

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

JNHUGHES@fewpb.net

TELEFAX (502) 875-7059

RECEIVED

July 28, 2008

JUL 28 2008

PUBLIC SERVICE
COMMISSION

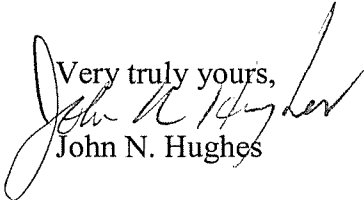
Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Case 2008-00188

Dear Ms. Stumbo:

Attached is the revised exhibit D reflecting the final bid and financing costs for this project.

If additional information is needed, please let me know.

Very truly yours,

John N. Hughes

Attorney for Northern
Kentucky Water District

Northern Kentucky Water District

Exhibit D - Revised July 28, 2008

There will be zero new customers added and no revenue effect as a result of the Fort Thomas Treatment Plant Pretreatment Building Improvements Project.

This project will be paid from the District's Five-Year Capital Budget, PSC No. 8 "FTTP Pretreatment Improvements (SCADA Phase 3)" with a revised budget of \$3,100,000, which includes construction cost, engineering, and contingencies. A summary of the project costs is provided below:

○ Geotechnical Engineering	\$ 8,000
○ Design Engineering	\$ 150,348
○ Construction Engineering	\$ 75,000
○ Contractor's Bid	\$2,707,115
○ Misc. & Contingencies	\$ <u>159,537</u>
Total Project Cost	\$3,100,000

The project will be funded through multiple sources. The project is already partially funded through BAN 2007 in the amount of \$250,000 for design engineering services. The District has been approved for a \$4,000,000 State Revolving Fund loan, which will be used to partially fund \$2,700,000 of this project as shown in the attached Exhibit D1 and D2. It is proposed that the remaining \$150,000 be taken from future BAN 2008.

The amounts for the project cost of \$3,100,000 will fall under the following Uniform System of Accounts Codes:

Code 304 "Structures and Improvements" \$1,855,065
Code 309 "Supply Mains" \$565,810
Code 311 "Water Treatment Equipment" \$697,125

Additional operating and maintenance costs incurred for the project are as follows:

<u>Annual O&M</u>	
Power	\$14,000
Labor	\$0
Maintenance	<u>\$10,000</u>
	\$24,000

Annual depreciation and debt service after construction are as follows:

Depreciation	\$103,333/year over 30 years
Debt Service	\$186,000/year

Drinking Water SRF Project Cost Summary

Project Title: Ft. Thomas Treatment Plant and other Campbell County Improvements

WRIS#: WX: 21037309

Project Budget: Estimated 12/14/07
enter date

As Bid 6/10/08
enter date

Revised 6/30/08
enter date

Cost Classification	DWSRF KIA Loan	Funding Source 1	Funding Source 2	Funding Source 3	Funding Source 4	Funding Source 5	Local Funds	Unfunded Costs	Total
1 Administrative Expenses		1,000							1,000
2 Legal Expenses		2,000							2,000
3 Land, Appraisals, Easements									
4 Relocation Expenses & Payments									
5 Planning									
6 Engineering Fees – Design		383,732							383,732
7 Engineering Fees – Construction									
8 Engineering Fees – Inspection		156,403							156,403
9 Engineering Fees – Other									
10 Construction	4,000,000	1,201,115							5,201,115
11 Equipment									
12 Miscellaneous									
13 Contingencies		420,750							420,750
Total	4,000,000	2,165,000							6,165,000

Funding Sources	Amount	Date Committed
1 Northern Kentucky Water District	2,165,000	
2		
3		
4		
5		
Total	2,165,000	

Cost Categories	Funding Source	Total Cost
Treatment	All	4,600,000
Transmission and Distribution	All	1,565,000
Source		
Storage		
Purchase of Systems		
Restructuring		
Land Acquisition		
Total Costs		6,165,000

Local Funding Sources	Amount	Date Committed
1		
2		
3		
Total		

Total Funding 6,165,000

EXHIBIT D1

Project	Construction SRF Loan	Construction NKWD	Eng Fees Design	Eng Fees Inspect.	Admin	Legal	Conting.	Total
FTTP Gravity Thickener	\$529,000	\$0	\$120,000	\$50,954	\$250	\$500	\$49,296	\$750,000
Portable Generators	\$600,000	\$0	\$25,500	\$13,368	\$250	\$500	\$110,382	\$750,000
FTTP Pretreatment Bldg	\$2,700,000	\$31,115	\$142,000	\$91,348	\$250	\$500	\$134,787	\$3,100,000
Campbell Co. Water Main	\$171,000	\$1,170,000	\$96,232	\$733	\$250	\$500	\$126,285	\$1,565,000
Total	\$4,000,000	\$1,201,115	\$383,732	\$156,403	\$1,000	\$2,000	\$420,750	\$6,165,000

EXHIBIT D2