

JOHN N. HUGHES
ATTORNEY AT LAW
PROFESSIONAL SERVICE CORPORATION
124 WEST TODD STREET
FRANKFORT, KENTUCKY 40601

2009-00262

TELEPHONE: (502) 227-7270

JNHUGHES@fewpb.net

TELEFAX (502) 875-7059

June 8, 2009

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2006-00315

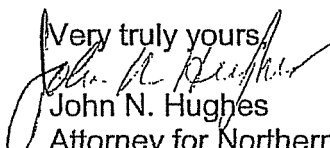
Dear Mr. Derouen:

Northern Kentucky Water District submits a revised tariff to reflect the addition of two streets to subdistrict F. The Commission's order in this case dated December 26, 2007 requires the District to "maintain a current description of Subdistrict F in its filed rate schedules so long as the Subdistrict F surcharge is effective." That order also requires any customers served off of extensions to that subdistrict be customers of the subdistrict.

The District is nearing completion of the extension of facilities originally approved for this subdistrict. Because of favorable economic conditions, sufficient funds remain to allow an additional hydraulic improvement in the area. The District is using the excess funds to extend service to two streets in the subdistrict. Attached is a description of the project, the bid acceptance recommendation letter, the source of funds schedule, and a map, which provide details of the project.

Also attached is a revised tariff with the two streets added to subdistrict F and a customer notice that has been mailed to each of the 21 residents on those streets.

Northern requests approval of the revised tariff to reflect the addition of the two streets to the subdistrict. If additional information is needed or if a conference with the staff would be useful in the review of this matter within the notice period, please let me know.

Very truly yours,

John N. Hughes
Attorney for Northern Kentucky
Water District

cc: Attorney General

8-inch Water Main Extension
along Flatwoods Road and Siry Road
Southern Campbell County, Kentucky
Project 184-647

Project Description:

This project will consist of construction of approximately 80 linear feet of 6-inch PVC, 13,853 linear feet of 8-inch PVC, and 4,064 linear feet of Class 50 ductile iron water main along Flatwoods Road and Siry Road in Campbell County, Kentucky. This project will be a hydraulic improvement and a secondary feed to Pendleton County Water District who is a wholesale account to Northern Kentucky Water District. Currently there is only one feed to Pendleton County Water District. The existing 6-inch ductile iron water main runs along U.S. 27 and ends into the Pendleton County Water District's master meter pit near Grants Lick. This water main provides service to over 300 Pendleton County Water District customers. Currently the District has experienced numerous water main breaks on this 6,920 linear foot stretch, and all of which being in a very short time frame. These have been caused by external corrosion and water spikes from a nearby fill station.

Along with the plagued 6-inch water main, the Kentucky Department of Transportation has a road improvement project along this section of U.S. 27, which will replace this water main due to construction conflicts. This water main will be upgraded to a 12-inch when the project is complete, but it will take a couple of years for completion. The District has strong concerns about the survivability of this 6-inch water main during construction activities due to the questionable structural stability of the Ductile Iron Pipe.

The District has evaluated two options – Replace the water main along U.S. 27 - approx. 6,920 linear feet of new 6-inch PVC; or a water main extension along Siry and Flatwoods Road, approx. 19,000 linear feet of new 8-inch PVC. The new 6-inch along U.S. 27 would still have to be relocated with the road improvement project, which means the monies spent on this option would be wasted. The District is proposing the second option of an 8-inch water main along Flatwoods and Siry Roads because as stated above, it provides a secondary feed to Pendleton Water District in the event we have problems along U.S. 27. It also extends water to these unserved streets that include 21 households. Pendleton County Water District already serves a portion of Siry Rd. near U.S. 27. To fund this project, we are proposing the use of leftover Sub-District F monies and surcharges of \$30.00 on the monthly water bill. The leftover contingency monies from Sub-District F should cover most of the proposed construction cost. Although this project does not reflect the same customers per square mile that much of Sub-District F does, the District still wants to move forward due to the substantial hydraulic impact this project will have. This project was recommended by the District's "Water Distribution System Master Plan" to help strengthen the feed to Pendleton County Water District by Black and Veatch. The total project cost is \$836,205.00.

