into Unserved Areas - 2002	121,000				
36	35th Street & Grace (Southern to Latonia Ave)	500,000				433,650
37	Bristow Road P.S. 12" to Bristow Road		433,650			0
38	Narrows Rd. (connecting ext 16" & 12")					0
39	Poplar Ridge Rd. (Upper Tug Fork to 4mile)					0
40	Four Mile Pk. (Poplar Rdg. To Nelson Rd)					0
41	Nelson Rd. (Four Mile to 4 & 12 Mile Rd					0
42	Four & Twelve Mile Rd. (Nelson to Hwy 1566)					0
43	Washington Race Rd. (12Mile Rd to Hwy 1996)					0
44	Burns Rd. (Persimmon Grove to Bezold Rd					0
45	KY 9 (30" Mook Rd to Newport Steel Ent)					0
46	Jefferson/Euclid, Covington					535,865
47	Water Main Replacement Program 2003	535,865				28,535
48	Mains into Unserved Areas - 2003	28,535				
49	Newport High service 12" Interconnect	500,000				225,000
50	Newport MPTP Low Service 20" Interconnect	225,000				150,000
51	Klette Road/Rice Road	150,000				701,000
52	Low Gap Rd. (Ky9 to Existing Dead End)	626,000		75,000		100,000
53	Alexandria Pt Subd. Ky9 (Development Ext)			100,000		900,000
54	Licking Pike From Trapp Rd to Rifle Range			900,000		1,300,000
55	Licking Pike from Rifle Range to Ky 1936			1,300,000		4,290,000
56	42" Transmission Main from FTTP to Mook			4,290,000		1,700,000
57	Water Main Replacement Program 2004			1,700,000		500,000
58	Mains into Unserved Areas - 2004			500,000		230,000
59	4Mile Pk. (Uhl Rd. south to End of Line)			230,000		500,000
60	Gunkel Rd (Upper Eight Mile to Fender Rd)			500,000		585,000
61	Lower Tug Fork (Upper Tug Fork 6")			585,000		2,100,000
62	Water Main Replacement Program 2005			2,100,000		500,000
63	Mains into Unserved Areas - 2005			500,000		2,100,000
64	Water Main Replacement Program 2006				2,100,000	500,000
65	Mains into Unserved Areas - 2006				500,000	1,700,000
66	U.S.27 From Ripple Creek BPS to E. Alex Pike				1,700,000	1,500,000
67	U.S. 27 From E. Alexandria Pike to Main				1,500,000	250,000
68	Pelly Rd from Ky 17 to Senour Road				250,000	75,000
69	Senour Road PRV & Valves				75,000	1,350,000
70	Senour Road from Pelly to Ky 16				1,350,000	225,000
71	Hands Pike from Ky 16 to Edwin Drive				225,000	275,000
72	Ky. 16, from Hands Pike to Klette Road				275,000	32,233,804
73	Total Distribution System	8,740,804	4,113,000	8,865,000	3,915,000	7,975,000
74	Customer Service					2,900,000
75	Customer Information System		2,900,000			2,900,000
76	Total Customer Service	0	2,900,000	0	0	2,900,000
77	Administration					
78	Central Facility - Land	1,500,000				1,500,000
79	Central Facility - Buildings				6,500,000	1,500,000
80	Total Administration	1,500,000	0	0	6,500,000	1,500,000
81	Miscellaneous Projects	0	0	0	0	0
82	Total CIP Program	21,665,804	9,438,000	11,765,000	14,915,000	14,140,000

(a) Projects already in Construction Work in Progress  
 (b) Projects submitted for Certificate of Need  
 (c) Projects will be submitted for Certificate of Need.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 3.2R  
 DEBT SERVICE ON PROPOSED 2003 SERIES D BONDS

	Payment Date	Principal	Coupon	151.05 Interest	Period Total	Annual Debt Service Total	Accrued Total	Accrued Total Interest	Accrued Total Principal
	08/02/03						662,084.25	392,084.25	270,000.00
1	02/01/04	270,000	1.11%	178,901.25	448,901.25	662,084.25			
2	08/01/04		1.11%	213,183.00	213,183.00		699,166.00	424,166.00	275,000.00
3	02/01/05	275,000	1.60%	213,183.00	488,183.00	699,166.00			
4	08/01/05		1.60%	210,983.00	210,983.00		699,222.00	419,222.00	280,000.00
5	02/01/06	280,000	1.96%	210,983.00	490,983.00	699,222.00			
6	08/01/06		1.96%	208,239.00	208,239.00		698,143.50	413,143.50	285,000.00
7	02/01/07	285,000	2.34%	208,239.00	493,239.00	698,143.50			
8	08/01/07		2.34%	204,904.50	204,904.50		695,937.50	405,937.50	290,000.00
9	02/01/08	290,000	2.67%	204,904.50	494,904.50	695,937.50			
10	08/01/08		2.67%	201,033.00	201,033.00		697,626.00	397,626.00	300,000.00
11	02/01/09	300,000	2.96%	201,033.00	501,033.00	697,626.00			
12	08/01/09		2.96%	196,593.00	196,593.00		698,071.00	388,071.00	310,000.00
13	02/01/10	310,000	3.30%	196,593.00	506,593.00	698,071.00			
14	08/01/10		3.30%	191,478.00	191,478.00		697,324.00	377,324.00	320,000.00
15	02/01/11	320,000	3.52%	191,478.00	511,478.00	697,324.00			
16	08/01/11		3.52%	185,846.00	185,846.00		695,636.50	365,636.50	330,000.00
17	02/01/12	330,000	3.67%	185,846.00	515,846.00	695,636.50			
18	08/01/12		3.67%	179,790.50	179,790.50		698,008.75	353,008.75	345,000.00
19	02/01/13	345,000	3.81%	179,790.50	524,790.50	698,008.75			
20	08/01/13		3.81%	173,218.25	173,218.25		699,344.50	339,344.50	360,000.00
21	02/01/14	360,000	3.94%	173,218.25	533,218.25	699,344.50			
22	08/01/14		3.94%	166,126.25	166,126.25		694,704.50	324,704.50	370,000.00
23	02/01/15	370,000	4.08%	166,126.25	536,126.25	694,704.50			
24	08/01/15		4.08%	158,578.25	158,578.25		698,966.50	308,966.50	390,000.00
25	02/01/16	390,000	4.20%	158,578.25	548,578.25	698,966.50			
26	08/01/16		4.20%	150,388.25	150,388.25		697,069.00	292,069.00	405,000.00
27	02/01/17	405,000	4.30%	150,388.25	555,388.25	697,069.00			
28	08/01/17		4.30%	141,680.75	141,680.75		699,032.75	274,032.75	425,000.00
29	02/01/18	425,000	4.39%	141,680.75	566,680.75	699,032.75			
30	08/01/18		4.39%	132,352.00	132,352.00		694,870.00	254,870.00	440,000.00
31	02/01/19	440,000	4.47%	132,352.00	572,352.00	694,870.00			
32	08/01/19		4.47%	122,518.00	122,518.00		694,571.00	234,571.00	460,000.00
33	02/01/20	460,000	4.55%	122,518.00	582,518.00	694,571.00			
34	08/01/20		4.55%	112,053.00	112,053.00		697,902.50	212,902.50	485,000.00
35	02/01/21	485,000	4.62%	112,053.00	597,053.00	697,902.50			
36	08/01/21		4.62%	100,849.50	100,849.50		694,882.00	189,882.00	505,000.00
37	02/01/22	505,000	4.68%	100,849.50	605,849.50	694,882.00			
38	08/01/22		4.68%	89,032.50	89,032.50		695,477.50	165,477.50	530,000.00
39	02/01/23	530,000	4.75%	89,032.50	619,032.50	695,477.50			
40	08/01/23		4.75%	76,445.00	76,445.00		694,570.00	139,570.00	555,000.00
41	02/01/24	555,000	4.80%	76,445.00	631,445.00	694,570.00			
42	08/01/24		4.80%	63,125.00	63,125.00		696,625.00	111,625.00	585,000.00
43	02/01/25	585,000	5.00%	63,125.00	648,125.00	696,625.00			
44	08/01/25		5.00%	48,500.00	48,500.00		696,625.00	81,625.00	615,000.00
45	02/01/26	615,000	5.00%	48,500.00	663,500.00	696,625.00			
46	08/01/26		5.00%	33,125.00	33,125.00		695,125.00	50,125.00	645,000.00
47	02/01/27	645,000	5.00%	33,125.00	678,125.00	695,125.00			
48	08/01/27		5.00%	17,000.00	17,000.00		697,000.00	17,000.00	680,000.00
49	02/01/28	680,000	5.00%	17,000.00	697,000.00	697,000.00			
50	08/01/28								
		10,455,000		6,932,984.75	17,387,984.75	17,387,984.75	17,387,984.75	6,932,984.75	10,455,000.00
	Accrued Interest Total			6,932,984.75	17,387,984.75	17,387,984.75	17,387,984.75	6,932,984.75	10,455,000.00

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 4R  
 DEPRECIATION EXPENSE

Line No.	Plant Account	12/31/02 Depreciation	Jan 1-May 31 Change in Current Assets	Test Year Total
		\$	\$	\$
	Source of Supply & Pumping			
1	Land & Land Rights	0	0	0
2	Structures & Improvements	269,443	(393)	269,050
3	Lake River & Other Intakes	76,805	683	77,488
4	Supply Mains	23,312	0	23,312
5	Pumping Equipment	345,247	12,550	357,797
6	Total	714,807	12,840	727,646
	Water Treatment Plant			
7	Land & Land Rights	0	0	0
8	Structures & Improvements	573,885	176,555	750,439
9	Water Treatment Equipment	353,820	34,351	388,171
10	Total	927,705	210,906	1,138,611
	Transmission & Distribution			
11	Land & Land Rights	0	0	0
12	Structures & Improvements	168,444	21,567	190,011
13	Distribution Reservoirs & Standpipes	132,754	0	132,754
14	Transmission & Distribution Mains	971,846	68,703	1,040,549
15	Transmission & Distribution Services	332,113	6,109	338,221
16	Meters & Meter Installation	131,315	4,283	135,597
17	Hydrants	77,914	465	78,378
18	Other Plant & Misc. Equipment	89,349	7,108	96,457
19	Total	1,903,735	108,234	2,011,969
	General Plant			
20	Land & Land Rights	0	0	0
21	Structures & Improvements	187,279	102,069	289,348
22	Office Equipment	248,419	(56,563)	191,856
23	Transportation Equipment	251,359	(26,345)	225,013
24	Tools, Shop & Garage Equipment	19,150	(11,792)	7,359
25	Power Operated Equipment	22,032	7,843	29,874
26	Other Tangible Plant	93,903	(63,049)	30,854
27	Total	822,142	(47,838)	774,304
28	Total Depreciation Expense	4,368,388	284,141	4,652,529

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 5R  
 REVENUES NOT SUBJECT TO RATE INCREASE

Line No.	Forfeited Discounts	Rents from Property	Meter Tests	Returned		Turn On Fees	Private Fire Protection <sup>(a)</sup>		Surcharge Revenues	Total	Reference
				Check Charges	Hydrants		Firelines	Hydrants			
1	2002	\$371,144	\$351,320	\$100	\$13,700	\$210,900	\$55,009	\$16,887	\$496,057	\$1,524,717	Petitioner's Exhibit C
2	June - December 2002	238,713	221,092	9,780	10,315	124,718	35,158	11,030	295,746	957,583	Petitioner's Exhibit K
3	January - May 2003	155,264	135,212	270	6,117	100,695	21,202	10,505	199,857	639,627	Petitioner's Exhibit K
4	Test Year	\$393,977	\$356,304	\$10,050	\$16,432	\$225,413	\$56,360	\$21,535	\$495,604	\$1,597,210	

(a) Used to credit public fire protection costs.

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 6R  
 TEST YEAR NON-OPERATING INCOME

Line No.	Misc. Income	Boone & Florence		Interest Income	Total	Reference	
		Reserve	Early Termination <sup>(a)</sup>				
1	2002	\$76,910	\$0	\$0	\$1,263,800	\$1,340,710	December 2002 Financials
2	June - December 2002	50,063	0	0	655,393	705,456	Petitioner's Exhibit K
3	January - May 2003	154,219	370,000	68,584	329,035	921,838	Petitioner's Exhibit K
4	Test Year	\$204,282	\$370,000	\$68,584	\$984,428	\$1,627,294	

Petitioner's Exhibit K shows an extraordinary income amount of \$685,842. This is the Boone/Florence early termination penalty payment. In accordance with PSC Order 2002-0105, the penalty payment is amortized over 10 years.



NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 7R  
 TEST YEAR REVENUES UNDER CURRENT RATES

Line No.		Metered Sales		Bulk	Total	Reference
		Retail	Wholesale			
1	2002	\$21,115,326	\$5,856,096	\$5,564	\$26,976,986	December 2002 Financials
2	June - December 2002	14,307,285	3,778,454	3,911	18,089,649	Petitioner's Exhibit K
3	January - May 2003	7,685,787	1,292,504	1,470	8,979,761	Petitioner's Exhibit K
4	Less Boone & Florence <sup>(a)</sup>	0	(3,958,575)	0	(3,958,575)	Petitioner's Exhibit K
5	Reclassification of Bromley <sup>(b)</sup>	18,153	(9,273)	0	8,881	Petitioner's Exhibit C
6	Plus New Connections <sup>(c)</sup>	138,787	0	0	138,787	Petitioner's Exhibit O
7	Plus Prior Rate Increase <sup>(d)</sup>	<u>6,705,706</u>	<u>529,948</u>	<u>0</u>	<u>7,235,654</u>	
8	Test Year	\$28,855,718	\$1,633,057	\$5,381	\$30,494,156	

- (a) Test Year wholesale revenues have been adjusted to reflect the loss of Boone & Florence.
- (b) For this case, an adjustment has been made to treat the City of Bromley as a retail customer for the entire year.
- (c) Extensions into unserved areas are expected to result in approximately 442 new connections.

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 8R  
REVENUE REQUIREMENTS

Line  
No.

