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4/3/07

Ms. Beth O'Donnell, Executive Director **Public Service Commission** P.O. Box 615 Frankfort, KY 40602

Re: CASE# 2006-00315

APR 1 9 2007 PUBLIC SERVICE COMMISSION

Dear Ms. O'Donnell:

It has come to my attention that the Kentucky Public Service Commission (PSC) has denied the Northern Kentucky Water District's (NKWD) proposed funding of the Subdistrict F water main extension project that would include a \$30 monthly surcharge to be paid for by households that connect to the new main. NKWD has informed the potential customers of Subdistrict F that this matter is under review by the PSC through a rehearing process. I live on Grandview Road near Alexandria in southern Campbell County which is one of the mains in Subdistrict F.

It is my understanding that PSC regulates how NKWD may charge for new water lines. The residents were originally under the impression that a surcharge would be added to their monthly bill when the residents tap in and begin water usage. This monthly amount was initially estimated at approximately \$30 per month. Now, based on the latest information that I have, if the PSC does not through the rehearing process approve NKWD's proposed surcharge method, NKWD's 100 foot extension method as outlined in its filed Tariff would apply. This method would require new customers to pay an estimated lump sum payment of approximately \$4,900 (in addition to the other costs of nearly \$1000). Obviously, the financial condition of many residents is such that a surcharge is much more preferable.

I understand that the Northern Kentucky Water District's surcharge funding request was subject to the PSC's approval. However, I understand that there was some past history of approval for this method as well as NKWD's desire to provide the consumer with some base information in order to get their necessary consumer feedback and to secure sign'ups.

This letter is meant to request that the PSC reconsider their stance on the matter and approve a surcharge to cover the cost of the water line. I am not aware of the average income on Grandview, however, I am absolutely confident that without the surcharge participation will be dramatically reduced.

Sincerely,

Wm. H. Andrew Concerned Citizen