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**RESPONSE TO PSC**

***PSC CASE NO. 2010-00485***

**ITEM 7**

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 7: For each employee listed in Item 6, describe how the Plant Board allocated his or her payroll and payroll overhead charges to each city division for the proposed test period. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health insurance premiums, pension costs, and any other employee benefit cost.

Response: All employees, except those in Administration, Information Technology, Human Resources and Support Services, spend 100% of their time working in their assigned department. That is, water department employees spend 100% of their time working for the water department and do not perform work for other departments.

Employee salaries are allocated using several different methods. Employee salaries in the electric, water and cable departments are allocated using Method 1 and 100% of the salary is charged to the department. (Item 6, Ex. 3.) Method 1 is used for the majority of FEWPB's employees.

Employees salaries not attributable to the electric, water or cable departments are allocated using methods 3, 5 or 8. (Item 6, Ex. 3.)

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 8

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 8: Joint or shared costs, allocation procedures and internal memorandums regarding the same.

Response: 8(a): Total expense amounts and the amount allocated per division are found in the general ledger. (Item 4.)  
The basis for the allocations is explained in the Response to Item 6.

8(b): The procedures used to allocate joint and shared costs are explained in the Response to Item 6, Ex. 3.

8(c): No internal memorandums, etc. regarding allocation procedures.



RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 9

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/7/2010  
Case No. 2010-00485

ITEM 9: Depreciation Schedules

Response: Ex. 1 -- Depreciation Schedules FY 2008-2009

WATER TREATMENT SYSTEM DEPRECIATION SCHEDULE				SA 310-332	50 YEARS	
FY 08-09						
DATE		ADV. USED	COST	ACCD DEP 6/30/2008	CURR DEP	ACCD DEP 6/30/2009
6/30/1975			\$ 5,984,732.93	\$ 3,949,923.78	\$ 119,694.66	\$ 4,069,618.44
6/30/1976			\$ 960,684.02	\$ 626,550.68	\$ 19,213.68	\$ 645,764.36
6/30/1977			\$ 16,736.62	\$ 10,705.95	\$ 334.73	\$ 11,040.68
6/30/1985			\$ 2,151.85	\$ 1,000.00	\$ 43.04	\$ 1,043.04
6/30/1986			\$ 2,633.93	\$ 1,109.28	\$ 52.68	\$ 1,161.96
6/30/1988			\$ 23,518.57	\$ 9,423.49	\$ 470.37	\$ 9,893.86
6/30/1990			\$ 920.67	\$ 333.69	\$ 18.41	\$ 352.10
6/30/1991			\$ 16,714.28	\$ 5,757.23	\$ 334.29	\$ 6,091.52
6/30/1992			\$ 51,336.82	\$ 16,642.81	\$ 1,026.74	\$ 17,669.55
6/30/1993			\$ 138,634.49	\$ 42,600.65	\$ 2,772.69	\$ 45,373.34
6/30/1994			\$ 14,113.20	\$ 4,127.24	\$ 282.26	\$ 4,409.50
6/30/1995			\$ 72,762.45	\$ 19,386.13	\$ 1,455.25	\$ 20,841.38
6/30/1996			\$ 1,126,089.27	\$ 274,507.92	\$ 22,521.79	\$ 297,029.71
6/30/1997			\$ 715,056.82	\$ 165,410.79	\$ 14,301.14	\$ 179,711.93
6/30/1998			\$ 521,502.36	\$ 111,738.47	\$ 10,430.05	\$ 122,168.52
6/30/1999			\$ 50,595.87	\$ 9,569.11	\$ 1,011.92	\$ 10,581.03
6/30/2000			\$ 183,306.02	\$ 31,036.95	\$ 3,666.12	\$ 34,703.07
6/30/2001			\$ 62,642.15	\$ 9,344.02	\$ 1,252.84	\$ 10,596.86
6/30/2002			\$ 73,403.75	\$ 9,453.10	\$ 1,468.08	\$ 10,921.18
6/30/2003			\$ 137,948.43	\$ 14,993.30	\$ 2,758.97	\$ 17,752.27
6/30/2004			\$ 158,641.88	\$ 13,852.94	\$ 3,172.84	\$ 17,025.78
6/30/2005			\$ 41,909.17	\$ 3,146.64	\$ 838.18	\$ 3,984.82
6/30/2006			\$ 741,259.86	\$ 33,659.41	\$ 14,825.20	\$ 48,484.61
6/30/2007			\$ 85,568.34	\$ 2,044.09	\$ 1,711.37	\$ 3,755.46
6/30/2008			\$ 406,980.77	\$ 3,820.90	\$ 8,139.62	\$ 11,960.52
7/1/2008	BALANCE	\$ -	\$ 11,589,844.52	\$ 5,370,138.57	\$ 231,796.89	\$ 5,601,935.46
8-1			\$ 76,083.84		\$ 1,394.92	\$ 5,603,330.38
9-1			\$ 62,902.00		\$ 1,048.32	\$ 5,604,378.70
10-1			\$ 119,537.90		\$ 1,793.07	\$ 5,606,171.77
11-1			\$ -		\$ -	\$ 5,606,171.77
12-1			\$ 47,031.09		\$ 548.66	\$ 5,606,720.43
1-1			\$ 47,193.31		\$ 471.93	\$ 5,607,192.36
2-1			\$ -		\$ -	\$ 5,607,192.36
3-1			\$ -		\$ -	\$ 5,607,192.36
4-1			\$ 20,090.09		\$ 100.45	\$ 5,607,292.81
5-1			\$ 23,495.21		\$ 78.33	\$ 5,607,371.14
6-1			\$ 30,219.99		\$ 50.35	\$ 5,607,421.49
6-30			\$ 31,449.23		\$ -	
TOTALS		\$ -	\$ 458,002.66		\$ 237,282.92	
			\$ 12,047,847.18			
JULY		\$ 19,316.41	\$ 19,316.41			
AUGUST		\$ 19,443.22	\$ 38,759.63			
SEPTEMBER		\$ 19,548.05	\$ 58,307.68			
OCTOBER		\$ 19,747.28	\$ 78,054.96			
NOVEMBER		\$ 19,747.28	\$ 97,802.24			
DECEMBER		\$ 19,825.66	\$ 117,627.90			
JANUARY		\$ 19,904.32	\$ 137,532.22			
FEBRUARY		\$ 19,904.31	\$ 157,436.53			
MARCH		\$ 19,904.32	\$ 177,340.85			
APRIL		\$ 19,937.80	\$ 197,278.65			
MAY		\$ 19,976.96	\$ 217,255.61			
JUNE		\$ 20,027.31	\$ 237,282.92			

WATER DISTRIBUTION SYSTEM DEPRECIATION SCHEDULE				SA 340-349	50 YEARS	
FY08-09						
DATE		ADV.		ACCD DEP	CURR	ACCD DEP
		USED	COST	6/30/2008	DEP	6/30/2009
7/1/2008		\$ -	\$ 29,382,418.49	\$ 9,070,175.66	\$ 564,498.51	\$ 9,634,674.17
8-1		\$ -	\$ 109,366.95		\$ 2,005.13	\$ 9,636,679.30
9-1		\$ -	\$ 112,940.15		\$ 1,882.26	\$ 9,638,561.56
10-1		\$ -	\$ 64,182.06		\$ 962.73	\$ 9,639,524.29
11-1		\$ -	\$ 88,563.09		\$ 1,180.90	\$ 9,640,705.19
12-1		\$ -	\$ 65,321.40		\$ 762.04	\$ 9,641,467.23
1-1		\$ -	\$ 11,805.80		\$ 118.06	\$ 9,641,585.29
2-1		\$ -	\$ 49,592.30		\$ 413.30	\$ 9,641,998.59
3-1		\$ -	\$ 61,397.90		\$ 409.28	\$ 9,642,407.87
4-1		\$ -	\$ 98,134.11		\$ 490.67	\$ 9,642,898.54
5-1		\$ -	\$ 92,277.61		\$ 307.65	\$ 9,643,206.19
6-1		\$ -	\$ 51,651.84		\$ 86.05	\$ 9,643,292.24
6-30		\$ -	\$ 85,411.39		\$ -	\$ 9,643,292.24
TOTALS		\$ -	\$ 890,644.60		\$ 573,116.58	
NET PLANT			\$ 30,273,063.09			\$ 9,643,292.24
JULY		\$ 47,041.54	\$ 47,041.54			
AUGUST		\$ 47,223.83	\$ 94,265.37			
SEPTEMBER		\$ 47,412.05	\$ 141,677.42			
OCTOBER		\$ 47,519.02	\$ 189,196.44			
NOVEMBER		\$ 47,666.64	\$ 236,863.08			
DECEMBER		\$ 47,775.50	\$ 284,638.58			
JANUARY		\$ 47,795.18	\$ 332,433.76			
FEBRUARY		\$ 47,877.83	\$ 380,311.59			
MARCH		\$ 47,980.16	\$ 428,291.75			
APRIL		\$ 48,143.71	\$ 476,435.46			
MAY		\$ 48,297.54	\$ 524,733.00			
JUNE		\$ 48,383.58	\$ 573,116.58			

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 10

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 10: Trial Balance/Audit Adjustments

Response: Ex. 1 – Test Period Trial Balance (FY '09)

Ex. 2 – Fiscal Year 2010 Trial Balance

Ex. 3 – Test Period Audit Adjustments

Date: Monday, January 03, 2011  
 Time: 12:18PM  
 User: staylor

**Frankfort Plant Board**  
**Trial Balance - Combined Totals**

Page: 1 of 13  
 Report: 01610A.rpt  
 Company: 00001

Periods: 01-09 Through 12-09 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
101210	01	HEAD END PLANT	556,619.74	0.00	0.00	556,619.74		
101215	01	CABLE DISTRIBUTION PLAN	12,020,931.28	356,389.43	0.00	12,377,320.71		
101220	01	CABLE PLANT EQUIPMENT	1,365,328.99	319,486.24	0.00	1,684,815.23		
101225	01	CHANNEL 10 EQUIPMENT	1,182,759.52	88,140.74	0.00	1,270,900.26		
101230	01	CABLE TV EQUIPMENT	710,383.93	16,900.74	0.00	727,284.67		
101235	01	CABLE FSN PLANT	25,710,865.95	1,739,439.18	0.00	27,450,305.13		
101310	01	SOURCE OF SUPPLY LAND	21,924.72	0.00	0.00	21,924.72		
101311	01	SOURCE OF SUPPLY STRUC	286,973.26	60,557.00	0.00	347,530.26		
101313	01	SOURCE OF SUPPLY RIVER	1,153,591.97	0.00	0.00	1,153,591.97		
101315	01	SOURCE OF SUPPLY GALLE	125,854.45	0.00	0.00	125,854.45		
101316	01	SOURCE OF SUPPLY SUPPL	27,322.33	5,000.00	0.00	32,322.33		
101320	01	PUMPING PLANT LAND	2,436.08	0.00	0.00	2,436.08		
101321	01	PUMPING STRUCTURES & IN	224,727.44	879.44	0.00	225,606.88		
101325	01	PUMPING EQUIPMENT	1,179,689.83	8,471.25	0.00	1,188,161.08		
101330	01	TREATMENT PLANT LAND	14,076.65	0.00	0.00	14,076.65		
101331	01	TREATMENT STRUCTURES /	3,010,311.38	562,027.93	0.00	3,572,339.31		
101332	01	TREATMENT EQUIPMENT	5,542,936.41	0.00	0.00	5,542,936.41		
101340	01	DISTRIBUTION PLANT LAND	168,082.36	0.00	0.00	168,082.36		
101341	01	DISTRIBUTION STRUCTURE	251,556.71	0.00	0.00	251,556.71		
101342	01	DISTRIBUTION RESERVOIRS	8,356,973.97	66,980.14	0.00	8,423,954.11		
101343	01	DISTRIBUTION TRANSMISSI	16,561,063.22	713,940.01	0.00	17,275,003.23		
101344	01	DISTRIBUTION FIRE MAINS	121,923.57	3,802.44	0.00	125,726.01		
101345	01	DISTRIBUTION SERVICES	1,547,319.69	89,013.72	0.00	1,636,333.41		
101346	01	DISTRIBUTION METERS	1,435,751.18	76.75	0.00	1,435,827.93		
101347	01	DISTRIBUTION METER INSTI	43,347.53	1,097.66	0.00	44,445.19		
101348	01	DISTRIBUTION HYDRANTS	822,850.02	15,733.88	0.00	838,583.90		
101349	01	OTHER DISTRIBUTION PLAN	73,550.24	0.00	0.00	73,550.24		
101351	01	ELECTRIC TRANSMISSION	117,476.57	0.00	0.00	117,476.57		
101352	01	ELECTRIC TRANSMISSION S	1,465,973.94	0.00	0.00	1,465,973.94		
101353	01	ELECTRIC STATION EQUIPM	5,764,224.18	0.00	0.00	5,764,224.18		
101355	01	ELECTRIC TRANS POLES TC	800,287.43	15,521.52	0.00	815,808.95		
101356	01	ELECTRIC TRANS OVERHEA	1,886,330.48	35.30	0.00	1,886,365.78		
101360	01	ELECTRIC DISTRIBUTION LA	66,171.14	0.00	0.00	66,171.14		
101361	01	ELECTRIC DIST STRUCT & IN	556,893.29	0.00	0.00	556,893.29		
101362	01	ELECTRIC DIST STATION EC	9,262,757.47	366,618.84	0.00	9,629,376.31		
101363	01	ELECTRIC DIST STORAGE B.	36,077.03	0.00	0.00	36,077.03		
101364	01	ELECTRIC DISTRIBUTION PC	1,998,514.00	108,534.06	0.00	2,107,048.06		
101365	01	ELECTRIC DIST OVERHEAD	5,892,037.92	83,677.87	0.00	5,975,715.79		
101366	01	ELECTRIC DIST UNDERGROU	2,629,693.55	37,410.18	0.00	2,667,103.73		
101367	01	ELECTRIC DIST UNDERGROU	5,521,360.14	153,955.98	0.00	5,675,316.12		
101368	01	ELECTRIC DIST LINE TRANS	7,569,298.73	195,284.06	0.00	7,764,582.79		
101369	01	ELECTRIC DIST. SERVICES	2,771,000.81	37,568.98	0.00	2,808,569.79		

Date: Monday, January 03, 2011  
 Time: 12:18PM  
 User: staylor

**Frankfort Plant Board**  
**Trial Balance - Combined Totals**

Page: 2 of 13  
 Report: 01610A.rpt  
 Company: 00001

Periods: 01-09 Through 12-09 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning Balance	Period Activity		Ending Balance	Adjustment	Adjustment Balance
				Debit	Credit			
101370	01	ELECTRIC DISTRIBUTION M/	1,062,120.70	15,881.43	0.00	1,078,002.13		
101371	01	ELECTRIC SECURITY LIGHT	304,564.13	11,368.88	0.00	315,933.01		
101373	01	ELECTRIC STREET LIGHTS &	894,391.97	13,170.30	0.00	907,562.27		
101389	01	GENERAL LAND	195,681.04	0.00	0.00	195,681.04		
101390	01	GENERAL STRUCTURES ANI	2,423,035.13	140,727.96	0.00	2,563,763.09		
101391	01	GENERAL OFFICE EQUIPMEI	6,773,307.80	621.69	0.00	6,773,929.49		
101392	01	GENERAL TRANSPORT EQU	4,146,936.85	195,385.73	188,587.32	4,153,735.26		
101393	01	GENERAL STORES EQUIPME	46,768.28	0.00	0.00	46,768.28		
101394	01	GENERAL TOOLS SHOP & G.	373,026.05	0.00	0.00	373,026.05		
101395	01	GENERAL LABORATORY EQI	52,192.48	0.00	0.00	52,192.48		
101396	01	GENERAL POWER OPERATE	2,010,567.40	160,719.82	0.00	2,171,287.22		
101397	01	GENERAL COMMUNICATION	347,292.24	0.00	0.00	347,292.24		
101398	01	GENERAL MISCELLANEOUS	705,310.28	36,718.73	0.00	742,029.01		
101399	01	GENERAL COMPUTER EQUIP	1,155,710.74	589,960.07	0.00	1,745,670.81		
107215	01	CONSTRUCTION CABLE DIS	0.00	326,550.30	326,550.30	0.00		
107220	01	CONSTRUCTION CABLE EQU	0.00	316,337.61	316,337.61	0.00		
107225	01	CONSTRUCTION CHANNEL 1	0.00	31,394.84	31,394.84	0.00		
107230	01	CONSTRUCTION CABLE TV E	0.00	21,347.36	21,347.36	0.00		
107235	01	CONST. FSN PLANT	0.00	1,491,178.52	1,491,178.52	0.00		
107311	01	CONSTRUCTION S OF S STF	0.00	60,557.00	60,557.00	0.00		
107316	01	CONSTRUCTION S OF S SUF	0.00	5,000.00	5,000.00	0.00		
107321	01	CONSTRUCTION PUMPING F	0.00	789.68	789.68	0.00		
107325	01	CONSTRUCTION PUMPING E	0.00	3,780.00	3,780.00	0.00		
107331	01	CONSTRUCTION TREATMEN	0.00	356,426.75	356,426.75	0.00		
107342	01	CONSTRUCT DIST RESERVC	0.00	59,649.45	59,649.45	0.00		
107343	01	CONSTRUCT WATER DISTRI	0.00	653,487.72	653,487.72	0.00		
107344	01	CONSTRUCT DISTRIBUTION	0.00	3,802.44	3,802.44	0.00		
107345	01	CONSTRUCT WATER DISTRI	0.00	73,935.59	73,935.59	0.00		
107346	01	PURCHASE WATER METERS	0.00	76.75	76.75	0.00		
107347	01	CONSTRUCT WATER DIST. M	0.00	1,097.66	1,097.66	0.00		
107348	01	CONSTRUCT WATER DIST H	0.00	16,208.75	16,208.75	0.00		
107355	01	CONSTRUCTION ELECT TRA	0.00	138.12	138.12	0.00		
107356	01	CONSTRUCT ELECT TRAN O	0.00	35.30	35.30	0.00		
107362	01	CONSTRUCT ELECT DIST ST	0.00	362,242.84	362,242.84	0.00		
107364	01	CONSTRUCT ELECT DISTRIE	0.00	103,253.00	103,253.00	0.00		
107365	01	CONSTRUCT ELECT DIST OI	0.00	63,247.44	63,247.44	0.00		
107366	01	CONSTRUCT ELECT UNDERI	0.00	28,402.61	28,402.61	0.00		
107367	01	CONSTRUCT ELECT UG CON	0.00	242,028.34	242,028.34	0.00		
107368	01	CONSTRUCT ELECT DIST LIM	0.00	170,654.73	170,654.73	0.00		
107369	01	CONSTRUCT ELECT DIST SE	0.00	34,989.55	34,989.55	0.00		
107370	01	CONSTRUCT ELECTRIC DISI	0.00	15,251.10	15,251.10	0.00		
107371	01	CONSTRUCT SECURITY LIGI	0.00	10,964.16	10,964.16	0.00		



Date: Monday, January 03, 2011  
 Time: 12:18PM  
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**Frankfort Plant Board**  
**Trial Balance - Combined Totals**

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 Report: 01610A.rpt  
 Company: 00001

Periods: 01-09 Through 12-09 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
		CONSTRUCT STREET LIGHT	0.00	13,270.52	13,270.52	0.00		
107373	01	CONSTRUCT GEN STRUCTU	0.00	70,702.25	70,702.25	0.00		
107390	01	CONSTRUCT OFFICE FURNA	0.00	7,044.31	7,044.31	0.00		
107391	01	PURCHASE TRANSPORT EQ	0.00	269,709.05	269,709.05	0.00		
107392	01	PURCHASE POWER OPERAT	0.00	155,324.59	155,324.59	0.00		
107396	01	PURCHASE COMMUNICATIO	0.00	391.88	391.88	0.00		
107397	01	PURCHASE MISCELLANEOU	0.00	30,513.54	30,513.54	0.00		
107398	01	PURCHASE COMPUTER EQL	0.00	510,144.17	510,144.17	0.00		
107399	01	DEPRECIATION HEAD END	-497,725.18	0.00	17,358.12	-515,083.30		
108210	01	DEPRECIATION CABLE DIST	-7,408,329.60	0.00	582,248.60	-7,990,578.20		
108215	01	DEPRECIATION CABLE EQUI	-725,200.94	0.00	82,837.44	-808,038.38		
108220	01	DEPRECIATION CHANNEL 1C	-615,384.84	0.00	62,736.89	-678,121.73		
108225	01	DEPRECIATION CABLE TV EI	-395,822.77	0.00	41,665.25	-437,488.02		
108230	01	DEPRECIATION FSN CABLE	-9,005,168.75	0.00	1,762,466.85	-10,767,635.60		
108235	01	DEPRECIATION S O S STRUC	-189,489.61	0.00	5,894.86	-195,384.47		
108311	01	DEP. SOURCE OF SUPPLY R	-664,252.34	0.00	23,696.48	-687,948.82		
108313	01	DEP. SOS GALLERIES & TUN	-83,290.06	0.00	2,585.24	-85,875.30		
108315	01	DEP. SOS SUPPLY MAINS	-2,637.50	0.00	561.25	-3,198.75		
108316	01	DEP PUMP STRUCTURES	-103,708.37	0.00	4,616.22	-108,324.59		
108321	01	DEPRECIATION PUMP. EQUI	-661,775.95	0.00	24,232.56	-686,008.51		
108325	01	DEPRECIATION TREATMENT	-1,660,314.36	0.00	61,836.24	-1,722,150.60		
108331	01	DEPRECIATION TREATMENT	-2,004,670.35	0.00	113,860.07	-2,118,530.42		
108332	01	DEPRECIATION DIST STRUC	-61,238.29	0.00	4,934.93	-66,173.22		
108341	01	DEPRECIATION DIST RESV &	-2,216,273.36	0.00	163,944.17	-2,380,217.53		
108342	01	DEPRECIATION TRANS & DIS	-5,436,572.94	0.00	324,889.12	-5,761,462.06		
108343	01	DEPRECIATION FIRE MAINS	-95,463.26	0.00	2,391.84	-97,855.10		
108344	01	DEPRECIATION SERVICES	-230,151.56	0.00	30,354.77	-260,506.33		
108345	01	DEPRECIATION METERS	-652,495.98	0.00	28,166.07	-680,662.05		
108346	01	DEPRECIATION METER INAT	-13,552.78	0.00	850.38	-14,403.16		
108347	01	DEPRECIATION HYDRANTS	-259,663.11	0.00	16,142.42	-275,805.53		
108348	01	DEPRECIATION OTHER T&D	-104,764.38	0.00	1,442.88	-106,207.26		
108349	01	DEPRECIATION ELECTRIC T	-1,466,872.88	0.00	36,177.56	-1,503,050.44		
108352	01	DEPRECIATION ELE STATIOI	-5,593,210.81	0.00	142,250.57	-5,735,461.38		
108353	01	DEPRECIATION ELECT TRAN	-346,517.34	0.00	19,749.62	-366,266.96		
108355	01	DEPRECIATION TRANS OH C	-1,867,902.26	0.00	46,551.21	-1,914,453.47		
108356	01	DEPRECIATION ELECT DIST	-359,195.10	0.00	13,647.97	-372,843.07		
108361	01	DEPRECIATION ELECT DIST	-2,741,153.05	0.00	228,588.01	-2,969,741.06		
108362	01	DEPRECIATION ELECT DIST	-20,524.64	0.00	890.32	-21,414.96		
108363	01	DEPRECIATION ELECT DIST	-671,091.60	0.00	49,319.68	-720,411.28		
108364	01	DEPRECIATION ELECT DIST	-3,618,667.18	0.00	145,404.79	-3,764,071.97		
108365	01	DEPRECIATION ELEC UG CC	-635,991.68	0.00	64,896.05	-700,887.73		
108366	01	DEPRECIATION ELECT UG C	-1,310,926.96	0.00	136,257.13	-1,447,184.09		
108367	01							