NOTICE OF FUTURE WATER SERVICE AND SURCHARGE

In a section of Rural Campbell County, funded in part by a Kentucky Infrastructure Authority Grant, Northern Kentucky Water District will seek approval of the Public Service Commission of Kentucky to furnish potable water service to Sub-District F Water Main Extension Project Additional Streets. This project is located in the rural area in Campbell County which includes the following streets or portions thereof:

Sub-District F Additional Streets– Siry Road, Flatwoods Road

Total construction costs for this project will be in excess of \$836,205.00. The proposed consumer rates will be:

**PRELIMINARY NORTHERN KENTUCKY WATER DISTRICT
MONTHLY WATER RATES FOR PROPOSED
SUB-DISTRICT F WATER MAIN EXTENSION PROJECT ADDITIONAL STREETS**

**ESTIMATED MONTHLY SURCHARGE OF \$30.00
SHALL BE ADDED TO THE MINIMUM MONTHLY BILL**

RETAIL WATER RATES

1. Rates

First - 1,500 cubic feet (11,220 gals.) used per month \$3.31/100 cubic feet (\$4.43/1,000 gals.)
 Next - 163,500 cu. ft. (1,222,980 gals.) used per month \$2.88/100 cu. ft.(\$3.85/1,000 gals.)
 Over- 165,000 cu. ft. (1,234,200 gals.) used per month \$2.55/100 cu. ft. (\$3.40/1000 gals.)

Minimum Monthly charges by meter sizes shall apply for each size meter.

Minimum Monthly		Minimum Monthly	
Meter Size	Amount	Meter Size	Amount
5/8"	\$ 12.54	3"	\$ 48.61
3/4"	\$ 12.96	4"	\$ 60.89
1"	\$ 14.15	6"	\$ 90.16
1 1/2"	\$ 15.93	8"	\$ 121.75
2"	\$ 20.13	10"& Larger	\$ 161.91

2. Delayed Payment Charge: 10% penalty

3. Sample Monthly Bill Amount for a 5/8" meter is as follows:

Estimated Monthly Usage of 1,000 Gallons -- Estimated Monthly Bill = \$46.97
 Estimated Monthly Usage of 2,000 Gallons -- Estimated Monthly Bill = \$51.40
 Estimated Monthly Usage of 3,000 Gallons -- Estimated Monthly Bill = \$55.83
 Estimated Monthly Usage of 4,000 Gallons -- Estimated Monthly Bill = \$60.26
 Estimated Monthly Usage of 5,000 Gallons -- Estimated Monthly Bill = \$64.69
 Estimated Monthly Usage of 6,000 Gallons -- Estimated Monthly Bill = \$69.12

Note: Actual bill will vary according to actual measured usage. Measured usage will be in cubic feet.

Note: The estimated monthly bill includes the \$30.00 surcharge amount.

The proposed surcharge may be changed by the Ky. Public Service Commission and may be higher or lower than proposed.

Any corporation, association, body politic or person may by timely motion, within 30 days of this notice, request intervention in the case. The motion must be submitted in writing to the Public Service Commission, 211 Sower Blvd., Box 615 Frankfort, KY 40602 and should state the grounds for the request, including the interest and status of the party. Customers may obtain without cost a copy of the Application and any testimony filed by contacting Northern Kentucky Water District at the address below. Interveners may obtain a copy of the Application and supporting documents. A copy of the Application and testimony is available for public review at the District's office.

For further information contact the PSC of Kentucky at PO Box 615 Frankfort, KY 40602 (Tel: 502 564 3940). Or contact the undersigned.

Northern Kentucky Water District
2835 Crescent Springs Road
PO Box 18640
Erlanger, KY 41018
(859) 578-9898

NORTHERN KENTUCKY WATER DISTRICT
SUBDISTRICT - F
CAMPBELL COUNTY SERVICE AREA
Bid Prices

	STREET	DISTANCE MILES	TOTAL AVAIL. CUST	CUST. PER/MI	ACTUAL BID COST
Pk. A	Grandview Rd. (incl. Amy Lou Dr.)	1.70	43	25.29	\$485,426
	Heck Rd.	0.70	12	17.14	
Pk. B	West Main Street	0.5	10	20.00	\$880,204
	Steffen Road	0.4	11	27.50	
	Licking Pike (Existing 8 to Ripple Creek)	0.4	7	17.50	
	Licking Pike From Trapp Rd to Rifle Range	1.7	31	18.24	
	Licking Pike from Rifle Range to Sub-D	0.85	7	8.24	
	Licking Pike 12" Upgrade Cost				\$221,656
Pk. C	Flagg Springs (Route 10)	1	15	15.00	\$195,305
PK. D	Flatwoods Road	1.2	3	2.50	\$678,344
	Siry Road	2.4	18	7.50	
		10.85	157	14.65	\$2,460,935