1	Total Revenue Requirement	\$35,913,122	Schedule 1
2	Less: Non-Operating Income	(1,188,710)	Schedule 7
3	Less: Private Fire Protection Revenues	(77,895)	Credit to Fire Protection
4	Less: Boone & Florence Reserve and Early Termination	(438,584)	Schedule 5
5	Less: Other Revenues Not Subject to Rate Increase	<u>(1,519,315)</u>	Schedule 5
6	Total Revenue Required from Water Sales	32,688,618	
	Operation & Maintenance Expense from Water Sales Revenues		
7	Operation & Maintenance Expense	18,596,697	Schedule 1
8	Less: Non-Operating Income	(123,285)	Line 2
9	Less: Private Fire Protection Revenues	(77,895)	Credit to Fire Protection
10	Less: Other Revenues Not Subject to Rate Increase	<u>(1,519,315)</u>	Line 5
11	Net Operation & Maintenance Expense	16,876,202	
	Capital Costs		
12	Depreciation Expense	4,652,529	Schedule 3
13	Debt Service	10,553,247	Schedule 3
14	Debt Service Coverage	2,110,649	Schedule 3
15	Less: Non-Operating Income	(1,065,425)	Line 2 - Line 8
16	Less: Boone & Florence Reserve and Early Termination	<u>(438,584)</u>	Schedule 6
17	Net Capital Costs	15,812,416	

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 9R  
RETURN ON UTILITY PLANT AND RETURN ON EQUITY

Line No.			Reference
<b>Return on Utility Plant</b>			
1	Net Depreciated Plant	\$183,120,492	Schedule 11.1
2	Less: Contribution in Aid of Construction	<u>(33,948,961)</u>	Petitioner's Exhibit C, Page 12.
3	Net Plant	149,171,531	
<b>Pro Forma Operating Revenues</b>			
Revenues			
4	Operating Revenue Not Subject to Rate Increase	1,597,210	Schedule 1
5	Non-Operating Revenue	1,188,710	Schedule 1
6	Boone & Florence Reserve and Early Termination	438,584	Schedule 1
7	Revenues at Current Rates	30,494,156	Schedule 1
8	Increased Revenue with Requested Rate Increase	<u>2,194,462</u>	Schedule 1
9	Total Pro Forma Revenue	35,913,122	
10	Less: Operation & Maintenance Expense	(18,596,697)	Schedule 1
11	Less: Depreciation Expense	(4,652,529)	Schedule 1
12	Less: Debt Service Coverage	<u>(2,110,649)</u>	Schedule 1
13	Total Pro Forma Operating Revenue	10,553,247	
14	Pro Forma Return on Utility Plant	7.07%	Line 13/Line 3

**Imbedded Interest Rate as of December 31, 2003**

	<u>Principal</u>	<u>Annual Interest</u>	<u>Average Interest Rate</u>
15	1993 Bonds	1,550,000	81,829 5.28%
16	1995A Bonds	5,875,000	334,065 5.69%
17	1995B Bonds	13,865,000	767,679 5.54%
18	1995C Bonds	1,529,000	83,600 5.47%
19	1997 Bonds	7,815,000	352,358 4.51%
20	1998 Bonds	10,275,000	491,999 4.79%
21	2000 Bonds	2,244,000	111,600 4.97%
22	2001A Bonds	15,805,000	741,325 4.69%
23	2002A Bonds	45,135,000	2,192,403 4.86%
24	2002B Bonds	10,040,000	370,881 3.69%
25	2003A Bonds	1,615,000	40,465 2.51%
26	2003B Bonds	<u>30,270,000</u>	<u>1,233,200</u> 4.07%
25	Total Existing Bonds	146,018,000	6,801,403 4.66%
27	2003 Bonds, Series D	<u>10,455,000</u>	<u>392,084</u> 3.75%
28	Total Bonds	156,473,000	7,193,488 4.60%

**Return on Equity**

	<u>Capital Structure</u>	<u>Capital Structure</u>	<u>Cost of Capital</u>
29	Outstanding Principal on Revenue Bonds as of May 31, 2003 (Line 28)	156,473,000	62.99% 4.60% (b)
30	Net System Equity as of May 31, 2003 <sup>(a)</sup>	<u>91,937,025</u> (a)	<u>37.01%</u> 11.19% (c)
31	Total	248,410,025	100.00% 7.07% (d)

(a) Petitioner's Exhibit K  
(b) Line 28  
(c) Calculated  
(d) Line 14

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 10R  
 ALLOCATION OF DEPRECIATION EXPENSE

Line No.	Description	Common to All Customers				Distribution System Customers Only(*)				Fire Protection
		Total	Base	Max Hour	Metering	Billing	Base	Max Day	Max Hour	
		\$	\$	\$	\$	\$	\$	\$	\$	\$
	Source of Supply & Pumping									
1	Land & Land Rights	0	0							
2	Structures & Improvements	269,050	170,847	98,203						
3	Lake River & Other Intakes	77,488	49,205	28,283						
4	Supply Mains	23,312	14,803	8,509						
5	Pumping Equipment	357,797	227,201	130,596						
6	Total	727,646	462,055	265,591	0	0	0	0	0	0
	Water Treatment Plant									
7	Land & Land Rights	0	0							
8	Structures & Improvements	750,439	476,529	273,910						
9	Water Treatment Equipment	388,171	246,489	141,682						
10	Total	1,138,611	723,019	415,592	0	0	0	0	0	0
	Transmission & Distribution									
11	Land & Land Rights	0	0							
12	Structures & Improvements	190,011	38,472	4,868	52,177	0	27,034	15,493	21,232	8,631
13	Distribution Reservoirs & Standpipes	132,754	56,288	32,259						
	Transmission & Distribution Mains									
14	Large Mains	461,549	293,084	168,465			245,497	140,697	192,807	
15	Small Mains	579,001								
16	Transmission & Distribution Services	338,221			338,221					
17	Meters & Meter Installation	135,597			135,597					
18	Hydrants	78,378								78,378
19	Other Plant & Misc. Equipment	96,457	19,530	11,221	26,487	0	13,724	7,865	10,778	4,381
20	Total	2,011,969	407,374	234,049	552,483	0	286,255	164,055	224,817	91,390
	General Plant									
21	Land & Land Rights	0	0							
22	Structures & Improvements	289,348	118,810	68,284	41,220	0	21,357	12,240	16,773	6,818
23	Office Equipment	191,856	78,779	45,276	27,331	0	14,161	8,116	11,122	4,521
24	Transportation Equipment	225,013	92,394	53,101	32,055	0	16,608	9,518	13,044	5,302
25	Tools, Shop & Garage Equipment	7,359	3,022	1,737	1,048	0	543	311	427	173
26	Power Operated Equipment	29,874	12,266	7,050	4,256	0	2,205	1,264	1,732	704
27	Other Tangible Plant & Routine Annual	30,854	12,670	7,281	4,395	0	2,277	1,305	1,789	727
28	Total	774,304	317,941	182,729	110,305	0	57,151	32,754	44,887	18,245
29	Total Depreciation Expense	4,652,529	1,910,389	1,097,961	662,788	0	343,406	196,809	269,704	109,635
30	Distribution	100.0%	41.1%	23.6%	14.2%	0.0%	7.4%	4.2%	5.8%	2.4%

\*The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 10.1R  
 DEPRECIATION EXPENSE, NET PLANT INVESTMENT, AND OTHER CAPITAL COST ALLOCATION FACTORS

Line No.	Cost Component	Demand Ratio	Allocation Factors			Reference
			Base	Max Day	Max Hour	
1	Base	100.0%	100.0%			
2	Max Day	157.4%	63.5%	36.5%		2002 Demand Data - NKWD
3	Max Hour	236.1%	42.4%	24.3%	33.3%	2002 Demand Data - NKWD

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 10.2R  
 ALLOCATION PROCEDURES

Description	Allocation Procedure
Source of Supply & Pumping	Common to All - Base
Land & Land Rights	Common to All - Base/Maximum Day
Structures & Improvements	Common to All - Base/Maximum Day
Lake River & Other Intakes	Common to All - Base/Maximum Day
Supply Mains	Common to All - Base/Maximum Day
Pumping Equipment	Common to All - Base/Maximum Day
Water Treatment Plant	Common to All - Base/Maximum Day
Land & Land Rights	Common to All - Base/Maximum Day
Structures & Improvements	Common to All - Base/Maximum Day
Water Treatment Equipment	Common to All - Base/Maximum Day
Transmission & Distribution	Common to All - Base
Land & Land Rights	Sum of All excluding Other Plant (T&D category)
Structures & Improvements	Common to All - Base/Maximum Day/Maximum Hour
Distribution Reservoirs & Standpipes	Base/Maximum Day
Transmission & Distribution Mains	Base/Maximum Day/Maximum Hour
Large Mains (as defined in PSC Order 2002-0105)	Meters & Services
Small Mains (as defined in PSC Order 2002-0105)	Meters & Services
Transmission & Distribution Services	Public Fire Protection
Meters & Meter Installation	Sum of the above (T&D category)
Hydrants	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Other Plant & Misc. Equipment	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
General Plant	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Land & Land Rights	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Structures & Improvements	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Office Equipment	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Transportation Equipment	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Tools, Shop & Garage Equipment	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Power Operated Equipment	Sum of the above (Source & Supply, Water Treatment Plant, T&D)
Other Tangible Plant & Routine Annual	Sum of Large Mains and Small Mains
Main Repair, Replacement & Extensions Reserve	Sum of the above (all Plant Investment categories)
Working Capital	Sum of the above (all Plant Investment categories)
Inventory	Distribution System Customers - Base/Maximum Day/Maximum Hour
Contributed Capital	Sum of the above (all Plant Investment categories)
Debt Service and Debt Service Coverage	Sum of the above (all Plant Investment categories)
Interest Income	Sum of the above less Public Fire Protection (all Plant Investment categories less Fire Protection)
Boone & Florence Reserve	

Line No.	Description	Common to All Customers				Distribution System Customers Only(*)			
		Total	Base	Max Day	Max Hour	Base	Max Day	Max Hour	Protection
		\$	\$	\$	\$	\$	\$	\$	\$
1	Source of Supply & Pumping	29,200	29,200						
2	Land & Land Rights	14,601,769	9,272,123	5,329,646					
3	Structures & Improvements	1,000,417	635,265	365,152					
4	Lake River & Other Inakes	1,991,751	1,264,762	726,989					
5	Supply Mains	5,497,290	3,490,779	2,006,511					
6	Pumping Equipment	23,120,428	14,692,130	8,428,298	0	0	0	0	0
7	Total	72,496	46,035	26,461					
8	Water Treatment Plant	29,086,764	18,470,095	10,616,669					
9	Structures & Improvements	8,897,238	5,649,746	3,247,492					
10	Water Treatment Equipment	38,056,498	24,165,876	13,890,622	0	0	0	0	0
11	Total	205,403	205,403	798,262	0	1,098,215	629,401	862,513	146,278
12	Transmission & Distribution	5,796,084	1,384,530	87,399					
13	Land & Land Rights	5,031,837	2,133,499	1,675,602					
14	Structures & Improvements	38,118,138	24,205,018	13,913,120					
15	Distribution Reservoirs & Standpipes	49,657,431							
16	Transmission & Distribution Mains	11,198,491							
17	Large Mains <sup>(a)</sup>	4,105,627							
18	Small Mains	2,804,418							
19	Meters & Meter Installation	259,021	61,874	35,281	3,906	49,078	28,127	38,545	2,804,418
20	Hydrams	117,176,450	27,990,324	15,960,623	1,766,907	16,138,053	22,202,044	17,436,982	6,537
21	Other Plant & Misc. Equipment	298,317	111,812	64,027	2,955	26,993	37,136	21,283	4,846
22	General Plant	3,121,225	1,169,861	669,901	30,921	282,420	388,541	222,678	305,151
23	Land & Land Rights	592,411	222,041	127,148	5,869	53,603	73,745	42,264	57,918
24	Structures & Improvements	358,666	134,432	76,980	3,553	32,453	44,648	25,588	35,065
25	Office Equipment	14,513	5,439	3,115	144	1,313	1,807	1,035	241
26	Transportation Equipment	151,934	56,947	32,609	1,831	13,748	18,913	10,839	14,854
27	Tools, Shop & Garage Equipment	230,051	69,269	39,665	1,831	16,722	23,006	13,185	18,068
28	Power Operated Equipment	4,767,116	1,769,800	1,013,445	46,778	427,252	587,796	336,872	461,640
29	Other Tangible Plant & Routine Annual <sup>(b)</sup>	183,120,492	68,618,130	39,292,988	1,813,685	16,565,305	22,789,840	13,061,156	17,898,622
30	Total	0	0	0	0	0	0	0	0
31	Net Plant Investment	0	0	0	0	0	0	0	0
32	Construction Work In Progress	0	0	0	0	0	0	0	0
33	Annual Repairs & Replacements	0	0	0	0	0	0	0	0
34	Plus: Working Capital	0	0	0	0	0	0	0	0
35	Plus: Inventory	0	0	0	0	0	0	0	0
36	Less: Contributed Capital	(33,948,961)	0	0	0	0	(14,394,359)	(8,249,598)	(11,305,004)
37	Total Plant Investment	149,171,531	68,618,130	39,292,988	1,813,685	16,565,305	45,241	8,395,481	6,593,618
38	Distribution	100.00%	46.00%	26.34%	1.22%	11.10%	0.03%	5.63%	4.42%
39	Total Debt Service	10,553,247	4,854,440	2,779,811	128,310	1,171,924	3,201	593,944	466,470
40	Less: Other Revenues	(1,065,425)	(490,089)	(280,642)	(12,954)	(118,314)	(323)	(59,963)	(47,093)
41	Interest Income	(438,584)	(205,937)	(117,926)	(5,443)	(49,716)	(135)	(25,197)	(14,440)
42	Boone & Florence Reserve and Early Termination	9,049,238	4,158,414	2,381,243	109,913	1,003,894	2,742	508,784	399,588
	Total Adjusted Debt Service	2,110,649	970,888	555,962	25,662	234,385	640	118,789	93,294
	Debt Service Coverage								

\*The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.  
 (a) Where known, CWIP costs associated with Small or Large Mains are allocated directly to either Common-to-All or Distribution System Customers Only.  
 (b) The District's Billing System Replacement Project represents \$45,241 of this total. This has been directly allocated to Billing.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 11.1R  
 NET PLANT INVESTMENT

Description	12/31/02 Original Book Value	Ending December 31, 2002 Adjustments		Jan-May 2003 Adjustments			Test Year CWIP <sup>(a)</sup>	Test Year Net Plant
		Accumulated Depreciation 12/31/01	Plus Current Depreciation	Less Current Retirements	Net Plant Thru 12/31/02	Plus Plant Additions		
	\$	\$	\$	\$	\$	\$	\$	\$
Source of Supply & Pumping								
1 Land & Land Rights	29,200	0	0	0	29,200	0	0	29,200
2 Structures & Improvements	16,870,945	1,730,682	269,443	0	14,870,820	0	0	14,601,769
3 Lake River & Other Intakes	1,524,592	369,883	76,805	0	1,077,904	0	0	1,000,417
4 Supply Mains	2,307,853	269,479	23,312	0	2,015,063	0	0	1,991,751
5 Pumping Equipment	8,429,865	2,345,209	345,247	(28,340)	5,767,749	0	87,338	5,497,290
6 Total	29,162,455	4,715,253	714,807	(28,340)	23,760,736	0	87,338	23,120,428
Water Treatment Plant								
7 Land & Land Rights	72,496	0	0	0	72,496	0	0	72,496
8 Structures & Improvements	33,588,111	3,177,023	573,885	0	29,837,204	0	0	29,086,764
9 Water Treatment Equipment	9,034,241	1,538,902	353,820	0	7,141,519	0	2,143,890	8,897,238
10 Total	42,694,848	4,715,925	927,705	0	37,051,218	0	2,143,890	38,056,498
Transmission & Distribution								
11 Land & Land Rights	205,403	0	0	0	205,403	0	0	205,403
12 Structures & Improvements	7,397,918	1,307,065	168,444	0	5,922,409	0	63,686	5,796,084
13 Distribution Reservoirs & Standpipes	7,440,741	2,143,395	132,754	0	5,164,591	0	132,754	5,031,837
14 Transmission & Distribution Mains	93,267,842	10,004,070	971,846	(138,947)	82,430,873	0	6,385,245	87,775,569
15 Transmission & Distribution Services	16,646,781	4,777,956	332,113	0	11,536,713	0	338,221	11,198,491
16 Meters & Meter Installation	5,437,573	1,065,034	131,315	0	4,241,224	0	135,597	4,105,627
17 Hydrants	3,909,885	949,175	77,914	0	2,882,796	0	78,378	2,804,418
18 Other Plant & Misc. Equipment	1,171,670	729,541	89,349	(2,699)	355,478	0	96,457	259,021
19 Total	135,477,813	20,976,237	1,903,735	(141,646)	112,739,488	0	6,448,932	117,176,450
General Plant								
20 Land & Land Rights	298,317	0	0	0	298,317	0	0	298,317
21 Structures & Improvements	4,146,713	796,331	187,279	0	3,163,103	0	289,348	3,121,225
22 Office Equipment	2,110,231	1,143,825	248,419	(66,279)	784,266	0	191,856	592,411
23 Transportation Equipment	2,137,034	1,349,543	251,359	(47,546)	583,679	0	225,013	358,666
24 Tools, Shop & Garage Equipment	300,502	259,481	19,150	0	21,871	0	7,359	14,513
25 Power Operated Equipment	515,791	404,050	22,032	(92,099)	181,809	0	29,874	151,934
26 Other Tangible Plant & Routine Annual	899,415	709,446	93,903	0	96,065	0	30,854	230,051
27 Total	10,408,004	4,662,675	822,142	(205,924)	5,129,110	0	774,304	4,767,116
Net Plant Investment	217,743,119	35,070,090	4,368,388	(375,910)	178,680,552	0	4,652,529	183,120,492
28 Construction Work In Progress	0	0	0	0	0	0	0	0
29 Annual Repairs & Replacements	0	0	0	0	0	0	0	0
30 Total Plant Investment	217,743,119	35,070,090	4,368,388	(375,910)	178,680,552	0	4,652,529	183,120,492

