

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

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**PUBLIC SERVICE
COMMISSION**

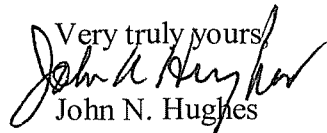
Jeff Derouen
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Case No. 2010-00434

Dear Mr. Derouen:

Northern Kentucky Water District provides the corrected Exhibit D filed in this case.

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

Very truly yours,

John N. Hughes

Attorney for Northern Kentucky
Water District

Northern Kentucky Water District

Customers Added and Revenue Effect: There will be 255 new customers added and a revenue effect of \$104,805.00 a year as a result of the Sub-district H Water Main Extension Project.

Debt Issuance and Source of Debt: The project grant funding was finalized with the approval of the 2010 State of Kentucky Budget in the Infrastructure for Economic Development Fund for Non-coal Producing Counties HB608 in the amount of \$2,950,000.00. Campbell County Fiscal Court has also contributed \$25,000.00 to this project. The remainder of the project cost will be funded by the Northern Kentucky Water District Contribution of \$250,000.00 a hydraulic contribution \$397,018.00, and a customer contribution of \$933,842.00. The customer contribution will be paid back through a maximum monthly surcharge of \$30.00 on the customer's water bill. The Northern Kentucky Water District's contribution, the hydraulic contribution and the customer surcharge will be funded through a Bond Anticipation Notice in the year 2010. This project has a total budget of \$4,555,860.00, which includes construction cost, engineering, materials, and contingencies. A summary of the project costs is provided below:

○ Design Engineering	\$169,484.00
○ Geo Technical Engineering	\$47,667.00
○ Geotechnical Inspection	\$12,711.00
○ KIA Cost	\$14,750.00
○ Legal	\$5,000.00
○ Contractor's Bids	
● Phase I	\$475,369.00
● Phase II	\$1,495,814.50
● Phase III	\$599,458.00
● Phase IV	\$480,563.80
○ Future Phases & Contingencies	\$1,255,042.70
Total Project Cost	\$4,555,860.00

The project will be funded through Bond Anticipation Notice in the year 2010.

Additional Costs and O&M: N/A

Depreciation and Debt Service: Annual depreciation and debt service after construction are as follows:

Depreciation for the first four phases: \$52,813.08/year over 62.5 years for Account 331
Transmission and Distribution Mains

Debt Service: See attached sheets for Surcharge amount and total Bond Anticipation Notice