Cost Estimate:

		Actual
1	Construction	\$1,799,718
2	Engineering	\$54,758
3	Geotechnical	\$26,865
4	Geotechnical Inspection (0.06%)	
	KIA Administrative Fee (1/2 of 1%)	\$6,440
	Misc.	\$24,512
	Licking Pike Interconnect	\$35,000
	Amy Lou Interconnect & Drainage	\$20,000
	Sub-total Original Project.	\$1,967,293

	Additional Engineering for Siry & Flatwoods	\$18,445
	Siry/Flatwoods Bid Amount	\$678,344
	Master Meter for Pendleton County	\$5,635
	Easements	\$5,413
6	Legal	\$5,000
7	Contingencies	\$123,368
	Total Siry and Flatwoods Roads	\$836,205

Total Sub District F Project **\$2,803,498**

Source of Funds:

1	KIA/State Budget Funding	\$1,288,000	
2	Campbell County Fiscal Court	\$25,000	
3	Flagg Springs Market	\$55,000	
4	Northern Ky Water Dist. Bond Issue		
4a	NKWD Extension Contribution	\$750,000	
4b	NKWD Hydraulic Improvement Contr.	\$231,404	
4c	NKWD Customer Surcharge	\$402,784	\$5,131.00
	NKWD Customer Surcharge Siry & Flat	\$51,310	
	Total	\$2,803,498	



VIOX & VIOX

Civil Engineers, Surveyors, and Landscape Architects

466 Erlanger Road
Erlanger, Kentucky 41018

Tel: 859.727.3293
Fax: 859.727.8452
www.vioxinc.com

May 19, 2009

Northern Kentucky Water District
P.O. Box 18640
2835 Crescent Springs Road
Erlanger, KY 41018

ATTN: Richard Harrison, P.E.

RE: Siry Road & Flatwoods Road
8" Water Main Replacement

Dear Mr. Harrison,

We have reviewed the bids received May 14, 2009, for the Siry Road & Flatwoods Road 8" Water Main Replacement Project on Siry Road & Flatwoods Road, Campbell County, KY. The breakdown of the bids has been provided to your staff and to the contractors.

The low bidder was Broshear Contractors, Inc. with a bid of \$678,344.00, well under our estimate of \$1,267,098.00. Broshear Contractor's bid was also \$67,655.00 less than the second lowest bid received. All the bidders were under our estimate dated 4/28/09.

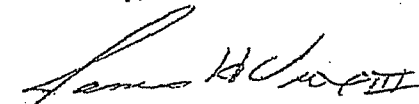
Our estimated construction cost for this project of \$1,267,098.00 was based on mean values of comparable projects that were previously bid by NKWD. Bids received in March 2007 for Sub-District G are in line with the prices used in the Engineer's Estimate.

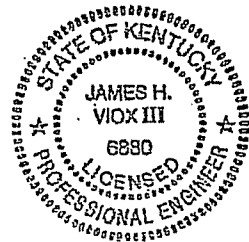
The state of the economy continues to have a cost savings effect on construction bids.