(a) See Schedule 11.2



NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 11.2R  
 CONSTRUCTION WORK IN PROGRESS DETAIL

	Description	Account	Jan - May 2003 Adjustments			Ending 05/31/03 CWIP	Plus Projects Already Bid or Contracted <sup>(a)</sup>	Total Test Year CWIP	Asset Class
			Ending 12/31/02 CWIP	Plus CWIP Additions	Less Other Credits				
			\$	\$	\$	\$	\$	\$	
1	Upper 8 Mile Phase II	184-0036-000	25,791			25,791		25,791	Small Mains
2	Upper Tug Fork - Popular Ridge (12" Main)	184-0051-000	30,898	3,631		34,529	625,471	660,000	Large Mains
3	SR 536 (Pond Creed) US27 to KY 9 - 16" Main	184-0052-000	95			95		95	Large Mains
4	Bristow Road Pump Station Upsizing	184-0062-000	10,405			10,405		10,405	Small Mains
5	Howard Avenue 8" Main	184-0070-000	2,584			2,584		2,584	Small Mains
6	New 42" from FTTP to Mook Rd @ Joe's Lake Road	184-0076-000	14,821			14,821		14,821	Large Mains
7	SubDistrict E Erlanger Grant Project (8" Main)	184-0078-000	170,316	6,938		177,254	1,262,746	1,440,000	Small Mains
8	24" Main US 27 to Sunset US 2	184-0086-000	0	27,015		27,015	1,272,985	1,300,000	Large Mains
9	City of Elsmere - Garvey Road	184-0089-000	26,029			26,029		26,029	Small Mains
10	Cody Road	184-0091-000	20,000			20,000		20,000	Small Mains
11	Ule Road	184-0095-000	4,036			4,036		4,036	Small Mains
12	Old State Road Pk Hills	184-0096-000	669			669		669	Small Mains
13	Loscy Road Licking Pk to New Tank	184-0098-000	15,157			15,157		15,157	Small Mains
14	Fourth Street Water Main	184-0100-000	285			285		285	Small Mains
15	Cecelia Avenue & S. Arlington Project (8" Main)	184-0101-000	0	6,069		6,069	185,631	191,700	Small Mains
16	Summit Avenue & Garden Way Replacement	184-0102-000	3,500	59,966		63,466		63,466	Small Mains
17	Latonia Pump Station - Upgrade	184-0105-000	20,551	28,392		48,943		48,943	Pump Stations
18	Poplar Ridge	184-0110-000	11,024	6,822		17,846		17,846	Small Mains
19	Arcadia Avenue	184-0118-000	0	11,422		11,422		11,422	Small Mains
20	Ryland Heights Water Main (8")	184-0122-000	21,032	15,018		36,050	135,950	172,000	Small Mains
21	Grandview Water Main Project	184-0124-000	217,899	80,727		298,626		298,626	Small Mains
22	Bramble Avenue Water Main	184-0125-000	10,042	90,412		100,454		100,454	Small Mains
23	Fairview Water Main Replacement	184-0126-000	10,726			10,726		10,726	Small Mains
24	Sanford Street Water Main Replacement (8" Main)	184-0127-000	5,830	270		6,100	223,900	230,000	Small Mains
25	Droege Avenue Project	184-0128-000	5,083	58,477		63,560		63,560	Small Mains
26	West 28th Covington Main Replacement	184-0129-000	13,122			13,122		13,122	Small Mains
27	SubDistrict D - Steffen Rd/Licking Pk/Rte 10 (8" Main)	184-0130-000	22,591	20,180		42,771	417,229	460,000	Small Mains
28	Carlisle Avenue Extension	184-0131-000	228	16,663		16,891		16,891	Small Mains
29	Klette Road/Rice Road	184-0142-000	0	13,212		13,212		13,212	Small Mains
30	Water Main Replacement - Ann Street (8" Main)	184-0150-000	0	63,620		63,620	51,380	115,000	Small Mains
31	Water Works Rd Water Main Replacement	184-0151-000	0	6,025		6,025		6,025	Small Mains
32	Biehl Street Project	184-0152-000	0	168,307		168,307		168,307	Small Mains
33	Hershner Property - Center Street, Covington	184-0153-000	5,027	34,894		39,921		39,921	Small Mains
34	Engineering - Newport Water Plant	184-0155-000	2,942	42,481		45,423		45,423	WTP
35	Thomas Street Water Main Replacement (8" Main)	184-0158-000	0	2,460		2,460	62,540	65,000	Small Mains
36	DOT Johns Hill Rd to DY 9 Relocation	184-0203-000	28,780			28,780		28,780	Small Mains
37	Bristow Road KY 536-Banklick CK & CSR RR	184-0210-000	0		(10,569)	(10,569)		(10,569)	Small Mains
38	Walton Nicholson Pk - Curve Straightening	184-0212-000	3,968	90		4,058		4,058	Small Mains
39	Dolwick Drive Connector to Erlanger	184-0213-000	3,505	366		3,871		3,871	Small Mains
40	Turkeyfoot Road Reconstruction	184-0214-000	24,289	225		24,514		24,514	Small Mains
41	Turkeyfoot Road Relocation	184-0215-000	10,704			10,704		10,704	Small Mains
42	Monumentation	184-0216-000	38,434	45,801		84,235		84,235	Small Mains
43	Amsterdam Road Reconstruction	184-0217-000	483			483		483	Small Mains
44	10th Street Crossing	184-0218-000	4,825			4,825		4,825	Small Mains
45	Fidelity Connector Project	184-0219-000	7,461	1,035		8,496		8,496	Small Mains
46	Pelly Road 16" Main Upgrade	184-0220-000	41,523			41,523		41,523	Large Mains
47	KY 8 Ridge Replacement KDOT Project	184-0221-000	3,525			3,525		3,525	Small Mains
48	Central Facility Study	184-0305-000	65,710			65,710		65,710	Admin
49	Billing Project	184-0310-000	23,330	21,912		45,241		45,241	Billing
50	Water Bottling Machine	184-0340-000	0	20,000		20,000		20,000	Admin
51	Vulnerability Assessment	184-0350-000	70,953	63,746		134,699		134,699	Admin
52	Unnamed Project	184-0410-000	0	199		199		199	Small Mains
53	SCADA Master Plan	184-0411-000	0	99,599		99,599		99,599	Admin
54	Water Tower - IMGGM - S. Campbell County	184-0416-000	63,686			63,686		63,686	Water Towers
55	2 Sodium Hypochlorite Stations, Covington	184-0426-000	72,986			72,986		72,986	WTP
56	Waste to Filter	184-0428-000	1,161,657	789,947		1,951,604		1,951,604	WTP
57	Regulatory Evaluation	184-0429-000	47,060			47,060		47,060	Admin
58	Ultra Violet Disinfection Study	184-0430-000	59,231	14,646		73,878		73,878	WTP
59	Latonia Pump Station	184-0431-000	0	38,395		38,395		38,395	Pump Stations
60	US27 from FTTP to Sunset Phase 2	184-0086-501	367,634	157,452		525,086		525,086	Small Mains
61	Distribution System SCADA	184-0411-501	50,166	28,202		78,368		78,368	Small Mains
62	Total CWIP		2,820,592	2,044,614	(10,569)	4,854,637	4,237,832	9,092,469	

(a) Per PSC Order 2002-0105, all projects that have been bid or contracted for start prior to end of the (calendar) year are included in CWIP. All projects are anticipated to be 90% complete or greater by December 31, 2003.

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 12R  
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

Line No.	Description	Common to All Customers					Distribution System Customers Only(*)			Public Fire Protection	
		Total	Base	Extra Capacity		Metering	Billing	Base	Extra Capacity		
				Max Day	Max Hour				Max Day		Max Hour
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
Source of Supply											
	Licking River Pump Station										
1	Labor	3,075	1,952	1,123							
2	Electric Cost	60,670	54,603	6,067							
3	Materials & Supplies	265	168	97							
4	Contractual Services	19,173	12,175	6,998							
5	Total	83,184	68,899	14,285	0	0	0	0	0	0	
	Ohio River Pump Station #1										
6	Labor	25,040	15,900	9,140							
7	Electric Cost	626,782	564,104	62,678							
8	Materials & Supplies	1,704	1,082	622							
9	Contractual Services	11,450	7,271	4,179							
10	All Other Expenses	0									
11	Total	664,976	588,357	76,619	0	0	0	0	0	0	
	Ohio River Pump Station #2										
12	Labor	13,557	8,609	4,948							
13	Electric Cost	34,149	30,734	3,415							
14	Materials & Supplies	5,416	3,439	1,977							
15	Contractual Services	27,617	17,537	10,080							
16	All Other Expenses	0									
17	Total	80,740	60,320	20,420	0	0	0	0	0	0	
Source of Supply - General											
18	Labor	0	0	0							
19	Purchased Water	30,008	30,008								
20	Electric Cost	57,053	57,053								
21	Chemicals	17,674	17,674								
22	Contractual Services	787	500	287							
23	All Other Expenses	0	0	0							
24	Total	105,521	105,234	287	0	0	0	0	0	0	
25	Total Source of Supply	934,420	822,809	111,611	0	0	0	0	0	0	
Water Quality and Production											
Fort Thomas Treatment Plant											
26	Labor & Labor-Related Expenses	1,136,639	721,766	414,873							
27	Electric Cost	78,286	70,457	7,829							
28	Chemicals & Gas	573,925	573,925								
29	Materials & Supplies	71,450	45,371	26,079							
30	Contractual Services	141,288	89,718	51,570							
31	Insurance	83,646	83,646								
32	All Other Expenses	23,021	14,618	8,403							
33	Total	2,108,253	1,599,500	508,754	0	0	0	0	0	0	
Taylor Mill Treatment Plant											
34	Labor & Labor-Related Expenses	227,802	144,654	83,148							
35	Chemicals & Gas	215,302	215,302								
36	Materials & Supplies	32,349	20,542	11,807							
37	Contractual Services	102,437	65,048	37,389							
38	Insurance	22,272	22,272								
39	All Other Expenses	10,223	6,492	3,731							
40	Total	610,385	474,310	136,075	0	0	0	0	0	0	
Memorial Parkway Treatment Plant											
41	Labor & Labor-Related Expenses	421,650	267,748	153,902							
42	Chemicals & Gas	199,105	199,105								
43	Materials & Supplies	83,649	53,117	30,532							
44	Contractual Services	111,641	70,892	40,749							
45	Insurance	32,592	32,592								
46	All Other Expenses	78,208	49,662	28,546							
47	Total	926,845	673,116	253,729	0	0	0	0	0	0	
Laboratory											
48	Labor & Labor-Related Expenses	369,526	369,526								
49	Chemicals & Gas	8,607	8,607								
50	Materials & Supplies	86,701	86,701								
51	Contractual Services	69,118	69,118								
52	Insurance	7,737	7,737								
53	All Other Expenses	3,879	3,879								
54	Total	545,568	545,568	0	0	0	0	0	0	0	
Instrumentation											
55	Labor & Labor-Related Expenses	155,494	98,739	56,755							
56	Materials & Supplies	33,573	21,319	12,254							
57	Contractual Services	31,130	19,768	11,362							
58	Insurance	3,048	3,048								
59	All Other Expenses	4,775	3,032	1,743							
60	Total	228,020	145,906	82,114	0	0	0	0	0	0	

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 12R CONTINUED  
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