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment Balance
			Balance	Debit	Credit	Balance		
108368	01	DEPRECIATION ELECT DIST	-3,731,581.50	0.00	186,796.53	-3,918,378.03		
108369	01	DEPRECIATION ELECT DIST	-1,697,628.02	0.00	68,383.25	-1,766,011.27		
108370	01	DEPRECIATION ELECT DIST	-731,899.14	0.00	26,211.20	-758,110.34		
108371	01	DEPRECIATION ELECT SECL	-51,908.56	0.00	7,516.08	-59,424.64		
108373	01	DEPRECIATION ELEC STREE	-535,899.79	0.00	22,072.03	-557,971.82		
108390	01	DEPRECIATION GENERAL PL/	-1,457,064.68	0.00	115,857.30	-1,572,921.98		
108391	01	DEPRECIATION GENERAL O	-5,242,141.47	0.00	376,699.44	-5,618,840.91		
108392	01	DEPRECIATION GENERAL TI	-2,975,901.41	142,745.62	220,555.00	-3,053,710.79		
108393	01	DEPRECIATION GENERAL S	-43,344.20	0.00	499.16	-43,843.36		
108394	01	DEPRECIATION GEN TOOLS	-345,278.29	0.00	7,418.87	-352,697.16		
108395	01	DEPRECIATION GENERAL L/	-51,628.96	0.00	483.00	-52,111.96		
108396	01	DEPRECIATION GENERAL P/	-1,755,185.13	9,424.92	136,376.88	-1,882,137.09		
108397	01	DEPRECIATION GENERAL C/	-238,073.46	0.00	20,999.96	-259,073.42		
108398	01	DEPRECIATION GENERAL M	-648,117.65	0.00	35,615.01	-683,732.66		
108399	01	DEPRECIATION COMPUTER	-184,594.41	0.00	280,847.07	-465,441.48		
123600	01	CONSOLIDATED ACQUISITIC	491,400.00	0.00	140,400.00	351,000.00		
124100	01	INVESTMENT CONTRACT FL	1,848,721.64	336,605.96	0.00	2,185,327.60		
125100	01	INVESTMENT REVENUE BON	671,000.00	0.00	0.00	671,000.00		
126300	01	INVESTMENT DEPRECIATIOI	1,260,360.24	35,312.16	0.00	1,295,672.40		
128500	01	INVESTMENT CLUBHOUSE F	102,407.74	5,004.75	0.00	107,412.49		
131010	01	IMPREST ELECTRIC & WATE	40,000.00	0.00	500.00	39,500.00		
131050	01	CASH CASH WORKING FUNC	5,896.38	461.89	0.00	6,358.27		
131100	01	CASH CONTRACT FUND	1,085,630.22	148,217.97	513,854.80	719,993.39		
131200	01	CASH REVENUE BOND SINK	256,654.59	108,203.57	0.00	364,858.16		
131250	01	CASH REV. BOND INT & RED	388,466.97	911,305.53	895,781.17	403,991.33		
131300	01	CASH DEPRECIATION FUND	2,033.49	2.59	0.00	2,036.08		
131350	01	CASH PAYROLL FUND	-69.46	111.74	42.28	0.00		
136350	01	OPERATIONS AND MAINTEN	2,300,604.47	2,716,594.39	4,434,809.73	582,389.13		
136400	01	REVENUE FUND FARMERS E	38,170.99	2,973,373.43	2,983,597.70	27,946.72		
136450	01	REVENUE STATE NATIONAL	274,001.87	2,732,323.53	2,479,574.42	526,750.98		
136600	01	CLUBHOUSE CASH FUND	50,540.81	10,122.82	0.00	60,663.63		
136700	01	REVENUE ACCT. REPUBLIC	88,337.20	36,003.91	89,199.58	35,141.53		
142100	01	ACCOUNTS RECEIVABLE EL	7,342,281.36	3,001,562.93	3,221,387.85	7,122,456.44		
142160	01	ACCTS REC. ADVERTISING	171,984.16	64,518.49	94,380.33	142,122.32		
142200	01	UNBILLED ACCOUNTS RECE	1,201,800.00	0.00	147,500.00	1,054,300.00		
143100	01	MISCELLANEOUS ACCOUNT	229,358.25	181,426.06	125,752.62	285,031.69		
143300	01	ACCOUNTS RECEIVABLE RE	7,546.94	22,172.09	26,008.80	3,710.23		
144110	01	ACCRUED BAD DEBTS	-23,100.00	170,857.27	163,857.27	-16,100.00		
154100	01	INVENTORY MATERIALS ANI	4,985,954.23	564,466.44	712,886.67	4,837,534.00		
154120	01	DRUMS CLEARING	500.00	0.00	0.00	500.00		
165100	01	PREPAID INSURANCE	592,682.07	719,042.12	709,607.29	602,116.90		
171100	01	INTEREST CONTRACT FUND	5,640.69	25,852.31	28,415.34	3,077.66		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment Balance
			Balance	Debit	Credit	Balance		
171200	01	INTEREST REVENUE BOND I	2,047.30	8,531.17	9,633.45	945.02		
171300	01	INTEREST DEPRECIATION F	3,845.52	16,219.38	18,240.15	1,824.75		
171500	01	INTEREST CLUBHOUSE	409.63	3,426.52	3,406.50	429.65		
174100	01	SELF INSURANCE FUND	224,294.65	87,009.08	0.00	311,303.73		
174200	01	RETIREMENT PLAN ASSETS	368,869.43	0.00	0.00	368,869.43		
181100	01	UNAMORTIZED DEBT DISCO	183,201.63	0.00	16,046.76	167,154.87		
		<b>Total</b>	<b>102,139,380.75</b>	<b>26,751,924.51</b>	<b>28,263,174.29</b>	<b>100,628,130.97</b>		
		Assets						
215100	01	PRIOR YEARS RETAINED EA	47,081,267.20	0.00	0.00	47,081,267.20		
215220	10	REVENUE CONTROL	0.00	2,512,835.76	994,792.94	-1,518,042.82		
215220	20	REVENUE CONTROL	0.00	123,891.54	832,199.39	708,307.85		
215220	30	REVENUE CONTROL	0.00	238,709.24	1,746,954.77	1,508,245.53		
221100	01	WATER TREATMENT PLANT	9,465,000.00	580,000.00	0.00	8,885,000.00		
221300	01	CONSOLIDATED BOND	894,605.03	236,779.61	0.00	657,825.42		
224100	01	BOND ANTICIPATION NOTE	1,850,000.00	0.00	0.00	1,850,000.00		
224300	01	FSN 1999 NOTE	3,830,000.00	258,000.00	0.00	3,572,000.00		
224310	01	FSN 2000 NOTE 2	6,929,828.60	398,708.05	0.00	6,531,120.55		
224320	01	FSN 2001 NOTE 3	5,290,895.60	417,381.05	0.00	4,873,514.55		
224330	01	FSN 2003 NOTE 4	6,769,973.00	389,510.90	0.00	6,380,462.10		
224340	01	FSN 2004 NOTE 5	4,141,808.80	324,040.65	0.00	3,817,768.15		
232100	01	POWER BILL / ACCOUNTS P,	5,617,953.62	3,749,161.98	3,617,520.05	5,486,311.69		
232150	01	ACCOUNTS PAYABLE MISCE	904,098.47	647,502.08	966,568.57	1,223,164.96		
232155	01	ACCOUNTS PAYABLE ACCRI	99,818.00	353,844.58	432,837.08	178,810.50		
232200	01	ACCOUNTS PAYABLE CONTI	3,964,044.37	278,749.24	135,618.51	3,820,913.64		
232300	01	ACCOUNTS PAYABLE SEWE	815,762.42	867,485.53	952,455.05	900,731.94		
232400	01	ACCOUNTS PAYABLE WINTE	110.81	611.42	657.28	156.67		
232500	01	FUTURE INSURANCE CLAIM	224,294.65	0.00	87,009.08	311,303.73		
232600	01	ACCRUED PAYROLL PAYABL	382,750.82	382,750.82	402,181.43	402,181.43		
232650	01	ACCRUED VACATION PAYAE	548,782.76	28,403.61	73,149.72	593,528.87		
235100	01	ACCOUNTS PAYABLE CUST	1,484,415.63	47,198.00	99,270.00	1,536,487.63		
235200	01	CABLE CUSTOMER DEPOSIT	27,878.50	2,080.00	1,330.00	27,128.50		
235300	01	WATER METER DEPOSITS	5,450.00	1,350.00	2,050.00	6,150.00		
235400	01	UNCLAIMED REFUNDS	5,430.50	0.00	0.00	5,430.50		
236100	01	PROPERTY TAX PAYABLE	23,001.10	42,166.63	42,167.07	23,001.54		
236200	01	SOCIAL SECURITY TAX PAY,	0.00	209.34	209.34	0.00		
237100	01	INTEREST ON CUSTOMER D	639,502.97	1,851.83	54,418.75	692,069.89		
237200	01	INTEREST ON BONDS	71,227.62	916,007.88	955,698.69	110,918.43		
241100	01	SALES TAX PAYABLE	61,614.30	47,293.42	33,931.28	48,252.16		
241150	01	PAYROLL WITHHOLDING PAY,	38,816.99	116,301.33	117,188.05	39,703.71		
241259	01	SCHOOL TAXES PAYABLE	139,020.67	66,400.08	50,920.04	123,540.63		
241275	01	OTHER TAXES	68,684.96	41,053.35	29,197.50	56,829.11		
241400	01	KY RIVER AUTHORITY FEE	105,754.11	206,446.05	130,826.90	30,134.96		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment Balance
			Balance	Debit	Credit	Balance		
253100	01	UNEARNED REVENUE	657,589.25	27,655.61	33,978.31	663,911.95		
		Total Liabilities	102,139,380.75	13,304,379.58	11,793,129.80	100,628,130.97		
415100	10	SALES OF MATERIAL	0.00	0.00	2,181.87	2,181.87		
415100	20	SALES OF MATERIAL	0.00	0.00	1,632.18	1,632.18		
415100	30	SALES OF MATERIAL	0.00	0.00	4,294.19	4,294.19		
415400	10	MAPPING INCOME	0.00	0.00	81.76	81.76		
415400	20	MAPPING INCOME	0.00	0.00	61.20	61.20		
415400	30	MAPPING INCOME	0.00	0.00	161.00	161.00		
418200	10	RENT CLUBHOUSE	0.00	0.00	2,619.63	2,619.63		
418200	20	RENT CLUBHOUSE	0.00	0.00	1,959.65	1,959.65		
418200	30	RENT CLUBHOUSE	0.00	0.00	5,155.72	5,155.72		
419050	10	INTEREST CASH WORKING I	0.00	0.00	2.72	2.72		
419050	20	INTEREST CASH WORKING I	0.00	0.00	0.50	0.50		
419050	30	INTEREST CASH WORKING I	0.00	0.00	1.21	1.21		
419100	10	INTEREST CONTRACT FUND	0.00	0.00	12,188.94	12,188.94		
419100	20	INTEREST CONTRACT FUND	0.00	0.00	18,692.85	18,692.85		
419100	30	INTEREST CONTRACT FUND	0.00	0.00	4,407.72	4,407.72		
419200	20	INTEREST REVENUE BOND I	0.00	0.00	11,617.50	11,617.50		
419250	20	INTEREST REV. BOND INTEF	0.00	0.00	561.86	561.86		
419300	10	INTEREST DEPRECIATION F	0.00	0.00	5,580.34	5,580.34		
419300	20	INTEREST DEPRECIATION F	0.00	0.00	3,932.82	3,932.82		
419300	30	INTEREST DEPRECIATION F	0.00	0.00	11,884.07	11,884.07		
419350	10	INTEREST OPERATIONS ANI	0.00	0.00	1,196.43	1,196.43		
419350	20	INTEREST OPERATIONS ANI	0.00	0.00	219.39	219.39		
419350	30	INTEREST OPERATIONS ANI	0.00	0.00	498.57	498.57		
419400	10	INTEREST REV FUND FARM	0.00	0.00	3,686.06	3,686.06		
419400	20	INTEREST REV FUND FARM	0.00	0.00	675.86	675.86		
419400	30	INTEREST REV FUND FARM	0.00	0.00	1,535.86	1,535.86		
419450	10	INTEREST REVENUE FUND S	0.00	0.00	6,523.98	6,523.98		
419450	20	INTEREST REVENUE FUND S	0.00	0.00	1,196.24	1,196.24		
419450	30	INTEREST REVENUE FUND S	0.00	0.00	2,718.26	2,718.26		
419500	10	INTEREST CLUBHOUSE FUN	0.00	0.00	1,456.47	1,456.47		
419500	20	INTEREST CLUBHOUSE FUN	0.00	0.00	1,089.57	1,089.57		
419500	30	INTEREST CLUBHOUSE FUN	0.00	0.00	2,866.55	2,866.55		
419550	10	INTEREST REV FUND REPU	0.00	0.00	7.11	7.11		
419550	20	INTEREST REV FUND REPU	0.00	0.00	1.30	1.30		
419550	30	INTEREST REV FUND REPU	0.00	0.00	3.03	3.03		
420100	30	BASIC SERVICE REVENUE	0.00	0.00	7,057,405.15	7,057,405.15		
420150	30	DIGITAL BASIC REVENUE	0.00	0.00	1,144,965.93	1,144,965.93		
420160	30	DIGITAL PAY REVENUE	0.00	61.79	5,550.38	5,488.59		
420175	30	PAY PER VIEW REVENUE	0.00	0.00	100,198.12	100,198.12		

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Account	Subaccount	Description	Beginning	Period Activity		Ending		Adjustment
			Balance	Debit	Credit	Balance	Adjustment	Balance
420200	30	H B O SERVICE FEES	0.00	0.00	456,938.05	456,938.05		
420300	30	T M C SERVICE FEES	0.00	0.00	69,174.34	69,174.34		
420510	30	CONNECTION CHARGES	0.00	0.00	232,699.00	232,699.00		
420520	30	PAY CHANNEL DISCOUNTS	0.00	177,112.75	0.00	-177,112.75		
420530	30	CABLE PENALTY CHARGES	0.00	39.80	165,969.72	165,929.92		
420600	30	SHOWTIME SERVICE REVEN	0.00	0.00	128,081.51	128,081.51		
420700	30	CINEMAX SERVICE FEE	0.00	0.00	111,226.82	111,226.82		
420750	30	STARZ/ENCORE	0.00	0.00	192,703.83	192,703.83		
420760	30	WAM/ENCORE	0.00	0.00	719.41	719.41		
420770	30	WAM/STARZ/ENCORE	0.00	0.49	12,904.33	12,903.84		
420800	30	ENCORE SERVICE REVENUE	0.00	137.04	4,205.33	4,068.29		
420810	30	HOME SECURITY SERVICE	0.00	0.00	303,961.97	303,961.97		
420815	30	HOME SECURITY INSTALLAT	0.00	13,487.97	122,771.69	109,283.72		
420820	30	HICAP REVENUE	0.00	0.00	214,800.00	214,800.00		
420825	30	LONG DISTANCE REVENUE	0.00	0.00	506,878.31	506,878.31		
420826	30	ACCESS BILLING REVENUE	0.00	0.00	249,884.98	249,884.98		
420830	30	HSDS REVENUE	0.00	0.00	4,524,566.05	4,524,566.05		
420832	30	BUNDLED SERVICE DISC	0.00	541,652.05	0.00	-541,652.05		
420835	30	CLEC LOCAL PHONE REVEN	0.00	0.00	3,160,500.67	3,160,500.67		
420900	30	ADVERTISING REVENUE	0.00	0.00	702,481.55	702,481.55		
420901	30	PRODUCTION REVENUE	0.00	0.00	26,721.10	26,721.10		
420910	30	LEASE OR SALE CHANNEL	0.00	0.00	148,586.51	148,586.51		
420920	30	SHOPPING CHANNEL REVEN	0.00	0.00	74,313.61	74,313.61		
420950	30	DIGITAL MUSIC REVENUE	0.00	0.00	4,003.89	4,003.89		
420970	30	CHANNEL 10 REVENUE	0.00	0.00	8,963.29	8,963.29		
420990	30	DARK FIBER REVENUE	0.00	0.00	1,155,773.04	1,155,773.04		
421100	10	MISCELLANEOUS INCOME	0.00	0.00	221,893.60	221,893.60		
421100	20	MISCELLANEOUS INCOME	0.00	0.00	165,079.58	165,079.58		
421100	30	MISCELLANEOUS INCOME	0.00	0.00	175,970.19	175,970.19		
421300	10	CAPITAL CONTRIBUTIONS	0.00	12,751.72	76,416.50	63,664.78		
421300	20	CAPITAL CONTRIBUTIONS	0.00	0.00	546,933.83	546,933.83		
421300	30	CAPITAL CONTRIBUTIONS	0.00	1,684.47	96,654.90	94,970.43		
440100	10	RESIDENTIAL ELECTRIC	0.00	0.00	13,819,510.76	13,819,510.76		
442100	10	COMMERCIAL 1 PHASE ELE	0.00	0.00	5,143,197.97	5,143,197.97		
442400	10	LARGE POWER ELECTRIC	0.00	0.00	19,326,549.50	19,326,549.50		
444100	10	ELECTRIC STREET LIGHTING	0.00	0.00	153,561.51	153,561.51		
445100	10	MUNICIPAL ELECTRIC	0.00	76,927.10	783,984.32	707,057.22		
448100	10	ELECT USED BY ELECT DEP	0.00	0.00	311,564.58	311,564.58		
448200	10	ELECTRIC USED BY WATER	0.00	0.00	397,197.14	397,197.14		
449100	10	ELECTRIC SECURITY LIGHTS	0.00	0.00	112,517.43	112,517.43		
450100	10	ELECTRIC COLLECTION CHA	0.00	448.83	207,739.50	207,290.67		
451100	10	MISCELLANEOUS ELECTRIC	0.00	0.00	22,913.08	22,913.08		

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			Balance	Debit	Credit	Balance		
461100	20	RESIDENTIAL CITY WATER	0.00	0.00	2,092,773.45	2,092,773.45		
461200	20	RESIDENTIAL COUNTY WATI	0.00	0.00	1,258,389.75	1,258,389.75		
461300	20	COMMERCIAL CITY WATER	0.00	0.00	1,646,969.44	1,646,969.44		
461400	20	COMMERCIAL COUNTY WAT	0.00	0.00	757,933.55	757,933.55		
462100	20	FIRE SPRINKLER SERVICE	0.00	0.00	114,926.99	114,926.99		
462200	20	PRIVATE FIRE HYDRANTS	0.00	0.00	41,733.47	41,733.47		
463100	20	CITY FIRE HYDRANTS	0.00	0.00	107,639.75	107,639.75		
466100	20	WATER SALES RESALE	0.00	0.00	1,208,526.34	1,208,526.34		
466200	20	WATER SALES RESALE-PRC	0.00	0.00	372,208.91	372,208.91		
467100	20	WATER USED BY ELECTRIC	0.00	0.00	374.07	374.07		
467200	20	WATER USED BY WATER DE	0.00	27.05	3,640.84	3,613.79		
470100	20	WATER COLLECTION CHARC	0.00	60.79	40,746.58	40,685.79		
		Total	0.00	824,391.85	70,205,188.52	69,380,796.67		
		Income						
510100	30	CABLE OPERATIONS & MAIN	0.00	967,585.37	0.00	967,585.37		
510300	30	CABLE DISTRIBUTION EXPEI	0.00	405,729.80	0.00	405,729.80		
510510	30	HBO EXPENSE	0.00	414,838.29	0.00	414,838.29		
510520	30	TMC EXPENSE	0.00	27,802.40	0.00	27,802.40		
510540	30	SHOWTIME EXPENSE	0.00	74,298.25	0.00	74,298.25		
510550	30	CINEMAX EXPENSE	0.00	47,173.51	0.00	47,173.51		
510560	30	ENCORE EXPENSE	0.00	1,553.88	198.89	1,354.99		
510563	30	WAM/ENCORE EXPENSE	0.00	551.16	67.69	483.47		
510565	30	STARZ/ENCORE	0.00	85,493.30	0.00	85,493.30		
510570	30	DIGITAL MUSIC EXPENSE	0.00	2,833.00	0.00	2,833.00		
510600	30	SATELLITE STATION EXPEN:	0.00	3,825,578.26	0.00	3,825,578.26		
510650	30	DIGITAL STATION EXPENSE	0.00	482,886.60	0.00	482,886.60		
510655	30	DIGITAL PAY STATION EXPE	0.00	42,622.30	8,337.06	34,285.24		
510660	30	HIGH DEFINITION TV EXPEN	0.00	84,057.51	88,563.96	-4,506.45		
510675	30	PAY PER VIEW EXPENSE	0.00	61,910.66	0.00	61,910.66		
510700	30	POLE RENTAL EXPENSE	0.00	20,459.04	0.00	20,459.04		
510800	30	ROYALTY COPYRIGHT EXPE	0.00	72,774.36	0.00	72,774.36		
520100	30	CHANNEL 10 SALARIES	0.00	483,801.09	0.00	483,801.09		
520200	30	CHANNEL 10 EXPENSES	0.00	48,491.32	0.00	48,491.32		
525200	30	CABLE ADVERTISING EXPEN	0.00	86,327.31	0.00	86,327.31		
525210	30	MARKETING EXPENSES	0.00	66,927.92	1,337.96	65,589.96		
530110	30	HICAP PAYROLL	0.00	34,303.85	0.00	34,303.85		
530120	30	LONG DISTANCE FSN PAYRO	0.00	70,720.07	0.00	70,720.07		
530130	30	HSDS PAYROLL	0.00	56,923.46	0.00	56,923.46		
530140	30	LOCAL PHONE	0.00	451,366.46	0.00	451,366.46		
530150	30	EXPANDED CABLE PAYROLL	0.00	73,332.73	0.00	73,332.73		
530160	30	SECURITY PAYROLL	0.00	103,292.38	0.00	103,292.38		
530510	30	HICAP EXPENSE	0.00	7,070.70	0.00	7,070.70		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Balance
			Balance	Debit	Credit	Balance		
			0.00	249,293.32	10,683.14	238,610.18		
530520	30	LONG DISTANCE FSN EXPEN	0.00	47,296.05	0.00	47,296.05		
530525	30	ACCESS BILLING EXPENSE	0.00	713,450.34	0.00	713,450.34		
530530	30	HSDS EXPENSE	0.00	420,992.15	0.00	420,992.15		
530540	30	CLEC EXPENSE	0.00	77,193.96	0.00	77,193.96		
530560	30	SECURITY EXPENSE	0.00	11,187,208.09	0.00	11,187,208.09		
555100	10	KW GENERATION DEMAND	0.00	229,085.66	0.00	229,085.66		
555150	10	KW TRANSMISSION DEMAND	0.00	17,431,790.85	0.00	17,431,790.85		
555200	10	COST PER KWH PURCHASE	0.00	3,350.00	0.00	3,350.00		
555250	10	FACILITIES CHARGE	0.00	6,678,794.71	422,887.68	6,255,907.03		
555300	10	COST OF FUEL ADJ PURCHA	0.00	31,379.49	952,945.48	-921,565.99		
555400	10	SEPA POWER ADJUSTMENT	0.00	7,076.56	0.00	7,076.56		
568000	10	ELECT TRANS PAYROLL EXP	0.00	1,750.00	0.00	1,750.00		
569000	10	ELECT TRANSMISSION EXPE	0.00	111,089.65	0.00	111,089.65		
594000	10	ELECT DIST UNDERGROUND	0.00	149,365.06	0.00	149,365.06		
594100	10	ELECT DIST UNDERGROUND	0.00	70,350.68	0.00	70,350.68		
596000	10	ELECT DIST STREET LIGHTS	0.00	39,626.58	0.00	39,626.58		
596100	10	ELECT DIST STREET LIGHT	0.00	819,660.37	0.00	819,660.37		
598000	10	ELECT DISTRIBUTION EXPE	0.00	1,206,975.41	0.00	1,206,975.41		
598100	10	ELECT DIST PAYROLL	0.00	6,269.24	0.00	6,269.24		
599000	10	ELECT DIST SECURITY LIGH	0.00	4,411.04	0.00	4,411.04		
599100	10	ELECT DIST SECURITY LIGH	0.00	457,514.98	0.00	457,514.98		
623000	20	PUMPING POWER	0.00	99,101.18	0.00	99,101.18		
633000	20	PUMPING MAINTENANCE	0.00	444,648.36	0.00	444,648.36		
641000	20	WATER TREATMENT CHEMI	0.00	337,307.24	0.00	337,307.24		
642000	20	WATER TREATMENT LABOR	0.00	74,112.41	0.00	74,112.41		
643000	20	MISCELLANEOUS TREATME	0.00	58,632.15	0.00	58,632.15		
644000	20	TREATMENT LABORATORY I	0.00	42,319.46	0.00	42,319.46		
644100	20	TREATMENT LABORATORY I	0.00	13,823.77	0.00	13,823.77		
652000	20	WATER TREATMENT MAINT	0.00	82,740.66	0.00	82,740.66		
652100	20	WATER TREATMENT MAINT	0.00	8,069.29	0.00	8,069.29		
677000	20	FIRE HYDRANTS	0.00	44,555.17	0.00	44,555.17		
677100	20	FIRE HYDRANTS PAYROLL	0.00	347,800.17	0.00	347,800.17		
678000	20	WATER DISTRIBUTION EXPE	0.00	844,727.75	0.00	844,727.75		
678100	20	WATER DIST PAYROLL	0.00	9,784.49	0.00	9,784.49		
700000	10	ENGINEERING EXPENSE AC	0.00	2,437.31	0.00	2,437.31		
700000	20	ENGINEERING EXPENSE AC	0.00	1,268.56	0.00	1,268.56		
700000	30	ENGINEERING EXPENSE AC	0.00	245,900.70	0.00	245,900.70		
700100	10	ENGINEERING PAYROLL	0.00	233,567.35	0.00	233,567.35		
700100	20	ENGINEERING PAYROLL	0.00	106,708.16	0.00	106,708.16		
700100	30	ENGINEERING PAYROLL	0.00	15,246.01	0.00	15,246.01		
902000	10	METER READING EXPENSES	0.00	11,533.83	0.00	11,533.83		
902000	20	METER READING EXPENSES	0.00					

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
902000	30	METER READING EXPENSES	0.00	252.05	0.00	252.05		
902100	10	METER READING PAYROLL	0.00	210,904.49	0.00	210,904.49		
902100	20	METER READING PAYROLL	0.00	157,745.32	0.00	157,745.32		
903000	10	CUSTOMER RECORDS AND	0.00	4,738.98	0.00	4,738.98		
903000	20	CUSTOMER RECORDS AND	0.00	3,545.03	0.00	3,545.03		
903000	30	CUSTOMER RECORDS AND	0.00	9,435.70	0.00	9,435.70		
903010	10	POSTAGE AND PRINTING	0.00	45,323.31	0.00	45,323.31		
903010	20	POSTAGE AND PRINTING	0.00	35,697.22	0.00	35,697.22		
903010	30	POSTAGE AND PRINTING	0.00	89,559.00	0.00	89,559.00		
903100	10	CUSTOMER RECORDS AND	0.00	226,914.18	0.00	226,914.18		
903100	20	CUSTOMER RECORDS AND	0.00	169,742.98	0.00	169,742.98		
903100	30	CUSTOMER RECORDS AND	0.00	446,576.74	0.00	446,576.74		
903200	10	CASH OVER AND SHORT	0.00	40.68	9.69	30.99		
903200	20	CASH OVER AND SHORT	0.00	30.44	7.28	23.16		
903200	30	CASH OVER AND SHORT	0.00	80.13	59.09	21.04		
903921	10	OFFICE SUPPLIES EXPENSE	0.00	12,709.99	0.00	12,709.99		
903921	20	OFFICE SUPPLIES EXPENSE	0.00	9,574.51	0.00	9,574.51		
903921	30	OFFICE SUPPLIES EXPENSE	0.00	29,279.01	0.00	29,279.01		
904000	10	BAD DEBTS EXPENSE	0.00	103,125.00	17,471.12	85,653.88		
904000	20	BAD DEBTS EXPENSE	0.00	18,909.00	3,203.51	15,705.49		
904000	30	BAD DEBTS EXPENSE	0.00	42,966.00	7,279.17	35,686.83		
905100	10	INFORMATION TECHNOLOGI	0.00	126,992.24	0.00	126,992.24		
905100	20	INFORMATION TECHNOLOGI	0.00	94,996.47	0.00	94,996.47		
905100	30	INFORMATION TECHNOLOGI	0.00	249,926.21	0.00	249,926.21		
905200	10	GIS EXPENSES	0.00	9,350.00	0.00	9,350.00		
905200	20	GIS EXPENSES	0.00	8,964.26	0.00	8,964.26		
905200	30	GIS EXPENSES	0.00	18,401.23	0.00	18,401.23		
905210	10	CIS EXPENSES	0.00	45,134.09	0.00	45,134.09		
905210	20	CIS EXPENSES	0.00	33,762.55	0.00	33,762.55		
905210	30	CIS EXPENSES	0.00	106,696.28	0.00	106,696.28		
905300	10	COMPUTER EXPENSE	0.00	37,976.15	0.00	37,976.15		
905300	20	COMPUTER EXPENSE	0.00	28,408.10	0.00	28,408.10		
905300	30	COMPUTER EXPENSE	0.00	75,416.95	0.00	75,416.95		
913000	10	PUBLISHING EXPENSE	0.00	2,224.06	0.00	2,224.06		
913000	20	PUBLISHING EXPENSE	0.00	5,350.06	0.00	5,350.06		
913000	30	PUBLISHING EXPENSE	0.00	5,914.15	0.00	5,914.15		
920000	10	ADMINISTRATIVE EXPENSE	0.00	65,926.49	0.00	65,926.49		
920000	20	ADMINISTRATIVE EXPENSE	0.00	52,165.82	0.00	52,165.82		
920000	30	ADMINISTRATIVE EXPENSE	0.00	131,371.87	0.00	131,371.87		
920060	10	DUES AND SUBSCRIPTIONS	0.00	41,402.98	0.00	41,402.98		
920060	20	DUES AND SUBSCRIPTIONS	0.00	12,389.68	0.00	12,389.68		
920060	30	DUES AND SUBSCRIPTIONS	0.00	6,407.24	0.00	6,407.24		



