

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

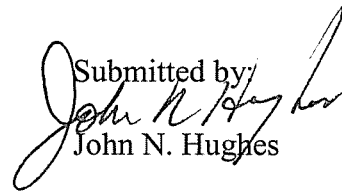
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DEC 14 2007
PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF NORTHERN)
KENTUCKY WATER DISTRICT (A) FOR)
AN ADJUSTMENT OF RATES; (B))
A CERTIFICATE OF CONVENIENCE) Case No. 2007-00135
AND NECESSITY FOR IMPROVEMENTS)
TO WATER FACILITIES IF NECESSARY)
AND (C) ISSUANCE OF BONDS)

NOTICE OF FILING OF REVISED SCHEDULES

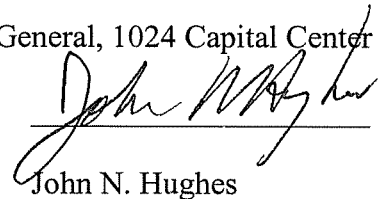
Northern Kentucky Water District (NKWD), by counsel, submits for filing revised schedules 1-10, which reflect adjustments necessitated by the Commission's order in Case No. 2006-00398. Northern has accepted the depreciation rates in Appendix B of the Order dated November 21, 2007 in Case No. 2006-00398. The attached schedules replace those filed with the Application and should be used in determining the rates allowed Northern.

Submitted by:

John N. Hughes

Attorney for NKWD

Certificate:

I certify that a copy of this Notice was delivered to the Attorney General, 1024 Capital Center Drive, Frankfort, KY, 40601 on December 14, 2007.


John N. Hughes

NORTHERN KENTUCKY WATER DISTRICT

**SCHEDULE 1
SUMMARY OF TEST YEAR REVENUE REQUIREMENTS
TEST YEAR 2007**

<u>Line No.</u>		<u>Total</u>	<u>Reference</u>
		\$	
1	Operation & Maintenance Expense	21,341,496	Schedule 2
2	Debt Service Requirements	13,969,286	Schedule 3
3	Depreciation Expense	8,149,106	Schedule 4
4	Debt Service Coverage	<u>2,701,477</u>	Schedule 3
5	Total Revenue Requirements	46,161,365	
6	Less: Operating Revenue not Subject to Rate Increase	(2,128,688)	Schedule 5
7	Less: Non-Operating Revenue	(2,387,169)	Schedule 6
8	Less: Boone & Florence	<u>(443,685)</u>	Schedule 6
9	Net Revenue Requirements	41,201,823	
10	Revenues Under Existing Rates	<u>(34,938,417)</u>	Schedule 7
11	Revenue Increase Required	6,263,406	
12	Percentage Revenue Increase Required	17.927%	

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 2
TEST YEAR OPERATION AND MAINTENANCE EXPENSE
TEST YEAR 2007

Line No.		
	UNADJUSTED TEST YEAR OPERATION AND MAINTENANCE EXPENSE	
1	Operation and Maintenance Expense	20,831,914
	ADJUSTMENTS FOR KNOWN AND MEASURABLE CHANGES	
2	Salary Increases @ 4%	134,205
3	Pension & Benefit Increases @ 14.1% (a)	139,958
4	Health Insurance Increases @ 12.4%	181,816
5	Electric Cost Increases @ 17%	204,186
6	Gas Cost Increases @ 17%	0
7	Rate Case Amortization	(7,541)
8	Capital/Nonrecurring Items	(157,321)
9	Total Adjustments for Known and Measurable	495,303
10	Total Test Year Operation and Maintenance Expense	21,327,217

(a) Includes \$2,209 for 401-457 match.