Line No.	Description	Common to All Customers						Distribution System Customers Only(*)			Public Fire Protection
		Total	Base	Extra Capacity		Metering	Billing	Base	Extra Capacity		
				Max Day	Max Hour				Max Day	Max Hour	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Sludge										
61	Labor & Labor-Related Expenses	1,934	1,934								
62	Chemicals & Gas	10,125	10,125								
63	Materials & Supplies	23,471	23,471								
64	Contractual Services	188,608	188,608								
65	Insurance	0	0								
66	All Other Expenses	0	0								
67	Total	224,137	224,137	0	0	0	0	0	0	0	0
68	Total Water Quality and Production	4,643,209	3,662,537	980,672	0	0	0	0	0	0	0
	Pumping and Storage										
	Booster Stations										
69	Labor & Labor-Related Expenses	110,472	70,150	40,322							
70	Electric Cost	865,577	779,020	86,557							
71	Chemicals & Gas	2,744	2,744								
72	Materials & Supplies	32,881	20,879	12,002							
73	Contractual Services	24,385	15,484	8,901							
74	Total	1,036,061	888,278	147,782	0	0	0	0	0	0	0
	Taylor Mill Plant Station										
75	Labor & Labor-Related Expenses	20,990	13,329	7,661							
76	Electric Cost	434,468	391,021	43,447							
77	Materials & Supplies	4,410	2,800	1,610							
78	Contractual Services	18,000	11,430	6,570							
79	Total	477,869	418,580	59,288	0	0	0	0	0	0	0
	Water Towers										
80	Labor & Labor-Related Expenses	16,644	7,058	4,044	5,542						
81	Electric Cost	5,088	2,158	1,236	1,694						
82	Materials & Supplies	3,553	1,507	863	1,183						
83	Contractual Services	349,644	148,248	84,964	116,432						
84	Total	374,929	158,971	91,107	124,851	0	0	0	0	0	0
	Pumping - General										
85	Labor & Labor-Related Expenses	233,886	148,518	85,368							
86	Electric Cost	1,977	1,779	198							
87	Chemicals & Gas	6,394	6,394								
88	Materials & Supplies	14,482	9,196	5,286							
89	Contractual Services	173,139	109,943	63,196							
90	Insurance	42,408	42,408								
91	All Other Expenses	9,303	5,907	3,396							
92	Total	481,589	324,145	157,444	0	0	0	0	0	0	0
93	Total Pumping and Storage	2,370,447	1,789,975	455,621	124,851	0	0	0	0	0	0
	Engineering and Distribution										
	Engineering										
94	Labor - Operations	252,631	107,116	61,389	84,126						
95	Labor - Clerk	66,657	28,262	16,198	22,197						
96	Labor - Operations Supervision	278,706	118,171	67,726	92,809						
97	Vacation/Paid time Off	34,007	14,419	8,264	11,324						
98	Sick Leave	5,470	2,319	1,329	1,822						
99	Holiday	22,984	9,745	5,585	7,654						
100	Labor - Vehicle Maint	0	0	0	0						
101	Labor - Structure & Impr	3,949	1,674	960	1,315						
102	Labor - Maintenance of Mains	0	0	0	0						
103	Labor - Newport	0	0	0	0						
104	FICA Taxes	59,382	25,178	14,430	19,774						
105	Pension	48,266	20,464	11,729	16,073						
106	Health Insurance	124,563	52,815	30,269	41,479						
107	Education/ Recreation	9,446	4,006	2,295	3,145						
108	Misc. Benefits	1,167	494	284	389						
109	Materials & Supplies - Eng	8,115	3,441	1,972	2,702						
110	Materials & Supplies - Shop/Tools	8,205	3,479	1,994	2,732						
111	Materials & Supplies - Safety	2,382	1,010	579	793						
112	Materials & Supplies - Struct & Impr	6,806	2,885	1,654	2,267						
113	Contract Engineering - Ops.	104,695	44,390	25,441	34,864						
114	Contract Engineering - Maint.	546	231	133	182						
115	Contract Serv - Legal	12,064	5,116	2,931	4,017						
116	Contract Serv Other - Ops.	121,046	51,324	29,414	40,308						
117	Communications	14,980	14,980								
118	Utilities	8,069	8,069								
119	Contract Serv. Other - Maint.	1,499	636	364	499						
120	Contract Serv - Struct. & Impr	11,294	4,789	2,744	3,761						
121	Contract Serv. - Maint. of Mains	4,417	1,873	1,073	1,471						
122	Contract Serv. - Maint. of Misc. Plant	0	0	0	0						
123	Auto Gas & Oil	10,342	10,342								
124	Vehicle Maint. - Contractors	0	0	0	0						
125	Vehicle Maint. - Supplies	2,761	1,171	671	919						
126	Insurance - Auto	8,196	3,475	1,992	2,729						
127	Insurance - G/L	47,441	20,115	11,528	15,798						
128	Insurance - Workers Comp.	17,268	7,322	4,196	5,750						
129	Miscellaneous Expenses	2,761	1,171	671	919						
130	Total	1,300,116	570,483	307,815	421,818	0	0	0	0	0	0

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 12R CONTINUED  
 ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

Line No.	Description	Common to All Customers						Distribution System Customers Only(*)			Public Fire Protection
		Total	Base	Extra Capacity		Metering	Billine	Base	Extra Capacity		
				Max Day	Max Hour				Max Day	Max Hour	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Distribution							11,298			
131	Labor - Operations	20,304	9,006								
132	Labor - Clerk	49,953	49,953								
133	Labor - Vehicle Maint.	69,207	29,344	16,817	23,046						
134	Labor - Tractor/ Compressor	0	0	0	0						
135	Labor - Grounds Maint.	0	0								
136	Labor - Maint. Supervision	207,814	42,339	24,265	33,251	21,654	0	32,230	18,472	25,313	10,290
137	Labor - Structure & Impr.	0	0					0			
138	Labor - Maint. of Mains	717,030	134,852	77,286	105,910			169,168	96,953	132,861	
139	Labor - Maint. of Services	206,058	87,369	50,072	68,617						
140	Labor - Maint. of Meters	113,654				113,654					54,010
141	Labor - Maint. of Hydrants	54,010									
142	Labor - Maint. Of Misc. Plant	2,587	1,096	629	862						
143	Labor - Newport	80,544	34,151	19,572	26,821						
144	Labor - Mainline Cleaning & Lining	6,114	1,150	659	903						
145	Sick Leave	39,807	9,766	4,663	6,390	3,746	0	5,888	3,195	4,379	1,780
146	Holiday	49,050	12,037	5,745	7,873	4,615	0	7,255	3,937	5,395	2,193
142	Vacation/Paid Time Off	79,275	19,452	9,286	12,725	7,459	0	11,725	6,363	8,720	3,545
147	FICA Taxes	123,476	30,298	14,463	19,820	11,618	0	18,263	9,911	13,582	5,521
148	Pension	107,587	26,399	12,602	17,269	10,123	0	15,913	8,636	11,834	4,811
149	Misc. Benefits	3,029	744	355	486	285	0	448	243	333	135
150	Health Insurance	265,154	65,064	31,058	42,561	24,949	0	39,218	21,283	29,165	11,856
151	Education/Recreation	8,823	2,167	1,033	1,416	830	0	1,305	708	970	394
152	Materials & Supplies - Office	9,036	9,036								
153	Materials & Supplies - Shop & Tools	39,569	39,569								
154	Materials & Supplies - Safety	20,137	20,137								
155	Materials & Supplies - Computer	3	3								
156	Materials & Supplies - Struct. & Impr.	1,075	477					598			
157	Materials & Supplies - Maint. of Mains	343,727	64,644	37,049	50,771			81,095	46,477	63,691	
158	Materials & Supplies - Services	214,534				214,534					
159	Materials & Supplies - Meters	30,217				30,217					45,345
160	Materials & Supplies - Hydrants	45,345									
161	Materials & Supplies - Maint. of Misc. Plant	3,259	1,382	792	1,085						
162	Materials & Supplies - Cleaning & Lining	2,922	1,239	710	973						
163	Inventory Adjustment	(8,616)	(8,616)								
164	Contract Serv - Engineering	2,743	1,163	667	913						
165	Contract Serv. Other - Ops.	18,902	8,015	4,593	6,294						
166	Communications	11,669	11,669								
167	Utilities	22,897	22,897								
168	Contract Computer Svc	0	0								
169	Contract Serv. Other - Maint.	12,001	12,001								
170	Contract Serv - Grounds Maint	1,623	1,623								
171	Contract Serv - Struct. & Impr.	2,308	433	249	341			545	312	428	
172	Contract Serv - Maint. of Mains	224,414	42,205	24,189	33,147			52,946	30,344	41,583	
173	Contract Serv - Contractors	181,973	77,156	44,220	60,597						
174	Contract Serv. - Maint. of Meters	12,903				12,903					
175	Contract Serv. - Maint. of Misc. Plant	2,008	852	488	668						
176	Contract Serv. - Blow Off Charges	115,780	115,780								
177	Contract Serv. - Main Clean & Lining	515,566	96,963	55,571	76,152			121,637	69,712	95,531	
178	Auto Gas & Oil	57,258	57,258								
179	Vehicle Maint - Contractors	2,228	2,228								
180	Vehicle Maint - Supplies	46,164	46,164								
181	Tractor/Compressor Gas & Oil	6,974	6,974								
182	Tractor/Compressor Maint. - Contractors	720	720								
183	Tractor/Compressor Maint. - Supplies	17,073	17,073								
184	Insurance - Auto	30,984	30,984								
185	Insurance - G/L	47,442	47,442								
186	Insurance - Workers Comp.	35,576	8,730	4,167	5,710	3,347	0	5,262	2,856	3,913	1,591
187	Miscellaneous Expenses	20	8	5	7						
188	Uniforms	14,420	6,114	3,504	4,802						
189	Total	4,288,332	1,297,511	444,709	609,410	459,935	0	576,236	320,229	438,831	141,471
190	Total Engineering and Distribution	5,588,448	1,867,994	752,524	1,031,228	459,935	0	576,236	320,229	438,831	141,471

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 12R CONTINUED  
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

Line No.	Description	Common to All Customers					Distribution System Customers Only(*)				Public Fire Protection
		Total	Base	Extra Capacity		Metering	Billing	Base	Extra Capacity		
				Max Day	Max Hour				Max Day	Max Hour	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
	Customer Service										
	Meter Reading										
191	Labor & Labor-Related Expenses	263,134					263,134				
192	Materials & Supplies	5,316					5,316				
193	Contractual Services	3,002					3,002				
194	Insurance	13,500					13,500				
195	All Other Expenses	12,996					12,996				
196	Total	297,949	0	0	0	0	297,949	0	0	0	0
	Field Service										
197	Labor & Labor-Related Expenses	547,206					547,206				
198	Materials & Supplies	9,133					9,133				
199	Contractual Services	6,060					6,060				
200	Insurance	15,420					15,420				
201	All Other Expenses	38,767					38,767				
202	Total	616,586	0	0	0	0	616,586	0	0	0	0
	Account Service										
203	Labor & Labor-Related Expenses	844,912					844,912				
204	Materials & Supplies	147,435					147,435				
205	Contractual Services	284,985					284,985				
206	Insurance	18,288					18,288				
207	All Other Expenses	6,779					6,779				
	Total	1,302,398	0	0	0	0	1,302,398	0	0	0	0
	Flushing										
208	Labor & Labor-Related Expenses	229,779	172,334								57,445
209	Materials & Supplies	4,488	3,366								1,122
210	Contractual Services	9,790	7,342								2,448
211	Insurance	7,716	5,787								1,929
212	All Other Expenses	13,504	10,128								3,376
213	Total	265,277	198,957	0	0	0	0	0	0	0	66,320
	Customer Service - General										
214	Insurance	23,760	12,139	4,691	2,588	1,031	0	1,292	718	984	317
215	Bad Debt	162,811	83,186	32,142	17,733	7,065	0	8,852	4,919	6,741	2,173
216	All Other Expenses	38,224	19,530	7,546	4,163	1,659	0	2,078	1,155	1,583	510
217	Total	224,795	114,855	44,379	24,484	9,755	0	12,222	6,792	9,308	3,000
218	Total Customer Service	2,707,004	313,812	44,379	24,484	9,755	2,216,933	12,222	6,792	9,308	69,320
	Administration										
	Executive Management										
219	Labor & Labor-Related Expenses	415,050	153,895	67,764	38,427	11,315	94,147	17,868	9,699	13,291	8,644
220	Materials & Supplies	13,409	6,852	2,647	1,460	582	0	729	405	555	179
221	Contractual Services	7,520	3,843	1,485	819	326	0	409	227	311	100
222	Insurance	3,960	2,023	782	431	172	0	215	120	164	53
223	All Other Expenses	16,822	8,595	3,321	1,832	730	0	915	508	696	225
224	Total	456,761	175,208	75,999	42,969	13,125	94,147	20,136	10,959	15,017	9,201
	Accounting/HR/Info Systems/Safety										
225	Labor & Labor-Related Expenses	743,684	320,212	119,428	65,889	26,252	123,907	32,890	18,278	25,047	11,781
226	Materials & Supplies	50,235	25,667	9,917	5,471	2,180	0	2,731	1,518	2,080	671
227	Contractual Services	258,753	132,207	51,083	28,182	11,228	0	14,068	7,818	10,713	3,454
228	Insurance	13,100	6,694	2,586	1,427	568	0	712	396	542	175
229	All Other Expenses	13,081	6,683	2,582	1,425	568	0	711	395	542	175
230	Total	1,078,853	491,463	185,596	102,394	40,796	123,907	51,112	28,405	38,924	16,256
	Board of Commissioners										
231	Labor & Labor-Related Expenses	61,851	31,600	12,211	6,737	2,684	0	3,363	1,869	2,561	826
232	Insurance	14,148	7,229	2,793	1,541	614	0	769	427	586	189
233	All Other Expenses	7,918	4,045	1,563	862	344	0	431	239	328	106
234	Total	83,918	42,875	16,567	9,140	3,642	0	4,563	2,535	3,475	1,121
	Administration - Other										
235	Labor & Labor-Related Expenses	611,100	312,236	120,642	66,558	26,518	0	33,224	18,463	25,302	8,157
236	Materials & Supplies	73,959	37,789	14,601	8,055	3,209	0	4,021	2,235	3,062	987
237	Contractual Services	378,090	193,181	74,642	41,180	16,407	0	20,556	11,423	15,654	5,047
238	Insurance	78,712	40,217	15,539	8,573	3,416	0	4,279	2,378	3,259	1,051
239	All Other Expenses	(498,580)	(254,743)	(98,429)	(54,303)	(21,636)	0	(27,107)	(15,064)	(20,643)	(6,655)
240	Total	643,281	328,680	126,995	70,063	27,914	0	34,973	19,435	26,634	8,587
241	Total Administration	2,262,813	1,038,226	405,157	224,566	85,477	218,054	110,784	61,334	84,050	35,165
242	Total Operation & Maintenance Expense	18,506,342	9,495,354	2,749,964	1,405,129	555,167	2,434,987	699,242	388,355	532,189	245,956
	Plus: Adjustments for Known & Measurable not Included Above										
243	Rate Case Amortization	90,355	35,224	14,866	8,392	2,613	18,425	3,949	2,152	2,950	1,784
244	Total O&M Expense	18,596,697	9,530,578	2,764,830	1,413,521	557,780	2,453,412	703,191	390,507	535,139	247,740
	Less: Other Income										
245	Other Operating Revenue	(1,519,315)	(866,020)	(251,233)	(128,443)	(50,684)	(222,935)	0	0	0	(77,895)
246	Fire Protection Revenue	(77,895)	0	0	0	0	0	0	0	0	0
247	Other Non-Operating Revenue	(123,285)	(64,975)	(22,424)	(11,464)	(4,524)	(19,898)	0	0	0	0
248	Total Adjusted O&M Expense	16,876,203	8,599,583	2,491,173	1,273,614	502,572	2,210,579	703,191	390,507	535,139	169,844
249	Distribution	100.0%	51.0%	14.8%	7.5%	3.0%	13.1%	4.2%	2.3%	3.2%	1.0%

\*The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 12.1R  
 OPERATION AND MAINTENANCE EXPENSES ALLOCATION FACTORS

Line No.	Cost Component	Allocation Factors				Reference
		Demand Ratio	Base	Max Day	Max Hour	
1	Base	100.0%				
2	Max Day	157.4%	63.5%	36.5%		2001 Demand Data - NKWD
3	Max Hour	236.1%	42.4%	24.3%	33.3%	2001 Demand Data - NKWD

Common To All Customers

Total	Extra Capacity		Public Fire Protection
	Base	Max Day	

4	Electric Costs	100.00%	90.0%	10.0%		Electric costs vary with peak electric demands.
5	Flushing Hydrants	100.00%	75.0%			25.0% Primarily to clean water mains and verify they are working properly.
6	Purchased Water	100.00%	100.0%			
7	Chemicals & Gas	100.00%	100.0%			
Transmission & Distribution Lines						
8	Common to All	44.36%	Based on PSC Order 2002-0105			
9	Distribution Only	55.64%	Based on PSC Order 2002-0105			

