

COMMONWEALTH OF KENTUCKY
GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

64TH LEGISLATIVE DISTRICT
KENTON COUNTY
5415 OLD TAYLOR MILL ROAD
TAYLOR MILL, KENTUCKY 41015
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CAPITOL ANNEX, ROOM 329E
FRANKFORT, KENTUCKY 40601
PHONE: 502-564-8100, EXT. 694
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EMAIL: thomas.kerr@lrc.ky.gov

THOMAS R. KERR
STATE REPRESENTATIVE

June 25, 2007

RECEIVED

JUN 26 2007

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell, Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: Northern Kentucky Water District Subdistrict G
Case No. 2007-00131

Dear Ms. O'Donnell:

It has come to my attention that the Kentucky Public Service Commission's (Commission) Certificate of Public Convenience and Necessity for the construction of the Northern Kentucky Water District's (NKWD) Subdistrict G water main extension project has not been issued. This has placed the bids the NKWD received on March 5 in jeopardy of being lost. The bids are set to expire on July 1, 2007. State Budget funding of \$3,000,000 is being utilized to help fund this project that will provide water service to over 240 households who have an urgent need for water, especially during the current drought conditions that are being experienced in my District.

It is also critical that the Commission approve the NKWD's surcharge repayment method for their customers, as opposed to a payment method that requires new customers to pay a large fee up front. It is my understanding that if NKWD's proposed \$30 monthly customer surcharge payment is denied, NKWD's normal extension policy would require these residents to pay around \$7,000 to connect for service.

I also understand that this same issue regarding approval of NKWD's surcharge is being reviewed in Subdistrict F, through Case number 2006-00315. Obviously, since the surcharge method is in question in this case as well, it is urgent that the Commission approve the surcharge method so it does not impact Subdistrict G's approval including a favorable approval of the Subdistrict G surcharge method of extension.

Ms. Beth O'Donnell

June 25, 2007

Page 2

You may be aware that I sponsored legislation during the 2000 Regular Session of the General Assembly in an effort to avoid having the Commission delay or deny approval for these types of extensions and the associated surcharge extension method. I withdrew the legislation as a courtesy to the Commission, who opposed the legislation because representatives of the Commission indicated that the Commission had never denied a subdistrict and were willing to continue to consider such extensions, and, therefore, the legislation was unnecessary. The current long delay and uncertainty regarding approval of NKWD's Subdistrict F and Subdistrict G application, including the monthly surcharge method of extension, is exactly the type of situation that prompted the proposed legislation that I sponsored in 2000.

I would appreciate your prompt approval of the construction so the NKWD will not lose their excellent bids. Additionally, it is very important that the Public Service Commission continue to allow the District's surcharge method because large up-front payments are not feasible for my constituents.

Sincerely,

A handwritten signature in cursive script that reads "Thomas R. Kerr".

Thomas R. Kerr
State Representative

TRK:cl