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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment
			Balance	Debit	Credit	Balance	Balance	Balance
			0.00	218,139.85	0.00	218,139.85		
920100	10	ADMINISTRATIVE PAYROLL	0.00	163,179.35	0.00	163,179.35		
920100	20	ADMINISTRATIVE PAYROLL	0.00	429,308.48	0.00	429,308.48		
920100	30	ADMINISTRATIVE PAYROLL	0.00	3,204.71	2,197.87	1,006.84		
920200	10	CLEARING ACCOUNT	0.00	2,397.34	1,644.14	753.20		
920200	20	CLEARING ACCOUNT	0.00	6,307.14	4,325.56	1,981.58		
920200	30	CLEARING ACCOUNT	0.00	8,767.94	372.42	8,395.52		
920400	10	SAFETY EXPENSE	0.00	9,291.93	397.18	8,894.75		
920400	20	SAFETY EXPENSE	0.00	14,718.44	620.58	14,097.86		
920400	30	SAFETY EXPENSE	0.00	39,622.92	0.00	39,622.92		
920700	10	TRAVEL AND TRAINING EXPI	0.00	34,274.84	0.00	34,274.84		
920700	20	TRAVEL AND TRAINING EXPI	0.00	56,165.51	0.00	56,165.51		
920700	30	TRAVEL AND TRAINING EXPI	0.00	563.53	167.03	396.50		
920810	10	BOARD EXPENSES	0.00	421.56	124.95	296.61		
920810	20	BOARD EXPENSES	0.00	2,653.23	328.74	2,324.49		
920810	30	BOARD EXPENSES	0.00	1,507.86	0.00	1,507.86		
920820	10	BOARD PAYROLL	0.00	1,128.02	0.00	1,128.02		
920820	20	BOARD PAYROLL	0.00	2,967.64	0.00	2,967.64		
920820	30	BOARD PAYROLL	0.00	218,850.68	0.00	218,850.68		
920910	10	SOCIAL SECURITY EXPENSE	0.00	211,839.65	0.00	211,839.65		
920910	20	SOCIAL SECURITY EXPENSE	0.00	323,006.80	0.00	323,006.80		
920910	30	SOCIAL SECURITY EXPENSE	0.00	12.95	12.95	0.00		
923200	20	CONSULTING FEES RATE C/	0.00	8,718.84	0.00	8,718.84		
923300	10	LEGAL RETAINER FEES	0.00	6,522.00	0.00	6,522.00		
923300	20	LEGAL RETAINER FEES	0.00	17,159.16	0.00	17,159.16		
923300	30	LEGAL RETAINER FEES	0.00	114,681.21	0.00	114,681.21		
923400	10	OTHER CONSULTING FEES	0.00	38,384.86	11,770.00	26,614.86		
923400	20	OTHER CONSULTING FEES	0.00	371.40	0.00	371.40		
923400	30	OTHER CONSULTING FEES	0.00	108,545.37	1,125.25	107,420.12		
923500	10	OTHER LEGAL AND ACCOUN	0.00	62,889.16	27,098.52	35,790.64		
923500	20	OTHER LEGAL AND ACCOUN	0.00	61,279.99	0.00	61,279.99		
923500	30	OTHER LEGAL AND ACCOUN	0.00	12,492.59	0.00	12,492.59		
923600	30	LEGAL EXPENSES CABLE C/	0.00	286,960.53	0.00	286,960.53		
924000	10	INSURANCE EXPENSE	0.00	250,368.91	0.00	250,368.91		
924000	20	INSURANCE EXPENSE	0.00	350,818.52	0.00	350,818.52		
924000	30	INSURANCE EXPENSE	0.00	1,605.73	0.00	1,605.73		
926000	10	UNEMPLOYMENT INSURANC	0.00	1,712.43	0.00	1,712.43		
926000	20	UNEMPLOYMENT INSURANC	0.00	2,675.67	0.00	2,675.67		
926000	30	UNEMPLOYMENT INSURANC	0.00	178,084.76	6,428.06	171,656.70		
926060	10	VACATION BENEFITS EXPEN	0.00	170,181.70	0.00	170,181.70		
926060	20	VACATION BENEFITS EXPEN	0.00	232,337.87	0.00	232,337.87		
926060	30	VACATION BENEFITS EXPEN	0.00	79,543.17	0.00	79,543.17		
926070	10	SICK BENEFITS EXPENSE	0.00					

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
926070	20	SICK BENEFITS EXPENSE	0.00	94,630.95	0.00	94,630.95		
926070	30	SICK BENEFITS EXPENSE	0.00	96,734.56	0.00	96,734.56		
926100	10	EMPLOYEES WELFARE EXPI	0.00	463,891.53	0.00	463,891.53		
926100	20	EMPLOYEES WELFARE EXPI	0.00	488,850.90	0.00	488,850.90		
926100	30	EMPLOYEES WELFARE EXPI	0.00	759,339.97	0.00	759,339.97		
926400	10	CLUBHOUSE EXPENSE	0.00	2,580.93	0.00	2,580.93		
926400	20	CLUBHOUSE EXPENSE	0.00	4,038.98	0.00	4,038.98		
926400	30	CLUBHOUSE EXPENSE	0.00	4,300.74	0.00	4,300.74		
926450	10	EMPLOYEE ACTIVITY EXPEN	0.00	9,394.94	0.00	9,394.94		
926450	20	EMPLOYEE ACTIVITY EXPEN	0.00	9,898.90	0.00	9,898.90		
926450	30	EMPLOYEE ACTIVITY EXPEN	0.00	14,433.64	0.00	14,433.64		
926470	10	EMPLOYEE ASSISTANCE EX	0.00	781.87	0.00	781.87		
926470	20	EMPLOYEE ASSISTANCE EX	0.00	833.89	0.00	833.89		
926470	30	EMPLOYEE ASSISTANCE EX	0.00	1,302.92	0.00	1,302.92		
926500	10	COMPANY CONTRIBUTION T	0.00	405,485.41	0.00	405,485.41		
926500	20	COMPANY CONTRIBUTION T	0.00	395,554.51	0.00	395,554.51		
926500	30	COMPANY CONTRIBUTION T	0.00	604,996.44	0.00	604,996.44		
930100	01	GENERAL EXPENSES	0.00	281.25	281.25	0.00		
930100	10	GENERAL EXPENSES	0.00	3,932.60	0.00	3,932.60		
930100	20	GENERAL EXPENSES	0.00	2,958.78	0.00	2,958.78		
930100	30	GENERAL EXPENSES	0.00	8,864.34	0.00	8,864.34		
930110	01	MAINTENANCE EXPENSES	0.00	281.25	281.25	0.00		
930110	10	MAINTENANCE EXPENSES	0.00	12,199.72	0.00	12,199.72		
930110	20	MAINTENANCE EXPENSES	0.00	10,094.51	0.00	10,094.51		
930110	30	MAINTENANCE EXPENSES	0.00	29,907.83	0.00	29,907.83		
930401	20	AMORTIZATION BOND DISC/	0.00	16,046.76	0.00	16,046.76		
930402	30	AMORTIZATION EXPENSE	0.00	140,400.00	0.00	140,400.00		
930403	10	DEPRECIATION EXPENSE	0.00	1,521,687.18	0.00	1,521,687.18		
930403	20	DEPRECIATION EXPENSE	0.00	1,040,836.82	0.00	1,040,836.82		
930403	30	DEPRECIATION EXPENSE	0.00	3,245,640.06	0.00	3,245,640.06		
930408	10	CITY PROP TAX / IN-LIEU-OF	0.00	37,800.95	0.00	37,800.95		
930408	20	CITY PROP TAX / IN-LIEU-OF	0.00	30,906.26	0.00	30,906.26		
930408	30	CITY PROP TAX / IN-LIEU-OF	0.00	40,300.07	0.00	40,300.07		
930409	10	COUNTY PROP TAX / IN-LIEL	0.00	17,401.92	0.00	17,401.92		
930409	20	COUNTY PROP TAX / IN-LIEL	0.00	14,227.92	0.00	14,227.92		
930409	30	COUNTY PROP TAX / IN-LIEL	0.00	14,370.60	0.00	14,370.60		
930425	30	INTEREST EXPENSE ON FSN	0.00	1,116,160.15	0.00	1,116,160.15		
930426	20	INTEREST ON BAN	0.00	113,689.26	28,532.73	85,156.53		
930427	20	INTEREST ON BONDS	0.00	495,410.00	0.00	495,410.00		
930429	30	INTEREST ON CONSOLIDATI	0.00	47,235.19	0.00	47,235.19		
930431	10	INTEREST ON CUSTOMER D	0.00	76,758.27	0.00	76,758.27		
930431	20	INTEREST ON CUSTOMER D	0.00	14,069.26	0.00	14,069.26		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
930435	10	CASH CONTRIBUTIONS TO C	0.00	15,624.98	0.00	15,624.98		
930435	20	CASH CONTRIBUTIONS TO C	0.00	2,865.01	0.00	2,865.01		
930435	30	CASH CONTRIBUTIONS TO C	0.00	6,510.01	0.00	6,510.01		
932110	10	SUPPORT SERVICES EXP	0.00	23,901.43	0.00	23,901.43		
932110	20	SUPPORT SERVICES EXP	0.00	17,871.31	0.00	17,871.31		
932110	30	SUPPORT SERVICES EXP	0.00	47,032.64	0.00	47,032.64		
932120	10	SUPPORT SERVICES PAYRC	0.00	122,102.93	0.00	122,102.93		
932120	20	SUPPORT SERVICES PAYRC	0.00	91,339.01	0.00	91,339.01		
932120	30	SUPPORT SERVICES PAYRC	0.00	240,303.79	0.00	240,303.79		
932130	10	INVENTORY ADJUSTMENTS	0.00	20,358.45	10,486.67	9,871.78		
932130	20	INVENTORY ADJUSTMENTS	0.00	7,468.69	4,470.35	2,998.34		
932130	30	INVENTORY ADJUSTMENTS	0.00	9,348.27	2,730.87	6,617.40		
932140	10	COST OF SALES CLEARING	0.00	1,220.35	0.00	1,220.35		
932140	20	COST OF SALES CLEARING	0.00	912.93	0.00	912.93		
932140	30	COST OF SALES CLEARING	0.00	2,401.85	0.00	2,401.85		
932200	10	AUTO & TRUCK REPAIR EXP	0.00	60,785.43	10,557.64	50,227.79		
932200	20	AUTO & TRUCK REPAIR EXP	0.00	68,152.69	0.00	68,152.69		
932200	30	AUTO & TRUCK REPAIR EXP	0.00	51,789.46	0.00	51,789.46		
932210	10	AUTO & TRUCK REPAIR PAY	0.00	86,173.11	0.00	86,173.11		
932210	20	AUTO & TRUCK REPAIR PAY	0.00	63,460.69	0.00	63,460.69		
932210	30	AUTO & TRUCK REPAIR PAY	0.00	60,084.30	0.00	60,084.30		
932220	10	AUTO & TRUCK GAS & OIL	0.00	132,378.95	0.00	132,378.95		
932220	20	AUTO & TRUCK GAS & OIL	0.00	97,488.14	0.00	97,488.14		
932220	30	AUTO & TRUCK GAS & OIL	0.00	92,301.32	0.00	92,301.32		
		<b>Total Expenses</b>	<b>0.00</b>	<b>70,309,291.84</b>	<b>1,627,005.73</b>	<b>68,682,286.11</b>		

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Periods: 01-10 Through 12-10 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning Balance	Period Activity		Ending Balance	Adjustment	Adjustment Balance
				Debit	Credit			
		HEAD END PLANT	556,619.74	2,665.74	0.00	559,285.48		
101210	01	CABLE DISTRIBUTION PLAN	12,377,320.71	312,462.09	0.00	12,689,782.80		
101215	01	CABLE PLANT EQUIPMENT	1,684,815.23	58,538.81	0.00	1,743,354.04		
101220	01	CHANNEL 10 EQUIPMENT	1,270,900.26	37,106.28	0.00	1,308,006.54		
101225	01	CABLE TV EQUIPMENT	727,284.67	17,737.32	0.00	745,021.99		
101230	01	CABLE FSN PLANT	27,450,305.13	4,363,194.47	0.00	31,813,499.60		
101235	01	SOURCE OF SUPPLY LAND	21,924.72	0.00	0.00	21,924.72		
101310	01	SOURCE OF SUPPLY STRUC	347,530.26	276.57	0.00	347,806.83		
101311	01	SOURCE OF SUPPLY RIVER	1,153,591.97	0.00	0.00	1,153,591.97		
101313	01	SOURCE OF SUPPLY GALLE	125,854.45	0.00	0.00	125,854.45		
101315	01	SOURCE OF SUPPLY SUPPL	32,322.33	0.00	0.00	32,322.33		
101316	01	PUMPING PLANT LAND	2,436.08	0.00	0.00	2,436.08		
101320	01	PUMPING STRUCTURES & IN	225,606.88	0.00	0.00	225,606.88		
101321	01	PUMPING EQUIPMENT	1,188,161.08	41,670.96	0.00	1,229,832.04		
101325	01	TREATMENT PLANT LAND	14,076.65	0.00	0.00	14,076.65		
101330	01	TREATMENT STRUCTURES /	3,572,339.31	4,909,933.52	0.00	8,482,272.83		
101331	01	TREATMENT EQUIPMENT	5,542,936.41	37,176.73	0.00	5,580,113.14		
101332	01	DISTRIBUTION PLANT LAND	168,082.36	0.00	0.00	168,082.36		
101340	01	DISTRIBUTION STRUCTURE:	251,556.71	0.00	0.00	251,556.71		
101341	01	DISTRIBUTION RESERVOIRS	8,423,954.11	62,028.67	0.00	8,485,982.78		
101342	01	DISTRIBUTION TRANSMISSI	17,275,003.23	937,450.67	0.00	18,212,453.90		
101343	01	DISTRIBUTION FIRE MAINS	125,726.01	6,387.00	0.00	132,113.01		
101344	01	DISTRIBUTION SERVICES	1,636,333.41	128,456.56	0.00	1,764,789.97		
101345	01	DISTRIBUTION METERS	1,435,827.93	161.28	0.00	1,435,989.21		
101346	01	DISTRIBUTION METER INSTI	44,445.19	2,576.70	0.00	47,021.89		
101347	01	DISTRIBUTION HYDRANTS	838,583.90	13,233.77	0.00	851,817.67		
101348	01	OTHER DISTRIBUTION PLAN	73,550.24	0.00	0.00	73,550.24		
101349	01	ELECTRIC TRANSMISSION	117,476.57	0.00	0.00	117,476.57		
101351	01	ELECTRIC TRANSMISSION S	1,465,973.94	0.00	0.00	1,465,973.94		
101352	01	ELECTRIC STATION EQUIPM	5,764,224.18	0.00	0.00	5,764,224.18		
101353	01	ELECTRIC TRANS POLES TC	815,808.95	44,866.56	0.00	860,675.51		
101355	01	ELECTRIC TRANS OVERHEA	1,886,365.78	3,172.24	0.00	1,889,538.02		
101356	01	ELECTRIC DISTRIBUTION LA	66,171.14	0.00	0.00	66,171.14		
101360	01	ELECTRIC DIST STRUCT & IN	556,893.29	0.00	0.00	556,893.29		
101361	01	ELECTRIC DIST STATION EC	9,629,376.31	263,734.79	0.00	9,893,111.10		
101362	01	ELECTRIC DIST STORAGE B.	36,077.03	0.00	0.00	36,077.03		
101363	01	ELECTRIC DISTRIBUTION PC	2,107,048.06	87,011.14	0.00	2,194,059.20		
101364	01	ELECTRIC DIST OVERHEAD	5,975,715.79	176,745.56	0.00	6,152,461.35		
101365	01	ELECTRIC DIST UNDERGROI	2,667,103.73	48,353.82	0.00	2,715,457.55		
101366	01	ELECTRIC DIST UNDERGROI	5,675,316.12	49,466.82	0.00	5,724,782.94		
101367	01	ELECTRIC DIST LINE TRANS	7,764,582.79	235,240.71	0.00	7,999,823.50		
101368	01	ELECTRIC DIST. SERVICES	2,808,569.79	42,002.84	0.00	2,850,572.63		
101369	01							

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
101370	01	ELECTRIC DISTRIBUTION M/	1,078,002.13	9,854.82	0.00	1,087,856.95		
101371	01	ELECTRIC SECURITY LIGHT	315,933.01	26,268.17	0.00	342,201.18		
101373	01	ELECTRIC STREET LIGHTS &	907,562.27	4,229.25	0.00	911,791.52		
101389	01	GENERAL LAND	195,681.04	0.00	0.00	195,681.04		
101390	01	GENERAL STRUCTURES ANI	2,563,763.09	183,791.63	0.00	2,747,554.72		
101391	01	GENERAL OFFICE EQUIPMEI	6,773,929.49	13,843.10	0.00	6,787,772.59		
101392	01	GENERAL TRANSPORT EQU	4,153,735.26	193,791.00	138,429.40	4,209,096.86		
101393	01	GENERAL STORES EQUIPME	46,768.28	4,542.00	0.00	51,310.28		
101394	01	GENERAL TOOLS SHOP & G	373,026.05	0.00	0.00	373,026.05		
101395	01	GENERAL LABORATORY EQI	52,192.48	0.00	0.00	52,192.48		
101396	01	GENERAL POWER OPERATE	2,171,287.22	15,416.86	58,405.15	2,128,298.93		
101397	01	GENERAL COMMUNICATION	347,292.24	0.00	0.00	347,292.24		
101398	01	GENERAL MISCELLANEOUS	742,029.01	65,321.27	0.00	807,350.28		
101399	01	GENERAL COMPUTER EQUIP	1,745,670.81	256,551.36	0.00	2,002,222.17		
107210	01	CONSTRUCTION HEAD END	0.00	2,627.72	2,627.72	0.00		
107215	01	CONSTRUCTION CABLE DIS	0.00	276,503.86	276,503.86	0.00		
107220	01	CONSTRUCTION CABLE EQL	0.00	37,074.46	37,074.46	0.00		
107225	01	CONSTRUCTION CHANNEL 1	0.00	38,046.32	38,046.32	0.00		
107230	01	CONSTRUCTION CABLE TV E	0.00	14,861.09	14,861.09	0.00		
107235	01	CONST. FSN PLANT	0.00	4,114,183.03	4,114,183.03	0.00		
107311	01	CONSTRUCTION S OF S STF	0.00	276.57	276.57	0.00		
107325	01	CONSTRUCTION PUMPING E	0.00	39,746.34	39,746.34	0.00		
107331	01	CONSTRUCTION TREATMEN	0.00	4,365,608.72	4,365,608.72	0.00		
107332	01	CONSTRUCTION TREATMEN	0.00	40,266.13	40,266.13	0.00		
107342	01	CONSTRUCT DIST RESERV	0.00	62,028.67	62,028.67	0.00		
107343	01	CONSTRUCT WATER DISTRI	0.00	852,229.89	852,229.89	0.00		
107344	01	CONSTRUCT DISTRIBUTION	0.00	6,387.00	6,387.00	0.00		
107345	01	CONSTRUCT WATER DISTRI	0.00	114,242.39	114,242.39	0.00		
107346	01	PURCHASE WATER METERS	0.00	161.28	161.28	0.00		
107347	01	CONSTRUCT WATER DIST. M	0.00	2,576.70	2,576.70	0.00		
107348	01	CONSTRUCT WATER DIST H	0.00	13,233.77	13,233.77	0.00		
107355	01	CONSTRUCTION ELECT TRA	0.00	44,866.56	44,866.56	0.00		
107356	01	CONSTRUCT ELECT TRAN O	0.00	3,100.22	3,100.22	0.00		
107362	01	CONSTRUCT ELECT DIST ST	0.00	223,452.37	223,452.37	0.00		
107364	01	CONSTRUCT ELECT DISTRIE	0.00	83,612.14	83,612.14	0.00		
107365	01	CONSTRUCT ELECT DIST O	0.00	173,893.85	173,893.85	0.00		
107366	01	CONSTRUCT ELECT UNDER	0.00	47,154.34	47,154.34	0.00		
107367	01	CONSTRUCT ELECT UG COM	0.00	53,298.49	53,298.49	0.00		
107368	01	CONSTRUCT ELECT DIST LI	0.00	232,278.33	232,278.33	0.00		
107369	01	CONSTRUCT ELECT DIST SE	0.00	39,111.37	39,111.37	0.00		
107370	01	CONSTRUCT ELECTRIC DIST	0.00	8,779.05	8,779.05	0.00		
107371	01	CONSTRUCT SECURITY LIGH	0.00	40,835.37	40,835.37	0.00		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
		CONSTRUCT STREET LIGHT	0.00	4,303.03	4,303.03	0.00		
107373	01	CONSTRUCT GEN STRUCTU	0.00	174,481.61	174,481.61	0.00		
107390	01	CONSTRUCT OFFICE FURNA	0.00	32,550.78	32,550.78	0.00		
107391	01	PURCHASE TRANSPORT EQ	0.00	174,252.00	174,252.00	0.00		
107392	01	PURCHASE STORES EQUIPM	0.00	4,492.00	4,492.00	0.00		
107393	01	PURCHASE POWER OPERA1	0.00	15,458.86	15,458.86	0.00		
107396	01	PURCHASE COMMUNICATIO	0.00	640.00	640.00	0.00		
107397	01	PURCHASE MISCELLANEOU	0.00	45,569.28	45,569.28	0.00		
107398	01	PURCHASE COMPUTER EQL	0.00	226,555.11	226,555.11	0.00		
107399	01	DEPRECIATION HEAD END	-515,083.30	0.00	9,577.18	-524,660.48		
108210	01	DEPRECIATION CABLE DIST	-7,990,578.20	0.00	576,188.20	-8,566,766.40		
108215	01	DEPRECIATION CABLE EQUI	-808,038.38	0.00	91,912.21	-899,950.59		
108220	01	DEPRECIATION CHANNEL 1C	-678,121.73	0.00	68,972.16	-747,093.89		
108225	01	DEPRECIATION CHANNEL 1C	-437,488.02	0.00	42,835.87	-480,323.89		
108230	01	DEPRECIATION CABLE TV E	-437,488.02	0.00	1,941,311.06	-12,708,946.66		
108235	01	DEPRECIATION FSN CABLE	-10,767,635.60	0.00	7,885.82	-203,270.29		
108311	01	DEPRECIATION S O S STRUC	-195,384.47	0.00	26,176.22	-714,125.04		
108313	01	DEP. SOURCE OF SUPPLY R	-687,948.82	0.00	2,855.77	-88,731.07		
108315	01	DEP. SOS GALLERIES & TUN	-85,875.30	0.00	733.42	-3,932.17		
108316	01	DEP. SOS SUPPLY MAINS	-3,198.75	0.00	5,119.26	-113,443.85		
108321	01	DEP PUMP STRUCTURES	-108,324.59	0.00	26,960.61	-712,969.12		
108325	01	DEPRECIATION PUMP. EQUF	-686,008.51	0.00	81,060.14	-1,803,210.74		
108325	01	DEPRECIATION TREATMENT	-1,722,150.60	0.00	125,775.09	-2,244,305.51		
108331	01	DEPRECIATION TREATMENT	-2,118,530.42	0.00	4,923.06	-71,096.28		
108332	01	DEPRECIATION DIST STRUC	-66,173.22	0.00	164,860.05	-2,545,077.58		
108341	01	DEPRECIATION DIST RESV &	-2,380,217.53	0.00	338,078.53	-6,099,540.59		
108342	01	DEPRECIATION TRANS & DIS	-5,761,462.06	0.00	2,460.50	-100,315.60		
108343	01	DEPRECIATION FIRE MAINS	-97,855.10	0.00	32,023.68	-292,530.01		
108344	01	DEPRECIATION SERVICES	-260,506.33	0.00	28,099.72	-708,761.77		
108345	01	DEPRECIATION METERS	-680,662.05	0.00	869.82	-15,272.98		
108346	01	DEPRECIATION METER INAT	-14,403.16	0.00	16,411.38	-292,216.91		
108347	01	DEPRECIATION HYDRANTS	-275,805.53	0.00	1,439.43	-107,646.69		
108348	01	DEPRECIATION OTHER T&D	-106,207.26	0.00	35,905.29	-1,538,955.73		
108349	01	DEPRECIATION ELECTRIC T	-1,503,050.44	0.00	141,179.96	-5,876,641.34		
108352	01	DEPRECIATION ELE STATIOI	-5,735,461.38	0.00	19,981.18	-386,248.14		
108353	01	DEPRECIATION ELECT TRAN	-366,266.96	0.00	46,201.72	-1,960,655.19		
108355	01	DEPRECIATION TRANS OH C	-1,914,453.47	0.00	13,639.67	-386,482.74		
108356	01	DEPRECIATION ELECT DIST	-372,843.07	0.00	235,846.98	-3,205,588.04		
108361	01	DEPRECIATION ELECT DIST	-2,969,741.06	0.00	883.61	-22,298.57		
108362	01	DEPRECIATION ELECT DIST	-21,414.96	0.00	51,606.75	-772,018.03		
108363	01	DEPRECIATION ELECT DIST	-720,411.28	0.00	146,359.92	-3,910,431.89		
108364	01	DEPRECIATION ELECT DIST	-3,764,071.97	0.00	65,323.91	-766,211.64		
108365	01	DEPRECIATION ELEC UG CC	-700,887.73	0.00				
108366	01							

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				Debit	Credit			
108367	01	DEPRECIATION ELECT UG C	-1,447,184.09	0.00	139,002.38	-1,586,186.47		
108368	01	DEPRECIATION ELECT DIST	-3,918,378.03	0.00	190,173.66	-4,108,551.69		
108369	01	DEPRECIATION ELECT DIST	-1,766,011.27	0.00	68,788.74	-1,834,800.01		
108370	01	DEPRECIATION ELECT DIST	-758,110.34	0.00	26,402.89	-784,513.23		
108371	01	DEPRECIATION ELECT SECL	-59,424.64	0.00	7,737.96	-67,162.60		
108373	01	DEPRECIATION ELEC STREE	-557,971.82	0.00	22,228.43	-580,200.25		
108390	01	DEPRECIATION GENRAL PLA	-1,572,921.98	0.00	147,577.34	-1,720,499.32		
108391	01	DEPRECIATION GENERAL O	-5,618,840.91	0.00	317,426.80	-5,936,267.71		
108392	01	DEPRECIATION GENERAL TI	-3,053,710.79	116,497.44	245,167.22	-3,182,380.57		
108393	01	DEPRECIATION GENERAL S	-43,843.36	0.00	536.59	-44,379.95		
108394	01	DEPRECIATION GEN TOOLS	-352,697.16	0.00	6,123.85	-358,821.01		
108395	01	DEPRECIATION GENERAL LA	-52,111.96	0.00	80.52	-52,192.48		
108396	01	DEPRECIATION GENERAL PI	-1,882,137.09	51,509.31	76,710.20	-1,907,337.98		
108397	01	DEPRECIATION GENERAL CI	-259,073.42	0.00	19,764.40	-278,837.82		
108398	01	DEPRECIATION GENERAL M	-683,732.66	0.00	17,363.70	-701,096.36		
108399	01	DEPRECIATION COMPUTER	-465,441.48	0.00	362,896.18	-828,337.66		
123600	01	CONSOLIDATED ACQUISITIC	351,000.00	0.00	140,400.00	210,600.00		
124100	01	INVESTMENT CONTRACT FL	2,185,327.60	3,214,443.76	2,705,371.36	2,694,400.00		
125100	01	INVESTMENT REVENUE BON	671,000.00	0.00	671,000.00	0.00		
126300	01	INVESTMENT DEPRECIATIOI	1,295,672.40	1,320,632.34	1,310,704.74	1,305,600.00		
128500	01	INVESTMENT CLUBHOUSE F	107,412.49	3,791.01	0.00	111,203.50		
131010	01	IMPREST ELECTRIC & WATE	39,500.00	0.00	0.00	39,500.00		
131050	01	CASH CASH WORKING FUNC	6,358.27	4,022,444.35	4,022,440.81	6,361.81		
131100	01	CASH CONTRACT FUND	719,993.39	299,808.85	494,097.02	525,705.22		
131200	01	CASH REVENUE BOND SINK	364,858.16	713,719.46	51,910.78	1,026,666.84		
131250	01	CASH REV. BOND INT & RED	403,991.33	1,049,738.65	836,621.23	617,108.75		
131300	01	CASH DEPRECIATION FUND	2,036.08	7,326.96	0.00	9,363.04		
131350	01	CASH PAYROLL FUND	0.00	16.37	16.37	0.00		
131520	01	CASH FSN DTA FUND	0.00	251,548.16	251,548.16	0.00		
136350	01	OPERATIONS AND MAINTEN	582,389.13	7,606,936.87	7,053,028.73	1,136,297.27		
136400	01	REVENUE FUND FARMERS E	27,946.72	8,324,994.99	6,285,428.37	2,067,513.34		
136450	01	REVENUE STATE NATIONAL	526,750.98	9,829,913.81	7,628,704.45	2,727,960.34		
136600	01	CLUBHOUSE CASH FUND	60,663.63	13,533.02	69.64	74,127.01		
136700	01	REVENUE ACCT. REPUBLIC	35,141.53	34,288.92	0.00	69,430.45		
142100	01	ACCOUNTS RECEIVABLE EL	7,122,456.44	4,471,942.57	2,927,286.75	8,667,112.26		
142160	01	ACCTS REC. ADVERTISING	142,122.32	61,055.34	88,239.88	114,937.78		
142200	01	UNBILLED ACCOUNTS RECE	1,054,300.00	315,400.00	0.00	1,369,700.00		
143100	01	MISCELLANEOUS ACCOUNT	285,031.69	384,968.57	332,108.15	337,892.11		
143300	01	ACCOUNTS RECEIVABLE RE	3,710.23	19,600.22	19,636.02	3,674.43		
144110	01	ACCRUED BAD DEBTS	-16,100.00	201,114.32	214,014.32	-29,000.00		
154100	01	INVENTORY MATERIALS ANI	4,837,534.00	598,272.18	571,376.52	4,864,429.66		
154120	01	DRUMS CLEARING	500.00	0.00	0.00	500.00		