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 12.2R  
 OPERATION AND MAINTENANCE ALLOCATION PROCEDURES

Line No.	Description	Allocation Procedure
	Licking River Pump Station	
1	Labor	Common to All - Base/Maximum Day
2	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
3	Other	Common to All - Base/Maximum Day
	Ohio River Pump Station	
4	Labor	Common to All - Base/Maximum Day
5	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
6	Other	Common to All - Base/Maximum Day
	Source of Supply - General	
7	Labor	Common to All - Base/Maximum Day
8	Purchased Water	Common to All - Base
9	Chemicals	Common to All - Base
10	Other	Common to All - Base/Maximum Day
	Fort Thomas Treatment Plant	
11	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
12	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
13	Chemicals & Gas	Common to All - Base
14	Insurance	Common to All - Base
15	Other	Common to All - Base/Maximum Day
	Taylor Mill Treatment Plant	
16	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
17	Chemicals & Gas	Common to All - Base
18	Insurance	Common to All - Base
19	Other	Common to All - Base/Maximum Day
20	Laboratory	Common to All - Base
	Instrumentation	
21	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
22	Insurance	Common to All - Base
23	Other	Common to All - Base/Maximum Day
	Project Management	
24	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
25	Insurance	Common to All - Base
26	Other	Common to All - Base/Maximum Day
27	Sludge	Common to All - Base
	Booster Stations	
28	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
29	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
30	Chemicals & Gas	Common to All - Base
31	Other	Common to All - Base/Maximum Day
	Taylor Mill Plant Station	
32	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
33	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
34	Other	Common to All - Base/Maximum Day
35	Water Towers	Common to All - Base/Maximum Day/Maximum Hour
	Pumping - General	
36	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day
37	Electric Cost	Common to All - 90.00% to Base, Remainder to Max Day
38	Chemicals & Gas	Common to All - Base
39	Insurance	Common to All - Base
40	Other	Common to All - Base/Maximum Day
	Engineering	
41	Labor & Labor-Related Expenses	Common to All - Base/Maximum Day/Maximum Hour
42	Other	Common to All - Base/Maximum Day/Maximum Hour, except for Communications, Utilities, & Auto Gas & Oil - Common to All - Base
	Distribution	
43	Labor - Maint. Supervision	Subtotal Maintenance Labor for Mains, Services, Meters, & Hydrants
44	Labor - Maint. of Mains, Vehicles, & Services	Base/Maximum Day/Maximum Hour
45	Labor - Maint. of Meters	Meters
46	Labor - Maint. of Hydrants	Hydrants
47	All Other Labor	Base
48	Labor Related Expenses	Subtotal All Labor
49	Materials & Supplies - Maint. of Mains & Misc. Plant	Base/Maximum Day/Maximum Hour
50	Materials & Supplies - Services & Meters	Meters
51	Materials & Supplies - Hydrants	Hydrants
52	Contract Serv. - Engineering, Other - Ops., S&I, Mains, Main Cleaning, & Contractors	Base/Maximum Day/Maximum Hour
53	Contract Serv. - Maint. of Meters	Meters
54	Insurance - Workers Comp.	Subtotal All Labor
55	Miscellaneous Expenses & Uniforms	Common to All - Base/Maximum Day/Maximum Hour
56	Other	Common to All - Base
57	Meter Reading	Billing
58	Field Service	Billing
59	Account Service	Billing
60	Flushing	Common to All - 75.00% to Base, Remainder to Public Fire Protection
61	Customer Service - General	Subtotal All Except Purchased Water, Power, & Chemicals
	Executive Management	
62	Labor & Labor-Related Expenses	Subtotal All Labor Except Account/HR, Board Members, & Other - Admin
63	Other	Subtotal All Except Purchased Water, Power, & Chemicals
64	Accounting/HR/Info Systems/Safety	Subtotal All Except Purchased Water, Power, & Chemicals
65	Board of Commissioners	Subtotal All Except Purchased Water, Power, & Chemicals
66	Administration - Other	Subtotal All Except Purchased Water, Power, & Chemicals
67	Plus: Salary & Health Insurance Adjustments	Subtotal All Labor & Labor-Related Expenses
68	Plus: Worker's Compensation Adjustments	Subtotal All Insurance
69	Plus: Auto Insurance Adjustments	Subtotal All Insurance
70	Plus: General Liability Insurance Adjustments	Subtotal All Insurance
71	Less: Other Operating & Non-Operating Revenue	Sum of the Above
72	Less: Fire Protection Revenue	Public Fire Protection
73	Less: Boone & Florence Adjustment	Common to All - Base/Maximum Day

Line No.	Customer Class	Total Annual Usage <sup>(a)</sup> ccf	Average		Maximum Day		Maximum Hour		Total		Equivalent 5/8 Inch Meters	Equivalent Hydrants
			Day	ccf/d	Capacity Factor %	Total Capacity ccf/d	Capacity Factor %	Total Capacity ccf/d	Extra Capacity ccf/d	Number of Bills Monthly		
<b>Retail</b>												
<b>Monthly</b>												
1	Residential/Multi Family	221,980	608	1,107	499	300%	1,824	717	1,783	21,392	0	1,839
2	Commercial	88,919	244	407	163	250%	610	203	48	576	0	131
3	Industrial	208,115	570	895	325	200%	1,140	245	3	34	0	94
4	Public Authority	557,405	1,527	2,397	870	200%	3,054	657	19	222	0	190
5	Total Retail Monthly	1,076,420	2,949	4,806	1,857		6,628	1,822	1,852	22,224	0	2,254
<b>Quarterly</b>												
6	Residential/Multi Family <sup>(b)</sup>	5,965,273	16,343	29,744	13,401	300%	49,029	19,285	64,106	0	256,423	65,490
7	Commercial	2,299,555	6,300	10,521	4,221	250%	15,750	5,229	4,597	0	18,386	7,439
8	Industrial	796,488	2,182	3,426	1,244	200%	4,364	938	107	0	429	609
9	Public Authority	381,487	1,045	1,672	627	250%	2,613	941	416	0	1,665	1,370
10	Total Retail Quarterly	9,442,803	25,871	45,363	19,493		71,756	26,393	69,226	0	276,903	74,908
11	Total Retail	10,519,223	28,820	50,169	21,350		78,384	28,215	71,078	22,224	276,903	77,162
<b>Wholesale<sup>(c)</sup></b>												
12	Bullock Pen	102,606	281	441	160	200%	562	121	1	12	0	29
13	Taylor Mill Water	509,488	1,396	2,192	796	200%	2,792	600	1	12	0	136
14	City of Walton	210,927	578	907	329	200%	1,156	249	1	12	0	14
15	City of Bromley	0	0	0	0	200%	0	0	1	12	0	0
16	Boone County	0	0	0	0	200%	0	0	1	12	0	0
17	City of Florence	0	0	0	0	200%	0	0	1	12	0	0
18	Pendleton County Water District	117,658	322	506	184	200%	644	138	1	12	0	696
19	Total Wholesale	940,680	2,577	4,046	1,469		5,154	1,108	7	84	0	875
<b>Fire Protection</b>												
20	Public	0	0	0	0		0	0	0	0	0	8,094
21	Private	0	0	0	0		0	0	345	0	86	353
22	Total Fire Protection	0	0	0	0		0	0	345	0	86	8,447
23	Total System	11,459,903	31,397	54,215	22,819		83,538	29,323	71,430	22,308	276,989	78,037

(a) Adjusted by bill tabulation adjustment factors for each customer class. Bill tabulation adjustment factor for overall system is 101.5%.  
 (b) Includes 12 months of consumption associated with the City of Bromley.  
 (c) Excludes Boone & Florence who left the system in March 2003.





NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 13.2R  
 NUMBER OF BILLS BY METER SIZE DETAIL

	Test Year Number of Bills by Meter Size (Test Year Bill Tab Analysis)										Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
<b>Campbell County</b>											
Monthly											
Residential/Multi Family	671	0	0	0	11	0	0	0	0	0	48
Commercial	24	0	0	0	12	0	12	0	0	0	24
Industrial	0	0	0	0	0	0	0	0	12	12	48
Public Authority	0	0	0	0	12	0	12	12	12	24	802
Subtotal	695	0	0	0	35	0	24	12	12	24	
Quarterly											
Residential/Multi Family	76,505	3,101	774	352	198	5	4	0	3	0	80,942
Commercial	3,572	197	695	563	624	28	44	16	2	0	5,741
Industrial	0	0	4	8	16	0	0	0	4	0	32
Public Authority	333	8	81	40	176	36	13	1	0	0	688
Subtotal	80,410	3,306	1,554	963	1,014	69	61	17	9	0	87,403
Wholesale (Pendleton)	0	0	0	0	0	0	12	12	0	0	24
Total	81,105	3,306	1,554	963	1,049	69	97	41	21	24	88,229

	Percentage Distribution										Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
<b>Monthly</b>											
Residential/Multi Family	98.4%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Commercial	50.0%	0.0%	0.0%	0.0%	25.0%	0.0%	25.0%	0.0%	0.0%	0.0%	100.0%
Industrial	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Public Authority	0.0%	0.0%	0.0%	0.0%	25.0%	0.0%	25.0%	25.0%	25.0%	0.0%	100.0%
<b>Quarterly</b>											
Residential/Multi Family	94.5%	3.8%	1.0%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Commercial	62.2%	3.4%	12.1%	9.8%	10.9%	0.5%	0.8%	0.3%	0.0%	0.0%	100.0%
Industrial	0.0%	0.0%	12.5%	25.0%	50.0%	0.0%	0.0%	0.0%	12.5%	0.0%	100.0%
Public Authority	48.4%	1.2%	11.8%	5.8%	25.6%	5.2%	1.9%	0.1%	0.0%	0.0%	100.0%

	Test Year Number of Bills by Meter Size (Test Year Bill Tab Analysis)										Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
<b>Kenton County</b>											
Monthly											
Residential/Multi Family	20,100	12	248	24	12	0	0	0	0	0	20,396
Commercial	364	0	24	12	24	0	0	12	0	0	436
Industrial	0	0	0	0	0	0	0	0	0	0	0
Public Authority	8	0	10	24	60	0	0	0	12	12	114
Subtotal	20,472	12	282	60	96	0	0	12	0	12	20,946
Quarterly											
Residential/Multi Family	158,657	0	1,883	465	145	28	34	70	16	0	161,298
Commercial	6,092	6	1,371	649	1,152	148	83	60	21	0	9,582
Industrial	76	4	28	32	126	48	44	20	4	0	382
Public Authority	257	0	111	69	271	84	44	28	0	0	864
Subtotal	165,082	10	3,393	1,215	1,694	308	205	178	41	0	172,126
Wholesale											
Bullock Pen	0	0	0	0	0	0	0	12	15	24	63
Taylor Mill Water	0	0	0	0	0	0	12	0	0	0	12
City of Walton	0	0	0	0	0	0	0	0	0	0	0
City of Bromley	0	0	0	0	0	0	0	0	0	0	0
Boone County	0	0	0	0	0	0	0	0	0	0	0
City of Florence	0	0	0	0	0	0	24	27	24	12	87
Subtotal	0	0	0	0	0	0	24	27	24	12	87
Total	185,554	22	3,675	1,275	1,790	308	205	190	41	12	193,072

	Percentage Distribution										Total
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	
<b>Monthly</b>											
Residential/Multi Family	98.5%	0.1%	1.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Commercial	83.5%	0.0%	5.5%	2.8%	5.5%	0.0%	0.0%	2.8%	0.0%	0.0%	100.0%
Industrial	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.5%	100.0%
Public Authority	7.0%	0.0%	8.8%	21.1%	52.6%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
<b>Quarterly</b>											
Residential/Multi Family	98.4%	0.0%	1.2%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Commercial	63.6%	0.1%	14.3%	6.8%	12.0%	1.5%	0.9%	0.6%	0.2%	0.0%	100.0%
Industrial	19.9%	1.0%	7.3%	8.4%	33.0%	12.6%	11.5%	5.2%	1.0%	0.0%	100.0%
Public Authority	29.7%	0.0%	12.8%	8.0%	31.4%	9.7%	5.1%	3.2%	0.0%	0.0%	100.0%

## NORTHERN KENTUCKY WATER DISTRICT

## SCHEDULE 13.3R

## VOLUME AND AVERAGE NUMBER OF ACCOUNTS BY CUSTOMER CLASS DETAIL

Description	Test Year	
	Usage <sup>(a)</sup> ccf	Accounts
<b>Campbell County</b>		
<b>Monthly</b>		
Residential/Multi Family	7,782	56
Commercial	13,636	4
Industrial	124,888	2
Public Authority	69,674	4
Total	215,980	66
<b>Quarterly</b>		
Residential/Multi Family	1,412,931	20,236
Commercial	403,135	1,435
Industrial	119,187	8
Public Authority	38,912	172
Total	1,974,165	21,851
<b>Kenton County</b>		
<b>Monthly</b>		
Residential/Multi Family	113,519	1,700
Commercial	15,131	36
Industrial	0	0
Public Authority	436,907	10
Total	565,557	1,746
<b>Quarterly</b>		
Residential/Multi Family <sup>(b)</sup>	4,233,383	39,905
Commercial <sup>(b)</sup>	1,755,686	2,384
Industrial	670,947	96
Public Authority	332,270	216
Total	6,992,286	42,600
<b>Newport</b>		
<b>Monthly</b>		
Residential/Multi Family	100,679	27
Commercial	60,152	8
Industrial	83,228	1
Public Authority	50,825	5
Total	294,883	41
<b>Quarterly</b>		
Residential/Multi Family	310,326	3,966
Commercial	139,775	778
Industrial	6,355	4
Public Authority	10,305	28
Total	466,761	4,776
<b>Wholesale<sup>(c)</sup></b>		
Bullock Pen	102,606	1
Taylor Mill Water	509,488	1
City of Walton	210,927	1
City of Bromley <sup>(d)</sup>	0	0
Boone County	0	0
City of Florence	0	0
Pendleton County	117,658	1
Total	940,680	4
<b>Total System</b>	<b>11,450,311</b>	<b>71,082</b>

(a) Adjusted by bill tabulation adjustment factors for each customer class. Bill tabulation adjustment factor for overall system is 100.12%.

(b) Includes new customer connections along extensions into presently unserved areas.

(c) Excludes Boone & Florence who left the system in March 2003.

