

SUPPLEMENT TO WATER SUPPLY CONTRACT

This Supplement to Water Contract (hereinafter "Supplement"), dated as of the 27th day of April, 2000, is made by and between the City of Newport, Kentucky (hereinafter "Newport"), 998 Monmouth Street, Newport, Kentucky and the Northern Kentucky Water Service District (hereinafter "District"), 100 Aqua Drive, P.O. Box 220, Cold Spring, Kentucky. Together Newport and the District shall be referred to herein as the "Parties."

WITNESSETH

WHEREAS, Newport and the District, as successor by merger to the Campbell County Kentucky Water District and Kenton County Water District No. 1, are parties to a Water Supply Contract (hereinafter the "Contract") dated as of April 3, 1996, in which Newport agrees to supply water to the District and the District agrees to purchase water from Newport; and

WHEREAS, Newport and the District desire to initiate a new water rate for one of the service options set forth in the Contract, which new water rate will not be increased for a period of at least three (3) years after its effective date;

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, the Parties hereby agree as follows:

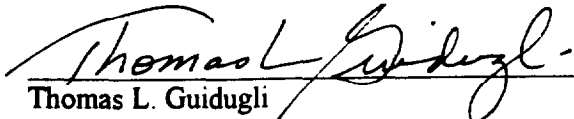
1. Effective upon the date of its approval or acceptance (hereinafter the "Effective Date") by the Public Service Commission of the Commonwealth of Kentucky (hereinafter the "PSC"), the water rate for the service option set forth in paragraph (B) of Article III of the Contract will be increased to \$1.10 per 1,000 gallons. This rate increase will be submitted to the PSC for review and approval/acceptance as required by Article V of the Contract.
2. Newport shall not increase the new water rate set forth in paragraph 1 above for a period of at least three (3) years after the Effective Date.
3. This Supplement does not in any way alter or affect the Contract, which remains in full force and effect, except as specifically stated herein.

IN WITNESS WHEREOF, the Parties hereto, acting under the authority of their respective governing bodies, have caused this Supplement to be duly executed in duplicate, each of which shall constitute an original.

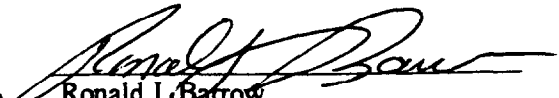
CITY OF NEWPORT, KENTUCKY

NORTHERN KENTUCKY WATER SERVICE DISTRICT

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE


Thomas L. Guidugli
Mayor

MAY 17 2000


Ronald J. Barrow
Acting General Manager

PURSUANT TO 807 KAR 5.011, *gen*
SECTION 9(1)
BY: Stephan D. Bell
SECRETARY OF THE COMMISSION