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Account	Subaccount	Description	Beginning Balance	Period Activity		Ending Balance	Adjustment	Adjustment Balance
				Debit	Credit			
165100	01	PREPAID INSURANCE	602,116.90	717,320.23	733,888.93	585,548.20		
171100	01	INTEREST CONTRACT FUND	3,077.66	16,775.38	17,701.26	2,151.78		
171200	01	INTEREST REVENUE BOND	945.02	2,001.82	2,946.84	0.00		
171300	01	INTEREST DEPRECIATION F	1,824.75	8,839.72	9,621.80	1,042.67		
171500	01	INTEREST CLUBHOUSE	429.65	2,337.79	2,568.20	199.24		
174100	01	SELF INSURANCE FUND	311,303.73	0.00	262,448.69	48,855.04		
174200	01	RETIREMENT PLAN ASSETS	368,869.43	0.00	0.00	368,869.43		
181100	01	UNAMORTIZED DEBT DISCO	167,154.87	0.00	167,154.87	0.00		
		Total Assets	100,628,130.97	67,924,772.19	54,607,346.17	113,945,556.99		
215100	01	PRIOR YEARS RETAINED EA	47,779,777.76	0.00	0.00	47,779,777.76		
215220	10	REVENUE CONTROL	0.00	522,825.96	3,813,096.86	3,290,270.90		
215220	20	REVENUE CONTROL	0.00	365,916.78	905,545.79	539,629.01		
215220	30	REVENUE CONTROL	0.00	138,842.94	2,182,639.39	2,043,796.45		
221100	01	WATER TREATMENT PLANT	8,885,000.00	8,885,000.00	0.00	0.00		
221300	01	CONSOLIDATED BOND	657,825.42	251,383.67	0.00	406,441.75		
221400	01	2009 WATER BONDS	0.00	0.00	10,265,000.00	10,265,000.00		
224100	01	BOND ANTICIPATION NOTE	1,850,000.00	1,850,000.00	0.00	0.00		
224300	01	FSN 1999 NOTE	3,572,000.00	220,062.95	0.00	3,351,937.05		
224310	01	FSN 2000 NOTE 2	6,531,120.55	466,277.20	0.00	6,064,843.35		
224320	01	FSN 2001 NOTE 3	4,873,514.55	377,521.00	29,585.40	4,525,578.95		
224330	01	FSN 2003 NOTE 4	6,380,462.10	455,521.20	0.00	5,924,940.90		
224340	01	FSN 2004 NOTE 5	3,817,768.15	272,562.40	0.00	3,545,205.75		
224350	01	FSN DTA NOTE	0.00	0.00	3,212,683.84	3,212,683.84		
224400	01	2009 KIA LOAN - WT	0.00	0.00	4,998,865.22	4,998,865.22		
232100	01	POWER BILL / ACCOUNTS P	5,486,311.69	3,196,409.87	4,638,735.95	6,928,637.77		
232150	01	ACCOUNTS PAYABLE MISCE	1,223,164.96	877,087.98	887,914.21	1,233,991.19		
232155	01	ACCOUNTS PAYABLE ACCRI	178,810.50	1,763,312.78	1,750,984.57	166,482.29		
232200	01	ACCOUNTS PAYABLE CONTI	3,820,913.64	323,677.07	513,625.22	4,010,861.79		
232300	01	ACCOUNTS PAYABLE SEWE	900,731.94	616,070.36	658,250.59	942,912.17		
232400	01	ACCOUNTS PAYABLE WINTE	156.67	562.36	465.45	59.76		
232500	01	FUTURE INSURANCE CLAIM	311,303.73	262,448.69	0.00	48,855.04		
232600	01	ACCRUED PAYROLL PAYABL	402,181.43	402,181.43	405,660.28	405,660.28		
232650	01	ACCRUED VACATION PAYAE	593,528.87	107,325.92	122,593.84	608,796.79		
235100	01	ACCOUNTS PAYABLE CUSTO	1,536,487.63	23,076.00	65,530.00	1,578,941.63		
235200	01	CABLE CUSTOMER DEPOSIT	27,128.50	1,100.00	2,450.00	28,478.50		
235300	01	WATER METER DEPOSITS	6,150.00	0.00	2,600.00	8,750.00		
235400	01	UNCLAIMED REFUNDS	5,430.50	0.00	0.00	5,430.50		
236100	01	PROPERTY TAX PAYABLE	23,001.54	42,166.63	42,167.07	23,001.98		
236200	01	SOCIAL SECURITY TAX PAY	0.00	4.28	4.28	0.00		
237100	01	INTEREST ON CUSTOMER D	692,069.89	0.00	51,970.05	744,039.94		
237200	01	INTEREST ON BONDS	110,918.43	990,061.01	907,753.99	28,611.41		



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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment
			Balance	Debit	Credit	Balance		Balance
241100	01	SALES TAX PAYABLE	48,252.16	59,377.07	86,269.42	75,144.51		
241150	01	PAYROLL WITHOLDING PAY.	39,703.71	114,432.99	115,678.83	40,949.55		
241259	01	SCHOOL TAXES PAYABLE	123,540.63	72,943.84	121,317.13	171,913.92		
241275	01	OTHER TAXES	56,829.11	8,604.87	26,690.08	74,914.32		
241400	01	KY RIVER AUTHORITY FEE	30,134.96	161,702.73	142,659.82	11,092.05		
253100	01	UNEARNED REVENUE	663,911.95	4,546.71	82,000.39	741,365.63		
254100	01	UNAMORTIZED BOND PREM	0.00	5,162.05	122,857.09	117,695.04		
		Total Liabilities	100,628,130.97	22,838,168.74	36,155,594.76	113,945,556.99		
415100	10	SALES OF MATERIAL	0.00	0.00	1,616.42	1,616.42		
415100	20	SALES OF MATERIAL	0.00	0.00	1,208.09	1,208.09		
415100	30	SALES OF MATERIAL	0.00	0.00	3,261.88	3,261.88		
415400	10	MAPPING INCOME	0.00	0.00	40.44	40.44		
415400	20	MAPPING INCOME	0.00	0.00	30.22	30.22		
415400	30	MAPPING INCOME	0.00	0.00	81.38	81.38		
418200	10	RENT CLUBHOUSE	0.00	23.94	3,519.18	3,495.24		
418200	20	RENT CLUBHOUSE	0.00	17.89	2,630.05	2,612.16		
418200	30	RENT CLUBHOUSE	0.00	48.17	7,080.77	7,032.60		
419050	10	INTEREST CASH WORKING I	0.00	0.00	2.12	2.12		
419050	20	INTEREST CASH WORKING I	0.00	0.00	0.39	0.39		
419050	30	INTEREST CASH WORKING I	0.00	0.00	1.03	1.03		
419100	10	INTEREST CONTRACT FUND	0.00	0.00	8,473.90	8,473.90		
419100	20	INTEREST CONTRACT FUND	0.00	0.00	12,806.13	12,806.13		
419100	30	INTEREST CONTRACT FUND	0.00	0.00	2,827.92	2,827.92		
419200	20	INTEREST REVENUE BOND :	0.00	0.00	3,328.84	3,328.84		
419250	20	INTEREST REV. BOND INTEF	0.00	0.00	787.09	787.09		
419300	10	INTEREST DEPRECIATION F	0.00	0.00	3,145.26	3,145.26		
419300	20	INTEREST DEPRECIATION F	0.00	0.00	2,321.77	2,321.77		
419300	30	INTEREST DEPRECIATION F	0.00	0.00	6,935.62	6,935.62		
419350	10	INTEREST OPERATIONS ANI	0.00	0.00	1,364.76	1,364.76		
419350	20	INTEREST OPERATIONS ANI	0.00	0.00	250.50	250.50		
419350	30	INTEREST OPERATIONS ANI	0.00	0.00	609.39	609.39		
419400	10	INTEREST REV FUND FARM	0.00	0.00	4,621.06	4,621.06		
419400	20	INTEREST REV FUND FARM	0.00	0.00	848.16	848.16		
419400	30	INTEREST REV FUND FARM	0.00	0.00	2,063.18	2,063.18		
419450	10	INTEREST REVENUE FUND :	0.00	0.00	11,143.36	11,143.36		
419450	20	INTEREST REVENUE FUND :	0.00	0.00	2,045.20	2,045.20		
419450	30	INTEREST REVENUE FUND :	0.00	0.00	4,975.09	4,975.09		
419500	10	INTEREST CLUBHOUSE FUN	0.00	0.00	1,033.06	1,033.06		
419500	20	INTEREST CLUBHOUSE FUN	0.00	0.00	772.16	772.16		
419500	30	INTEREST CLUBHOUSE FUN	0.00	0.00	2,078.76	2,078.76		
419550	10	INTEREST REV FUND REPUE	0.00	0.00	12.10	12.10		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment
			Balance	Debit	Credit	Balance		Balance
419550	20	INTEREST REV FUND REPUE	0.00	0.00	2.24	2.24		
419550	30	INTEREST REV FUND REPUE	0.00	0.00	5.50	5.50		
420100	30	BASIC SERVICE REVENUE	0.00	0.00	7,491,835.43	7,491,835.43		
420150	30	DIGITAL BASIC REVENUE	0.00	0.00	1,435,994.43	1,435,994.43		
420160	30	DIGITAL PAY REVENUE	0.00	8.67	0.00	-8.67		
420175	30	PAY PER VIEW REVENUE	0.00	0.00	112,888.39	112,888.39		
420200	30	H B O SERVICE FEES	0.00	0.00	423,369.26	423,369.26		
420300	30	T M C SERVICE FEES	0.00	0.00	60,209.67	60,209.67		
420510	30	CONNECTION CHARGES	0.00	0.00	240,544.65	240,544.65		
420520	30	PAY CHANNEL DISCOUNTS	0.00	158,597.79	0.00	-158,597.79		
420530	30	CABLE PENALTY CHARGES	0.00	0.00	204,012.82	204,012.82		
420600	30	SHOWTIME SERVICE REVEN	0.00	0.00	112,226.09	112,226.09		
420700	30	CINEMAX SERVICE FEE	0.00	0.00	90,776.13	90,776.13		
420750	30	STARZ/ENCORE	0.00	0.00	188,596.89	188,596.89		
420810	30	HOME SECURITY SERVICE	0.00	0.00	334,736.98	334,736.98		
420815	30	HOME SECURITY INSTALLAT	0.00	0.00	83,822.82	83,822.82		
420820	30	HICAP REVENUE	0.00	0.00	263,569.57	263,569.57		
420825	30	LONG DISTANCE REVENUE	0.00	0.00	472,702.19	472,702.19		
420826	30	ACCESS BILLING REVENUE	0.00	0.00	203,311.01	203,311.01		
420830	30	HSDS REVENUE	0.00	0.00	4,943,760.79	4,943,760.79		
420832	30	BUNDLED SERVICE DISC	0.00	581,248.60	0.00	-581,248.60		
420835	30	CLEC LOCAL PHONE REVEN	0.00	0.00	3,210,217.51	3,210,217.51		
420840	30	DTA REVENUE	0.00	0.00	90,694.65	90,694.65		
420900	30	ADVERTISING REVENUE	0.00	0.00	695,907.15	695,907.15		
420901	30	PRODUCTION REVENUE	0.00	0.00	34,430.59	34,430.59		
420910	30	LEASE OR SALE CHANNEL	0.00	0.00	138,447.78	138,447.78		
420920	30	SHOPPING CHANNEL REVEN	0.00	0.00	64,074.78	64,074.78		
420950	30	DIGITAL MUSIC REVENUE	0.00	0.00	3,540.67	3,540.67		
420970	30	CHANNEL 10 REVENUE	0.00	0.00	11,621.00	11,621.00		
420990	30	DARK FIBER REVENUE	0.00	0.00	1,111,744.39	1,111,744.39		
421100	10	MISCELLANEOUS INCOME	0.00	0.00	343,525.12	343,525.12		
421100	20	MISCELLANEOUS INCOME	0.00	0.00	110,532.83	110,532.83		
421100	30	MISCELLANEOUS INCOME	0.00	0.00	309,859.06	309,859.06		
421300	10	CAPITAL CONTRIBUTIONS	0.00	612.53	197,713.10	197,100.57		
421300	20	CAPITAL CONTRIBUTIONS	0.00	0.00	840,188.92	840,188.92		
421300	30	CAPITAL CONTRIBUTIONS	0.00	15,895.49	6,428.54	-9,466.95		
421400	20	AMORTIZATION BOND PREM	0.00	0.00	6,194.46	6,194.46		
440100	10	RESIDENTIAL ELECTRIC	0.00	0.00	15,680,469.06	15,680,469.06		
442100	10	COMMERCIAL 1 PHASE ELEC	0.00	0.00	5,964,625.23	5,964,625.23		
442400	10	LARGE POWER ELECTRIC	0.00	0.00	22,632,609.65	22,632,609.65		
444100	10	ELECTRIC STREET LIGHTINC	0.00	0.00	181,396.90	181,396.90		
445100	10	MUNICIPAL ELECTRIC	0.00	0.00	828,498.02	828,498.02		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	Adjustment Balance
			Balance	Debit	Credit	Balance		
448100	10	ELECT USED BY ELECT DEP	0.00	0.00	324,905.76	324,905.76		
448200	10	ELECTRIC USED BY WATER	0.00	0.00	410,459.72	410,459.72		
449100	10	ELECTRIC SECURITY LIGHTS	0.00	0.00	126,155.17	126,155.17		
450100	10	ELECTRIC COLLECTION CHA	0.00	0.00	275,368.41	275,368.41		
461100	20	RESIDENTIAL CITY WATER	0.00	0.00	1,982,778.64	1,982,778.64		
461200	20	RESIDENTIAL COUNTY WATI	0.00	0.00	1,165,613.10	1,165,613.10		
461300	20	COMMERCIAL CITY WATER	0.00	0.00	1,533,728.27	1,533,728.27		
461400	20	COMMERCIAL COUNTY WAT	0.00	0.00	741,246.36	741,246.36		
462100	20	FIRE SPRINKLER SERVICE	0.00	0.00	116,170.06	116,170.06		
462200	20	PRIVATE FIRE HYDRANTS	0.00	0.00	33,396.67	33,396.67		
463100	20	CITY FIRE HYDRANTS	0.00	0.00	117,697.09	117,697.09		
466100	20	WATER SALES RESALE	0.00	0.00	1,223,152.84	1,223,152.84		
466200	20	WATER SALES RESALE-PRC	0.00	0.00	253,762.35	253,762.35		
467100	20	WATER USED BY ELECTRIC	0.00	0.00	294.22	294.22		
467200	20	WATER USED BY WATER DE	0.00	5,928.54	7,244.74	1,316.20		
470100	20	WATER COLLECTION CHARG	0.00	0.00	47,158.81	47,158.81		
471100	20	WATER TAP FEE REVENUE	0.00	0.00	97,498.00	97,498.00		
		<b>Total</b>	<b>0.00</b>	<b>762,381.62</b>	<b>77,673,629.76</b>	<b>76,911,248.14</b>		
		<b>Income</b>						
510100	30	CABLE OPERATIONS & MAIN	0.00	995,455.64	0.00	995,455.64		
510300	30	CABLE DISTRIBUTION EXPEI	0.00	325,891.53	0.00	325,891.53		
510510	30	HBO EXPENSE	0.00	401,595.72	0.00	401,595.72		
510520	30	TMC EXPENSE	0.00	22,277.80	2,088.40	20,189.40		
510540	30	SHOWTIME EXPENSE	0.00	72,391.58	0.00	72,391.58		
510550	30	CINEMAX EXPENSE	0.00	40,121.99	0.00	40,121.99		
510565	30	STARZ/ENCORE	0.00	119,189.37	0.00	119,189.37		
510570	30	DIGITAL MUSIC EXPENSE	0.00	2,219.00	0.00	2,219.00		
510600	30	SATELLITE STATION EXPEN:	0.00	4,213,045.24	0.00	4,213,045.24		
510650	30	DIGITAL STATION EXPENSE	0.00	572,539.76	0.00	572,539.76		
510660	30	HIGH DEFINITION TV EXPEN	0.00	34,043.92	0.00	34,043.92		
510675	30	PAY PER VIEW EXPENSE	0.00	60,319.55	0.00	60,319.55		
510700	30	POLE RENTAL EXPENSE	0.00	37,264.34	15,477.88	21,786.46		
510800	30	ROYALTY COPYRIGHT EXPE	0.00	78,029.95	0.00	78,029.95		
520100	30	CHANNEL 10 SALARIES	0.00	478,089.15	0.00	478,089.15		
520200	30	CHANNEL 10 EXPENSES	0.00	60,536.71	0.00	60,536.71		
525200	30	CABLE ADVERTISING EXPEN	0.00	84,667.78	0.00	84,667.78		
525210	30	MARKETING EXPENSES	0.00	163,549.54	3,267.09	160,282.45		
530110	30	HICAP PAYROLL	0.00	38,719.98	0.00	38,719.98		
530120	30	LONG DISTANCE FSN PAYRC	0.00	70,872.55	0.00	70,872.55		
530130	30	HSDS PAYROLL	0.00	55,088.61	0.00	55,088.61		
530140	30	LOCAL PHONE	0.00	455,774.13	0.00	455,774.13		
530150	30	EXPANDED CABLE PAYROLL	0.00	73,725.20	0.00	73,725.20		

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Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
530160	30	SECURITY PAYROLL	0.00	91,260.59	1,017.44	90,243.15		
530510	30	HICAP EXPENSE	0.00	52.99	0.00	52.99		
530520	30	LONG DISTANCE FSN EXPEN	0.00	256,358.10	0.00	256,358.10		
530525	30	ACCESS BILLING EXPENSE	0.00	38,079.08	0.00	38,079.08		
530530	30	HSDS EXPENSE	0.00	650,748.46	0.00	650,748.46		
530540	30	CLEC EXPENSE	0.00	318,402.92	0.00	318,402.92		
530560	30	SECURITY EXPENSE	0.00	83,341.45	0.00	83,341.45		
555100	10	KW GENERATION DEMAND	0.00	13,193,415.23	0.00	13,193,415.23		
555150	10	KW TRANSMISSION DEMAND	0.00	1,459,936.70	0.00	1,459,936.70		
555200	10	COST PER KWH PURCHASE	0.00	19,597,321.21	0.00	19,597,321.21		
555250	10	FACILITIES CHARGE	0.00	20,100.00	0.00	20,100.00		
555300	10	COST OF FUEL ADJ PURCHA	0.00	2,664,510.26	41,731.20	2,622,779.06		
555400	10	SEPA POWER ADJUSTMENT	0.00	90,844.87	777,927.68	-687,082.81		
568000	10	ELECT TRANS PAYROLL EXP	0.00	2,962.94	0.00	2,962.94		
569000	10	ELECT TRANSMISSION EXPE	0.00	611.50	0.00	611.50		
594000	10	ELECT DIST UNDERGROUN	0.00	13,010.62	5,626.08	7,384.54		
594100	10	ELECT DIST UNDERGROUN	0.00	121,579.85	0.00	121,579.85		
596000	10	ELECT DIST STREET LIGHTS	0.00	15,935.78	0.00	15,935.78		
596100	10	ELECT DIST STREET LIGHT	0.00	28,332.93	0.00	28,332.93		
598000	10	ELECT DISTRIBUTION EXPE	0.00	721,017.76	0.00	721,017.76		
598100	10	ELECT DIST PAYROLL	0.00	1,063,378.55	0.00	1,063,378.55		
599000	10	ELECT DIST SECURITY LIGH	0.00	24,656.47	16,321.07	8,335.40		
599100	10	ELECT DIST SECURITY LIGH	0.00	3,811.82	0.00	3,811.82		
623000	20	PUMPING POWER	0.00	463,561.08	0.00	463,561.08		
633000	20	PUMPING MAINTENANCE	0.00	43,634.96	0.00	43,634.96		
641000	20	WATER TREATMENT CHEMICAL	0.00	387,457.52	0.00	387,457.52		
642000	20	WATER TREATMENT LABOR	0.00	341,394.32	0.00	341,394.32		
643000	20	MISCELLANEOUS TREATME	0.00	27,044.30	0.00	27,044.30		
644000	20	TREATMENT LABORATORY I	0.00	34,417.06	0.00	34,417.06		
644100	20	TREATMENT LABORATORY I	0.00	43,016.24	0.00	43,016.24		
652000	20	WATER TREATMENT MAINTEN	0.00	44,931.90	16,011.85	28,920.05		
652100	20	WATER TREATMENT MAINT	0.00	69,199.39	0.00	69,199.39		
677000	20	FIRE HYDRANTS	0.00	21,233.10	0.00	21,233.10		
677100	20	FIRE HYDRANTS PAYROLL	0.00	37,653.27	0.00	37,653.27		
678000	20	WATER DISTRIBUTION EXPE	0.00	293,449.11	0.00	293,449.11		
678100	20	WATER DIST PAYROLL	0.00	782,458.00	0.00	782,458.00		
700000	10	ENGINEERING EXPENSE AC	0.00	5,115.71	0.00	5,115.71		
700000	20	ENGINEERING EXPENSE AC	0.00	1,337.02	0.00	1,337.02		
700000	30	ENGINEERING EXPENSE AC	0.00	401.02	0.00	401.02		
700100	10	ENGINEERING PAYROLL	0.00	253,659.97	0.00	253,659.97		
700100	20	ENGINEERING PAYROLL	0.00	216,452.33	0.00	216,452.33		
700100	30	ENGINEERING PAYROLL	0.00	99,446.07	0.00	99,446.07		

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**Trial Balance - Combined Totals**

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 Report: 01610A.rpt  
 Company: 00001

Periods: 01-10 Through 12-10 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
						2,738.97		
902000	10	METER READING EXPENSES	0.00	2,738.97	0.00	1,935.66		
902000	20	METER READING EXPENSES	0.00	1,935.66	0.00	130.61		
902000	30	METER READING EXPENSES	0.00	130.61	0.00	201,354.33		
902100	10	METER READING PAYROLL	0.00	201,354.33	0.00	150,479.34		
902100	20	METER READING PAYROLL	0.00	150,479.34	0.00	5,474.38		
903000	10	CUSTOMER RECORDS AND	0.00	5,474.38	0.00	4,091.42		
903000	20	CUSTOMER RECORDS AND	0.00	4,091.42	0.00	11,046.56		
903000	30	CUSTOMER RECORDS AND	0.00	11,046.56	0.00	40,334.28		
903010	10	POSTAGE AND PRINTING	0.00	40,334.28	0.00	30,506.05		
903010	20	POSTAGE AND PRINTING	0.00	30,506.05	0.00	83,973.25		
903010	30	POSTAGE AND PRINTING	0.00	83,973.25	0.00	192,319.72		
903100	10	CUSTOMER RECORDS AND	0.00	192,319.72	0.00	143,733.74		
903100	20	CUSTOMER RECORDS AND	0.00	143,733.74	0.00	386,953.23		
903100	30	CUSTOMER RECORDS AND	0.00	386,953.23	0.00	55.31		
903200	10	CASH OVER AND SHORT	0.00	64.20	8.89	41.32		
903200	20	CASH OVER AND SHORT	0.00	47.99	6.67	111.32		
903200	30	CASH OVER AND SHORT	0.00	129.26	17.94	8,311.28		
903921	10	OFFICE SUPPLIES EXPENSE	0.00	8,311.28	0.00	6,810.23		
903921	20	OFFICE SUPPLIES EXPENSE	0.00	6,810.23	0.00	20,081.98		
903921	30	OFFICE SUPPLIES EXPENSE	0.00	20,081.98	0.00	272,276.46		
904000	10	BAD DEBTS EXPENSE	0.00	272,276.46	0.00	49,972.75		
904000	20	BAD DEBTS EXPENSE	0.00	49,972.75	0.00	121,559.23		
904000	30	BAD DEBTS EXPENSE	0.00	121,559.23	0.00	140,598.78		
905100	10	INFORMATION TECHNOLOGI	0.00	140,598.78	0.00	105,079.16		
905100	20	INFORMATION TECHNOLOGI	0.00	105,079.16	0.00	282,889.20		
905100	30	INFORMATION TECHNOLOGI	0.00	282,889.20	0.00	11,701.08		
905200	10	GIS EXPENSES	0.00	11,701.08	0.00	8,744.99		
905200	20	GIS EXPENSES	0.00	8,744.99	0.00	23,542.98		
905200	30	GIS EXPENSES	0.00	23,542.98	0.00	47,900.38		
905210	10	CIS EXPENSES	0.00	47,900.38	0.00	35,799.31		
905210	20	CIS EXPENSES	0.00	35,799.31	0.00	96,377.20		
905210	30	CIS EXPENSES	0.00	96,377.20	0.00	33,673.71		
905300	10	COMPUTER EXPENSE	0.00	33,673.71	0.00	25,166.73		
905300	20	COMPUTER EXPENSE	0.00	25,166.73	0.00	67,752.70		
905300	30	COMPUTER EXPENSE	0.00	67,752.70	0.00	1,778.59		
913000	10	PUBLISHING EXPENSE	0.00	1,778.59	0.00	914.89		
913000	20	PUBLISHING EXPENSE	0.00	914.89	0.00	3,056.17		
913000	30	PUBLISHING EXPENSE	0.00	3,056.17	0.00	58,327.61		
920000	10	ADMINISTRATIVE EXPENSE	0.00	58,327.61	97.93	43,154.23		
920000	20	ADMINISTRATIVE EXPENSE	0.00	43,154.23	30.40	114,552.63		
920000	30	ADMINISTRATIVE EXPENSE	0.00	114,729.04	176.41	41,417.04		
920060	10	DUES AND SUBSCRIPTIONS	0.00	41,417.04	0.00			