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 13.4R  
 TEST YEAR EQUIVALENT FIRE HYDRANTS

Size (in inches)	Relative Flow Capacity Factor	Equivalent Hydrant Ratio	Public Fire Hydrants		Private Fire Connections		Total Equivalent Fire Hydrants
			Retail	Wholesale	Retail	Wholesale	
2	6.2	0.06	0	0	2	0	
3	18.0	0.16	0	0	3	0	
4	38.3	0.34	0	0	75	0	
6	111.3	1.00	8,094	0	131	0	
8	237.2	2.13	0	0	61	0	
10	426.6	3.83	0	0	14	0	
12	689.0	6.19	0	0	2	0	
Total			8,094	0	288	0	
<b>Equivalent Fire Hydrants</b>			<b>8,094</b>	<b>0</b>	<b>353</b>	<b>0</b>	<b>8,447</b>
<b>Estimated Fire Demand</b>							
Maximum Fire Flow (gpm)		0					
Fire Duration (hours/day)		2					
Fire Protection Demands (1,000 gallons/day)							
Maximum Day		0					
Maximum Hour		0					
Fire Protection Demands (ccf/day)							
Maximum Day		0					
Maximum Hour		0					

Line No.	Customer Class	Total Cost of Service \$	Common to All Customers						Distribution System Customers Only(*)						
			Base		Extra Capacity		Billing		Base		Extra Capacity		Public Fire Protection		
			Ccf	Ccf/day	Max Day	Max Hour	Ccf/day	Max Hour	Eq. Meters	Bills	\$	\$	Max Day	Max Hour	\$
<b>Number of Units</b>															
1	Retail	10,519,223	21,350	28,215	77,162	299,127	10,519,223	21,350	28,215	0	0	0	0	0	0
2	Wholesale	940,680	1,469	1,108	84	84	0	0	0	0	0	0	0	0	
3	Fire Protection	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Private	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Total	11,459,903	22,819	29,323	78,037	299,297	10,519,223	21,350	28,215	0	0	0	0	8,447	
<b>Costs of Service</b>															
<b>Net Operation and Maintenance Expense</b>															
7	Total Cost	16,876,203	8,599,583	2,491,173	1,273,614	502,572	2,210,579	703,191	390,507	535,139	169,844	20,106,97			
8	Unit Cost - \$/Unit	0.75041	109.17102	43.43396	6.44014	7.38590	0.06685	18.29073	18.96647	20.10697					
<b>Depreciation Expense</b>															
9	Total Cost	4,652,529	1,910,389	1,097,961	61,838	662,788	0	343,406	196,809	269,704	109,635				
10	Unit Cost - \$/Unit	0.16670	48.11609	2.10886	8.49321	0.00000	0.03265	9.21822	9.55889	12.97917					
<b>Debt Service</b>															
11	Total Cost	9,049,238	4,158,414	2,381,243	1,099,913	1,003,894	2,742	508,784	291,591	399,588	193,069				
12	Unit Cost - \$/Unit	0.36287	104.35352	3.74835	3.74835	12.86427	0.00916	0.04837	13.65766	14.16225	22.85644				
<b>Debt Service Coverage</b>															
13	Total Cost	2,110,649	970,888	555,962	25,662	234,385	640	118,789	68,079	93,294	42,950				
14	Unit Cost - \$/Unit	0.08472	24.36399	0.87515	3.00350	0.00214	0.01129	3.18871	3.30654	5.08463					
15	Total Unit Cost - \$/unit	1.36470	286.00462	50.16632	30.80112	7.39720	0.15916	44.35532	45.99415	61.02721					
<b>Total Cost of Service - \$</b>															
16	Retail	30,385,426	14,355,528	6,106,199	1,415,443	2,376,675	2,212,701	1,674,170	946,986	1,297,725	(0)				
17	Wholesale	1,787,056	1,283,746	420,141	55,584	26,963	621	0	0	0	0				
18	Fire Protections	493,954	0	0	0	0	0	0	0	0	0				
19	Public	22,182	0	0	0	0	638	0	0	0	0				
20	Private	0	0	0	0	0	0	0	0	0	0				
	<b>Total Cost of Service</b>	<b>32,688,619</b>	<b>15,639,274</b>	<b>6,526,339</b>	<b>1,471,027</b>	<b>2,403,638</b>	<b>2,213,961</b>	<b>1,674,170</b>	<b>946,986</b>	<b>1,297,725</b>	<b>515,499</b>				

\*The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 15R  
 DISTRIBUTION OF COSTS TO CUSTOMER CLASSES

Line No.	Customer Class	Total Cost of Service \$	Common to All Customers					Distribution System Customers Only(*)			Public Fire Protection Eq Hydrants
			Base Ccf	Extra Capacity		Metering Eq. Meters	Billing Bills	Base Ccf	Extra Capacity		
				Max Day Ccf/day	Max Hour Ccf/day				Max Day Ccf/day	Max Hour Ccf/day	
<b>Unit Cost of Service - \$/unit</b>											
1	Retail		1.36470	286.00462	50.16632	30.80112	7.39720	0.15916	44.35532	45.99415	61.02721
2	Wholesale		1.36470	286.00462	50.16632	30.80112	7.39720	0.15916	44.35532	45.99415	61.02721
<b>Retail</b>											
<b>Monthly</b>											
3	<i>Residential/Multi Family</i>										
4	Units of Service		221,980	499	717	1,839	21,392	221,980	499	717	0
5	Allocated Cost - \$	786,960	302,937	142,716	35,969	56,656	158,241	35,330	22,133	32,978	0
<i>Commercial</i>											
6	Units of Service		88,919	163	203	131	576	88,919	163	203	0
7	Allocated Cost - \$	217,162	121,348	46,619	10,184	4,031	4,261	14,152	7,230	9,337	0
<i>Industrial</i>											
8	Units of Service		208,115	325	245	94	34	208,115	325	245	0
9	Allocated Cost - \$	451,198	284,015	92,952	12,291	2,880	252	33,124	14,415	11,269	0
<i>Public Authority</i>											
10	Units of Service		557,405	870	657	190	222	557,405	870	657	0
11	Allocated Cost - \$	1,207,487	760,691	248,824	32,959	5,847	1,642	88,717	38,589	30,218	0
12	<b>Total Retail - Monthly</b>	<b>2,662,807</b>	<b>1,468,991</b>	<b>531,111</b>	<b>91,403</b>	<b>69,414</b>	<b>164,396</b>	<b>171,323</b>	<b>82,367</b>	<b>83,802</b>	<b>0</b>
<b>Quarterly</b>											
<i>Residential/Multi Family</i>											
13	Units of Service		5,965,273	13,401	19,285	65,490	256,423	5,965,273	13,401	19,285	0
14	Allocated Cost - \$	19,285,701	8,140,751	3,832,746	967,457	2,017,167	1,896,812	949,364	594,406	886,997	0
<i>Commercial</i>											
15	Units of Service		2,299,555	4,221	5,229	7,439	18,386	2,299,555	4,221	5,229	0
16	Allocated Cost - \$	5,766,603	3,138,203	1,207,226	262,320	229,125	136,005	365,997	187,224	240,503	0
<i>Industrial</i>											
17	Units of Service		796,488	1,244	938	609	429	796,488	1,244	938	0
18	Allocated Cost - \$	1,736,843	1,086,968	355,790	47,056	18,766	3,173	126,769	55,178	43,143	0
<i>Public Authority</i>											
19	Units of Service		381,487	627	941	1,370	1,665	381,487	627	941	0
20	Allocated Cost - \$	933,474	520,615	179,325	47,207	42,203	12,316	60,717	27,811	43,280	0
21	<b>Total Retail - Quarterly</b>	<b>27,722,621</b>	<b>12,886,537</b>	<b>5,575,087</b>	<b>1,324,040</b>	<b>2,307,261</b>	<b>2,048,306</b>	<b>1,502,847</b>	<b>864,619</b>	<b>1,213,923</b>	<b>0</b>
22	<b>Total Retail</b>	<b>30,385,428</b>	<b>14,355,528</b>	<b>6,106,198</b>	<b>1,415,443</b>	<b>2,376,675</b>	<b>2,212,702</b>	<b>1,674,170</b>	<b>946,986</b>	<b>1,297,725</b>	<b>0</b>
<b>Wholesale</b>											
23	Units of Service		940,680	1,469	1,108	875	84				0
24	Allocated Cost - \$	1,787,055	1,283,746	420,141	55,584	26,963	621				0
<b>Fire Protection</b>											
<i>Public</i>											
25	Units of Service		0	0	0	0	0				8,094
26	Allocated Cost - \$	493,954	0	0	0	0	0				493,954
<i>Private</i>											
27	Units of Service		0	0	0	0	86				353
28	Allocated Cost - \$	22,182	0	0	0	0	638				21,544
29	<b>Total Fire Protection</b>	<b>516,136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>638</b>				<b>515,498</b>
30	<b>Total System</b>	<b>32,688,619</b>	<b>15,639,274</b>	<b>6,526,339</b>	<b>1,471,027</b>	<b>2,403,638</b>	<b>2,213,961</b>	<b>1,674,170</b>	<b>946,986</b>	<b>1,297,725</b>	<b>515,499</b>

\* The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 15.1R  
 ADJUSTED COST OF SERVICE ALLOCATION TO CUSTOMER CLASSES

Line No.	Description	Initial Allocated Cost of Service	Reallocation of Fire Protection Costs		Adjusted Cost of Service
			% COS	Adjustment	
		\$		\$	\$
	Retail				
	Monthly				
1	Residential/Multi Family	786,960	2.6%	13,368	800,328
2	Commercial	217,162	0.7%	3,689	220,851
3	Industrial	451,198	1.5%	7,664	458,862
4	Public Authority	1,207,487	4.0%	20,511	1,227,998
5	Total	2,662,807	8.8%	45,231	2,708,038
	Quarterly				
6	Residential/Multi Family	19,285,701	63.5%	327,593	19,613,294
7	Commercial	5,766,603	19.0%	97,953	5,864,556
8	Industrial	1,736,843	5.7%	29,503	1,766,346
9	Public Authority	933,474	3.1%	15,856	949,330
10	Total	27,722,621	91.2%	470,905	28,193,526
11	Total Retail	30,385,428	100.0%	516,136	30,901,564
12	Wholesale	1,787,055		0	1,787,055
	Fire Protection				
13	Public	493,954		(493,954)	0
14	Private	22,182		(22,182)	0
15	Total Fire Protection	516,136	0.0%	(516,136)	0
16	Total System	32,688,619		0	32,688,619

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 16R  
PROPOSED RATES

Service Charge

Meter Size	Monthly	Quarterly
	Service Charge	Service Charge
5/8"	10.13	15.14
3/4"	10.47	15.93
1"	11.41	18.28
1 1/2"	12.84	21.46
2"	16.15	30.04
3"	38.51	92.79
4"	48.26	116.37
6"	71.53	171.55
8"	96.56	234.22
10" and larger	128.63	305.68

Commodity Charges

	Monthly Block	Quarterly Block	
	ccf	ccf	
First	15	45	\$2.66 per ccf
Next	1,635	4,905	\$2.34 per ccf
Over	1,650	4,950	\$2.18 per ccf
Wholesale			\$1.86 per ccf



NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 16.1R  
DEVELOPMENT OF SERVICE CHARGE

Meter Size	Customer		Meter Ratio	Monthly			Total Service Charge
	Billing Cost	Meter Portion		Equivalent Meter Cost	Fire Protection		
	\$/bill	\$/bill		\$/bill	Equivalent Capacity	Fire Protection Charge	
Unit Cost	7.39720	2.56676					
5/8"	7.40	2.57	1.00	2.57	1.00	0.16	10.13
3/4"	7.40	2.57	1.10	2.83	1.50	0.24	10.47
1"	7.40	2.57	1.40	3.60	2.50	0.41	11.41
1 1/2"	7.40	2.57	1.80	4.63	5.00	0.81	12.84
2"	7.40	2.57	2.90	7.45	8.00	1.30	16.15
3"	7.40	2.57	11.00	28.27	17.50	2.84	38.51
4"	7.40	2.57	14.00	35.98	30.00	4.88	48.26
6"	7.40	2.57	21.00	53.97	62.50	10.16	71.53
8"	7.40	2.57	29.00	74.53	90.00	14.63	96.56
10" and larger	7.40	2.57	38.00	97.66	145.00	23.57	128.63

Meter Size	Customer		Meter Ratio	Quarterly			Total Service Charge
	Billing Cost	Meter Portion		Equivalent Meter Cost	Fire Protection		
	\$/bill	\$/bill		\$/bill	Equivalent Capacity	Fire Protection Charge	
Unit Cost	7.39720	7.70028					
5/8"	7.40	7.70	1.00	7.70	1.00	0.04	15.14
3/4"	7.40	7.70	1.10	8.47	1.50	0.06	15.93
1"	7.40	7.70	1.40	10.78	2.50	0.10	18.28
1 1/2"	7.40	7.70	1.80	13.86	5.00	0.20	21.46
2"	7.40	7.70	2.90	22.33	8.00	0.31	30.04
3"	7.40	7.70	11.00	84.70	17.50	0.69	92.79
4"	7.40	7.70	14.00	107.80	30.00	1.17	116.37
6"	7.40	7.70	21.00	161.70	62.50	2.45	171.55
8"	7.40	7.70	29.00	223.30	90.00	3.52	234.22
10" and larger	7.40	7.70	38.00	292.60	145.00	5.68	305.68

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 16.2R  
 DEVELOPMENT OF COMMODITY CHARGE

Line No.	Customer Class	Adjusted Allocated Cost of Service	Less Revenue From Service Charge	Less Revenue From Other Sources <sup>(a)</sup>	Revenue to be Recovered from Volume Charge	Test Year Annual Usage	Cost of Service Rate
		\$	\$	\$	\$	ccf	\$/ccf
<b>Retail</b>							
<b>Monthly</b>							
1	Residential/Multi Family	800,328	218,884	0	581,444	221,980	2.6193
2	Commercial	220,851	8,803	5,381	206,667	88,919	2.3242
3	Industrial	458,862	3,802	0	455,060	208,115	2.1866
4	Public Authority	1,227,998	8,507	0	1,219,491	557,405	2.1878
5	Total Retail - Monthly	2,708,038	239,996	5,381	2,462,661	1,076,420	2.2878
<b>Quarterly</b>							
6	Residential/Multi Family	19,613,294	3,925,636	0	15,687,658	5,965,273	2.6298
7	Commercial	5,864,556	367,312	0	5,497,244	2,299,555	2.3906
8	Industrial	1,766,346	22,163	0	1,744,183	796,488	2.1898
9	Public Authority	949,330	54,977	0	894,353	381,487	2.3444
10	Total Retail - Quarterly	28,193,526	4,370,088	0	23,823,438	9,442,803	2.5229
11	Total Retail	30,901,564	4,610,084	5,381	26,286,099	10,519,223	2.4989
12	Wholesale	1,787,055	35,417	0	1,751,638	940,680	1.8621
13	Total System	32,688,619	4,645,501	5,381	28,037,737	11,459,903	2.4466
<b>Combined Customer Classes</b>							
<b>Retail</b>							
14	Residential/Multi Family	20,413,621	4,144,520	0	16,269,101	6,187,253	2.6295
15	Commercial/Public Authority	8,262,735	439,599	5,381	7,817,755	3,327,366	2.3495
16	Industrial	2,225,208	25,965	0	2,199,243	1,004,604	2.1892
17	Total Retail	30,901,564	4,610,084	5,381	26,286,099	10,519,223	2.4989
18	Wholesale	1,787,055	35,417	0	1,751,638	940,680	1.8621
19	Total System	32,688,619	4,645,501	5,381	28,037,737	11,459,903	2.4466

(a) Includes Bulk Loading Sales

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 16.3R  
 DEVELOPMENT OF REVENUES FROM SERVICE CHARGE

	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	Total Service Charge Revenue
<b>Retail Monthly</b>											
Retail Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63	
Retail Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68	
Wholesale Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63	
Wholesale Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68	
<b>Residential/Multi Family</b>											
Residential/Multi Family	210.603	126	2,830	3,133	1,405	0	0	787	0	0	218,884
Commercial	4,153	209	274	154	743	385	2,027	858	0	0	8,803
Industrial	0	0	0	0	0	0	0	715	0	3,087	3,802
Public Authorities	81	0	114	308	1,163	770	2,510	858	1,159	1,544	8,507
<b>Total</b>	214,837	335	3,218	3,595	3,311	1,155	4,537	3,218	1,159	4,631	239,996
<b>Quarterly</b>											
Residential/Multi Family	3,772,843	49,845	50,526	17,490	10,604	3,619	4,422	11,837	4,450	0	3,925,636
Commercial	183,890	3,855	42,592	28,885	57,256	17,630	14,779	13,038	5,387	0	367,312
Industrial	1,241	64	585	858	4,536	4,454	5,120	3,431	1,874	0	22,163
Public Authorities	9,326	127	3,957	2,554	14,449	12,248	7,331	4,975	0	0	54,977
<b>Total</b>	3,967,300	53,891	97,670	49,787	86,845	37,951	31,652	33,281	11,711	0	4,370,088
<b>Total Retail</b>	4,182,137	54,226	100,888	53,382	90,156	39,106	36,189	36,499	12,870	4,631	4,610,084
<b>Wholesale</b>											
Bullock Pen	0	0	0	0	0	0	0	0	1,159	0	1,159
Taylor Mill Water	0	0	0	0	0	0	579	1,073	2,317	1,544	5,513
City of Walton	0	0	0	0	0	0	579	0	0	0	579
City of Bromley	0	0	0	0	0	0	0	0	0	0	0
Pendleton County	0	0	0	0	194	0	1,158	3,648	13,905	9,261	28,166
<b>Total Wholesale</b>	0	0	0	0	194	0	2,316	4,721	17,381	10,805	35,417
<b>Total System</b>	4,182,137	54,226	100,888	53,382	90,350	39,106	38,505	41,220	30,251	15,436	4,645,501

