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July 17, 2015

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

RE: Northern Kentucky Water District  
Case No. 2015-00143

In response to the Commission's letter of July 16, 2015, Northern Kentucky Water District submits the following information:

1. 807 KAR 5:001, Section 16(4)(a) - Complete description and quantified explanation for all proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.

There are no pro forma adjustments to test year financial information. All expense and revenues are at test year levels. Test year water consumption was adjusted to reflect actual consumption in Exhibit B, schedules I and N. A calculation of the consumption data is attached.

2. 807 KAR 5:001, Section 16(4)(h) - Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.

This is included in the Cost of Service Study – Exhibit B of the application and in the electronic file submitted with Item 17 of the Commission's First Data Request filed on July 14, 2015.

3. 807 KAR 5:001, Section 16(4)(p) - Prospectuses of most recent stock or bond offerings.

There is no bond issue proposed in this application. The last bond offering statement from Case No. 2014-00282 is attached.

4. 807 KAR 5:001, Section 16(5)(a) - Detailed income statement and balance sheet reflecting impact of all proposed adjustments.

Section 16(5) refers to pro forma adjustments included in the application. There are none – see testimony of Jack Bragg, Response Q. 13, Exhibit D of the application and Item 1 of the Commission's First Data Request filed on July 14, 2015.

5. 807 KAR 5:001, Section 16(5)(c)(1) – Starting date of the construction of each major component of plant.

There are no pro forma plant adjustments or other adjustments related to plant construction.

6. 807 KAR 5:001, Section 16(5)(c)(4) - Amount contained in construction work in progress at end of test period.

This information is included in Exhibit A, p. 13 of the application.

7. 807 KAR 5:001, Section 16(5)(c)(5) - A schedule containing complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement.

There are no pro forma plant adjustments or related retirements.

8. 807 KAR 5:001, Section 16(5)(c)(6) – Original cost and the cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions.

There are no pro forma plant adjustments or related salvage components.

9. 807 KAR 5:001, Section 16(5)(c)(7) - Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period.

There are no pro forma capital costs.

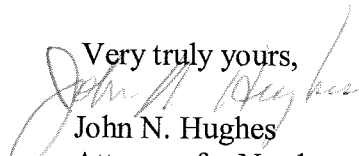
10. 807 KAR 5:001, Section 16(5)(c)(8) - Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements.

There are no pro forma plant adjustments or retirements.

11. 807 KAR 5:001, Section 16(5)(d) - Operating budget for each month of the period encompassing the pro forma adjustments.

There are no pro forma adjustments proposed.

If additional information is needed, please contact me.

Very truly yours,  
  
John N. Hughes  
Attorney for Northern Kentucky Water District