

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR AN ADJUSTMENT) CASE NO.
OF RATES, ISSUANCE OF BONDS, AND) 2010-00094
TARIFF CHANGES)

O R D E R

Northern Kentucky Water District ("NKWD") has applied to the Commission for an adjustment of rates, for authority to issue revenue bonds, and for approval of proposed tariff revisions. In its filing, NKWD requests permission to deviate from 807 KAR 5:001, Section 11(2)(a), which requires the submission of a detailed financial exhibit for the 12-month period ending not more than 90 days prior to the date of its application. On June 24, 2010, NKWD submitted a proposed tariff with an effective date of August 1, 2010 and requested permission to deviate from 807 KAR 5:001, Section 10(7)(d), which requires the submission of monthly operating budgets for the period encompassing the pro forma adjustments.

In support of its request for permission to deviate from 807 KAR 5:001, Section 11(2)(a), NKWD states that its financial exhibits are for the 12 months that ended December 31, 2009 and that those exhibits reflect the test-year operations upon which its proposed adjustments are based. Use of financial information for the same period to determine the reasonableness of the proposed rates and the need for the proposed financing, NKWD maintains, allows for comparable analysis of the data and avoids unnecessary revision of certain schedules and inconsistent data for essentially the

same purpose. It further states that these exhibits reflect the most recent financial data available and that no extraordinary circumstances have occurred since December 31, 2009.

According to NKWD, it submitted an annual operating budget for the period encompassing the pro forma adjustments, but 807 KAR 5:001, Section 10(7)(d), requires the submission of monthly operating budgets for that same period. NKWD contends that it does not prepare monthly operating budgets and that such a budget would provide no more useful information than the annual budget that has been submitted. To avoid the delay of preparing another financial statement that NKWD claims would have no additional analytical value, NKWD requests that the Commission grant it a deviation from that filing requirement.

807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviations are reasonable and should be granted.

NKWD proposes to place its proposed rates into effect on August 1, 2010. Finding that further proceedings are necessary to investigate the reasonableness of the proposed rates, the Commission suspends the operation of the proposed rates for a period of five months and establishes a schedule for review of the proposed rates.

IT IS THEREFORE ORDERED that:

1. NKWD is permitted to deviate from the 90-day filing requirement set forth in 807 KAR 5:001, Section 11(2)(a).

2. NKWD is permitted to deviate from submitting monthly operating budgets for the period encompassing the pro forma adjustments as required by 807 KAR 5:001, Section 10(7)(d).

3. NKWD's proposed rates are suspended from August 1, 2010 up to and including December 31, 2010.

4. The procedural schedule set forth in the Appendix attached hereto and incorporated herein shall be followed.

5. All documents filed with the Commission shall comply with the provisions of the Commission's Order of April 27, 2010.

6. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation, a partnership, an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. The party responding to a request for information shall serve an electronic copy and a paper copy on the Commission.

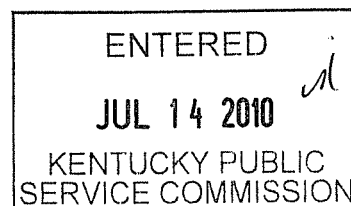
7. When NKWD is required in this proceeding to provide notice of an event or filing pursuant to statute or administrative regulation, it shall forward a duplicate of the notice and request to the Commission when requesting publication.

8. At any hearing in this matter, neither opening statements, summarization of direct testimony, or sur-rebuttal testimony shall be permitted.

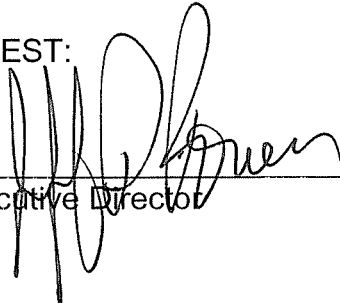
9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00094 DATED JUL 14 2010

All parties and Commission Staff shall serve their requests
for information to NKWD no later than 07/30/2010

NKWD shall file with the Commission and serve upon
all parties of record its responses to the requests for information
no later than..... 08/17/2010

All parties and Commission Staff shall serve their
supplemental requests for information upon NKWD
no later than..... 08/31/2010

NKWD shall file with the Commission and serve
upon all parties of record its responses to the
supplemental requests for information no later than 09/14/2010

Intervenor testimony, if any, shall be filed with the
Commission in verified prepared form no later than 09/24/2010

All requests for information to any Intervenor shall
be served upon that Intervenor no later than 10/05/2010

Intervenors shall file with the Commission and
serve upon all parties of record their responses to
the requests for information no later than 10/19/2010

An informal conference will be held at the Commission's
offices in Frankfort, Kentucky for the purpose of
considering the possibility of settlement, the simplification
of issues, and any other matters that may aid in the handling or
disposition of this case, beginning at 10:00 a.m., Eastern Daylight
Time, on..... 10/22/2010

Public Hearing for the purpose of cross-examination
of witnesses of NKWD and Intervenors (To be scheduled)

Parties may file written briefs with the
Commission no later than (To be scheduled)