**NORTHERN KENTUCKY WATER DISTRICT**

**SCHEDULE 16.4R  
DEVELOPMENT OF BLOCK RATES**

	Water Usage Distribution		
	To 1,500 cf	To 165,000 cf	Over 165,000 cf
<b>Monthly</b>			
Residential/Multi Family	62.70%	37.07%	0.22%
Commercial	2.20%	80.32%	17.48%
Industrial	0.20%	21.83%	77.97%
Public Authority	0.24%	60.77%	38.99%
	To 4,500 cf	To 495,000 cf	Over 495,000 cf
<b>Quarterly</b>			
Residential/Multi Family	82.03%	17.15%	0.82%
Commercial	19.43%	68.03%	12.54%
Industrial	2.25%	55.70%	42.05%
Public Authority	9.90%	75.00%	15.10%
First 15 ccf		2.66	\$ per ccf
Next 1,635 ccf		2.34	\$ per ccf
Over 1,650 ccf		2.18	\$ per ccf
Wholesale		1.86	\$ per ccf

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 16.5R  
 EXISTING RATES

	Unified Rates (Effective 6/10/03)							
	Campbell County Min. Charge		Kenton County Min. Charge		Excluding Newport		Newport <sup>(b)</sup>	
	Monthly	Quarterly <sup>(a)</sup>	Monthly	Quarterly	Monthly	Quarterly	Monthly	Quarterly
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Service Charge</b>								
5/8"	5.67	17.00	5.47	16.42	11.68	16.43	5.70	16.25
3/4"	7.19	21.57	7.28	21.84	11.98	17.14	5.70	16.25
1"	14.95	44.86	10.87	32.61	12.63	19.28	5.70	16.25
1 1/2"	32.79	98.36	19.82	59.46	13.58	22.13	5.70	16.25
2"	52.86	158.57	30.57	91.71	16.20	29.98	5.70	16.25
3"	150.82	452.47	55.66	166.98	35.48	87.73	5.70	16.25
4"	278.34	835.01	91.49	274.47	42.62	109.12	5.70	16.25
6"	682.86	2,048.59	181.07	543.21	59.28	159.03	5.70	16.25
8"			288.57	865.71	78.32	216.07	5.70	16.25
10"			449.82	1,349.46	99.74	280.24	5.70	16.25
<b>Volume Charge</b>								
	\$/ccf	\$/1,000 gal	\$/ccf	\$/1,000 gal	\$/ccf	\$/1,000 gal	\$/ccf	\$/ccf
First 0 ccf	Minimum	Minimum	Minimum	Minimum	2.51	3.36		
Next 15 ccf	2.38	3.18	1.73	2.31	2.51	3.36	1.73	1.73
Next 1,635 ccf	2.38	3.18	1.49	1.99	2.18	2.91	1.63	1.63
Over 1,650 ccf	2.38	3.18	0.90	1.20	2.02	2.70	1.30	1.30
Wholesale	1.44	1.93	1.08	1.44	1.72	2.30	1.14	1.14

(a) First 3,000 gallons (5/8" meter) per quarter included in service charge

(b) Newport volume blocks are as follows:

Monthly	Quarterly
First 6,666 cf	First 20,000 cf
Next 10,000 cf	Next 30,000 cf
Next 16,666 cf	Next 50,000 cf
Over 33,332 cf	Over 100,000 cf

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 17R  
 COMPARISON OF REVENUES UNDER EXISTING RATES  
 AND ALLOCATED COST OF SERVICE(\*)

Line No.	Description	Allocated Cost of Service	Adjusted Cost of Service	Revenue Under Existing Rates	Indicated Percent Change
		\$	\$	\$	%
<b>Retail</b>					
<b>Monthly</b>					
1	Residential/Multi Family	786,960	800,328	695,299	15.11%
2	Commercial	217,162	220,851	148,183	49.04%
3	Industrial	451,198	458,862	360,017	27.46%
4	Public Authority	<u>1,207,487</u>	<u>1,227,998</u>	<u>1,103,212</u>	11.31%
5	Total Retail - Monthly	2,662,807	2,708,038	2,306,711	17.40%
<b>Quarterly</b>					
6	Residential/Multi Family	19,285,701	19,613,294	18,600,109	5.45%
7	Commercial	5,766,603	5,864,556	5,380,367	9.00%
8	Industrial	1,736,843	1,766,346	1,703,886	3.67%
9	Public Authority	<u>933,474</u>	<u>949,330</u>	<u>878,190</u>	8.10%
10	Total Retail - Quarterly	27,722,621	28,193,526	26,562,552	6.14%
11	<b>Total Retail</b>	30,385,428	30,901,564	28,869,263	7.04%
12	<b>Wholesale</b>	1,787,055	1,787,055	1,624,893	9.98%
<b>Fire Protection<sup>(a)</sup></b>					
13	Public	493,954	0	0	0.00%
14	Private	<u>22,182</u>	<u>0</u>	<u>0</u>	0.00%
15	<b>Total Fire Protection</b>	516,136	0	0	0.00%
16	<b>Total System</b>	32,688,619	32,688,619	30,494,156	7.20%

\*The allocation of main investment costs is in accordance with the PSC's Order 2002-0105. Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 17.1R  
 REVENUE UNDER EXISTING RATES

Residential/Multi Family  
 Volume Charge

	Monthly Accounts				Quarterly Accounts				
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	Bill Tab Adj. Factor	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
Campbell County	0.00%	0	2.51	0		0.00%	0	2.51	0
	2.63%	204	2.51	513		90.09%	1,272,892	2.51	3,194,958
	97.31%	7,572	2.18	16,508		9.91%	140,039	2.18	305,285
	0.06%	5	2.02	10		0.00%	0	2.02	0
	100.00%	7,782		17,031	108.47%	100.00%	1,412,931		3,500,243

	Monthly Accounts				Quarterly Accounts				
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	Bill Tab Adj. Factor	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
Kenton County	0.00%	0	2.51	0		0.00%	0	2.51	0
	90.96%	103,257	2.51	259,176		78.18%	3,309,649	2.51	8,307,218
	9.04%	10,262	2.18	22,372		21.07%	892,025	2.18	1,944,614
	0.00%	0	2.02	0		0.75%	31,709	2.02	64,053
	100.00%	113,519		281,548	102.62%	100.00%	4,233,383		10,315,885

	Monthly Accounts				Quarterly Accounts				
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	Bill Tab Adj. Factor	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
Newport	28.24%	28,432	1.73	49,188		97.98%	304,059	1.73	526,022
	27.99%	28,180	1.63	45,933		1.32%	4,110	1.63	6,700
	18.98%	19,110	1.30	24,843		0.31%	950	1.30	1,235
	24.79%	24,958	1.14	28,452		0.39%	1,207	1.14	1,376
	100.00%	100,679		148,416	102.62%	100.00%	310,326		535,333

	Monthly Bills										Quarterly Bills			
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	6"	8"	10"	
Campbell County	660	0	0	0	0	0	0	0	0	0	0	0	0	
Kenton County	20,100	12	248	24	12	0	0	0	0	0	0	0	0	
Newport	30	0	0	220	64	0	0	0	0	0	0	0	0	
Service Charge - Campbell	11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74	59.28	78.32	99.74	
Service Charge - Kenton	11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74	59.28	78.32	99.74	
Service Charge - Newport	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	
Campbell County	76,505	3,101	774	352	198	5	4	4	0	3	0	0	0	
Kenton County	157,005	0	1,863	460	143	28	34	69	16	0	0	0	0	
Newport	15,687	28	127	3	12	6	0	0	0	0	0	0	0	
Service Charge - Campbell	16.43	17.14	19.28	22.13	29.98	87.73	109.12	159.03	216.07	280.24	159.03	216.07	280.24	
Service Charge - Kenton	16.43	17.14	19.28	22.13	29.98	87.73	109.12	159.03	216.07	280.24	159.03	216.07	280.24	
Service Charge - Newport	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	

	Monthly			Quarterly		
	Volume Charge	Service Charge	Total Charge	Volume Charge	Service Charge	Total Charge
Total Revenue Under Existing Rates	446,995	14,351,461	14,798,456	1,435,161	4,248,648	5,683,809
Volume Charge	248,304	4,248,648	4,496,952	746,952	12,745,504	13,492,456
Service Charge	695,299	18,600,109	19,295,408	688,209	20,003,144	20,691,353
Total Charge	1,143,603	22,848,757	23,992,864	1,435,161	32,748,648	34,184,209

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 17-JR CONTINUED  
 REVENUE UNDER EXISTING RATES

Commercial  
 Volume Charge

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
Campbell County	0.00%	0	2.51	0	0.00%	0	2.51	0
	2.20%	300	753	22,205	25.01%	100,830	2.51	253,083
	74.70%	10,186	2.18	6,364	69.60%	280,595	2.18	611,698
	23.10%	3,151	2.02	29,322	5.39%	21,710	2.02	43,854
	100.00%	13,636		102.54%	100.00%	403,135		908,635

Kenton County

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
	0.00%	0	2.51	0	0.00%	0	2.51	0
	20.44%	3,093	2.51	7,763	14.90%	261,610	2.51	656,641
	54.00%	8,171	2.18	17,813	68.45%	1,201,798	2.18	2,619,920
	25.56%	3,867	2.02	7,812	16.65%	292,278	2.02	590,402
	100.00%	15,131		109.99%	100.00%	1,755,686		3,866,963

Newport

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
	11.21%	6,744	1.73	11,667	64.47%	90,108	1.73	155,887
	12.98%	7,806	1.63	12,723	17.20%	24,037	1.63	39,180
	18.38%	11,054	1.30	14,370	10.71%	14,972	1.30	19,464
	57.43%	34,548	1.14	39,385	7.62%	10,658	1.14	12,150
	100.00%	60,152		105.81%	100.00%	139,775		226,681

Service Charge

	Monthly Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Campbell County	24	0	0	12	0	0	0	0	0	0
Kenton County	364	0	24	12	24	0	0	0	12	0
Newport	22	20	0	10	0	10	30	0	0	0
Service Charge - Campbell	11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74
Service Charge - Kenton	11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74
Service Charge - Newport	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70

Campbell County  
 Kenton County  
 Newport

	Quarterly Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Campbell County	3,572	197	695	563	624	28	44	16	2	0
Kenton County	6,061	6	1,364	646	1,146	147	83	60	21	0
Newport	2,513	39	271	137	136	15	0	0	0	0
Service Charge - Campbell	16.43	17.14	19.28	22.13	29.98	87.73	109.12	159.03	216.07	280.24
Service Charge - Kenton	16.43	17.14	19.28	22.13	29.98	87.73	109.12	159.03	216.07	280.24
Service Charge - Newport	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25

Total Revenue Under Existing Rates  
 Monthly: 140,855  
 Quarterly: 5,002,279  
 Volume Charge: 7,328  
 Service Charge: 378,083  
 Total: 148,183 / 5,380,367



NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 17-JR CONTINUED  
 REVENUE UNDER EXISTING RATES

Industrial  
 Volume Charge

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
Campbell County	0.00%	0	2.51	0	0.01%	16	2.51	41
	0.20%	253	2.51	635	0.28%	334	2.51	839
	18.54%	23,151	2.18	50,469	3.90%	4,649	2.18	10,136
	81.26%	101,484	2.02	204,997	95.80%	114,187	2.02	230,657
	100.00%	124,888		256,101	100.00%	119,187		241,673

Kenton County

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
	0.00%	0	2.51	0	0.00%	0	2.51	0
	0.00%	0	2.51	0	2.54%	17,069	2.51	42,844
	0.00%	0	2.18	0	63.52%	426,182	2.18	929,076
	0.00%	0	2.02	0	33.94%	227,696	2.02	459,945
	100.00%	0		0	100.00%	670,947		1,431,865

Newport

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue
	0.84%	698	1.73	1,208	17.68%	1,124	1.73	1,944
	1.26%	1,048	1.63	1,708	24.94%	1,585	1.63	2,584
	2.10%	1,746	1.30	2,270	41.57%	2,642	1.30	3,434
	95.80%	79,735	1.14	90,898	15.80%	1,004	1.14	1,144
	100.00%	83,228		96,084	100.00%	6,355		9,106

Service Charge

	Monthly Bills										Quarterly Bills			
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"	6"	8"	10"	
Campbell County	0	0	0	0	0	0	0	0	0	24	0	0	0	
Kenton County	0	0	0	0	0	0	0	0	0	0	0	0	0	
Newport	0	0	0	0	0	0	0	0	10	0	0	0	0	
Service Charge - Campbell	11.68	11.98	12.63	13.58	16.20	35.48	42.62	42.62	59.28	78.32	99.74	99.74	99.74	
Service Charge - Kenton	11.68	11.98	12.63	13.58	16.20	35.48	42.62	42.62	59.28	78.32	99.74	99.74	99.74	
Service Charge - Newport	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	

Campbell County  
 Kenton County  
 Newport

Service Charge - Campbell  
 Service Charge - Kenton  
 Service Charge - Newport

Total Revenue Under Existing Rates

	Monthly	Quarterly
Bulk Sales	5,381	0
Volume Charge	352,185	1,682,644
Service Charge	2,451	21,242
<b>Total</b>	<b>360,017</b>	<b>1,703,886</b>



NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 17.1R CONTINUED  
 REVENUE UNDER EXISTING RATES

Wholesale  
 Volume Charge

Monthly Accounts				Monthly Bills										
% Dist.	Volume ccf	Rate (\$/ccf)	Adjusted Revenue	Bill Tab Adj. Factor	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
100.00%	117,658	1.72	202,372		0	0	0	0	0	0	12	12	0	0
100.00%	823,022	1.72	1,415,598		0	0	0	0	0	0	24	27	24	12
100.00%	940,680		1,617,970	99.79%										
<b>Pendleton County</b>														
<b>All Others</b>														
<b>Service Charge</b>														
					11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74
					11.68	11.98	12.63	13.58	16.20	35.48	42.62	59.28	78.32	99.74

Total Revenue Under Existing Rates

Volume Charge	1,617,970
Service Charge	6,923
<b>Total</b>	<b>1,624,893</b>

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 18R  
 COMPARISON OF REVENUES UNDER PROPOSED RATES  
 AND ALLOCATED COST OF SERVICE(\*)

Line No.		Allocated Cost of Service	Projected Revenues Under Proposed Rates	Proposed Revenue As % of Allocated Cost of Service
		\$	\$	%
	<b>Retail</b>			
	<b>Monthly</b>			
1	Residential/Multi Family	800,328	782,800	97.8%
2	Commercial	220,851	224,900	101.8%
3	Industrial	458,862	463,900	101.1%
4	Public Authority	<u>1,227,998</u>	<u>1,347,700</u>	109.7%
5	Total Retail - Monthly	2,708,038	2,819,300	104.1%
	<b>Quarterly</b>			
6	Residential/Multi Family <sup>(a)</sup>	19,613,294	19,442,200	99.1%
7	Commercial	5,864,556	5,845,100	99.7%
8	Industrial	1,766,346	1,838,100	104.1%
9	Public Authority	<u>949,330</u>	<u>950,600</u>	100.1%
10	Total Retail - Quarterly	28,193,526	28,076,000	99.6%
11	<b>Total Retail</b>	30,901,564	30,895,300	100.0%
12	<b>Wholesale</b>	1,787,055	1,785,100	99.9%
	<b>Fire Protection</b>			
13	Public	0	0	0.0%
14	Private	<u>0</u>	<u>0</u>	0.0%
15	<b>Total Fire Protection</b>	0	0	0.0%
16	<b>Total System</b>	32,688,619	32,680,400	100.0%

Allocations based on actual usage, as supported by hydraulic data, are presented in the rate schedules included in Petitioner's Exhibit N, Appendix D.