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**Frankfort Plant Board**  
**Trial Balance - Combined Totals**

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 Company: 00001

Periods: 01-10 Through 12-10 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
920060	20	DUES AND SUBSCRIPTIONS	0.00	30,173.52	20,079.25	10,094.27		
920060	30	DUES AND SUBSCRIPTIONS	0.00	7,322.63	0.00	7,322.63		
920100	10	ADMINISTRATIVE PAYROLL	0.00	194,844.68	0.00	194,844.68		
920100	20	ADMINISTRATIVE PAYROLL	0.00	145,620.79	0.00	145,620.79		
920100	30	ADMINISTRATIVE PAYROLL	0.00	392,033.56	0.00	392,033.56		
920200	10	CLEARING ACCOUNT	0.00	844.66	825.76	18.90		
920200	20	CLEARING ACCOUNT	0.00	631.33	617.15	14.18		
920200	30	CLEARING ACCOUNT	0.00	1,699.61	1,661.53	38.08		
920400	10	SAFETY EXPENSE	0.00	6,783.49	583.87	6,199.62		
920400	20	SAFETY EXPENSE	0.00	7,370.04	634.35	6,735.69		
920400	30	SAFETY EXPENSE	0.00	11,348.44	976.78	10,371.66		
920700	10	TRAVEL AND TRAINING EXPI	0.00	38,761.06	0.00	38,761.06		
920700	20	TRAVEL AND TRAINING EXPI	0.00	37,504.27	8,217.94	29,286.33		
920700	30	TRAVEL AND TRAINING EXPI	0.00	56,269.94	0.00	56,269.94		
920810	10	BOARD EXPENSES	0.00	14.85	0.00	14.85		
920810	20	BOARD EXPENSES	0.00	11.09	0.00	11.09		
920810	30	BOARD EXPENSES	0.00	791.86	0.00	791.86		
920820	10	BOARD PAYROLL	0.00	1,471.88	0.00	1,471.88		
920820	20	BOARD PAYROLL	0.00	1,100.08	0.00	1,100.08		
920820	30	BOARD PAYROLL	0.00	2,961.64	0.00	2,961.64		
920910	10	SOCIAL SECURITY EXPENSE	0.00	203,878.63	0.00	203,878.63		
920910	20	SOCIAL SECURITY EXPENSE	0.00	209,130.84	0.00	209,130.84		
920910	30	SOCIAL SECURITY EXPENSE	0.00	326,142.44	0.00	326,142.44		
923300	10	LEGAL RETAINER FEES	0.00	8,618.40	0.00	8,618.40		
923300	20	LEGAL RETAINER FEES	0.00	6,441.00	0.00	6,441.00		
923300	30	LEGAL RETAINER FEES	0.00	17,340.60	0.00	17,340.60		
923400	10	OTHER CONSULTING FEES	0.00	57,883.08	11,119.93	46,763.15		
923400	20	OTHER CONSULTING FEES	0.00	7,964.75	0.00	7,964.75		
923400	30	OTHER CONSULTING FEES	0.00	13,837.04	0.00	13,837.04		
923500	10	OTHER LEGAL AND ACCOUN	0.00	72,668.43	28,819.67	43,848.76		
923500	20	OTHER LEGAL AND ACCOUN	0.00	300,103.09	16,127.75	283,975.34		
923500	30	OTHER LEGAL AND ACCOUN	0.00	65,756.99	0.00	65,756.99		
923600	30	LEGAL EXPENSES CABLE C/	0.00	1,607.87	0.00	1,607.87		
924000	10	INSURANCE EXPENSE	0.00	293,073.45	0.00	293,073.45		
924000	20	INSURANCE EXPENSE	0.00	262,054.12	0.00	262,054.12		
924000	30	INSURANCE EXPENSE	0.00	365,329.44	0.00	365,329.44		
926000	10	UNEMPLOYMENT INSURANC	0.00	3,318.90	0.00	3,318.90		
926000	20	UNEMPLOYMENT INSURANC	0.00	3,605.90	0.00	3,605.90		
926000	30	UNEMPLOYMENT INSURANC	0.00	5,552.34	0.00	5,552.34		
926060	10	VACATION BENEFITS EXPEN	0.00	163,509.22	0.00	163,509.22		
926060	20	VACATION BENEFITS EXPEN	0.00	164,263.53	0.00	164,263.53		
926060	30	VACATION BENEFITS EXPEN	0.00	228,887.54	0.00	228,887.54		

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**Frankfort Plant Board**  
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 Company: 00001

Periods: 01-10 Through 12-10 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning Balance	Period Activity		Ending Balance	Adjustment	Adjustment Balance
				Debit	Credit			
			0.00	134,629.16	0.00	134,629.16		
		SICK BENEFITS EXPENSE	0.00	94,370.39	0.00	94,370.39		
926070	10	SICK BENEFITS EXPENSE	0.00	115,388.78	0.00	115,388.78		
926070	20	SICK BENEFITS EXPENSE	0.00	513,834.12	0.00	513,834.12		
926070	30	SICK BENEFITS EXPENSE	0.00	551,780.70	0.00	551,780.70		
926100	10	EMPLOYEES WELFARE EXPI	0.00	845,515.48	0.00	845,515.48		
926100	20	EMPLOYEES WELFARE EXPI	0.00	2,869.46	0.00	2,869.46		
926100	30	EMPLOYEES WELFARE EXPI	0.00	2,869.46	0.00	2,869.46		
926400	10	CLUBHOUSE EXPENSE	0.00	3,236.86	0.00	3,236.86		
926400	20	CLUBHOUSE EXPENSE	0.00	4,800.55	0.00	4,800.55		
926400	30	CLUBHOUSE EXPENSE	0.00	5,281.22	167.87	5,113.35		
926450	10	EMPLOYEE ACTIVITY EXPEN	0.00	5,619.66	184.98	5,434.68		
926450	20	EMPLOYEE ACTIVITY EXPEN	0.00	8,709.19	151.03	8,558.16		
926450	30	EMPLOYEE ACTIVITY EXPEN	0.00	656.64	0.00	656.64		
926470	10	EMPLOYEE ASSISTANCE EX	0.00	713.44	0.00	713.44		
926470	20	EMPLOYEE ASSISTANCE EX	0.00	1,098.60	0.00	1,098.60		
926470	30	EMPLOYEE ASSISTANCE EX	0.00	1,098.60	0.00	1,098.60		
926500	10	COMPANY CONTRIBUTION T	0.00	458,380.68	0.00	458,380.68		
926500	20	COMPANY CONTRIBUTION T	0.00	472,642.90	0.00	472,642.90		
926500	30	COMPANY CONTRIBUTION T	0.00	729,077.16	0.00	729,077.16		
930100	10	GENERAL EXPENSES	0.00	4,368.18	0.00	4,368.18		
930100	20	GENERAL EXPENSES	0.00	3,264.67	0.00	3,264.67		
930100	30	GENERAL EXPENSES	0.00	11,311.86	0.00	11,311.86		
930110	10	GENERAL EXPENSES	0.00	11,282.45	0.00	11,282.45		
930110	20	MAINTENANCE EXPENSES	0.00	11,282.45	0.00	11,282.45		
930110	30	MAINTENANCE EXPENSES	0.00	7,302.41	0.00	7,302.41		
930401	20	AMORTIZATION BOND DISC/	0.00	18,284.45	0.00	18,284.45		
930402	30	AMORTIZATION EXPENSE	0.00	167,154.87	0.00	167,154.87		
930403	10	DEPRECIATION EXPENSE	0.00	140,400.00	0.00	140,400.00		
930403	20	DEPRECIATION EXPENSE	0.00	1,536,441.24	0.00	1,536,441.24		
930403	30	DEPRECIATION EXPENSE	0.00	1,108,760.45	0.00	1,108,760.45		
930408	10	CITY PROP TAX / IN-LIEU-OF	0.00	3,385,065.14	0.00	3,385,065.14		
930408	20	CITY PROP TAX / IN-LIEU-OF	0.00	37,041.51	0.00	37,041.51		
930408	30	CITY PROP TAX / IN-LIEU-OF	0.00	31,226.03	0.00	31,226.03		
930409	10	COUNTY PROP TAX / IN-LIEL	0.00	40,739.74	0.00	40,739.74		
930409	20	COUNTY PROP TAX / IN-LIEL	0.00	17,052.36	0.00	17,052.36		
930409	30	COUNTY PROP TAX / IN-LIEL	0.00	14,375.04	0.00	14,375.04		
930424	20	INTEREST EXPENSE ON KIA	0.00	14,573.04	0.00	14,573.04		
930425	30	INTEREST EXPENSE ON FS	0.00	22,989.68	0.00	22,989.68		
930426	20	INTEREST ON BAN	0.00	1,059,204.94	0.00	1,059,204.94		
930427	20	INTEREST ON CONSOLIDATI	0.00	40,361.59	0.00	40,361.59		
930429	30	INTEREST ON CUSTOMER D	0.00	387,625.42	3,611.99	384,013.43		
930431	10	INTEREST ON CUSTOMER D	0.00	32,631.13	0.00	32,631.13		
930431	20	INTEREST ON CUSTOMER D	0.00	79,516.26	0.00	79,516.26		
			0.00	14,585.89	0.00	14,585.89		

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**Frankfort Plant Board**  
**Trial Balance - Combined Totals**

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 Company: 00001

Periods: 01-10 Through 12-10 As of: 12/15/2010 Ledger ID: 00001

Account	Subaccount	Description	Beginning	Period Activity		Ending	Adjustment	
			Balance	Debit	Credit	Balance	Adjustment	Balance
930435	10	CASH CONTRIBUTIONS TO C	0.00	15,337.46	0.00	15,337.46		
930435	20	CASH CONTRIBUTIONS TO C	0.00	2,814.97	0.00	2,814.97		
930435	30	CASH CONTRIBUTIONS TO C	0.00	6,847.57	0.00	6,847.57		
932110	10	SUPPORT SERVICES EXP	0.00	25,703.50	0.00	25,703.50		
932110	20	SUPPORT SERVICES EXP	0.00	18,527.86	0.00	18,527.86		
932110	30	SUPPORT SERVICES EXP	0.00	50,523.66	0.00	50,523.66		
932120	10	SUPPORT SERVICES PAYRC	0.00	120,863.04	0.00	120,863.04		
932120	20	SUPPORT SERVICES PAYRC	0.00	90,329.27	0.00	90,329.27		
932120	30	SUPPORT SERVICES PAYRC	0.00	243,180.24	0.00	243,180.24		
932130	10	INVENTORY ADJUSTMENTS	0.00	156,759.41	180,786.28	-24,026.87		
932130	20	INVENTORY ADJUSTMENTS	0.00	60,963.50	69,080.42	-8,116.92		
932130	30	INVENTORY ADJUSTMENTS	0.00	46,760.74	52,941.01	-6,180.27		
932140	10	COST OF SALES CLEARING	0.00	796.03	4.98	791.05		
932140	20	COST OF SALES CLEARING	0.00	594.94	3.73	591.21		
932140	30	COST OF SALES CLEARING	0.00	1,601.73	10.03	1,591.70		
932200	10	AUTO & TRUCK REPAIR EXP	0.00	60,029.38	0.00	60,029.38		
932200	20	AUTO & TRUCK REPAIR EXP	0.00	57,766.01	0.00	57,766.01		
932200	30	AUTO & TRUCK REPAIR EXP	0.00	45,429.52	0.00	45,429.52		
932210	10	AUTO & TRUCK REPAIR PAY	0.00	89,537.57	0.00	89,537.57		
932210	20	AUTO & TRUCK REPAIR PAY	0.00	62,620.76	0.00	62,620.76		
932210	30	AUTO & TRUCK REPAIR PAY	0.00	61,637.36	0.00	61,637.36		
932220	10	AUTO & TRUCK GAS & OIL	0.00	119,190.33	0.00	119,190.33		
932220	20	AUTO & TRUCK GAS & OIL	0.00	83,411.09	0.00	83,411.09		
932220	30	AUTO & TRUCK GAS & OIL	0.00	82,050.18	0.00	82,050.18		
		<b>Total Expenses</b>	<b>0.00</b>	<b>72,313,965.01</b>	<b>1,276,413.23</b>	<b>71,037,551.78</b>		



Client: **Frankfort Electric Water Plant Board**  
Engagement: **FEWPB2009**  
Period Ending: **6/30/2009**  
Trial Balance: **4000.15 - Working Trial Balance**  
Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To make bookkeeping entry for				
Donated Assets.				
101215	Cable Distribution Plant		245,351.00	
101343	Distribution Transmission		7,538,496.00	
101352	Electric Transmission Struct		4,220,079.00	
108225	Depreciation Channel 10 Equip		4,283.00	
108368	Depreciation Elec Dist Line		52,052.00	
108215	Depreciation Cable Distribution			230,626.00
108225	Depreciation Channel 10 Equip			4,283.00
108343	Depreciation Trans and Dist Main			2,285,189.00
108368	Depreciation Elec Dist Line			2,090,752.00
215100	Prior Year Retained Earnings			7,449,411.00
<b>Total</b>			<b>12,060,261.00</b>	<b>12,060,261.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To reclassify retirement plan net				
assets.				
128600	US Government Agencies		148,225.00	
128602	Corporate Bonds		150,020.00	
128603	Mutual Funds		75,761.00	
137001	Cash Equivalents-Restricted Ret		33,867.00	
128601	RE Loans Mortgages - Retirement			368,869.00
174200	Retirement Plan Assets			39,004.00
215100	Prior Year Retained Earnings			39,004.00
<b>Total</b>			<b>407,873.00</b>	<b>407,873.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To adjust retained earnings to actual				
for Accounts Payable Trade. FEWPB				
215100	Prior Year Retained Earnings		346,089.00	
232100	Accounts Payable Trade			346,089.00
<b>Total</b>			<b>346,089.00</b>	<b>346,089.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To adjust for current year activity in				
Retirement Plan for old system.				
128603	Mutual Funds		3,427.00	
137001	Cash Equivalents-Restricted Ret		52,645.00	
419605	Gain on Sale of Assets-Retirement		12.00	
950437	Benefit Payments-Retirement		804.00	
950437	Benefit Payments-Retirement		9,031.00	
950438	Fiduciary Fees		2,340.00	
128600	US Government Agencies			49,885.00
137001	Cash Equivalents-Restricted Ret			1,134.00
419604	Dividend Income-Retirement			17,240.00
419604	Dividend Income-Retirement			17,240.00

Client: **Frankfort Electric Water Plant Board**  
 Engagement: **FEWPB2009**  
 Period Ending: **6/30/2009**  
 Trial Balance: **4000.15 - Working Trial Balance**  
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Total</b>			<b>68,259.00</b>	<b>68,259.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
		<b>5000.17</b>		
	To adjust for current depreciation on contributed capital.			
930403	Depreciation Exp-Elec		140,529.00	
930404	Depreciation Exp-Water		145,052.00	
930405	Depreciation Exp-Cable		11,657.00	
108215	Depreciation Cable Distribution			11,657.00
108343	Depreciation Trans and Dist Main			145,052.00
108368	Depreciation Elec Dist Line			140,529.00
<b>Total</b>			<b>297,238.00</b>	<b>297,238.00</b>
<b>Adjusting Journal Entries JE # 6</b>				
		<b>5000.45</b>		
	Adjust A/P Trade To Actual			
232100	Accounts Payable Trade		268,559.00	
555150	KW Transmission Demand		13,602.00	
555400	SEPA Power Adjustment		49,293.00	
555100	Cost Per KW Purchased-Elec			109,429.00
555200	Cost Per KWH Purchases-Elec			140.00
555250	Facilities Charge			
555300	Cost of Fuel Adj Purchased			221,885.00
<b>Total</b>			<b>331,454.00</b>	<b>331,454.00</b>

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 11

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 11: Provide the "Enterprise Funds Uniform Financial Information Report" that the Plant Board submitted to the Kentucky Department of Local Government for the fiscal years ending June 30, 2009 and June 30, 2010.

Response: FPB has not filed any such report.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 12

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 12: (a): Identify all persons or entities to which the Plant Board provides wholesale water service.

(b): Customers monthly usage and charges for previous 24 months.

Response: (a): FEWPB provides wholesale water service to South Anderson

Water District, U.S. 60 Water District, North Shelby Water

Company, Elkhorn Water District, Peaks Mill Water District,

Farmdale Water District and the City of Georgetown.

(b): Ex. 1 – Usage and charge spreadsheet for previous 24 months.

Customer	Acct #	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
ELKHORN WATER DIST	31429	6518800	6569800	7141400	5611500	5521900	6284900	7227100	7017500	6255900	5357400	5627800	5299700	6185800
FARMDALE WATER DIST	28221	6647000	3671000	6335900	3804300	4988100	4835100	5361200	5731200	5468300	5224800	5143200	2245000	1211000
FARMDALE WATER DISTRICT	28222	10868000	6471000	9300000	9510500	8418600	12098500	6537600	9031800	8911000	9126000	7771000	6936000	7050000
FARMDALE WATER DISTRICT	28378	3165000	2459000	3506000	4105000	2805000	2973000	2778000	2891000	3978000	3524000	2666000	6445000	6033000
FARMDALE WATER DISTRICT	33036	23800	12200	15000	14400	15600	57200	80700	95900	87600	82600	77900	61500	65400
NORTH SHELBY WATER C	28808	15990000	14359000	15946000	15133000	12869500	5197000	3811600	25250600	7653000	13740000	14895000	11050000	13525000
PEAKSMILL WATER DIST	28600	7099000	7584500	7494300	6260700	6322000	6238000	6852000	7805500	6424500	6990000	6565000	6331200	6143800
PEAKSMILL WATER DIST	30329	48700	57300	221300	51800	46900	34500	54200	61200	72900	64500	70000	65400	68600
SOUTH ANDERSON WATER DIST	31379	2153700	1369800	2049800	2012700	2057000	1864600	2297500	1897900	2125700	1934000	1875900	1701100	1662000
US 60 WATER DISTRICT	32489	9439000	8304800	10879000	10918400	11723900	12490300	13551000	17057800	10634800	11175700	12917000	9872900	11329100
US 60 WATER DISTRICT	32715	6379000	3831000	3222000	1804000	1473000	924000	988000	1122000	1350000	1274000	985000	928000	1661000
Customer	Acct #	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
GEORGETOWN PUMP STATION	26680	9621000	9738000	10321000	8013000	8336000	7462000	12733000	11293000	11454000	14093000	8777000	6779000	7941000
**All usage in gallons														

Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
ELKHORN WATER DIST	9914200	7725900	7226100	5400900	5531500	7400900	6570300	6879800	6792600	6371900	6294200
FARMDALE WATER DIST	1596600	2682100	1849900	4887900	5035800	4348000	3669200	2106500	4760700	4601600	7982000
FARMDALE WATER DIST	7940000	7876000	7821000	8467000	7697000	9462000	8670000	10344000	8211000	8939000	10283000
FARMDALE WATER DISTRICT	7407000	6462000	6562000	3721000	4108000	4618000	4687000	6850000	6229000	5720000	5582000
FARMDALE WATER DISTRICT	58000	59300	62200	75100	84500	94200	103400	97100	85700	133600	97700
NORTH SHELBY WATER C	12305000	13510000	12680000	11991000	12080000	16760000	17195000	15200000	14635000	16340000	14210000
PEAKSMILL WATER DIST	7921000	6716500	6918500	6586000	6822000	8480200	8192300	8529700	9144400	7824200	8148200
PEAKSMILL WATER DIST	140200	66000	66500	53800	59200	84500	77600	85200	79000	44500	55800
SOUTH ANDERSON WATER DIST	2130400	1506600	1447100	1657600	1706900	2359800	2533300	2332900	2090100	2449600	2074800
US 60 WATER DISTRICT	13131000	9203600	9764400	11772300	9865500	13201000	13945800	12711600	12116800	14872300	12659400
US 60 WATER DISTRICT	2267600	4835400	6385000	3594000	2303000	2459000	1983000	2003000	1655000	1926000	2423000
Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
GEORGETOWN PUMP STATION	14368000	8088000	9667000	11162000	9904000	20013000	20623000	20430000	40433000	52493000	33386000
**All usage in gallons											

Customer	Acct #	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
ELKHORN WATER DIST	31429	\$10,032.43	\$10,110.92	\$13,011.63	\$10,224.15	\$9,409.32	\$10,709.47	\$12,314.98	\$11,957.82	\$10,660.05	\$9,129.01	\$9,589.77	\$9,030.69	\$10,540.60
FARMDALE WATER DIST	28221	\$10,229.73	\$5,649.67	\$11,544.01	\$6,931.43	\$8,499.72	\$8,239.01	\$9,135.48	\$9,765.96	\$9,317.98	\$8,903.06	\$8,764.01	\$3,825.48	\$2,063.54
FARMDALE WATER DIST	28222	\$16,725.85	\$9,958.87	\$16,944.60	\$17,328.13	\$14,345.29	\$20,615.84	\$11,140.07	\$15,390.19	\$15,184.34	\$15,550.70	\$13,241.78	\$11,818.94	\$12,013.20
FARMDALE WATER DISTRICT	28378	\$4,870.93	\$3,784.40	\$6,387.93	\$7,479.31	\$4,779.72	\$5,065.99	\$4,733.71	\$4,926.26	\$6,778.51	\$6,004.90	\$4,542.86	\$10,982.28	\$10,280.23
FARMDALE WATER DISTRICT	33036	\$36.63	\$18.77	\$27.33	\$26.24	\$26.58	\$97.47	\$137.51	\$163.41	\$149.27	\$140.75	\$132.74	\$104.80	\$111.44
NORTH SHELBY WATER C	28808	\$24,608.61	\$22,098.50	\$29,053.61	\$27,572.33	\$21,929.63	\$8,855.69	\$6,494.97	\$43,027.02	\$13,040.71	\$23,412.96	\$25,381.08	\$18,829.20	\$23,046.60
PEAKSMILL WATER DIST	28600	\$10,925.36	\$11,672.54	\$13,654.61	\$11,407.00	\$10,772.69	\$10,629.55	\$11,675.81	\$13,300.57	\$10,947.35	\$11,910.96	\$11,186.76	\$10,788.36	\$10,469.04
PEAKSMILL WATER DIST	30329	\$74.95	\$88.18	\$403.21	\$94.38	\$79.92	\$58.79	\$92.36	\$104.28	\$124.22	\$109.91	\$119.28	\$111.44	\$116.89
SOUTH ANDERSON WATER DIST	31379	\$3,314.54	\$2,334.14	\$3,492.86	\$3,429.64	\$3,505.13	\$3,177.28	\$3,914.94	\$3,234.02	\$3,622.19	\$3,295.54	\$3,196.53	\$2,898.67	\$2,832.05
US 60 WATER DISTRICT	32489	\$14,526.62	\$12,781.09	\$19,821.54	\$19,893.32	\$19,977.53	\$21,283.47	\$23,090.90	\$29,066.49	\$18,121.70	\$19,043.39	\$22,010.57	\$16,823.42	\$19,304.79
US 60 WATER DISTRICT	32715	\$9,817.28	\$5,895.91	\$5,870.48	\$3,286.89	\$2,509.99	\$1,574.50	\$1,683.55	\$1,911.89	\$2,300.40	\$2,170.90	\$1,678.44	\$1,581.31	\$2,830.34
Customer	Acct #	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
GEORGETOWN PUMP STATION	26680	\$15,383.98	\$15,571.06	\$19,806.00	\$15,376.95	\$15,996.78	\$14,319.58	\$24,434.63	\$21,671.27	\$21,980.23	\$27,044.47	\$16,843.06	\$13,008.90	\$15,238.78

\*\*Charge totals exclude taxes and KRA fee

Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
ELKHORN WATER DIST	\$16,893.80	\$13,164.93	\$12,313.27	\$9,203.13	\$9,425.68	\$12,611.13	\$11,195.79	\$11,723.18	\$11,574.59	\$10,857.72	\$10,725.32
FARMDALE WATER DIST	\$2,720.61	\$4,570.30	\$3,152.23	\$8,328.98	\$8,581.00	\$7,408.99	\$6,252.32	\$3,589.48	\$8,112.23	\$7,841.13	\$13,601.33
FARMDALE WATER DIST	\$13,529.76	\$13,420.70	\$13,326.98	\$14,427.77	\$13,115.69	\$16,123.25	\$14,773.68	\$17,626.18	\$13,991.54	\$15,232.06	\$17,522.23
FARMDALE WATER DISTRICT	\$12,621.53	\$11,011.25	\$11,181.65	\$6,340.58	\$7,000.03	\$7,869.07	\$7,986.65	\$11,672.40	\$10,614.22	\$9,746.88	\$9,511.73
FARMDALE WATER DISTRICT	\$98.83	\$101.05	\$105.99	\$127.97	\$143.99	\$160.52	\$176.19	\$165.46	\$146.03	\$227.65	\$166.48
NORTH SHELBY WATER C	\$20,967.72	\$23,021.04	\$21,606.72	\$20,432.66	\$20,584.32	\$28,559.04	\$29,300.28	\$25,900.80	\$24,938.04	\$27,843.36	\$24,213.84
PEAKSMILL WATER DIST	\$13,497.38	\$11,444.92	\$11,789.12	\$11,222.54	\$11,624.69	\$14,450.26	\$13,959.68	\$14,534.61	\$15,582.06	\$13,332.44	\$13,884.53
PEAKSMILL WATER DIST	\$238.90	\$112.46	\$113.32	\$91.68	\$100.88	\$143.99	\$132.23	\$145.18	\$134.62	\$75.83	\$95.08
SOUTH ANDERSON WATER DIST	\$3,630.20	\$2,567.25	\$2,465.86	\$2,824.55	\$2,908.56	\$4,021.10	\$4,316.74	\$3,975.26	\$3,561.53	\$4,174.12	\$3,535.46
US 60 WATER DISTRICT	\$22,375.22	\$15,682.93	\$16,638.54	\$20,060.00	\$16,810.81	\$22,494.50	\$23,763.64	\$21,660.57	\$20,647.03	\$25,342.40	\$21,571.62
US 60 WATER DISTRICT	\$3,863.99	\$8,239.52	\$10,880.04	\$6,124.18	\$3,924.31	\$4,190.14	\$3,379.03	\$3,413.11	\$2,820.12	\$3,281.90	\$4,128.79
Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
GEORGETOWN PUMP STATION	\$27,572.19	\$15,520.87	\$18,550.97	\$21,419.88	\$19,005.78	\$38,404.95	\$39,575.54	\$39,205.17	\$77,590.93	\$100,734.07	\$82,329.88

\*\*Charge totals exclude taxes and KRA fee



RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 13

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 13: Payment for water mains to deliver water to wholesale customers.

Response: 13(a): Complete the table below:

<b>Water Main Size</b>	<b>Total Miles of Line</b>	<b>Miles of Lines Used by the Plant Board to Serve its wholesale Customers</b>
48"	0.60	0.60
42"	0.10	0.10
36"	1.05	1.05
30"	0.65	0.64
24"	7.74	7.74
20"	9.09	9.03
16"	10.55	10.54
14"	2.88	2.84
12"	36.85	31.07
10"	1.21	1.18
8"	59.23	39.98
6"	130.68	60.46
4"	25.72	3.88

13(b): In some cases, the wholesale customers shared in the cost to extend a water main from FEWPB's existing system to the customer's master meter pursuant to the terms of the various agreements. However, the majority of the costs for water mains running from FEWPB's water treatment plant that serve wholesale customers were paid for by FEWPB.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 14

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 14: Maximum capacity of water treatment plant, amount of treatment plant capacity reserved for wholesale customers, minimum and maximum purchase limits and changes in treatment capacity reserved.

