

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

June 21, 2007

RECEIVED

JUN 21 2007

PUBLIC SERVICE  
COMMISSION

Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

Case No. 2007-00131

Dear Beth:

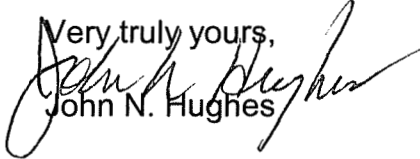
Northern Kentucky Water District in response to a telephone request from the staff yesterday afternoon provides the following information about the funding of sub district G through bonds included in the pending rate case, Case No. 2007-00135.

The bond issue for the current rate case is labeled Revenue Bond Series 2008 and is for a 25 year term and carries a Net Interest Cost of 4.6078700%. This is for the \$1,721,381; project financing also includes \$500,000 in Bond Series 2004 and \$250,000 from Bond Series 2006.

As explained in the Application filed on March 28, 2007 and again in the District's response filed on April 30, 2007, the bids on this project were very favorable. However the contractor's extensions of those bids expire on July 1, July 2 and July 4. If the District cannot accept the bids due to the lack of approval of the project, not only will there be a financial impact on the District and the customers, there will be an additional delay in getting much needed water service to a number of residents.

The District reiterates its request in the April 30 response that a conference be scheduled at a time convenient to all parties to provide an opportunity to discuss any outstanding issues related to the sub district projects. A similar request for a conference was made in the related case involving sub district F, Case No. 2006-00315, on May 21, 2007.

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

Very truly yours,  
  
John N. Hughes

Attorney for Northern Kentucky  
Water District

Cc: Attorney General