NORTHERN KENTUCKY WATER DISTRICT  
 SCHEDULE 18.1R  
 REVENUE UNDER PROPOSED RATES BY CUSTOMER CLASS

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue
Residential/Multi Family Volume Charge	62.70%	139,190	2.66	370,200	82.03%	4,893,040	2.66	13,015,500
	37.07%	82,296	2.34	192,600	17.15%	1,023,140	2.34	2,394,100
	0.22%	494	2.18	1,100	0.82%	49,092	2.18	107,000
	100.00%	221,980		563,900	100.00%	5,965,273		15,516,600

	Number of Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Service Charge	20,790	12	248	244	87	0	0	11	0	0
Monthly Accounts	249,197	3,129	2,764	815	353	39	38	69	19	0
Service Charge - Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63
Service Charge - Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68

**Total Revenue Under Proposed Rates**

	Monthly	Quarterly
Volume Charge	563,900	15,516,600
Service Charge	218,900	3,925,600
Total	782,800	19,442,200

	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue
Commercial Volume Charge	29.78%	26,479	2.66	70,400	19.43%	446,778	2.66	1,188,400
	67.33%	59,867	2.34	140,100	68.03%	1,564,350	2.34	3,660,600
	2.89%	2,573	2.18	5,600	12.54%	288,427	2.18	628,800
	100.00%	88,919		216,100	100.00%	2,299,555		5,477,800

	Number of Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Service Charge	410	20	24	12	46	10	42	12	0	0
Monthly Accounts	12,146	242	2,330	1,346	1,906	190	127	76	23	0
Service Charge - Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63
Service Charge - Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68

**Total Revenue Under Proposed Rates**

	Monthly	Quarterly
Volume Charge	216,100	5,477,800
Service Charge	8,800	367,300
Total	224,900	5,845,100

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 18.1R CONTINUED  
 REVENUE UNDER PROPOSED RATES BY CUSTOMER CLASS

Industrial Volume Charge	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue
	0.20%	422	2.66	1,100	2.25%	17,953	2.66	47,800
	18.60%	38,703	2.34	90,600	55.70%	443,606	2.34	1,038,000
	81.20%	168,990	2.18	368,400	42.05%	334,930	2.18	730,100
	100.00%	208,115		460,100	100.00%	796,488		1,815,900

  

Service Charge	Number of Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Monthly Accounts	0	0	0	0	0	0	0	0	0	24
Quarterly Accounts	82	4	32	40	151	48	44	20	8	0
Service Charge - Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63
Service Charge - Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68

Total Revenue Under Proposed Rates

	Monthly	Quarterly
Volume Charge	460,100	1,815,900
Service Charge	3,800	22,200
Total	463,900	1,838,100

Public Authority  
Volume Charge

Public Authority Volume Charge	Monthly Accounts				Quarterly Accounts			
	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue	% Dist.	Volume ccf	Rate (\$/ccf)	Revenue
	19.88%	110,792	2.66	294,700	9.90%	37,777	2.66	100,500
	79.44%	442,809	2.34	1,036,200	75.00%	286,109	2.34	669,500
	0.68%	3,805	2.18	8,300	15.10%	57,600	2.18	125,600
	100.00%	557,405		1,339,200	100.00%	381,487		895,600

Service Charge

Service Charge	Number of Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Monthly Accounts	8	0	10	24	72	20	52	12	12	12
Quarterly Accounts	616	8	217	119	481	132	63	29	0	0
Service Charge - Monthly	10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63
Service Charge - Quarterly	15.14	15.93	18.28	21.46	30.04	92.79	116.37	171.55	234.22	305.68

Total Revenue Under Proposed Rates

	Monthly	Quarterly
Volume Charge	1,339,200	895,600
Service Charge	8,500	55,000
Total	1,347,700	950,600

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 18.IR CONTINUED  
 REVENUE UNDER PROPOSED RATES BY CUSTOMER CLASS

Wholesale  
 Volume Charge

Monthly Accounts			
% Dist.	Volume ccf	Rate (\$/ccf)	Revenue
100.00%	940,680	1.86	1,749,700
0.00%	0		0
0.00%	0		0
100.00%	940,680		1,749,700

Service Charge

Monthly Accounts	Number of Bills									
	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
0	0	0	0	0	0	0	0	0	0	0
10.13	10.47	11.41	12.84	16.15	38.51	48.26	71.53	96.56	128.63	

Service Charge - Monthly

Total Revenue Under Proposed Rates

Volume Charge	1,749,700
Service Charge	35,400
Total	1,785,100

NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE 19R  
COMPARISON OF TYPICAL WATER BILLS UNDER EXISTING AND PROPOSED RATES

Meter Size	Monthly Usage		Campbell & Kenton Counties				Newport						
			Existing Rates		Proposed Rates		Existing Rates		Proposed Rates				
			Ccf	1,000 gallons	\$	\$	Increase	Increase %	\$	\$	Increase	Increase %	
Monthly													
5/8"	0	0	11.68	10.13	(1.55)	(13.3%)	5.70	10.13	4.43	77.7%			
5/8"	3	2	18.38	17.23	(1.15)	(6.3%)	10.32	17.23	6.91	67.0%			
5/8"	7	5	28.45	27.90	(0.55)	(1.9%)	17.26	27.90	10.64	61.7%			
5/8"	8	6	31.81	31.46	(0.35)	(1.1%)	19.58	31.46	11.89	60.7%			
5/8"	13	10	45.24	45.69	0.45	1.0%	28.83	45.69	16.86	58.5%			
5/8"	20	15	60.34	61.85	1.51	2.5%	40.39	61.85	21.46	53.1%			
5/8"	27	20	74.92	77.50	2.58	3.4%	51.96	77.50	25.54	49.2%			
5/8"	40	30	104.05	108.76	4.71	4.5%	75.07	108.76	33.69	44.9%			
5/8"	67	50	162.34	171.34	9.00	5.5%	121.32	171.34	50.03	41.2%			
5/8"	134	100	308.05	327.74	19.69	6.4%	230.26	327.74	97.48	42.3%			
3/4"	40	30	104.35	109.10	4.75	4.6%	75.07	109.10	34.03	45.3%			
3/4"	67	50	162.64	171.68	9.04	5.6%	121.32	171.68	50.37	41.5%			
3/4"	134	100	308.35	328.08	19.73	6.4%	230.26	328.08	97.82	42.5%			
1"	27	20	75.87	78.78	2.91	3.8%	51.96	78.78	26.82	51.6%			
1"	67	50	163.29	172.62	9.33	5.7%	121.32	172.62	51.31	42.3%			
1"	134	100	309.00	329.02	20.02	6.5%	230.26	329.02	98.76	42.9%			
1 1/2"	134	100	309.95	330.45	20.50	6.6%	230.26	330.45	100.19	43.5%			
1 1/2"	334	250	747.09	799.67	52.58	7.0%	501.68	799.67	297.99	59.4%			
1 1/2"	668	500	1,475.64	1,581.70	106.06	7.2%	882.67	1,581.70	699.03	79.2%			
2"	334	250	749.71	802.98	53.27	7.1%	501.68	802.98	301.30	60.1%			
2"	668	500	1,478.26	1,585.01	106.75	7.2%	882.67	1,585.01	702.34	79.6%			
2"	1,337	1,000	2,935.40	3,149.09	213.69	7.3%	1,644.66	3,149.09	1,504.43	91.5%			
3"	668	500	1,497.54	1,607.37	109.83	7.3%	882.67	1,607.37	724.70	82.1%			
3"	1,337	1,000	2,954.68	3,171.45	216.77	7.3%	1,644.66	3,171.45	1,526.79	92.8%			
3"	2,674	2,000	5,705.12	6,135.78	430.66	7.5%	3,168.61	6,135.78	2,967.17	93.6%			
4"	1,337	1,000	2,961.82	3,181.20	219.38	7.4%	1,644.66	3,181.20	1,536.54	93.4%			
4"	2,674	2,000	5,712.26	6,145.53	433.27	7.6%	3,168.61	6,145.53	2,976.92	94.0%			
4"	6,684	5,000	13,813.31	14,888.25	1,074.94	7.8%	7,740.49	14,888.25	7,147.76	92.3%			
6"	2,674	2,000	5,728.92	6,168.80	439.88	7.7%	3,168.61	6,168.80	3,000.19	94.7%			
6"	6,684	5,000	13,829.97	14,911.52	1,081.55	7.8%	7,740.49	14,911.52	7,171.03	92.6%			
6"	13,368	10,000	27,331.69	29,482.68	2,150.99	7.9%	15,360.27	29,482.68	14,122.41	91.9%			
8"	6,684	5,000	13,849.01	14,936.55	1,087.54	7.9%	7,740.49	14,936.55	7,196.06	93.0%			
8"	13,368	10,000	27,350.73	29,507.71	2,156.98	7.9%	15,360.27	29,507.71	14,147.44	92.1%			
8"	26,736	20,000	54,354.21	58,650.08	4,295.87	7.9%	30,599.86	58,650.08	28,050.22	91.7%			
10"	13,368	10,000	27,372.15	29,539.78	2,167.63	7.9%	15,360.27	29,539.78	14,179.51	92.3%			
10"	26,736	20,000	54,375.63	58,682.15	4,306.52	7.9%	30,599.86	58,682.15	28,082.29	91.8%			
10"	66,840	50,000	135,386.04	146,109.22	10,723.19	7.9%	76,318.60	146,109.22	69,790.62	91.4%			
Quarterly													
5/8"	0	0	16.43	15.14	(1.29)	(7.9%)	16.25	15.14	(1.11)	(6.8%)			
5/8"	8	6	36.56	36.47	(0.09)	(0.2%)	30.13	36.47	6.35	21.1%			
5/8"	20	15	66.76	68.47	1.71	2.6%	50.94	68.47	17.53	34.4%			
5/8"	24	18	76.82	79.14	2.32	3.0%	57.87	79.14	21.27	36.7%			
5/8"	40	30	117.08	121.81	4.73	4.0%	85.62	121.81	36.19	42.3%			
5/8"	60	45	162.43	170.31	7.88	4.9%	120.33	170.31	49.98	41.5%			
5/8"	80	60	206.14	217.23	11.09	5.4%	155.01	217.23	62.22	40.1%			
5/8"	120	90	293.56	311.07	17.51	6.0%	224.39	311.07	86.68	38.6%			
5/8"	201	150	468.41	498.76	30.35	6.5%	363.10	498.76	135.66	37.4%			
5/8"	401	300	905.55	967.97	62.42	6.9%	689.95	967.97	278.03	40.3%			
3/4"	120	90	294.27	311.86	17.59	6.0%	224.39	311.86	87.47	39.0%			
3/4"	201	150	469.12	499.55	30.43	6.5%	363.10	499.55	136.45	37.6%			
3/4"	401	300	906.26	968.76	62.50	6.9%	689.95	968.76	278.82	40.4%			
1"	80	60	211.84	220.37	8.53	4.0%	155.01	220.37	65.36	42.2%			
1"	201	150	474.11	501.90	27.79	5.9%	363.10	501.90	138.80	38.2%			
1"	401	300	911.25	971.11	59.86	6.6%	689.95	971.11	281.17	40.8%			
1 1/2"	401	300	919.10	974.29	55.19	6.0%	689.95	974.29	284.35	41.2%			
1 1/2"	1,003	750	2,230.50	2,381.94	151.44	6.8%	1,504.21	2,381.94	877.73	58.4%			
1 1/2"	2,005	1,500	4,416.19	4,728.05	311.86	7.1%	2,647.19	4,728.05	2,080.86	78.6%			
2"	1,003	750	2,288.25	2,390.52	102.27	4.5%	1,504.21	2,390.52	886.31	58.9%			
2"	2,005	1,500	4,473.94	4,736.63	262.69	5.9%	2,647.19	4,736.63	2,089.44	78.9%			
2"	4,010	3,000	8,845.30	9,428.82	583.52	6.6%	4,933.13	9,428.82	4,495.69	91.1%			
3"	2,005	1,500	4,495.33	4,799.38	304.05	6.8%	2,647.19	4,799.38	2,152.19	81.3%			
3"	4,010	3,000	9,017.02	9,491.57	474.55	5.3%	4,933.13	9,491.57	4,558.44	92.4%			
3"	8,021	6,000	17,118.05	18,384.60	1,266.55	7.4%	9,505.00	18,384.60	8,879.60	93.4%			
4"	4,010	3,000	9,066.93	9,515.15	448.22	4.9%	4,933.13	9,515.15	4,582.02	92.9%			
4"	8,021	6,000	17,167.96	18,408.18	1,240.22	7.2%	9,505.00	18,408.18	8,903.18	93.7%			
4"	20,052	15,000	41,471.08	44,636.30	3,165.22	7.6%	23,220.62	44,636.30	21,415.68	92.2%			
6"	8,021	6,000	17,225.00	18,463.36	1,238.36	7.2%	9,505.00	18,463.36	8,958.36	94.2%			
6"	20,052	15,000	41,528.12	44,691.48	3,163.36	7.6%	23,220.62	44,691.48	21,470.86	92.5%			
6"	40,104	30,000	82,033.32	88,405.02	6,371.70	7.8%	46,079.99	88,405.02	42,325.03	91.9%			
8"	20,052	15,000	41,592.29	44,754.15	3,161.86	7.6%	23,220.62	44,754.15	21,533.53	92.7%			
8"	40,104	30,000	82,097.49	88,467.69	6,370.20	7.8%	46,079.99	88,467.69	42,387.70	92.0%			
8"	80,208	60,000	163,107.92	175,894.78	12,786.86	7.8%	91,798.75	175,894.78	84,096.03	91.6%			
10"	40,104	30,000	81,817.25	88,539.15	6,721.90	8.2%	46,079.99	88,539.15	42,459.16	92.1%			
10"	80,208	60,000	162,827.68	175,966.24	13,138.56	8.1%	91,798.75	175,966.24	84,167.49	91.7%			
10"	200,521	150,000	405,858.91	438,247.47	32,388.56	8.0%	228,954.99	438,247.47	209,292.49	91.4%			