NORTHERN KENTUCKY WATER DISTRICT

**SCHEDULE 3
DEBT SERVICE**

<u>Year</u>	<u>Existing Revenue Bonds</u>	<u>Proposed 2008 Revenue Bonds</u>	<u>Total Revenue Bonds</u>	<u>Proposed 2007 SRF Loan</u>	<u>Taylor Mill Purchase Financing</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
2007	12,262,241		12,262,241	160,500	250,000	12,672,741
2008	12,747,095	754,236	13,501,331	275,100	250,000	14,026,431
2009	12,748,138	1,965,304	14,713,442	275,100	175,000	15,163,542
2010	12,742,139	1,964,319	14,706,458	275,100	175,000	15,156,558
2011	12,744,149	1,961,821	14,705,970	275,100	175,000	15,156,070
3-Year Average			13,507,386	236,900	225,000	13,969,286
Debt Service Coverage @ 20%			2,701,477			

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 4

DEPRECIATION EXPENSE

TEST YEAR 2007

Line No.	Plant Account	Dec. 31, 2006 Depreciation	Change in Current Assets	Test Year Depreciation
		(1)	(2)	(3)
		\$	\$	\$
		(1) + (2)		
1	Source of Supply & Pumping	0	0	0
2	Land & Land Rights	495,953	38,400	534,353
3	Structures & Improvements	43,017	0	43,017
4	Lake River & Other Intakes	75,371	0	75,371
5	Supply Mains	279,740	0	279,740
6	Pumping Equipment	894,081	38,400	932,481
7	Water Treatment Plant	0	0	0
8	Land & Land Rights	1,062,261	8,800	1,071,061
9	Structures & Improvements	300,042	0	300,042
10	Water Treatment Equipment	1,362,303	8,800	1,371,103
11	Land & Land Rights	0	0	0
12	Structures & Improvements	226,529	66,300	292,829
13	Distribution Reservoirs & Standpipes	220,522	0	220,522
14	Transmission & Distribution Mains	3,552,498	116,000	3,668,498
15	Transmission & Distribution Services	619,321	0	619,321
16	Meters & Meter Installation	220,866	0	220,866
17	Hydrants	156,160	0	156,160
18	Other Plant & Misc. Equipment	99,810	0	99,810
19	Subtotal	5,095,706	182,300	5,278,006
20	General Plant	0	0	0
21	Land & Land Rights	360,972	0	360,972
22	Structures & Improvements	65,623	0	65,623
23	Office Equipment	78,838	0	78,838
24	Transportation Equipment	8,361	0	8,361
25	Tools, Shop & Garage Equipment	27,545	0	27,545
26	Power Operated Equipment	26,178	0	26,178
27	Other Tangible Plant	567,516	0	567,516
28	Total Plant Investment	7,919,606	229,500	8,149,106

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 5
 REVENUES NOT SUBJECT TO RATE INCREASE
 TEST YEAR 2007

Line No.	2007	\$
1	Other Operating Revenue	713,273
2	Rent from Water Property (a)	396,716
3	Rent from Water Property - Newport	1,200
4	Fire Protection	42,637
5	Meter Tests	717
6	Income Turn On Fees	398,335
7	Income Turn on Fees - Taylor Mill	330
8	Returned Check Charge	13,820
9	Current Surcharge Revenues	561,660
10	Total Other Operating Revenue	<u>2,128,688</u>
(a)	Represents a reduction of \$95,878.20 due to loss of 2008 rental income at central facility.	

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 6

NON-OPERATING INCOME

TEST YEAR 2007

Line No.		2007
1	Non-Operating Revenues	\$
2	Sale of Fixed Assets	6,799
3	Income Miscellaneous	77,571
4	Lab Test Fees	29,964
5	Commission on Sales Tax	5,430
6	Material Sold	34,624
7	Interest Income	2,227,971
8	Miscellaneous Income	4,810
9	Boone & Florence Reserve	443,685
	Total Non-Operating Revenues	<u>2,830,854</u>

NORTHERN KENTUCKY WATER DISTRICT

**SCHEDULE 7
REVENUES UNDER CURRENT RATES
TEST YEAR 2007**

Line No.		Metered Sales			Total
		Retail	Wholesale	Bulk	
		\$	\$	\$	
1	2006 Revenues	31,528,505	921,897	6,954	32,457,356
2	Plus Volume Normalization (a)	1,726,541	0		1,726,541
3	Plus Prior Rate Increase (b)	739,640	14,880		754,520
4	2007 Revenues	33,994,686	936,777	6,954	34,938,417

- (a) Adjustment to normalize for abnormally low billable water usage due to rainy weather in 2006.
 (b) Adjustment for Rate Increase approved in PSC Order 2005-00148.