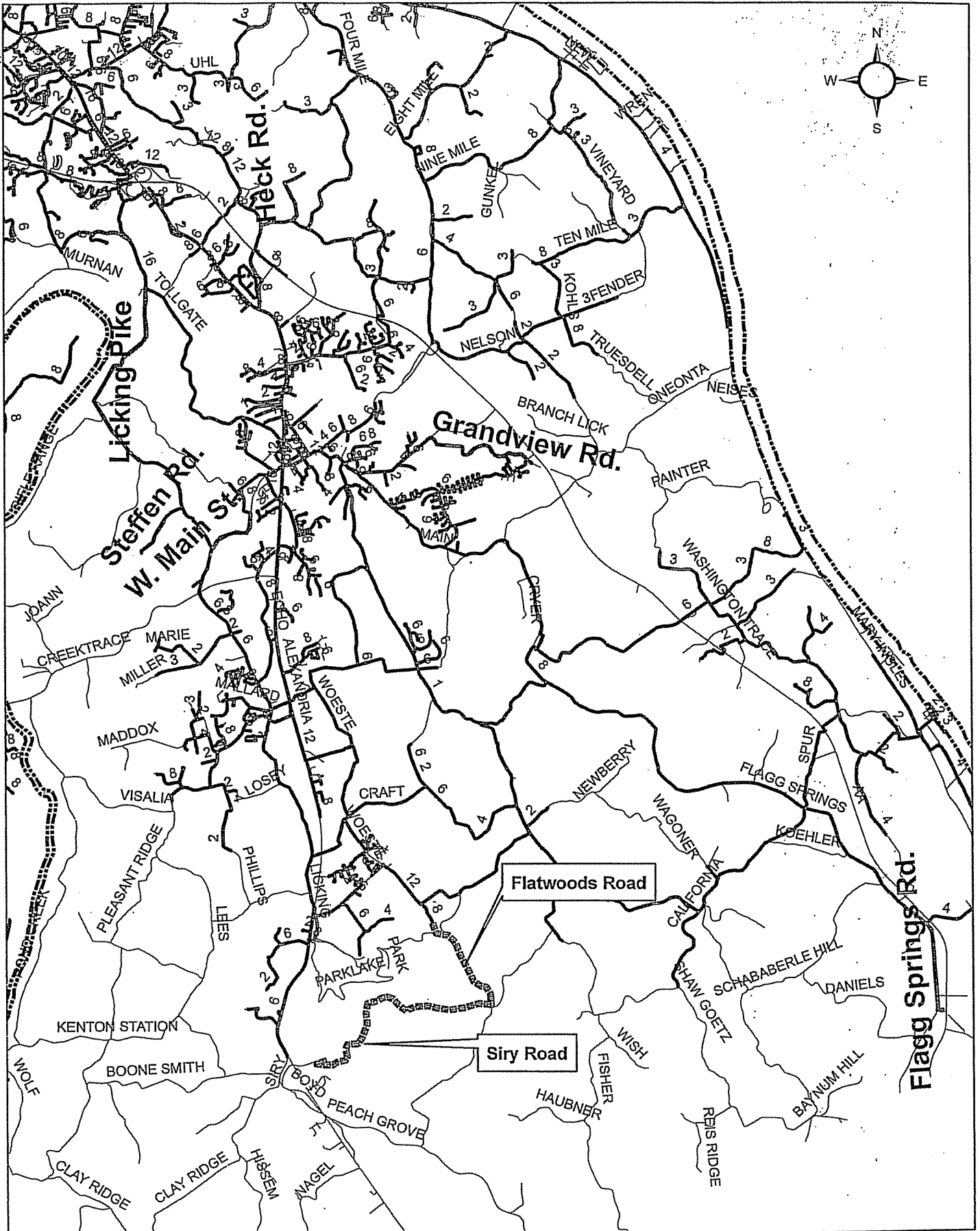
After reviewing the references and project history provided by Broshear Contractors, Inc., it is our recommendation that the contract be awarded to them for \$678,344.00.

Hopefully, this recommendation is sufficient for your Commission to make a decision.

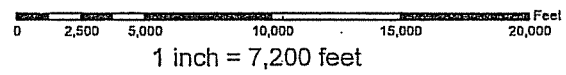
Yours truly,


James H. Viox III, P.E., L.S.





Sub District F with updated Siry and Flatwoods Roads



SECTION II – RETAIL WATER RATES

Northern Kentucky Water District Service Area

1. Monthly Service Rate

First	1,500 cubic feet	\$3.31 per 100 cubic feet
Next	163,500 cubic feet	\$2.88 per 100 cubic feet
Over	165,000 cubic feet	\$2.55 per 100 cubic feet

Customers in Subdistrict A	*shall be assessed a monthly surcharge in the amount of	\$ 9.03
Customers in Subdistrict B	*shall be assessed a monthly surcharge in the amount of	\$18.36
Customers in Subdistrict C	*shall be assessed a monthly surcharge in the amount of	\$19.44
Customer in Subdistrict D	*shall be assessed a monthly surcharge in the amount of	\$30.00
Customers in Subdistrict E	*shall be assessed a monthly surcharge in the amount of	\$30.00
Customers in Subdistrict F	*shall be assessed a monthly surcharge in the amount of	\$30.00
Customers in Subdistrict G	*shall be assessed a monthly surcharge in the amount of	\$30.00
Customers in Subdistrict K	*shall be assessed a monthly surcharge in the amount of	\$21.09
Customers in Subdistrict R	*shall be assessed a monthly surcharge in the amount of	\$18.50
Customers in Subdistrict RF	*shall be assessed a monthly surcharge in the amount of	\$25.47
Customers in Subdistrict RL	*shall be assessed a monthly surcharge in the amount of	\$36.22

*Subdistrict charges are reviewed annually.