Response: 14(a): 18 MGD is the maximum treatment capacity of the plant.

14(b)(1): FEWPB has no agreement to reserve plant capacity for any wholesale customer.

14(b)(2): Minimum and Maximum Limits.

The minimum and maximum quantity of water that customers may purchase are contained in the following Agreements:

South Anderson Water District (2000 Agreement ¶ 7, Item 29, Ex. 1.) Min./Max. respectively 50,000 gallons per day/100,000 gallons per day.

U.S. 60 Water District (1992 Agreement ¶ 4, ¶ 11, Item 29, Ex. 2.) Yearly minimum of fifty percent (50%) of the average amount of water purchased by the Company from the Board during the preceding three calendar years.

No maximum, except that upon notification to Company its maximum limit is that purchased by Company during the previous calendar year.

North Shelby Water Company (1992 Agreement ¶ 4, ¶ 11, Item 29, Ex. 3.) Same min./max. as U.S. 60.

Elkhorn Water District (1992 Agreement, Item 29, Ex. 4.) No min./max. specified.

Peaks Mill Water District (1995 Agreement, Item 29, Ex. 5.) No min./max. specified.

Farmdale Water District (1967 Agreement ¶ 1 and 1974 Amendment, Item 29, Ex. 6.) No minimum. 1967 Agreement notes a maximum of 1,000,000 gallons per month. 1974 Amendment eliminates the limitation on the maximum gallonage for supply of water to the extension.

City of Georgetown (1990 Agreement ¶ 7, ¶ 9, Item 29, Ex. 7.) Minimum of 255,000 gallons per day. Maximum of 1,000,000 gallons per day and an additional 1,300,000 gallons of water per day if readily available.

14(c) FEWPB has no agreement to reserve plant capacity and does not plan to maintain a reserve for any wholesale customer.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 15

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 15: How many master meters serve the wholesale customers and who owns and maintains them.

Response: 15(a): FEWPB owns the master meters.

15(b): There are twelve (12) master meters.

District	Number of Meters
Elkhorn	1
Farmdale	4
N. Shelby	1
Peaks Mill	2
S. Anderson	1
U.S. 60	2
Georgetown (wholesale but unregulated)	1

15(c): FEWPB maintains the master meters.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 16



Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 16: System Map

Response: Ex. 1 – System Map

MAP OF FEWPB FACILITIES (DEC 2010)

KEY

Meters:

MM	Master Meter
FD MM1	Farmdale Master Meter 1
FD MM2	Farmdale Master Meter 2
FD MM3	Farmdale Master Meter 3
FD MM4	Farmdale Master Meter 4
PM MM1	Peaks Mill Master Meter 1
PM MM2	Peaks Mill Master Meter 2

Pump Stations:

Hahn Pump Station – located adjacent to Reservoir  
Genesco Pump Station  
WTP High Service Pump Station  
East Frankfort Pump Station  
Jett Pump Station  
Millville Pump Station

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 17

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 17: Whether gravity feed mains serve the districts.

Response: There are no gravity fed water mains.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 18

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 18: 36 Month Sales and Charges

Response: 18(a): Ex. 1 – 36 month spread sheets showing gallons

18(b): Ex. 2 – 36 month spreadsheet showing charges

Customer	Acct #	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
ELKHORN WATER DIST	31429	4636000	6608300	5695600	5960900	4440900	4521900	5910800	5551500	4319300	5239800	5417300	5146100	6518800
FARMDALE WATER DIST	28221	5183900	3617700	4360200	4739000	4008100	3799500	3235900	4269000	4388000	5018500	5261900	6499300	6647000
FARMDALE WATER DIST	28222	11150000	11169200	8077800	9721000	8440000	8070000	8497000	10677000	9665000	11138000	9772000	8172000	10868000
FARMDALE WATER DISTRICT	28378	3241000	2959000	3301000	5197000	4031000	4979000	5098000	4476000	5774000	5454000	3253000	2982000	3165000
FARMDALE WATER DISTRICT	33036	94900	104600	91400	87400	93800	82700	82500	62300	17400	19600	25500	16900	23800
NORTH SHELBY WATER C	28808	13421000	16463000	12909000	14981000	13154000	12340000	13946000	19646000	14984000	17182000	15391000	14002000	15990000
PEAKSMILL WATER DIST	28600	6876300	8885900	6792300	6436100	7011100	6618000	8010500	6732400	7087900	5494600	7651500	7143000	7099000
PEAKSMILL WATER DIST	30329	4500	4300	4000	4600	14500	7200	19100	7900	26900	1299000	65400	61800	48700
SOUTH ANDERSON WATER DIST	31379	2659600	3087500	1395000	1524900	1340700	1510700	1758700	2074600	2633300	2466700	2488800	1930800	2153700
US 60 WATER DISTRICT	32489	8401500	9286300	7693900	9276000	7996000	7885600	9088000	11561100	9040500	11481900	9342000	9422600	9439000
US 60 WATER DISTRICT	32715	3868000	3507000	3625000	4075000	3424000	3475000	3631000	4291000	4570400	3846600	4062000	3594000	6379000
Customer	Acct #	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
GEORGETOWN PUMP STATION	26680	16607000	9757000	7927000	8419000	12059000	11761000	13302000	16327000	25109000	34704000	36843000	23502000	9621000

\*\*All usage in gallons

Customer	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
ELKHORN WATER DIST	6569800	7141400	5611500	5521900	6284900	7227100	7017500	6255900	5357400	5627800	5299700	6185800
FARMDALE WATER DIST	3671000	6335900	3804300	4988100	4835100	5361200	5731200	5468300	5224800	5143200	2245000	1211000
FARMDALE WATER DIST	6471000	9300000	9510500	8418600	12098500	6537600	9031800	8911000	9126000	7771000	6936000	7050000
FARMDALE WATER DISTRICT	2459000	3506000	4105000	2805000	2973000	2778000	2891000	3978000	3524000	2666000	6445000	6033000
FARMDALE WATER DISTRICT	12200	15000	14400	15600	57200	80700	95900	87600	82600	77900	61500	65400
NORTH SHELBY WATER C	14359000	15946000	15133000	12869500	5197000	3811600	25250600	7653000	13740000	14895000	11050000	13525000
PEAKSMILL WATER DIST	7584500	7494300	6260700	6322000	6238000	6852000	7805500	6424500	6990000	6565000	6331200	6143800
PEAKSMILL WATER DIST	57300	221300	51800	46900	34500	54200	61200	72900	64500	70000	65400	68600
SOUTH ANDERSON WATER DIST	1369800	2049800	2012700	2057000	1864600	2297500	1897900	2125700	1934000	1875900	1701100	1662000
US 60 WATER DISTRICT	8304800	10879000	10918400	11723900	12490300	13551000	17057800	10634800	11175700	12917000	9872900	11329100
US 60 WATER DISTRICT	3831000	3222000	1804000	1473000	924000	988000	1122000	1350000	1274000	985000	928000	1661000
Customer	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
GEORGETOWN PUMP STATION	9738000	10321000	8013000	8336000	7462000	12733000	11293000	11454000	14093000	8777000	6779000	7941000

\*\*All usage in gallons

Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
ELKHORN WATER DIST	9914200	7725900	7226100	5400900	5531500	7400900	6570300	6879800	6792600	6371900	6294200
FARMDALE WATER DIST	1596600	2682100	1849900	4887900	5035800	4348000	3669200	2106500	4760700	4601600	7982000
FARMDALE WATER DIST	7940000	7876000	7821000	8467000	7697000	9462000	8670000	10344000	8211000	8939000	10283000
FARMDALE WATER DISTRICT	7407000	6462000	6562000	3721000	4108000	4618000	4687000	6850000	6229000	5720000	5582000
FARMDALE WATER DISTRICT	58000	59300	62200	75100	84500	94200	103400	97100	85700	133600	97700
NORTH SHELBY WATER C	12305000	13510000	12680000	11991000	12080000	16760000	17195000	15200000	14635000	16340000	14210000
PEAKSMILL WATER DIST	7921000	6716500	6918500	6586000	6822000	8480200	8192300	8529700	9144400	7824200	8148200
PEAKSMILL WATER DIST	140200	66000	66500	53800	59200	84500	77600	85200	79000	44500	55800
SOUTH ANDERSON WATER DIST	2130400	1506600	1447100	1657600	1706900	2359800	2533300	2332900	2090100	2449600	2074800
US 60 WATER DISTRICT	13131000	9203600	9764400	11772300	9865500	13201000	13945800	12711600	12116800	14872300	12659400
US 60 WATER DISTRICT	2267600	4835400	6385000	3594000	2303000	2459000	1983000	2003000	1655000	1926000	2423000
Customer	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
GEORGETOWN PUMP STATION	14368000	8088000	9667000	11162000	9904000	20013000	20623000	20430000	40433000	52493000	33386000

\*\*All usage in gallons

	7-Dec	8-Jan	8-Feb	8-Mar	8-Apr	8-May	8-Jun	8-Jul	8-Aug	8-Sep	8-Oct
Retail Gallons	58317500	63563200	55517582	58560279	57431388	74887500	74670600	82739199	75840900	150342064	79743200

8-Nov	8-Dec	9-Jan	9-Feb	9-Mar	9-Apr	9-May	9-Jun	9-Jul	9-Aug	9-Sep	9-Oct
78958000	67355700	91359700	65021100	55355000	53970300	57283200	83172900	96356000	69998400	67955400	60581200

9-Nov	9-Dec	10-Jan	10-Feb	10-Mar	10-Apr	10-May	10-Jun	10-Jul	10-Aug	10-Sep	10-Oct	10-Nov
54632700	53820700	63099400	85287300	53657500	56654400	56469600	68283200	67818000	66561800	71247100	68911000	66755800

Customer	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
ELKHORN WATER DIST	\$10,540.60	\$16,893.80	\$13,164.93	\$12,313.27	\$9,203.13	\$9,425.68	\$12,611.13	\$11,195.79	\$11,723.18	\$11,574.59	\$10,857.72	\$10,725.32
FARMDALE WATER DIST	\$2,063.54	\$2,720.61	\$4,570.30	\$3,152.23	\$8,328.98	\$8,581.00	\$7,408.99	\$6,252.32	\$3,589.48	\$8,112.23	\$7,841.13	\$13,601.33
FARMDALE WATER DISTRICT	\$12,013.20	\$13,529.76	\$13,420.70	\$13,326.98	\$14,427.77	\$13,115.69	\$16,123.25	\$14,773.68	\$17,626.18	\$13,991.54	\$15,232.06	\$17,522.23
FARMDALE WATER DISTRICT	\$10,280.23	\$12,621.53	\$11,011.25	\$11,181.65	\$6,340.58	\$7,000.03	\$7,869.07	\$7,986.65	\$11,672.40	\$10,614.22	\$9,746.88	\$9,511.73
FARMDALE WATER DISTRICT	\$111.44	\$98.83	\$101.05	\$105.99	\$127.97	\$143.99	\$160.52	\$176.19	\$165.46	\$146.03	\$227.65	\$166.48
NORTH SHELBY WATER C	\$23,046.60	\$20,967.72	\$23,021.04	\$21,606.72	\$20,432.66	\$20,584.32	\$28,559.04	\$29,300.28	\$25,900.80	\$24,938.04	\$27,843.36	\$24,213.84
PEAKSMILL WATER DIST	\$10,469.04	\$13,497.38	\$11,444.92	\$11,789.12	\$11,272.54	\$11,624.69	\$14,450.26	\$13,959.68	\$14,534.61	\$15,582.06	\$13,332.44	\$13,884.53
PEAKSMILL WATER DIST	\$116.89	\$238.90	\$112.46	\$113.32	\$91.68	\$100.88	\$143.99	\$132.23	\$145.18	\$134.62	\$75.83	\$95.08
SOUTH ANDERSON WATER DIST	\$2,832.05	\$3,630.20	\$2,567.25	\$2,465.86	\$2,824.55	\$2,908.56	\$4,021.10	\$4,316.74	\$3,975.26	\$3,561.53	\$4,174.12	\$3,535.46
US 60 WATER DISTRICT	\$19,304.79	\$22,375.27	\$15,682.93	\$16,638.54	\$20,060.00	\$16,810.81	\$22,494.50	\$23,763.64	\$21,660.57	\$20,647.03	\$25,342.40	\$21,571.62
US 60 WATER DISTRICT	\$2,830.34	\$3,863.99	\$8,239.52	\$10,880.04	\$6,124.18	\$3,924.31	\$4,190.14	\$3,379.03	\$3,413.11	\$2,820.12	\$3,281.90	\$4,128.79
Customer	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	10-May	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
GEORGETOWN PUMP STATION	\$15,238.78	\$27,572.19	\$15,520.87	\$18,550.97	\$21,419.88	\$19,005.78	\$38,404.95	\$39,575.54	\$39,205.17	\$77,590.93	\$100,734.07	\$82,329.88

Customer	Acct #	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
ELKHORN WATER DIST	31429	\$7,134.80	\$10,170.17	\$8,765.53	\$9,173.83	\$6,834.55	\$6,959.20	\$9,096.72	\$8,543.76	\$6,647.40	\$8,064.05	\$8,337.22	\$7,919.85	\$10,032.43
FARMDALE WATER DIST	28221	\$7,978.02	\$5,567.64	\$6,710.35	\$7,293.32	\$6,168.47	\$5,847.43	\$4,980.05	\$6,569.99	\$6,753.13	\$7,723.47	\$8,098.06	\$10,002.42	\$10,229.73
FARMDALE WATER DIST	28222	\$17,159.85	\$17,189.40	\$12,431.73	\$14,960.62	\$12,989.16	\$12,419.73	\$13,076.88	\$16,431.90	\$14,874.43	\$17,141.38	\$15,039.11	\$12,576.71	\$16,725.85
FARMDALE WATER DISTRICT	28378	\$4,987.90	\$4,553.90	\$5,080.24	\$7,998.18	\$6,203.71	\$7,662.68	\$7,845.82	\$6,888.56	\$8,886.19	\$8,393.71	\$5,006.37	\$4,589.30	\$4,870.93
FARMDALE WATER DISTRICT	33036	\$146.05	\$160.98	\$140.66	\$134.51	\$144.36	\$127.28	\$126.97	\$95.88	\$26.78	\$30.16	\$39.24	\$26.01	\$36.63
NORTH SHELBY WATER C	28808	\$20,654.92	\$25,336.56	\$19,866.95	\$23,055.76	\$20,244.01	\$18,991.26	\$21,462.89	\$30,235.19	\$23,060.38	\$26,443.10	\$23,686.75	\$21,549.08	\$24,608.61
PEAKSMILL WATER DIST	28600	\$10,582.63	\$13,675.40	\$10,453.35	\$9,905.16	\$10,790.08	\$10,185.10	\$12,328.16	\$10,361.16	\$10,908.28	\$8,456.19	\$11,775.66	\$10,993.08	\$10,925.36
PEAKSMILL WATER DIST	30329	\$6.93	\$6.62	\$6.16	\$7.08	\$22.32	\$11.08	\$29.39	\$12.16	\$41.40	\$1,999.16	\$100.65	\$95.11	\$74.95
SOUTH ANDERSON WATER DIST	31379	\$4,093.12	\$4,751.66	\$2,146.91	\$2,346.82	\$2,063.34	\$2,324.97	\$2,706.64	\$3,192.81	\$4,052.65	\$3,796.25	\$3,830.26	\$2,971.50	\$3,314.54
US 60 WATER DISTRICT	32489	\$12,929.91	\$14,291.62	\$11,840.91	\$14,275.76	\$12,305.84	\$12,135.94	\$13,986.43	\$17,792.53	\$13,913.33	\$17,670.64	\$14,377.34	\$14,501.38	\$14,526.62
US 60 WATER DISTRICT	32715	\$5,952.85	\$5,397.27	\$5,578.88	\$6,271.42	\$5,269.54	\$5,348.02	\$5,588.11	\$6,603.85	\$7,033.84	\$5,919.92	\$6,251.42	\$5,531.17	\$9,817.28
Customer	Acct #	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
GEORGETOWN PUMP STATION	26680	\$26,244.44	\$15,601.44	\$12,675.27	\$13,461.98	\$19,282.34	\$18,805.84	\$21,269.90	\$25,850.76	\$38,198.25	\$51,688.82	\$54,696.26	\$35,938.81	\$15,383.98

\*\*Charge totals exclude taxes and KRA fee

Customer	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
ELKHORN WATER DIST	\$10,110.92	\$13,011.63	\$10,224.15	\$9,409.32	\$10,709.47	\$12,314.98	\$11,957.82	\$10,660.05	\$9,129.01	\$9,589.77	\$9,030.69
FARMDALE WATER DIST	\$5,649.67	\$11,544.01	\$6,931.43	\$8,499.72	\$8,239.01	\$9,135.48	\$9,765.96	\$9,317.98	\$8,903.06	\$8,764.01	\$3,825.48
FARMDALE WATER DIST	\$9,958.87	\$16,944.60	\$17,328.13	\$14,345.29	\$20,615.84	\$11,140.07	\$15,390.19	\$15,184.34	\$15,550.70	\$13,241.78	\$11,818.94
FARMDALE WATER DISTRICT	\$3,784.40	\$6,387.93	\$7,479.31	\$4,779.72	\$5,065.99	\$4,733.71	\$4,926.26	\$6,778.51	\$6,004.90	\$4,542.86	\$10,982.28
FARMDALE WATER DISTRICT	\$18.77	\$27.33	\$26.24	\$26.58	\$97.47	\$137.51	\$163.41	\$149.27	\$140.75	\$132.74	\$104.80
FARMDALE WATER DISTRICT	\$22,098.50	\$29,053.61	\$27,572.33	\$21,929.63	\$8,855.69	\$6,494.97	\$43,027.02	\$13,040.71	\$23,412.96	\$25,381.08	\$18,829.20
NORTH SHELBY WATER C	\$11,672.54	\$13,654.61	\$11,407.00	\$10,772.69	\$10,629.55	\$11,675.81	\$13,300.57	\$10,947.35	\$11,910.96	\$11,186.76	\$10,788.36
PEAKSMILL WATER DIST	\$88.18	\$403.21	\$94.38	\$79.92	\$58.79	\$92.36	\$104.28	\$124.22	\$109.91	\$119.28	\$111.44
PEAKSMILL WATER DIST	\$2,334.14	\$3,492.86	\$3,429.64	\$3,505.13	\$3,177.28	\$3,914.94	\$3,234.02	\$3,622.19	\$3,295.54	\$3,196.53	\$2,898.67
SOUTH ANDERSON WATER DIST	\$12,781.09	\$19,821.54	\$19,893.32	\$19,977.53	\$21,283.47	\$23,090.90	\$29,066.49	\$18,121.70	\$19,043.39	\$22,010.57	\$16,823.42
US 60 WATER DISTRICT	\$5,895.91	\$5,870.48	\$3,286.89	\$2,509.99	\$1,574.50	\$1,683.55	\$1,911.89	\$2,300.40	\$2,170.90	\$1,678.44	\$1,581.31
Customer	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
GEORGETOWN PUMP STATION	\$15,571.06	\$19,806.00	\$15,376.95	\$15,996.78	\$14,319.58	\$24,434.63	\$21,671.27	\$21,980.23	\$27,044.47	\$16,843.06	\$13,008.90



	7-Dec	8-Jan	8-Feb	8-Mar	8-Apr	8-May	8-Jun	8-Jul	8-Aug	8-Sep	8-Oct	8-Nov	8-Dec
Retail Sales	\$524,104.72	\$562,346.77	\$505,930.82	\$528,280.90	\$516,455.19	\$714,923.50	\$546,540.33	\$363,755.42	\$650,809.37	\$838,189.45	\$581,157.23	\$570,149.85	\$534,393.07

	9-Jan	9-Feb	9-Mar	9-Apr	9-May	9-Jun	9-Jul	9-Aug	9-Sep	9-Oct	9-Nov	9-Dec
	\$584,171.52	\$538,079.12	\$496,113.91	\$483,754.03	\$504,098.02	\$571,491.84	\$635,067.22	\$552,197.24	\$520,038.95	\$507,105.05	\$467,503.18	\$462,322.99

	10-Jan	10-Feb	10-Mar	10-Apr	10-May	10-Jun	10-Jul	10-Aug	10-Sep	10-Oct	10-Nov
	\$516,328.99	\$583,589.09	\$456,502.65	\$471,722.67	\$472,159.08	\$539,408.53	\$530,838.41	\$527,113.33	\$557,219.40	\$537,733.42	\$588,236.84

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 19

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 19:           Rate Schedule

Response:           Ex. 1 – Rate Schedule

**ELECTRIC RATES**

**Power Cost Adjustment Charge (PCA)**

All rates will include a provision for PCA at a rate per kWh sufficient to recover the fuel cost adjustment provision contained in FPB's wholesale power contract.

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE (RATE 10) \$5.50**

**ENERGY CHARGE:**

**ALL KWH \$0.06810**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE (RATE 15) \$10.99**

**ENERGY CHARGE:**

**ALL KWH \$0.07710**

**MINIMUM BILL: EQUALS CUSTOMER CHARGE**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE (RATE 18) \$10.99**

**ENERGY CHARGE:**

**ALL KWH \$0.07710**

**MINIMUM BILL: EQUALS CUSTOMER CHARGE**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE \$32.98**

**LP - LARGE POWER (RATE 20)**

**ALL KW \$5.22**

**ENERGY CHARGE:**

**ALL KWH \$0.05190**

**POWER FACTOR CLAUSE APPLIES**

**MINIMUM BILL: \$5.22 X 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE (RATE 21) \$82.46**

**HFL-HIGH LOAD FACTOR LARGE POWER (RATE 21)**

**ALL KW \$6.60**

**ALL KWH \$0.04453**

**POWER FACTOR CLAUSE APPLIES**

**MINIMUM BILL: \$6.60 X 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW**

**GOVERNMENT RATES**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**M2/19-LOCAL GOVERNMENT/SCHOOL (RATE 2/19)**

**M2/19-CITY GOVERNMENT \$10.99**

**ALL KWH \$0.07076**

**MINIMUM BILL: EQUALS CUSTOMER CHARGE**

**M1 - MUNICIPAL STREET LIGHTING (RATE 1)**

**SIGNAL LIGHTS (RATE 1)**

**CUSTOMER CHARGES: \$4.40**

**ALL KWH \$0.07169**

**CONNECT FEES FOR ELEC. & WATER SERVICES:**

\$25 for reconnect within normal working hours (includes past due bill amounts)

\*Cutoff of electric & water services are subject to weather temperatures.

**LIGHTING RATES**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**S1-SECURITY LIGHTS**

**100 WATT (HPS) \$ 7.21 PER MTH 250 WATT (HPS) \$ 10.03 PER MTH**

**175 WATT (HPS) \$ 8.65 PER MTH 400 WATT (HPS) \$11.16 PER MTH**

**175 WATT (MH) \$ 8.65 PER MTH**

**AREA LIGHTING**

**DIRECTIONAL FIXTURE ONLY, 250 WATT MH \$ 7.66**

**250 WATT, MH WITH 35' WOOD POLE \$ 9.35**

**250 WATT, MH WITH 35' METAL POLE \$11.52**

**DIRECTIONAL FIXTURE ONLY, 320 WATT MH \$10.80**

**320 WATT, MH WITH 35' WOOD POLE \$12.49**

**320 WATT, MH WITH 35' METAL POLE \$14.65**

**DIRECTIONAL FIXTURE ONLY, 400 WATT HPS \$10.80**

**400 WATT, HPS WITH 35' WOOD POLE \$12.49**

**400 WATT, HPS WITH 35' METAL POLE \$14.65**

**DIRECTIONAL FIXTURE ONLY, 1000 WATT HPS \$22.17**

**1,000 WATT, MH WITH 35' WOOD POLE \$23.86**

**1,000 WATT, MH WITH 35' METAL POLE \$26.02**

**1,000 WATT, MH WITH 45' METAL POLE \$29.50**

**WATER RATES**

**EFFECTIVE BILL DUE & PAYABLE 12/15/10**

	CITY W1 (30)	COUNTY W2 (35)
MIN. 2,000 GL.	\$10.12 PER MTH	\$14.26 PER MTH.
NEXT 3,000 GL.	15.18 \$ 5.06 PER 1,000 GL.	\$ 7.13 PER 1,000 GL.
NEXT 20,000 GL.	\$ 3.89 PER 1,000 GL.	\$ 3.89 PER 1,000 GL.
NEXT 175,000 GL.	\$ 3.21 PER 1,000 GL.	\$ 3.21 PER 1,000 GL.
NEXT 800,000 GL.	\$ 2.41 PER 1,000 GL.	\$ 2.41 PER 1,000 GL.
OVER 1,000,000 GL.	\$ 1.90 PER 1,000 GL.	\$ 1.90 PER 1,000 GL.

21.39  
77.80  
561.75  
1928.06

**SEWER RATES**

**EFFECTIVE 7/1/10 PAYABLE 8/15/10**

**CUSTOMER CHARGE \$4.00 (EFFECTIVE 11/1/04)**

**RESIDENTIAL (RATE 40) \$8.48 PER 1,000 GL.**

**COMMERCIAL (RATE 42) \$8.48 PER 1,000 GL.**

**INDUSTRIAL (RATE 44) \$8.68 PER 1,000 GL.**

**FIRE SERVICE**

**EFFECTIVE 11/16/10**

**ALL FIRE HYDRANTS \$3.34 PER HYDRANT**

**2" LINE \$ 7.88 PER MTH 6" LINE \$59.90 PER MTH**

**3" LINE \$15.74 PER MTH 8" LINE \$78.52 PER MTH**

**4" LINE \$29.46 PER MTH 10" LINE \$98.17 PER MTH**

**FIRE HYDRANT SALES \$5.08**

**WATER SALES**

**EFFECTIVE 4/15/09**

**RESALE - NON WATER PRODUCERS (RATE 39) \$1.704 (Water Districts)**

**EFFECTIVE BILLS DUE AND PAYABLE 12/15/10**

**RESALE - OTHER WATER PRODUCERS (RATE 37) \$2.466 (G-town)**

**EFFECTIVE 6/1/08**

**WATER LOADING STATION (RATE 33) \$5.06**

**FPB GRATIS (IN HOUSE)**

**GRATIS (ELECTRIC) (IN-HOUSE)**

**NO DEMAND (RATE G3 & G17)**

**ALL KWH .07169 PER KWH**

**GRATIS (WATER (RATE 38) \$0.006517 (per gallons used)**

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 20

Frankfort Electric and Water Plant Board  
 Response to PSC Order Dated: 12-17-2010  
 Case No. 2010-00485

ITEM 20: Table showing water sales

Response:

The Plant Board	Gallons for Test Period (7/1/2008- 6/30/2009)	Gallons For Fiscal Year Ending 6/30/10
<b>Plant Use</b>	64,220,850	56,228,179
<b>Line Loss (Unaccounted for)</b>	477,175,800	400,016,800
<b>Sales to Retail</b>	941,141,263	786,795,800
<b>Sales to Each Wholesale Customer</b>		
ELKHORN WATER DIST (acct# 31429)	70,580,829	78,943,600
FARMDALE WATER DIST (acct# 28221)	61,107,521	45,423,800
FARMDALE WATER DIST (acct# 28222)	112,656,422	98,088,800
FARMDALE WATER DISTRICT (acct# 28378)	43,758,378	58,415,000
FARMDALE WATER DISTRICT (acct# 33036)	393,636	904,200
NORTH SHELBY WATER C (acct# 28808)	164,539,908	165,439,600
PEAKSMILL WATER DIST (acct# 28600)	81,988,500	83,704,200
PEAKSMILL WATER DIST (acct# 30329)	2,006,029	872,800
SOUTH ANDERSON WATER DIST (acct# 31379)	25,430,679	22,005,000
US 60 WATER DISTRICT (acct# 32489)	128,186,989	139,925,100
US 60 WATER DISTRICT (acct# 32715)	39,017,715	29,164,000
GEORGETOWN PUMP STATION (acct# 26680)	202,735,680	133,539,000
<b>Total Produced and Purchased</b>	2,963,914,735	2,682,482,800
<b>Total Sold</b>	2,429,627,400	2,206,935,200

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 21

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 7-2-2008  
Case No. 2008-00250

ITEM 21: Whether the Plant Board provides unmetered service to any entities

Response: 21(a): FEWPB maintains three (3) frost free unmetered hydrants in the downtown area for special events. Fire hydrants for use by the fire department are also unmetered.