NORTHERN KENTUCKY WATER DISTRICT

**SCHEDULE 8
PROPOSED RATES
EFFECTIVE**

<u>MeterSize</u>	<u>Monthly</u>	<u>Quarterly</u>
	\$	\$
Fixed Service Charge - \$/bill		
5/8"	12.54	18.97
3/4"	12.96	19.99
1"	14.15	22.98
1 1/2"	15.93	27.08
2"	20.13	38.07
3"	48.61	118.45
4"	60.89	148.69
6"	90.16	219.44
8"	121.75	299.79
10"	161.91	391.47

Monthly Volume Charge - \$/Ccf

First 1,500 cubic feet	3.31
Next 163,500 cubic feet	2.88
Over 165,000 cubic feet	2.55

Quarterly Volume Charge - \$/Ccf

First 4,500 cubic feet	3.31
Next 490,500 cubic feet	2.88
Over 495,000 cubic feet	2.55

Wholesale Volume Charge - \$/Ccf

Bullock Pen Water District	2.22
City of Walton	2.22
Pendleton County	2.22

Ccf - Hundred Cubic Feet

NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE 9
COMPARISON OF ADJUSTED COST OF SERVICE
WITH REVENUE UNDER PROPOSED RATES
TEST YEAR 2007

Line No.	Customer Class	(1) Cost of Service	(2) Revenue Under Existing Rates	(3) Revenue Under Proposed Rates	(4) Proposed Revenue as a Percent of Cost of Service	(5) Indicated Increase Over Existing Rates
1	Residential/Multi Family	944,694	143,758	170,073	18.305%	17.940%
2	Commercial				18.134%	18.305%
3	Industrial		536,999	634,378	18.402%	18.134%
4	Public Authority		724,899	858,296		18.402%
5	Subtotal	2,350,350	724,899	2,776,917		18.149%
6	Residential/Multi Family	23,508,053	5,228,107	27,700,725	17.835%	17.835%
7	Commercial				18.237%	18.237%
8	Industrial		2,046,994	2,421,974	18.319%	18.319%
9	Public Authority		867,793	1,026,669	18.308%	18.308%
10	Subtotal	31,650,947	867,793	37,330,948		17.946%
11	Total Retail	34,001,297	34,001,297	40,107,865	17.960%	17.960%
12	Wholesale		937,120	1,100,356	17.419%	17.419%
13	Total System	41,201,823	34,938,417	41,208,221	100.0%	17.945%