*Detailed street listing within each Subdistrict can be found under Appendix A.

*Service connections on extensions or laterals from a Subdistrict street will be assessed the appropriate Subdistrict charge.

2. Quarterly Rates

First	4,500 cubic feet	\$3.31 per 100 cubic feet
Next	490,500 cubic feet	\$2.88 per 100 cubic feet
Next	495,000 cubic feet	\$2.55 per 100 cubic feet

3. Fixed Service Charge

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>Quarterly Charge</u>
5/8"	\$12.54	\$18.97

Date of Issue: June 8, 2009

Date Effective: July 8, 2009

Issued by: _____
 Officer & Title Jack Bragg, Jr. CPA, CMA
 Vice President - Finance

2835 Crescent Springs Road, Erlanger, Ky 41018

SECTION II – RETAIL WATER RATES – Cont'd

¾"	\$12.96	\$19.99
1"	\$14.15	\$22.98
1 ½"	\$15.93	\$27.08
2"	\$20.13	\$38.07
3"	\$48.61	\$118.45
4"	\$60.89	\$148.45
6"	\$90.16	\$219.44
8"	\$121.75	\$299.79
10" and Larger	\$161.91	\$391.47

SECTION III – WHOLESALE WATER SALES

Bullock Pen Water District	\$2.97 per 1,000 gallons (or) \$2.22 per 100 cubic feet
City of Walton	\$2.97 per 1,000 gallons (or) \$2.22 per 100 cubic feet
Pendleton County	\$2.97 per 1,000 gallons (or) \$2.22 per 100 cubic feet

SECTION IV – MISCELLANEOUS SERVICE FEES

Returned Check Charge	\$ 20.00
Water Hauling Station	3.50 per 1,000 gallons
Service Charge	25.00 (See Definitions in Section 1-A)
Overtime Charge	40.00

SECTION V – CUSTOMER BILL OF RIGHTS

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to the Kentucky Revised Statutes and the provisions of the Kentucky Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariff operating procedures during the utility's normal office hours. (8:00 AM to 5:00 PM, Monday through Friday).
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.

Date of Issue: June 8, 2009

Date Effective: July 8, 2009

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 Vice President - Finance

2835 Crescent Springs Road, Erlanger, Ky 41018

APPENDIX A – Subdistrict Street Names – Cont'd

- Ishmael Road (KY 177 to 1200')
- Kenton Station (Rector Road to KY 177)
- KY 177 (North of Kenton Station 7100')
- KY 177 (North of Vises Trail 4250')
- KY 177 (South of Kenton Station 5400')
- KY 177 (South of Vises Trail 2850')
- Licking Station
- McDonald Avenue
- Oliver Road
- St. Johns Road
- Vises Trail from KY 177 to 1150' south of Visalia Road
- Whitaker

Customer in Subdistrict F

- Grandview Road, including Amy Lou Drive
- Heck Road
- West Main Street
- Steffen Road from end of existing water main to the dead end
- Licking Pike (existing 8" to Ripple Creek)
- Licking Pike from Trapp Road to Rifle Range
- Licking Pike from Rifle Range to Sub-D
- Flagg Springs (Route 10) from existing dead end to Short Ivory Rd.
- Flatwoods Road
- Siry Road

Customer in Subdistrict G

- Bramlage Road from Banklick to Wilson
- Bullock Pen Road from Old KY17 to the dead end
- Klein Road from Visalia to the dead end
- Petty Road from Marshall to end of Sub-A
- Pleasure Isle Drive from new KY17 to dead end
- Fowler Creek Road
- Estate Lane
- Banklick Road from Maher to Walton-Nicholson\
- Independence Road from Banklick to the end of the existing main
- Cody Road from Upton Road to the end of the existing main
- Upton Road from Cody Road to the dead end
- Sugar Camp Road from Fowler Creek to the end of the existing main
- Wolf Road from Decoursey to Valley View
- Hollyhock Road from Wolf Road to the dead end
- Lieberman Road from Lipscomb to the dead end

Customers in Subdistrict K

- Klette Road
- Rice Road
- Saylor Court

Date of Issue: June 8, 2009

Date Effective: July 9, 2009

Issued by: _____

2835 Crescent Springs Road, Erlanger, Ky 41018

Officer & Title Jack Bragg, Jr. CPA, CMA
Vice President - Finance