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January 20, 2011

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**PUBLIC SERVICE  
COMMISSION**

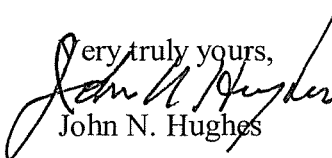
Jeff Derouen  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

00413 RCS  
Case No. 2010-~~00434~~

Dear Mr. Derouen:

Pursuant to the telephone request of Staff, Northern Kentucky Water District provides supplemental information as part of 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

Attachment

# Northern Kentucky WaterDistrict

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Customers Added and Revenue Effect: There will be 51 new customers added and a revenue effect of \$ 20,944.57 a year as a result of the Sub-district G Water Main Extension Project.

- Debt Issuance and Source of Debt: All phases of this project were funded by several parts of the 2011 5-Year Capital Budget from remaining funds from BAN 2007 under PSC Reference No. 42 "Mains to Un-served Areas 2003" and Reference No. 54 " Mains to Un-served Areas 2005" with a combined budgeted amount of \$750,000. The District also covers the water main upgrade costs from 8-inch to 12-inch and 24-inch diameter under PSC Reference No. 54a "Sub-District G Upgrade Costs" with a budgeted amount of \$1,758,000 and surcharge loan costs of \$618,268 were funded under PSC Reference No. 54b "Sub-District G Surcharge". The remaining cost is funded by KIA grant monies - \$3,000,000 and from the Kenton County Fiscal Court contribution of \$50,000.

This project has a total budget of \$5,521,381.00 for all 5 phases. Phase V has a total budget of \$734,623.00, consisting of \$261,681.00 from the Customer surcharge. The remaining \$472,942.00 is contingency money from the first 4 phases from Bond Anticipation Note 2007. There is no remaining KIA or County contribution for this Phase. The \$734,623.00 includes all construction cost, engineering, materials, and contingencies. A summary of the project costs is provided below:

The breakdown of the Phase V costs is below:

Construction	\$611,676.40
Engineering	\$24,000
Geotechnical Engineering	\$6,000
Geotechnical Inspection (.06%)	\$3,670
Legal/ Easements	\$11,300
Railroad Permits (3 crossings)	\$20,550
Contingencies	\$57,426.60
Total	\$734,623.00

Design Engineering	\$24,000.00
Geo Technical Engineering	\$6,000.00
Geotechnical Inspection	\$3,670.00
Legal	\$11,300.00
Railroad Permits	\$20,550.00
Contractor's Bids Phase V	
	\$611,676.40
Previous Phases & Contingencies Total Project Cost	\$4,844,183.60
Total Project Cost	\$5,521,380.00

The project will be funded as a part of the District's 2011 5- Year Capital Budget through remaining funds from the Bond Anticipation Notice in the year 2007.

Additional Costs and O&M: N/A