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Honorable John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

June 29, 2007

RE: Case No. 2007-00135

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/mb
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR AN ADJUSTMENT) CASE NO. 2007-00135
OF RATES AND ISSUANCE OF BONDS)

O R D E R

Northern Kentucky Water District ("NKWD") has applied to the Commission for an adjustment of rates and authority to issue revenue bonds. In its filing, NKWD requests permission to deviate from Administrative Regulation 807 KAR 5:001, Section 11(2)(a), which requires the submission of a detailed financial exhibit for the period ending not more than 90 days from the date of its application.

In support of its request for permission to deviate from this requirement, NKWD states that its financial exhibits are for the 12 months ended December 31, 2006 and that those exhibits reflect the test year operations upon which its proposed adjustments are based. Use of financial information for the same period to determine the reasonableness of the proposed rates and the need for the proposed financing, NKWD states, allows for comparable analysis of the data and avoids unnecessary revision of certain schedules and inconsistent data for essentially the same purpose. It further states that these exhibits reflect the most recent financial data available and that no extraordinary circumstances have occurred since December 31, 2006.

Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown.

Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviation is reasonable and should be granted.

NKWD proposes to place its proposed rates into effect on July 1, 2007. Having considered the proposed rate revision and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed rates, this investigation cannot be completed by July 1, 2007 and that the proposed rate adjustment should be suspended for a period of 5 months from the effective date of its proposed rates.¹

IT IS THEREFORE ORDERED that:

1. NKWD is permitted to deviate from the 90-day filing requirement set forth in Administrative Regulation 807 KAR 5:001, Section 11(2)(a).
2. NKWD's proposed rates are suspended from July 1, 2007 up to and including November 30, 2007.
3. The procedural schedule set forth in Appendix A shall be followed.
4. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for

¹ In its Application, NKWD has requested an extension of time to file a depreciation study as the Commission directed in Case No. 2002-00105. See Case No. 2002-00105, Application of Northern Kentucky Water District for (A) An Adjustment of Rates; (B) A Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds (Ky.PSC Apr. 30, 2003) at 29. The Commission notes that NKWD submitted a depreciation study for Commission review in Case No. 2006-00398. See Case No. 2006-00398, Application of Northern Kentucky Water District for Approval of Depreciation Study (Ky.PSC filed Aug. 31, 2006). Recently NKWD gave notice of its intent to withdraw this study. The Commission is examining this action and will shortly rule on the lawfulness and appropriateness of such action. Accordingly, we will not address NKWD's request for extension of time in this Order.

responding to the questions related to the information provided, with copies to all parties of record and 9 copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation, a partnership, an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information upon the basis of which it knows that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

5. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

6. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

7. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

8. Service of any document or pleading shall be made in accordance with 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 29th day of June, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00135 dated June 29, 2007

All parties and Commission Staff shall serve their requests
for information to NKWD no later than07/13/2007

NKWD shall file with the Commission and serve upon
all parties of record its responses to the requests for information
no later than07/27/2007

All parties and Commission Staff shall serve their
supplemental requests for information upon Northern
District no later than08/10/2007

NKWD shall file with the Commission and serve
upon all parties of record its responses to the
supplemental requests for information no later than08/24/2007

Intervenor testimony, if any, shall be filed with the
Commission in verified prepared form no later than09/07/2007

All requests for information to any Intervenor shall
be served upon that Intervenor no later than09/21/2007

Intervenors shall file with the Commission and
serve upon all parties of record their responses to
the requests for information no later than09/28/07

NKWD may file with the Commission the
testimony of its rebuttal witnesses in written verified
form no later than10/08/07

Public Hearing is to begin at 9:00 a.m., Eastern
Standard Time, in Hearing Room 1 of the Commission's
offices at 211 Sower Boulevard, Frankfort, Kentucky,
for the purpose of cross-examination of witnesses of
NKWD and Intervenors(To be scheduled)

Parties may file written briefs with the
Commission no later than(To be scheduled)