21(b): The above referenced hydrants represent 100% of unmetered service.



RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 22

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 22: Cost of Service Study

Response: Ex. 1 – Cost of Service Study

THE ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KENTUCKY

WATER DIVISION

COST OF SERVICE ALLOCATION STUDY

AS OF JUNE 30, 2009

AND

PROPOSED CUSTOMER RATES

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania



**GANNETT FLEMING, INC.**  
P.O. Box 67100  
Harrisburg, PA 17106-7100  
Location:  
207 Senate Avenue  
Camp Hill, PA 17011  
Office: (717) 763-7211  
Fax: (717) 763-4590  
www.gannettfleming.com

September 29, 2010

Frankfort Plant Board  
317 West Second Street  
Frankfort, KY 40602

Attention Jim Smith  
General Manager

Ladies and Gentlemen:

Pursuant to your request, we have conducted a cost of service allocation study based on pro forma revenue requirements estimated for the test year ended June 30, 2009, and have prepared proposed rate schedules designed to produce the pro forma revenue requirements.

The attached report presents the results of the study, as well as supporting schedules which set forth the detailed cost allocation calculations. Schedule A on page 6 presents a comparison of the cost of service by customer classification with the pro forma revenues produced by each classification under present and proposed rates.

Respectfully submitted,

GANNETT FLEMING, INC.  
Valuation and Rate Division

PAUL R. HERBERT  
President

CONSTANCE E. HEPPENSTALL  
Rate Analyst

PRH/krm

052465

*A Tradition of Excellence*



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THE ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KENTUCKY  
WATER DIVISION

COST OF SERVICE ALLOCATION STUDY  
AS OF JUNE 30, 2009  
AND PROPOSED CUSTOMER RATES

PART I. INTRODUCTION

PLAN OF REPORT

The report sets forth the results of the cost of service allocation study as of June 30, 2009, prepared for The Electric and Water Plant Board of the City of Frankfort, Kentucky (The Frankfort Plant Board), Water Division. Part I, Introduction, contains statements with respect to the basis of the study, the procedures employed, and a summary of the results of the study. Part II, Cost of Service by Customer Classification, presents detailed schedules of the allocation of costs to customer classifications, as well as the bases for the allocations. Part III, Proposed Customer Rates, sets forth the proposed rate structure.

BASIS OF THE STUDY

The purpose of the study was to allocate costs to several customer classifications based on considerations of quantity of water consumed, variability of rate of flow, and costs associated with metering, billing and customer accounting. The allocation study was based on recognized procedures for allocating the several categories of costs to customer classifications in proportion to each classification's use of the facilities, commodities and services which entail the total cost of providing water service.

## ALLOCATION PROCEDURES

The allocation study was based on the Base-Extra Capacity Method for allocating costs to customer classifications. The method is described in the 2000 and prior editions of the Water Rates Manual, published by the American Water Works Association. The four basic categories of cost responsibility are base, extra capacity, customer and fire protection costs. The following discussions present a brief description of these costs and the manner in which they were allocated.

Base Costs are costs that tend to vary with the quantity of water used, plus costs associated with supplying, treating, pumping and distributing water to customers under average load conditions, without the elements necessary to meet peak demands. Base costs were allocated to customer classifications on the basis of average daily usage.

Extra Capacity Costs are costs associated with meeting usage requirements in excess of the average. They include operating and capital costs for additional plant and system capacity beyond that required for average use. The extra capacity costs in this study are subdivided into costs necessary to meet maximum day extra demand and costs to meet maximum hour extra demand. The extra capacity costs were allocated to customer classifications on the bases of each classification's maximum day and hour usage in excess of average usage. (Extra capacity costs related to fire protection are allocated directly to the fire protection classifications.)

Customer Costs are costs associated with serving customers regardless of their usage or demand characteristics. Customer costs include the operating and capital costs related to meters and services, meter reading costs, and billing and collecting costs. The



customer costs were allocated on the bases of the relative cost of meters and services, the number of meter readings and the number of bills.

Fire Protection Costs are costs associated with providing the facilities to meet the potential peak demand of fire protection service. Fire protection costs are subdivided into costs to meet Public Fire Protection and Private Fire Protection demands. Operating and capital costs for hydrants were assigned directly to Public Fire Protection. The extra capacity costs assigned to fire protection service were allocated to Public and Private Fire Protection on the basis of the total relative demands of the hydrants and fire service lines.

## RESULTS OF STUDY

The data summarized in Schedule A, "Comparison of Pro Forma Cost of Service with Revenues Under Present and Proposed Rates for the Twelve Months Ended June 30, 2009," constitute the principal results of the allocation study.

The cost of service by customer classification, shown in column 2 of Schedule A, is developed in Schedule B, "Allocation of Cost of Service to Customer Classifications for the Twelve Months Ended June 30, 2009". The allocation of the total cost of service to the several customer classifications was performed by applying the allocation factors referenced in column 3 to the cost of service by account in column 4. The bases of the allocation factors are presented in Schedule C.

## DESIGN OF PROPOSED RATES

The results of the cost of service allocation study were discussed with Water Board management in order that it be afforded the opportunity of performing its role in the oversight of designing rates that are consistent with the cost of providing service to each

customer class. Using class cost of service as the guideline, the proposed rate design continues the move of each class to its relative cost of service, including the rates for city and county customers, which have comparable service costs.

The proposed rate structure, as presented in Part III, Proposed Customer Rates, Schedule E, consists of service charges and volumetric rates. The revenues resulting from the proposed rate structure are shown in columns 6 and 7 of Schedule A, and the increase and percentage increase in columns 8 and 9.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES  
FOR THE TEST YEAR ENDED JUNE 30, 2009

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 4,112,323	48.2%	\$ 3,343,033	43.4%	\$ 3,746,995	43.8%	\$ 403,962	12.1%
Commercial	2,111,010	24.7%	2,379,133	31.0%	2,557,260	30.0%	178,127	7.5%
Public	43,144	0.5%	46,965	0.6%	50,156	0.6%	3,191	6.8%
Non Water Prod.	1,458,785	17.1%	1,242,778	16.2%	1,458,660	17.1%	215,882	17.4%
Water Prod.	560,287	6.6%	388,999	5.1%	499,880	5.9%	110,882	28.5%
Private Fire Service	184,591	2.2%	158,030	2.1%	158,531	1.9%	501	0.3%
Public Fire Service	61,206	0.7%	122,650	1.6%	61,206	0.7%	(61,444)	-50.1%
Total Sales	8,531,346	100.0%	7,681,589	100.0%	8,532,689	100.0%	851,101	11.1%
Other Revenues	249,762		249,762		249,762		-	0.0%
Total	<u>\$ 8,781,108</u>		<u>\$ 7,931,351</u>		<u>\$ 8,782,451</u>		<u>\$ 851,101</u>	10.7%

PART II. COST OF SERVICE BY CUSTOMER CLASSIFICATION

FRANKFORT ELECTRIC AND WATER PLANT BOARD  
COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

	Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)		Commercial (5)		Public (6)		Sales for Resale Non Water Prod. (7)		Sales for Resale Water Prod. (8)		Fire Protection Private (9)		Public (10)	
				\$		\$		\$		\$		\$		\$		\$	
<b>OPERATION AND MAINTENANCE EXPENSES</b>																	
<b>POWER AND PUMPING EXPENSES</b>																	
623000	20	1	457,515	\$ 126,000	\$ 147,869	\$ 3,431	\$ 138,810	\$ 38,569	\$ 2,150								
633000	20	2	99,101	27,917	29,760	694	27,947	12,447	258								
<b>TOTAL POWER AND PUMPING EXPENSES</b>																	
			556,616	153,916	177,629	4,125	166,757	51,016	2,408								
<b>WATER TREATMENT EXPENSE</b>																	
641000	20	1	367,705	101,266	118,842	2,756	111,562	30,998	1,728								
642000	20	2	344,053	96,920	103,319	2,408	97,023	43,213	895								
643000	20	2	74,112	20,877	22,256	519	20,900	9,309	193								
644000	20	2	58,632	16,517	17,607	410	16,534	7,364	152								
644100	20	2	43,166	12,160	12,963	302	12,173	5,422	112								
652000	20	2	13,824	3,894	4,151	97	3,898	1,736	36								
652100	20	2	84,395	23,774	25,344	591	23,800	10,600	219								
<b>TOTAL WATER TREATMENT EXPENSE</b>																	
			985,888	275,408	304,483	7,085	285,889	108,641	3,335								
<b>TRANSMISSION AND DISTRIBUTION</b>																	
677000	20	7	8,069	0	0	0	0	0	7,090								
677100	20	7	45,446	0	0	0	0	0	5,513								
678000	20	6	115,933	25,911	26,931	649	26,062	10,411	39,934								
678000	20	8	115,933	84,075	29,007	429	1,739	684	6,214								
678100	20	9	115,933	95,796	15,767	174	162	46	3,988								
678100	20	6	287,207	64,191	66,718	1,608	64,564	25,791	15,394								
678100	20	8	287,207	208,283	71,859	1,063	4,308	1,695	48,940								
678100	20	9	287,207	237,320	39,060	431	402	115	9,880								
700000	20	10	2,437	1,381	481	8	188	75	81								
700100	20	10	238,239	135,010	47,028	810	18,344	7,314	7,910								
<b>TOTAL TRANSMISSION AND DISTRIBUTION</b>																	
			1,503,614	851,966	296,852	5,172	115,770	46,131	49,958								

FRANKFORT ELECTRIC AND WATER PLANT BOARD

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Public (6)	Sales for Resale (7)		Sales for Resale (8)		Fire Protection (9)		Public (10)
						Non Water Prod.	Water Prod.	Private	Public			
<b>CUSTOMER ACCOUNTING AND COLLECTING EXPENSE</b>												
902000	20											
902100	20	11,534	10,016	1,494	15	8	1	0	0	0	0	0
903000	20	160,900	139,726	20,837	209	113	16	0	0	0	0	0
903010	20	3,545	3,035	453	5	2	0	49	0	0	0	0
903100	20	35,697	30,564	4,559	46	25	4	486	4	486	4	4
903200	20	173,138	148,241	22,110	225	121	17	2,407	17	2,407	17	17
904000	20	23	20	3	0	0	0	0	0	0	0	0
		15,705	13,447	2,006	20	11	2	218	2	218	2	2
<b>TOTAL CUSTOMER ACCOUNTING AND COLLECTING EXPENSE</b>												
		400,543	345,048	51,460	521	280	40	3,171	40	3,171	40	23
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>												
903921	20	9,575	5,110	2,059	39	1,162	498	196	498	196	510	510
905100	20	96,896	51,714	20,833	397	11,763	5,039	1,986	5,039	1,986	5,165	5,165
905200	20	8,964	4,784	1,927	37	1,088	466	184	466	184	478	478
905300	20	33,763	18,019	7,259	138	4,089	1,756	692	1,756	692	1,800	1,800
905310	20	28,408	15,161	6,108	116	3,449	1,477	582	1,477	582	1,514	1,514
913000	20	5,350	2,855	1,150	22	649	278	110	278	110	285	285
920000	20	52,156	27,841	11,216	214	6,333	2,713	1,069	2,713	1,069	2,780	2,780
		20,631	9,090	4,811	99	3,528	1,355	446	1,355	446	1,302	1,302
		4,369	1,925	1,019	21	747	287	94	287	94	276	276
		36,979	0	0	0	36,979	0	0	0	0	0	0
		6,021	0	0	0	6,021	0	0	0	0	0	0
920100	20	12,390	6,612	2,664	51	1,504	644	254	644	254	660	660
920200	20	166,443	88,831	35,785	682	20,206	8,655	3,412	8,655	3,412	8,871	8,871
920400	20	753	402	162	3	91	39	15	39	15	40	40
920700	20	8,695	4,747	1,912	36	1,080	463	182	463	182	474	474
920800	20	34,275	18,292	7,369	141	4,161	1,782	703	1,782	703	1,827	1,827
		297	158	64	1	36	15	6	15	6	16	16
920820	20	1,151	614	247	5	140	60	24	60	24	61	61
920910	20	216,076	115,320	46,456	886	26,232	11,236	4,430	11,236	4,430	11,517	11,517
923300	20	6,522	3,481	1,402	27	792	339	134	339	134	348	348
923400	20	26,615	14,204	5,722	109	3,231	1,384	546	1,384	546	1,419	1,419
923500	20	35,791	19,101	7,695	147	4,345	1,861	734	1,861	734	1,908	1,908
924000	20	250,369	133,622	53,829	1,027	30,395	13,019	5,133	13,019	5,133	13,345	13,345
926000	20	1,712	931	361	7	197	84	36	84	36	97	97
926060	20	170,182	92,545	35,857	681	19,537	8,322	3,591	8,322	3,591	9,649	9,649
926070	20	94,631	51,460	19,939	378	10,864	4,627	1,997	4,627	1,997	5,366	5,366

FRANKFORT ELECTRIC AND WATER PLANT BOARD

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account (1)	Factor Ref. (2)	Cost of Service (3)	Residential (4)	Commercial (5)	Public (6)	Sales for Resale Water Prod.		Fire Protection		
						Non Water Prod. (7)	Water Prod. (8)	Private (9)	Public (10)	
926100	20	488,851	265,837	103,001	1,955	56,120	23,805	10,315	27,718	
926400	15	4,039	2,196	851	16	464	198	85	229	
926450	15	9,899	5,383	2,086	40	1,136	484	209	561	
926470	15	834	453	176	3	96	41	18	47	
926500	20	401,807	218,503	84,661	1,607	46,127	19,648	8,478	22,782	
930100	15	2,959	1,579	636	12	359	154	61	158	
930110	14	10,095	5,387	2,170	41	1,225	525	207	538	
930435	20	2,865	1,529	616	12	348	149	59	153	
932110	20	17,871	9,538	3,842	73	2,170	929	366	953	
932120	20	93,166	49,723	20,031	382	11,310	4,845	1,910	4,966	
932130	20	2,998	1,600	645	12	364	156	61	160	
932140	20	913	487	196	4	111	47	19	49	
932200	20	68,153	36,373	14,653	279	8,274	3,544	1,397	3,633	
932210	14	64,730	34,546	13,917	255	7,858	3,366	1,327	3,450	
932220	14	97,488	52,029	20,960	400	11,835	5,069	1,999	5,196	
		2,595,890	1,371,986	544,287	10,367	346,426	129,460	53,065	140,299	
TOTAL ADMINISTRATIVE AND GENERAL EXPENSES		6,042,551	2,998,326	1,374,710	27,270	915,122	335,287	108,006	283,830	
DEPRECIATION EXPENSE										
302	101311	5,995	1,661	1,770	41	1,662	740	5	15	
310	101313	23,866	6,675	7,116	166	6,682	2,976	19	62	
320	101315	2,585	728	776	18	729	325	2	7	
330	101316	561	158	169	4	158	70	0	1	
389	101321	4,616	1,366	1,300	32	1,302	580	4	12	
321	101331	24,233	6,826	7,277	170	6,834	3,044	19	63	
321	101332	61,836	17,419	18,569	433	17,438	7,767	49	161	
331	101341	113,860	32,074	34,192	797	32,109	14,301	91	296	
331	101342	4,935	1,103	1,146	28	1,109	443	265	841	
331	101343	163,944	43,937	45,183	1,066	44,134	17,001	3,033	9,591	
331	101344	324,889	72,613	75,472	1,819	73,035	29,175	17,414	55,361	
331	101345	2,392	0	0	0	0	0	230	2,102	
341	101346	30,355	25,082	4,128	46	42	12	1,044	0	
341	101347	28,166	20,426	7,047	104	422	166	0	0	
341	101348	850	617	213	3	13	5	0	0	
390.1	101349	16,142	0	0	0	0	0	1,958	14,184	
390.1	101349	1,443	322	335	8	324	130	77	246	
390	101390	23,368	12,472	5,024	96	2,837	1,215	479	1,246	
390.3	101391	75,946	40,533	16,328	311	9,220	3,949	1,557	4,048	
312	101392	53,416	28,508	11,484	219	6,485	2,778	1,085	2,847	
313	101393	101	54	22	12	12	5	2	5	
314	101394	1,496	799	322	6	182	78	31	80	
316	101395	97	27	29	1	27	12	0	0	
316	101396	30,354	16,200	6,526	124	3,685	1,578	622	1,618	
316	101397	4,236	2,261	911	17	514	87	147	226	
316	101398	7,184	3,834	1,544	29	672	374	147	383	
316	101399	56,346	30,072	12,114	231	6,840	2,930	1,155	3,003	
TOTAL DEPRECIATION EXPENSE		1,062,944	365,701	259,086	5,770	216,669	89,874	28,446	96,397	

FRANKFORT ELECTRIC AND WATER PLANT BOARD

COST OF SERVICE FOR THE TWELVE MONTHS ENDED JUNE 30, 2009, ALLOCATED TO CUSTOMER CLASSIFICATIONS

Account	Factor Ref.	Cost of Service	Residential	Commercial	Public	Sales for Resale		Fire Protection	
						Non Water Prod.	Water Prod.	Private	Public
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>TAXES AND PAYMENTS IN LIEU OF TAXES</b>									
930408	17	30,906	9,167	7,659	176	6,877	2,819	974	3,236
930409	17	14,228	4,220	3,526	81	3,156	1,298	448	1,490
<b>TOTAL TAXES AND PAYMENTS IN LIEU OF TAXES</b>		45,134	13,387	11,184	257	10,042	4,116	1,422	4,726
<b>DEBT SERVICE AND INTEREST PAYABLE</b>									
930426	17	0	0	0	0	0	0	0	0
930427	17	1,598,910	474,237	396,210	9,114	355,758	145,821	50,368	167,406
	17	17,500	5,191	4,337	100	3,694	1,596	551	1,632
930431	12	14,069	12,046	1,797	18	10	1	196	1
930432	15	0	0	0	0	0	0	0	0
<b>TOTAL DEBT SERVICE AND INTEREST PAYABLE</b>		1,630,480	491,473	402,343	9,232	359,661	147,418	51,112	169,240
<b>TOTAL COST OF SERVICE</b>		8,781,108	3,868,887	2,047,323	42,530	1,501,494	576,696	189,986	554,193
<b>LESS OTHER WATER REVENUES</b>	18	249,762	110,045	58,244	1,199	42,709	16,409	5,395	15,760
<b>TOTAL OTHER WATER REVENUES</b>		249,762	110,045	58,244	1,199	42,709	16,409	5,395	15,760
<b>TOTAL COST OF SERVICE RELATED TO SALES OF WATER</b>		\$ 8,531,346	\$ 3,758,842	\$ 1,989,079	\$ 41,331	\$ 1,458,785	\$ 560,287	\$ 184,591	\$ 538,433
<b>REALLOCATION OF PUBLIC FIRE</b>	19		353,482	121,931	1,813	0	0	0	(477,227)
<b>Total</b>		\$ 8,531,346	\$ 4,112,323	\$ 2,111,010	\$ 43,144	\$ 1,458,785	\$ 560,287	\$ 184,591	\$ 61,206



FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1 ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUMED.

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification (1)	Average Daily Consumption, Thousand Gallons (2)	Allocation Factor (3)
Residential	1,814	0.2754
Commercial	2,129	0.3232
Public	49	0.0075
Sales for Resale - Non Water Prod.	1,998	0.3034
Sales for Resale - Water Prod.	555	0.0843
Private Fire Protection	10	0.0015
Public Fire Protection	31	0.0047
<b>Total</b>	<b>6,586</b>	<b>1.0000</b>

FACTOR 2 ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification (1)	Average Daily Consumption		Maximum Day Extra Capacity		Allocation Factor (6)=(3)+(5)
	Allocation Factor 1 (2)	Weighted Factor (3)=(2)x 0.5556	Allocation Factor (4)	Weighted Factor (5)=(4)x 0.4444	
Residential	0.2754	0.1530	0.2895	0.1287	0.2817
Commercial	0.3232	0.1796	0.2717	0.1207	0.3003
Public	0.0075	0.0042	0.0064	0.0028	0.0070
Sales for Resale - Non Water Prod.	0.3034	0.1686	0.2551	0.1134	0.2820
Sales for Resale - Water Prod.	0.0843	0.0468	0.1773	0.0788	0.1256
Private Fire Protection	0.0015	0.0008			0.0008
Public Fire Protection	0.0047	0.0026			0.0026
<b>Total</b>	<b>1.0000</b>	<b>0.5556</b>	<b>1.0000</b>	<b>0.4444</b>	<b>1.0000</b>

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and 5 weightings are presented on the following page.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND  
MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, Thousand Gal.	Factor*	Maximum Day Extra Capacity	
			Rate of Flow, Thousand Gal. Per Day	Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Residential	1,814	1.0	1,814	0.2895
Commercial	2,129	0.8	1,703	0.2717
Public	49	0.8	40	0.0064
Sales for Resale - Non Water Prod.	1,998	0.8	1,599	0.2551
Sales for Resale - Water Prod.	555	2.0	1,111	0.1773
Total	<u>6,546</u>		<u>6,267</u>	<u>1.0000</u>

\* Ratio of Maximum Hour To Average Hour Minus 1.0.

The weighting of the factors is based on the maximum day ratio of 1.80, based on a review of maximum day ratios experienced during the period 1999 through 2009.

	Maximum Day Ratio	Weight
Average Day	1.00	0.5556
Maximum Day Extra Capacity	<u>0.80</u>	<u>0.4444</u>
Total	<u>1.80</u>	<u>1.0000</u>

\* Ratio of maximum day to average day minus 1.0.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Daily Consumption		Maximum Day Extra Capacity		Fire Protection		Allocation Factor (8)=(3)+(5)+(7)
	Allocation Factor	Weighted Factor (3)=(2) X 0.5134	Allocation Factor	Weighted Factor (5)=(4) X 0.4107	Allocation Factor	Weighted Factor (7)=(6) X 0.0759	
Residential	0.2754	0.1413	0.2895	0.1189			0.2602
Commercial	0.3232	0.1659	0.2717	0.1116			0.2775
Public	0.0075	0.0039	0.0064	0.0026			0.0065
Sales for Resale - Non Water Prod.	0.3034	0.1558	0.2551	0.1048			0.2606
Sales for Resale - Water Prod.	0.0843	0.0433	0.1773	0.0728			0.1161
Private Fire Protection	0.0015	0.0008			0.2393	0.0182	0.0190
Public Fire Protection	0.0047	0.0024			0.7607	0.0577	0.0601
<b>Total</b>	<b>1.0000</b>	<b>0.5134</b>	<b>1.0000</b>	<b>0.4107</b>	<b>1.0000</b>	<b>0.0759</b>	<b>1.0000</b>

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum day ratio of 1.8 and the average daily system sendout for 2008/2009 of 8.1 MGD. The system demand for fire protection is 5,000 Gallons per minute for 4 hours.

	<u>Ratio</u>	<u>Rate of Flow, (GPD)</u>	<u>Weight</u>
Average Day	1.00	8,120,314	0.5134
Maximum Day Extra Capacity	<u>0.80</u>	<u>6,496,251</u>	<u>0.4107</u>
Subtotal	<u>1.80</u>	14,616,565	0.9241
Fire Protection		<u>1,200,000</u>	<u>0.0759</u>
Total		<u>15,816,565</u>	<u>1.0000</u>

The public and private fire protection allocation factors in column 6 on the previous page are based on the relative potential demands (see Schedule D).

FRANKFORT PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (4)=(3) X 0.2954	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.2617	
Residential	75.6	0.2753	0.2992	0.0813	0.2393	0.1325	0.2138
Commercial	88.7	0.3231	0.2809	0.0954	0.7607	0.1244	0.2198
Public	2.1	0.0077	0.0067	0.0023		0.0030	0.0053
Sales for Resale - Non Water Prod.	83.3	0.3035	0.2826	0.0897		0.1252	0.2149
Sales for Resale - Water Prod.	23.1	0.0842	0.1306	0.0249		0.0578	0.0827
Private Fire Protection	0.4	0.0015		0.0004	0.2393	0.0626	0.0630
Public Fire Protection	1.3	0.0047		0.0014	0.7607	0.1991	0.2005
<b>Total</b>	<b>274.5</b>	<b>1.0000</b>	<b>1.0000</b>	<b>0.2954</b>	<b>1.0000</b>	<b>0.4429</b>	<b>1.0000</b>
							<b>0.2617</b>
							<b>1.0000</b>

The maximum hour extra capacity factors in column 5 are determined on the next page.

FRANKFORT PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND  
MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are the maximum hour ratio of 2.5 and the average daily system sendout for 2008/2009 of 8.1 MGD. The system demand for fire protection is 5,000 gallons per minute.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	5,639	0.2954
Maximum Hour Extra Capacity	1.50	8,459	0.4429
Subtotal	<u>2.50</u>	14,098	0.7383
Fire Protection		5,000	0.2617
Total		<u>19,098</u>	<u>1.0000</u>

The maximum hour extra capacity factors in column 5 of the previous page are determined as follows:

Customer Classification (1)	Average Hourly Consumption Thousand Gal. (2)	Maximum Hour Extra Capacity		
		Factor* (3)	1,000 Gallons Per Hour (4)=(2)x(3)	Allocation Factor (5)
Residential	75.6	3.5	264.6	0.2992
Commercial	88.7	2.8	248.4	0.2809
Public	2.1	2.8	5.9	0.0067
Sales for Resale - Non Water Prod.	83.3	3.0	249.9	0.2826
Sales for Resale - Water Prod.	23.1	5.0	115.5	0.1306
Total	<u>272.8</u>		<u>884.3</u>	<u>1.0000</u>

\* Ratio of Maximum Hour To Average Hour Minus 1.0.

The public and private fire protection allocation factors in column 7 on the previous page are based on the relative potential demands (see Schedule D).

