

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NICHOLAS COUNTY)	CASE NO. 2006-00432
WATER DISTRICT OF NICHOLAS COUNTY,)	
KENTUCKY FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY)	
TO CONSTRUCT, FINANCE AND INCREASE)	
RATES PURSUANT TO KRS 278.023)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO NICHOLAS COUNTY WATER DISTRICT

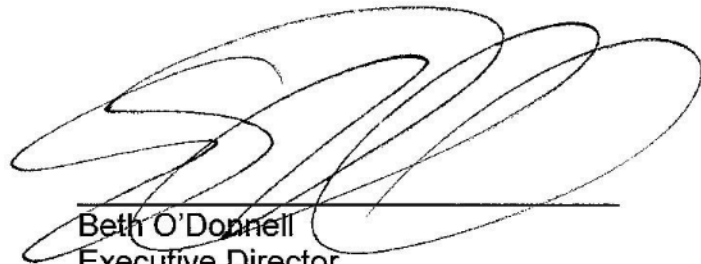
Nicholas County Water District ("Nicholas District") is requested to file with the Commission, pursuant to 807 KAR 5:001, the original and 4 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 24, 2006. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Nicholas District should contact Rural Development ("RD") and request assistance in responding to the following:

1. The first page of the application notes an RD loan for \$203,000 and an RD grant for \$140,000. The final engineering report contains a project budget noting this loan at \$173,000 and the grant at \$170,000. Explain the discrepancy.
2. On the first page of the application, 11,417 linear feet of 2-inch lines are proposed. The final engineering report includes (1) a Phase VIII cost estimate that

contains no 2-inch lines, and (2) a bid noting 8,500 feet of 2-inch lines. Explain the discrepancy.

3. Is Nicholas District aware of 807 KAR 5:066, Section 10(2)(a), regarding the maximum length of any individual small-pipe line? If yes, has Nicholas District consulted with RD about a deviation from this regulation?

4. After consulting with RD, does Nicholas District need to amend its application or submit an amended RD letter or engineering report?

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and curves, positioned above a horizontal line.

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED: October 16, 2006

cc: Parties of Record