NORTHERN KENTUCKY WATER DISTRICT

SCHEDULE 10
COMPARISON OF TYPICAL WATER BILLS
UNDER EXISTING AND PROPOSED RATES
TEST YEAR 2007

(1) Meter Size	(2) Monthly Usage		(3)-(6) Monthly				(7) Monthly Usage		(8)-(11) Quarterly			
	Ccf	Mgal	Existing Rates	Proposed Rates	Increase	Increase	Ccf	Mgal	Existing Rates	Proposed Rates	Increase	Increase
			\$	\$	\$	%			\$	\$	\$	%
5/8"	0.00	0	10.63	12.54	1.91	18.0%	0.00	0	16.09	18.97	2.88	17.9%
5/8"	2.67	2	18.13	21.38	3.25	17.9%	8.02	6	38.63	45.52	6.89	17.8%
5/8"	6.68	5	29.40	34.65	5.25	17.9%	20.05	15	72.43	85.34	12.91	17.8%
5/8"	8.02	6	33.17	39.09	5.92	17.8%	24.06	18	83.70	98.61	14.91	17.8%
5/8"	13.37	10	48.20	56.79	8.60	17.8%	40.10	30	128.77	151.70	22.93	17.8%
5/8"	20.05	15	65.05	76.73	11.68	18.0%	60.16	45	179.38	211.58	32.20	18.0%
5/8"	26.74	20	81.31	96.00	14.69	18.1%	80.21	60	228.10	269.32	41.22	18.1%
5/8"	40.10	30	113.77	134.48	20.71	18.2%	120.31	90	325.54	384.81	59.27	18.2%
5/8"	66.84	50	178.75	211.49	32.74	18.3%	200.52	150	520.45	615.82	95.36	18.3%
5/8"	133.68	100	341.17	403.99	62.82	18.4%	401.04	300	1,007.72	1,193.32	185.60	18.4%
3/4"	40.10	30	114.13	134.90	20.77	18.2%	120.31	90	326.40	385.83	59.43	18.2%
3/4"	66.84	50	179.11	211.91	32.80	18.3%	200.52	150	521.31	616.84	95.52	18.3%
3/4"	133.68	100	341.53	404.41	62.88	18.4%	401.04	300	1,008.58	1,194.34	185.76	18.4%
1"	26.74	20	82.68	97.61	14.93	18.1%	80.21	60	231.50	273.33	41.83	18.1%
1"	66.84	50	180.12	213.10	32.98	18.3%	200.52	150	523.85	619.83	95.97	18.3%
1"	133.68	100	342.54	405.60	63.06	18.4%	401.04	300	1,011.12	1,197.33	186.21	18.4%
1 1/2"	133.68	100	344.05	407.38	63.33	18.4%	401.04	300	1,014.59	1,201.43	186.84	18.4%
1 1/2"	334.20	250	831.32	984.88	153.56	18.5%	1,002.60	750	2,476.38	2,933.92	457.54	18.5%
1 1/2"	668.40	500	1,643.42	1,947.37	303.95	18.5%	2,005.21	1,500	4,912.72	5,821.43	908.71	18.5%
2"	334.20	250	834.88	989.08	154.20	18.5%	1,002.60	750	2,485.70	2,944.91	459.21	18.5%
2"	668.40	500	1,646.98	1,951.57	304.59	18.5%	2,005.21	1,500	4,922.04	5,832.42	910.38	18.5%
2"	1,336.81	1,000	3,271.22	3,876.59	605.37	18.5%	4,010.42	3,000	9,794.70	11,607.43	1,812.73	18.5%
3"	668.40	500	1,671.13	1,980.05	308.92	18.5%	2,005.21	1,500	4,990.20	5,912.80	922.60	18.5%
3"	1,336.81	1,000	3,295.37	3,905.07	609.70	18.5%	4,010.42	3,000	9,862.86	11,687.81	1,824.95	18.5%
3"	2,673.61	2,000	6,267.42	7,417.27	1,149.85	18.3%	8,020.83	6,000	18,779.03	22,224.42	3,445.38	18.3%
4"	1,336.81	1,000	3,305.78	3,917.35	611.57	18.5%	4,010.42	3,000	9,888.51	11,718.05	1,829.54	18.5%
4"	2,673.61	2,000	6,277.83	7,429.55	1,151.72	18.3%	8,020.83	6,000	18,804.68	22,254.66	3,449.97	18.3%
4"	6,684.03	5,000	14,940.33	17,656.12	2,715.78	18.2%	20,052.08	15,000	44,792.18	52,934.34	8,142.16	18.2%
6"	2,673.61	2,000	6,302.65	7,458.82	1,156.17	18.3%	8,020.83	6,000	18,864.67	22,325.41	3,460.73	18.3%
6"	6,684.03	5,000	14,965.15	17,685.39	2,720.23	18.2%	20,052.08	15,000	44,852.17	53,005.09	8,152.92	18.2%
6"	13,368.05	10,000	29,402.64	34,729.64	5,327.00	18.1%	40,104.16	30,000	88,164.67	104,137.90	15,973.23	18.1%
8"	6,684.03	5,000	14,991.94	17,716.98	2,725.03	18.2%	20,052.08	15,000	44,920.31	53,085.44	8,165.13	18.2%
8"	13,368.05	10,000	29,429.43	34,761.23	5,331.80	18.1%	40,104.16	30,000	88,232.81	104,218.25	15,985.44	18.1%
8"	26,736.11	20,000	58,304.44	68,849.78	10,545.34	18.1%	80,208.33	60,000	174,857.81	206,483.88	31,626.07	18.1%
10"	13,368.05	10,000	29,463.49	34,801.39	5,337.90	18.1%	40,104.16	30,000	88,310.55	104,309.93	15,999.38	18.1%
10"	26,736.11	20,000	58,338.50	68,889.94	10,551.44	18.1%	80,208.33	60,000	174,935.55	206,575.56	31,640.01	18.1%
10"	66,840.27	50,000	144,963.48	171,155.55	26,192.07	18.1%	200,520.82	150,000	434,810.53	513,372.41	78,561.88	18.1%

Ccf - Hundred Cubic Feet
Mgal - Thousand Gallons