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PUBLIC SERVICE
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR APPROVAL OF) CASE NO. 2005-00052
CONSTRUCTION OF U.S. 27 PUMP STATION)
EXPANSION AND ISSUANCE OF A CERTIFICATE)
OF CONVENIENCE AND NECESSITY)

APPLICATION FOR APPROVAL OF CONSTRUCTION

Northern Kentucky Water District (NKWD), by counsel, petitions for an order approving the construction of certain facilities related to the expansion of the U.S. 27 Pump Station.

In support of the application, the following information is provided:

1. NKWD's office address is 100 Aqua Drive, Box 220, Cold Spring, KY 41076. Its principal officers are listed in its current Annual Report on page 6, which is filed with the Commission as are its prior years Reports;

2. NKWD is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation;

3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its Annual Report, which is attached as Exhibit E.

4. NKWD serves retail customers in Kenton, Boone and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Kenton, Boone,

Pendleton and Campbell Counties.

5. It proposes to extend its facilities as described in Exhibit A (Three copies of the Maps, Plans, Specifications and Bid Documents are provided as a separate bound document). The District proposes to finance the project with a Bond Anticipation Note, which will be converted to permanent financing in the next rate case, expected to be filed in May, 2005.

6. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. The project, its cost, need and other details are contained in Exhibit A.

7. The total financing cost is approximately \$2,300,000, see Exhibit D.

8. Easements and rights of way are not required, see Exhibit B.

9. This service will not compete with any other utility in the area.

10. The proposed construction project, identified in Exhibit A, is scheduled to be constructed in 2005. Bids are to be opened on January 26, 2005, with Board approval expected at its February 17, 2005 meeting. Bids will be submitted with Board approval when available.

11. No new franchises are required. Copies of DOW permits have been submitted to DOW, see Exhibit B.

12. Construction descriptions are in Exhibit A and Bid Documents. Facts relied on to justify the public need are included in the project descriptions in Exhibit A.

13. Maps of the area showing location of the proposed facilities are in Exhibit A.

14. The construction costs will be funded by the issuance of approximately \$2,300,000 BANS.

15. Estimated operating costs for operation and maintenance, depreciation and

debt service after construction to the extent that there are any are shown in Exhibit D.

16. A description of the facilities and operation of the system are in Exhibit A.

17. A full description of the route, location of the projects, description of construction and related information is in Exhibit A.

18. The start date for construction; proposed in-service date; and total estimated cost of construction at completion are included in Exhibit A.

19. CWIP at end of test year is listed in Exhibit E.

20. Plant retirements are listed in Exhibit B and E. No salvage values are included as booked.

21. The use of the funds and need for the facilities is justified based on a the engineering report included as Exhibit A

22. No rate adjustment is being proposed at this time. Any effect of the financing on rates will be reflected in the next rate case filed by the District;

23. The following information is provided in response to 807 KAR 5:001 (8):

a. Articles of Incorporation - None, NKWD is a statutorily created water district under KRS Chapter 74;

24. The following information is supplied pursuant to 807 KAR 5:001(9):

a. Facts relied upon to show that the application is in the public interest:
See Exhibit A.

25. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report, Exhibit E.

b. No stock is to be issued; No bonds are to be issued in this case;

c. There is no refunding or refinancing;

d. The proceeds of the financing are to construct the property described in Exhibit A

e. The par value, expenses, use of proceeds, interest rates and other information is not applicable because no bonds are being issued at this time.

26. The following exhibits are provided pursuant to 807 KAR 5:001 (11)(2):

a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit 4.

b. Property is to be constructed is described in Exhibit A.

27. The following information is provided pursuant to 807 KAR 5:001(6):

a. No stock is authorized.

b. No stock is issued.

c. There are no stock preferences.

d. Mortgages are listed in Exhibit F.

e. Bonds are listed in Exhibit F.

f. Notes are listed in Exhibit F.

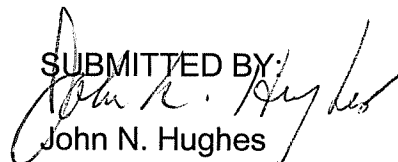
g. Other indebtedness is listed in Exhibit F.

h. No dividends have been paid.

i. Current balance sheet; income statement; and debt schedule are attached as Exhibits F and G.

For these reasons, the District requests authority to construct the facilities, which are to be financed with a BAN, and for any other orders or authorizations that may be necessary to obtain Commission approval for the construction of these facilities.

SUBMITTED BY:



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NORTHERN KENTUCKY WATER DISTRICT

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<u>EXHIBIT</u>	<u>TITLE</u>
A	<p>ENGINEERING REPORTS AND INFORMATION Copy of project map, Asset management program report excerpt, Preliminary engineering report, Engineer's opinion of probable total construction cost, Plans title "U.S. 27 Pump Station Expansion" sealed by P.E. December 30, 2004, Specifications title "U.S. 27 Pump Station Expansion" dated January 2005 and sealed by P.E. December 30, 2004.</p>
B	<p>Certified statement from an authorized utility Official confirming:</p> <ul style="list-style-type: none"> (1) Franchises (2) Plan review and permit status (3) Easements and Right-Of-Way status (4) Construction dates and proposed date in service (5) Plant retirements
C	<p>BID INFORMATION AND BOARD RESOLUTION Bid tabulation, Engineer's recommendation of award, Board resolution. (Will be forwarded after Board motion)</p>
D	<p>PROJECT FINANCE INFORMATION Customers added and revenue effect, Debt issuance and source of debt, Additional costs and operating and maintenance, Depreciation cost and debt service after construction.</p>
E	<p>PSC ANNUAL REPORT - 2003</p>
F	<p>SCHEDULE OF MORTGAGES, BONDS, NOTES, AND OTHER INDEBTEDNESS</p>
G	<p>CURRENT BALANCE SHEET AND INCOME STATEMENT</p>