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification (1)	Average Hourly Consumption		Maximum Hour Extra Capacity		Fire Protection		Allocation Factor (9)=(4)+(6)+(8)
	Thousand Gallons (2)	Allocation Factor (3)	Allocation Factor (5)	Weighted Factor (4)=(3) X 0.3701	Allocation Factor (7)	Weighted Factor (8)=(7) X 0.0747	
Residential	75.6	0.2753	0.2992	0.1019			0.2680
Commercial	88.7	0.3231	0.2809	0.1196			0.2756
Public	2.1	0.0077	0.0067	0.0028			0.0065
Sales for Resale - Non Water Prod.	83.3	0.3035	0.2826	0.1123			0.2692
Sales for Resale - Water Prod.	23.1	0.0842	0.1306	0.0312			0.1037
Private Fire Protection	0.4	0.0015		0.0006	0.2393	0.0179	0.0185
Public Fire Protection	1.3	0.0047		0.0017	0.7607	0.0568	0.0585
<b>Total</b>	<b>274.5</b>	<b>1.0000</b>	<b>1.0000</b>	<b>0.3701</b>	<b>1.0000</b>	<b>0.0747</b>	<b>1.0000</b>

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES, cont.

The weighting of the factors is based on the ratio of the capacity required for a 4 hour demand of fire flow, as related to total storage capacity.

$$\text{Fire Protection Weight} = \frac{5,000 \text{ GPM} \times 60 \text{ Min.} \times 4 \text{ Hrs.}}{16,067,000 \text{ Gallons}} = 0.0747$$

$$\text{General Service Weight} = 1.0000 - 0.0747 = 0.9253$$

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows:

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	40.00	0.3701
Extra Capacity Maximum Hour	<u>1.50</u>	<u>60.00</u>	<u>0.5552</u>
Total	<u><u>2.50</u></u>	<u><u>100.00</u></u>	<u><u>0.9253</u></u>



FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS.

Factors are based on the weighting of the maximum daily consumption with fire, Factor 3, and the maximum hour consumption, Factor 4, for each customer classification, as follows:

Customer Classification	Maximum Daily Consumption w/ Fire		Maximum Hourly Consumption		Allocation Factor
	Allocation Factor 3	Weighted Factor	Allocation Factor 4	Weighted Factor	
	(1)	(3)=(2)X 0.2147	(4)	(5)=(4)X 0.7853	
Residential	0.2602	0.0558	0.2138	0.1677	0.2235
Commercial	0.2775	0.0596	0.2198	0.1727	0.2323
Public	0.0065	0.0014	0.0053	0.0042	0.0056
Sales for Resale - Non Water Prod.	0.2606	0.0560	0.2149	0.1688	0.2248
Sales for Resale - Water Prod.	0.1161	0.0249	0.0827	0.0649	0.0898
Private Fire Protection	0.0190	0.0041	0.0630	0.0495	0.0536
Public Fire Protection	0.0601	0.0129	0.2005	0.1575	0.1704
<b>Total</b>	<b>1.0000</b>	<b>0.2147</b>	<b>1.0000</b>	<b>0.7853</b>	<b>1.0000</b>

The weighting of the factors is based on the total footage of mains, designated as either transmission mains or distribution mains, as follows:

	Total Footage of Mains	Weight
Transmission Mains (greater than 10")	377,651	0.2147
Distribution Mains (10" and smaller)	1,381,482	0.7853
<b>Total</b>	<b>1,759,133</b>	<b>1.0000</b>

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Costs are assigned directly to Public Fire Protection.

<u>Customer Classification</u> (1)	<u>Number of Hydrants</u>	<u>Allocation Factor</u> (2)
Private Fire Protection	211	0.1213
Public Fire Protection	<u>1,528</u>	<u>0.8787</u>
Total	1,739	<u><u>0.8787</u></u>

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative cost of meters by size and customer classification, as developed on the following page and summarized below.

<u>Customer Classification</u> (1)	<u>5/8" Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	14,249	0.7252
Commercial	4,915	0.2502
Public	73	0.0037
Sales for Resale - Non Water Prod.	295	0.0150
Sales for Resale - Water Prod.	115	0.0059
Private Fire	<u>0</u>	<u>0.0000</u>
Total	<u><u>19,647</u></u>	<u><u>1.0000</u></u>

FRANKFORT PLANT BOARD

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

Meter Size (1)	5/8" Equivalent (2)	Residential		Commercial		Public		Sales for Resale Non Water Producing		Sales for Resale Water Producing		Total	
		Number of Meters (3)	Weighting (4)=(2)X(3)	Number of Meters (5)	Weighting (6)=(2)X(5)	Number of Meters (7)	Weighting (8)=(2)X(7)	Number of Meters (9)	Weighting (10)=(2)X(9)	Number of Meters (11)	Weighting (12)=(2)X(11)	Number of Meters (13)	Weighting (14)
5/8	1.0	13,546	13,546	1,334	1,334	11	11	0	0	0	0	14,891	14,891
3/4	1.5	21	32	43	65	0	0	0	0	0	0	64	97
1	2.5	253	633	371	928	4	10	0	0	0	0	628	1,571
1-1/2	5.0	6	30	121	605	1	5	0	0	0	0	128	640
2	8.0	1	8	151	1,208	4	32	0	0	0	0	156	1,248
3	15.0	0	0	30	450	1	15	3	45	0	0	34	510
4	25.0	0	0	11	275	0	0	6	150	0	0	17	425
6	50.0	0	0	1	50	0	0	2	100	0	0	3	150
8	80.0	0	0	0	0	0	0	0	0	0	0	0	0
10	115.0	0	0	0	0	0	0	0	0	1	115	1	115
Total		13,827	14,249	2,062	4,915	21	73	11	295	1	115	15,922	19,647

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative cost of services by size and customer classification, as developed on the following page and summarized below.

<u>Customer Classification</u> (1)	<u>3/4" Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	13,881	0.8263
Commercial	2,284	0.1360
Public	25	0.0015
Sales for Resale - Non Water Prod.	23	0.0014
Sales for Resale - Water Prod.	6	0.0004
Private Fire Protection	<u>578</u>	<u>0.0344</u>
Total	<u><u>16,797</u></u>	<u><u>1.0000</u></u>

FRANKFORT PLANT BOARD

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

Service Size (1)	3/4" Equivalent (2)	Residential		Commercial		Public		Sales for Resale Non Water Producing		Sales for Resale Water Producing		Private Fire Protection		Total	
		Number of Services (3)	Weighting (4)=(2)X(3)	Number of Services (5)	Weighting (6)=(2)X(5)	Number of Services (7)	Weighting (8)=(2)X(7)	Number of Services (9)	Weighting (10)=(2)X(9)	Number of Services (11)	Weighting (12)=(2)X(11)	Number of Services (13)	Weighting (14)=(2)X(11)	Number of Services (15)	Weighting (16)
3/4	1.00	13,567	13,567	1,377	1,377	11	11	0	0	0	0	0	0	14,955	14,955
1	1.20	253	304	371	445	4	5	0	0	0	0	0	0	628	754
1-1/2	1.30	6	8	121	157	1	1	0	0	0	0	0	0	128	166
2	1.50	1	2	151	227	4	6	0	0	0	0	1	2	157	237
3	1.70	0	0	30	51	1	2	3	5	0	0	2	3	36	61
4	2.20	0	0	11	24	0	0	6	13	0	0	42	92	59	129
6	2.50	0	0	1	3	0	0	2	5	0	0	149	373	152	381
8	3.20	0	0	0	0	0	0	0	0	0	0	25	80	25	80
10	5.60	0	0	0	0	0	0	0	0	1	6	5	28	6	34
Total		13,827	13,881	2,062	2,284	21	25	11	23	1	6	224	578	16,146	16,797

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF TRANSMISSION AND DISTRIBUTION ENGINEERING AND MISCELLANEOUS EXPENSES.

Factors are based on transmission and distribution operation expenses other than those being allocated, as follows:

<u>Customer Classification</u> (1)	<u>Transmission &amp; Distribution Operating Expenses</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$ 715,575	0.5667
Commercial	249,343	0.1974
Public	4,354	0.0034
Sales for Resale - Non Water Prod.	97,238	0.0770
Sales for Resale - Water Prod.	38,742	0.0307
Private Fire Protection	41,968	0.0332
Public Fire Protection	<u>115,719</u>	<u>0.0916</u>
Total	<u><u>1,262,938</u></u>	<u><u>1.0000</u></u>

FACTOR 11. ALLOCATION OF EXPENSES FOR SALES FOR RESALE CUSTOMERS NON WATER PRODUCING

Costs are assigned directly to Sales for Resale Non Water Producing Customers.

<u>Customer Classification</u> (1)	<u>Allocation Factor</u> (2)
Sales for Resale - Non Water Prod.	1.0000

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 12. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the total number of customers.

<u>Customer Classification</u> (1)	<u>Total Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	13,827	0.8562
Commercial	2,062	0.1277
Public	21	0.0013
Sales for Resale - Non Water Prod.	11	0.0007
Sales for Resale - Water Prod.	1	0.0001
Private Fire Protection	224	0.0139
Public Fire Protection	1	0.0001
	<u>16,147</u>	<u>1.0000</u>
Total	<u>16,147</u>	<u>1.0000</u>

FACTOR 13. ALLOCATION OF METER READING COSTS.

Factors are based on the number of metered customers.

<u>Customer Classification</u> (1)	<u>Total Metered Customers</u> (2)	<u>Allocation Factor</u> (3)
Residential	13,827	0.8684
Commercial	2,062	0.1295
Public	21	0.0013
Sales for Resale - Non Water Prod.	11	0.0007
Sales for Resale - Water Prod.	1	0.0001
	<u>15,922</u>	<u>1.0000</u>
Total	<u>15,922</u>	<u>1.0000</u>

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES AND CASH WORKING CAPITAL.

Factors are based on the allocation of all other operation and maintenance expenses excluding purchased water, power, chemicals and waste disposal.

<u>Customer Classification</u> (1)	<u>Operation &amp; Maintenance Expenses</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$1,399,073	0.5337
Commercial	563,712	0.2150
Public	10,714	0.0041
Sales for Resale - Non Water Prod.	318,324	0.1214
Sales for Resale - Water Prod.	136,262	0.0520
Private Fire Protection	53,703	0.0205
Public Fire Protection	<u>139,653</u>	<u>0.0533</u>
 Total	 <u><u>\$2,621,441</u></u>	 <u><u>1.0000</u></u>



FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 15. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of direct labor expense.

<u>Customer Classification</u> (1)	<u>Direct Labor Expense</u> (2)	<u>Allocation Factor</u> (3)
Residential	\$1,291,051	0.5438
Commercial	500,051	0.2107
Public	9,379	0.0040
Sales for Resale - Non Water Prod.	272,126	0.1148
Sales for Resale - Water Prod.	116,147	0.0489
Private Fire Protection	50,139	0.0211
Public Fire Protection	<u>134,453</u>	<u>0.0567</u>
Total	<u><u>\$2,373,346</u></u>	<u><u>1.0000</u></u>

FACTOR 16. NOT USED IN THIS ALLOCATION.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 17. ALLOCATION OF TAXES AND DEBT SERVICE COSTS

Factors are based on the allocation of the original cost measure of value rate base as shown on the following page and summarized below.

Customer Classification <u>(1)</u>	Original Cost Measure of Value <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$8,393,353	0.2966
Commercial	7,010,810	0.2478
Public	161,146	0.0057
Sales for Resale - Non Water Prod.	6,294,562	0.2225
Sales for Resale - Water Prod.	2,580,375	0.0912
Private Fire Protection	891,822	0.0315
Public Fire Protection	2,962,042	0.1047
Total	<u>\$28,294,110</u>	<u>1.0000</u>

FACTOR 18. ALLOCATION OF REGULATORY COMMISSION EXPENSES, ASSESSMENTS AND OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification <u>(1)</u>	Total Cost of Service <u>(2)</u>	Allocation Factor <u>(3)</u>
Residential	\$3,857,872	0.4406
Commercial	2,041,493	0.2332
Public	42,410	0.0048
Sales for Resale - Non Water Prod.	1,497,219	0.1710
Sales for Resale - Water Prod.	575,053	0.0657
Private Fire Protection	189,446	0.0216
Public Fire Protection	552,615	0.0631
Total	<u>\$8,756,108</u>	<u>1.0000</u>



FRANKFORT ELECTRIC AND WATER PLANT BOARD

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 19. REALLOCATION OF PUBLIC FIRE COSTS

The factors are based on the allocation of the total cost of service, excluding those items being

<u>Customer Classification</u> (1)	<u>5/8" Equivalents</u> (2)	<u>Allocation Factor</u> (3)
Residential	14,249	0.7407
Commercial	4,915	0.2555
Public	73	0.0038
Sales for Resale - Non Water Prod.	0	0.0000
Sales for Resale - Water Prod.	0	0.0000
Private Fire Protection	0	0.0000
Public Fire Protection	<u>0</u>	<u>0.0000</u>
 Total	 <u><u>19,237</u></u>	 <u>1.0000</u>

## FRANKFORT PLANT BOARD

BASIS FOR ALLOCATING DEMAND RELATED COSTS OF FIRE SERVICE  
TO PRIVATE AND PUBLIC FIRE PROTECTION CUSTOMER CLASSIFICATIONS

Description (1)	Restrictive Diameters Squared (2)	Quantity (3)	Relative Demand* (4)=(2)x(3)	Allocation Factor (5)
<u>PRIVATE FIRE PROTECTION</u>				
<u>Fire Lines</u>				
2 -inch	4.00	1	4	
3 -inch	9.00	2	18	
4 -inch	16.00	42	672	
6 -inch	36.00	149	5,364	
8 -inch	64.00	25	1,600	
10 -inch	100.00	5	500	
Private Hydrants	30.25	211	6,383	
Total Private Fire Protection		435	14,541	0.2393
<u>PUBLIC FIRE PROTECTION</u>				
<u>Hydrant</u>	<u>Nozzle Sizes</u>			
6" Valve	2- 2-1/2" & 1- 5.5"	30.25	1,528	46,222
Total Public Fire Protection		1,528	46,222	0.7607
Total Fire Protection		1,963	60,763	1.0000

PART III. PROPOSED CUSTOMER RATES

FRANKFORT ELECTRIC AND WATER PLANT BOARD  
 WATER DIVISION RATES  
 COMPARATIVE SCHEDULE OF PRESENT AND PROPOSED RATES  
 PER 1000 GALLONS

Rate	Present Rates	Proposed Rates	Percentage Increase
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	8.94	10.12	13.20%
Up to 5	4.47	5.06	13.20%
Next 20	3.66	3.89	6.28%
Next 175	3.02	3.21	6.29%
Next 800	2.27	2.41	6.17%
Over 1,000	1.79	1.90	6.15%
<b>Average Residential bill at 4,000 gallons</b>	<b>17.88</b>	<b>20.24</b>	<b>13.20%</b>
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	12.60	14.26	13.17%
Up to 5	6.29	7.13	13.35%
Next 20	3.66	3.89	6.28%
Next 175	3.02	3.21	6.29%
Next 800	2.27	2.41	6.17%
Over 1000	1.79	1.90	6.15%
<b>Average Residential bill at 4,000 gallons</b>	<b>25.18</b>	<b>28.52</b>	<b>13.26%</b>
<b>Resale - Non Water Producers</b>			
Minimum Charge	0.00	0.00	
Consumption Charge	1.704	2.000	17.37%
<b>Resale - Water Producers</b>			
Minimum Charge	0.00	0.00	
Consumption Charge	1.919	2.466	28.50%
<b>Gratis</b>			
Minimum Charge	0.00	0.00	
Consumption Charge	0.6517	0.6517	0.00%
<b>Water Loading</b>			
Minimum Charge	0.00	0.00	
Consumption Charge	4.4700	5.0600	13.20%
<b>Fire</b>			
Public Hydrants	12.11	3.34	-72.44%
Private Hydrants	12.11	3.34	-72.44%
<b>Lines</b>			
2" Line	6.06	7.88	30.01%
3" Line	12.11	15.74	29.96%
4" Line	22.66	29.46	30.01%
6" Line	45.31	58.90	30.00%
8" Line	60.40	78.52	30.00%
10" Line	75.52	98.17	30.00%
Fire Sales (per 1000 gallons)	4.47	5.06	13.20%

FRANKFORT ELECTRIC AND WATER PLANT BOARD  
APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS - WATER DIVISION  
YEAR ENDED JUNE 30, 2009

CITY CUSTOMERS

Rate Block 100 Gallons (1)	Number Of Bills (2)	Total Consumption (3)	Present Rate (4)	Revenue (5)	Proposed Rate (6)	Proposed Revenue (7)
<u>Residential - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	121,487	2,017,737	8 94	1,086,094	10 12	1,229,448
Subtotal	121,487	2,017,737		1,086,094		1,229,448
Up to 50	0	1,588,562	0 4470	710,087	0 5060	803,812
Next 200	0	753,156	0 3660	275,655	0 3890	292,978
Next 1750	0	67,385	0 3020	20,350	0 3210	21,631
Next 8,000	0	5,325	0 2270	1,209	0 2410	1,283
Over 10,000	0	0	0 1790	0	0 1900	0
Subtotal	0	2,414,428		1,007,301		1,119,704
Total	121,487	4,432,165		2,093,395		2,349,152
<u>Commercial - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	19,108	278,267 *	8 94	170,826	10 12	193,373
Subtotal	19,108	278,267		170,826		193,373
Up to 50	0	294,855	0 4470	131,800	0 5060	149,197
Next 200	0	994,256	0 3660	363,898	0 3890	386,766
Next 1750	0	1,952,829	0 3020	589,754	0 3210	626,858
Next 8,000	0	1,294,105	0 2270	293,762	0 2410	311,879
Over 10,000	0	330,741	0 1790	59,203	0 1900	62,841
Subtotal	0	4,866,786		1,438,417		1,537,540
Total	19,108	5,145,053		1,609,243		1,730,913
<u>Municipal - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	234	3,110	8 94	2,092	10 12	2,368
Subtotal	234	3,110		2,092		2,368
Up to 50	0	3,729	0 4470	1,667	0 5060	1,887
Next 200	0	17,201	0 3660	6,296	0 3890	6,691
Next 1750	0	40,448	0 3020	12,215	0 3210	12,984
Next 8,000	0	79,172	0 2270	17,972	0 2410	19,080
Over 10,000	0	36,785	0 1790	6,585	0 1900	6,989
Subtotal	0	177,335		44,734		47,631
Total	234	180,445		46,826		50,000
<u>Resale - Non Water Producers</u>						
Minimums & Allowances						
Minimum Charge	131	0	0 00	0	0 00	0
Subtotal	131	0		0		0
Consumption Charge	0	7,293,300	0 1704	1,242,778	0 2000	1,458,660
Subtotal	0	7,293,300		1,242,778		1,458,660
Total	131	7,293,300		1,242,778		1,458,660



FRANKFORT ELECTRIC AND WATER PLANT BOARD  
APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS - WATER DIVISION  
YEAR ENDED JUNE 30, 2009

CITY CUSTOMERS

Rate Block 100 Gallons (1)	Number Of Bills (2)	Total Consumption (3)	Present Rate (4)	Revenue (5)	Proposed Rate (6)	Proposed Revenue (7)
<u>Resale - Water Producers</u>						
Minimums & Allowances Minimum Charge	12	0	0 00	0	0 00	0
Subtotal	12	0		0		0
Consumption Charge Subtotal	0	2,027,090	0 1919	388,999	0 2466	499,880
Total	12	2,027,090		388,999		499,880
<u>Gratis</u>						
Minimums & Allowances Minimum Charge	255	0	0 0000	0	0 0000	0
Subtotal	255	0		0		0
Consumption Charge Subtotal	0	63,681	0 0652	4,150	0 0652	4,150
Total	255	63,681		4,150		4,150
<u>Water Loading</u>						
Minimums & Allowances Minimum Charge	176	0	0 00	0	0 00	0
Subtotal	176	0		0		0
Consumption Charge Subtotal	0	486	4 4700	2,172	5 0600	2,459
Total	176	486		2,172		2,459
Total City Customers	141,403	19,142,220		5,387,564		6,095,215

FRANKFORT ELECTRIC AND WATER PLANT BOARD  
APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS - WATER DIVISION  
YEAR ENDED JUNE 30, 2007

COUNTY CUSTOMERS

Rate Block 100 Gallons (1)	Number Of Bills (2)	Total Consumption (3)	Present Rate (4)	Revenue (5)	Proposed Rate (6)	Proposed Revenue (7)
<u>Residential - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	44,431	774,099	12.60	559,831	14.26	633,586
Subtotal	44,431	774,099		559,831		633,586
Up to 50	0	699,313	0.6290	439,868	0.7130	498,610
Next 200	0	535,794	0.3660	196,101	0.3890	208,424
Next 1750	0	170,397	0.3020	51,460	0.3210	54,697
Next 8,000	0	10,477	0.2270	2,378	0.2410	2,525
Over 10,000	0	0	0.1790	0	0.1900	0
Subtotal	0	1,415,981		689,807		764,256
Total	44,431	2,190,080		1,249,638		1,397,842
<u>Commercial - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	5,639	73,926	12.60	71,051	14.26	80,412
Subtotal	5,639	73,926		71,051		80,412
Up to 50	0	78,225	0.6290	49,204	0.7130	55,774
Next 200	0	306,501	0.3660	112,179	0.3890	119,229
Next 1750	0	925,824	0.3020	279,599	0.3210	297,190
Next 8,000	0	748,820	0.2270	169,982	0.2410	180,466
Over 10,000	0	490,926	0.1790	87,876	0.1900	93,276
Subtotal	0	2,550,296		698,840		745,934
Total	5,639	2,624,222		769,891		826,347
<u>Municipal - Monthly</u>						
Minimums & Allowances						
Minimum with 2,000 gallon allowance	11	2	12.60	139	14.26	157
Subtotal	11	2		139		157
Up to 50	0	0	0.6290	0	0.7130	0
Next 200	0	0	0.3660	0	0.3890	0
Next 1750	0	0	0.3020	0	0.3210	0
Next 8,000	0	0	0.2270	0	0.2410	0
Over 10,000	0	0	0.1790	0	0.1900	0
Subtotal	0	0		0		0
Total	11	2		139		157
Total County Customers	50,081	4,814,304		2,019,667		2,224,346

FRANKFORT ELECTRIC AND WATER PLANT BOARD  
APPLICATION OF PRESENT RATES AND PROPOSED RATES  
FIRE SERVICE

	<u>Present Number</u>	<u>Present Monthly Rates</u>	<u>Present Annual Revenue</u>	<u>Proposed Number</u>	<u>Proposed Monthly Rates</u>	<u>Proposed Annual Revenue</u>
Private Fire						
Hydrants	293	12.11	42,582	211	3.34	8,452
2" Line	1	6.06	73	1	7.88	95
3" Line	2	12.11	291	2	15.74	378
4" Line	42	22.66	11,421	42	29.46	14,848
6" Line	149	45.31	81,012	149	58.90	105,313
8" Line	25	60.40	18,120	25	78.52	23,556
10" Line	<u>5</u>	<u>75.52</u>	<u>4,531</u>	<u>5</u>	<u>98.17</u>	<u>5,890</u>
Total Sprinkler	224		115,448	224		150,080
Total Private Fire			158,030			158,531
Public Fire						
Hydrants	844	12.11	122,650	1,528	3.34	61,206
Total Fire Revenue			280,680			219,738

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 23

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 23: Who prepared cost study, preparer's CV, list of cases before the Commission and list of all utilities, including type water or sewer, for which the preparer has prepared a study.

Response: 23(a): Paul Herbert of Gannet Fleming prepared the study.  
23(b): CV attached – Ex. 1  
23(c): Mr. Herbert has provided testimony before the Ky. PSC for Kentucky American Water Company in Case Nos. 2000-120, 2007-00143, and 2010-00036; FEWPB in Case No. 2008-00250 and Northern Kentucky Water District in Case No. 2010-0094.  
23(d): A complete list of cases for which Mr. Herbert has prepared a study is included in his direct testimony.

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## PAUL R. HERBERT

### TECHNICAL SPECIALTIES

- Public Utility Revenue Requirements
- Public Utility Cost of Service Allocation
- Public Utility Rate Design

### PERSONAL INFORMATION

B.S., Finance, The Pennsylvania State University, 1975  
Member: AWWA, PMAA, NAWC

### EXPERIENCE

Mr. Herbert joined the firm in 1977 and is President of the Valuation and Rate Division. He is responsible for the direct supervision of rate study assignments including the development of revenue requirements, allocation of cost of service to customer classifications and the design of customer rate schedules. His assignments include analyzing operating and accounting data, preparing pro forma statements of income, developing allocation factors, allocating costs to various classes of service, designing customer rates using customer bill analyses and preparing written reports. Mr. Herbert also has presented expert testimony before the Pennsylvania, Ohio, West Virginia, Kentucky, Iowa, Virginia, Tennessee, Missouri, New Mexico, California and New Jersey state regulatory commissions.

Recent rate assignments include:

- Kentucky-American Water Company – Cost of Service Allocation and Rate Design Study. The cost of service study was prepared using spreadsheet software in order to facilitate other parties to make modifications to the study results during the rate case proceeding. The study provided a users manual to guide others in the use of the model. The study allocated costs to the several cost functions and customer classifications. The results of the study were used to design customer charges and volumetric charges for each class of customers. Direct testimony was prepared in support of the study and the proposed rate design.
- New Jersey-American Water Company – Cost of Service Allocation and Rate Design Study. The study allocated cost of service to cost functions and customer classifications using the base-extra capacity method. A single cost of service analysis was performed for the Company's three service areas combined. Cost allocation factors were developed based on each classification's use of the water system. The development of a common rate structure included the design of a computer rate model which was used to test alternative rate structures.
- City of Bethlehem - Bureau of Water - Revenue Requirement, Cost of Service Allocation, Rate Design and Cash Working Capital Studies. Mr. Herbert was responsible for the revenue requirement and rate structure sections of the City's 1994, 1995, 1997, 1998, 2005 and 2007 rate filings with the Pennsylvania Public Utility Commission. The assignments included the preparation of direct testimony and numerous exhibits in response to the Commission's rate filing requirements. Revenue requirements were projected for the future test year using pro forma adjustments to revenues, expenses and rate base. Pro forma statements of income were prepared under present and proposed rates. The cost of service allocation study included the allocation of pro forma costs of service to the customer classifications located inside and outside the City. A computer rate model was used to design a uniform rate structure to recover the total cost of service incorporating the results of the cost allocation study.

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**PAUL R. HERBERT, cont.**

- The York Water Company - Cost of Service Allocation and Rate Design. The study included the allocation of cost of service to customer classifications within the gravity and repumped service areas. Allocation factors were prepared, as well as the customer bill analysis. Several proposed rate design alternatives using a computer rate model were developed for Company management which involved restructuring the minimum charges and rate blocks.
- Pennsylvania-American Water Company - Cost of Service Allocation and Rate Design. The study included the development of system maximum day and hour demands, factors for allocating cost of service to customer classifications, bill analysis, rate application and rate design. The rate design computer model involved consolidating several rate zones into a single rate structure. Mr. Herbert filed direct testimony with regard to the bill analysis and rate application portions of the study. Responses to extensive discovery requests were prepared. Compliance rates were designed and submitted with a proof of revenue statement.
- Aqua Pennsylvania, Inc. (formerly Philadelphia Suburban Water Company) - Cost of Water Service Study: Allocation of Costs to Customer Classifications and Rate Design. Mr. Herbert was responsible for the original study which included cost allocation to the several customer classifications based on considerations of quantity of water consumed, variability of rate of flow, and costs associated with metering, billing, and accounting; and modifying the existing rate structure to provide revenues from the several customer classifications more reasonably commensurate with the costs associated with service those classifications. The base-extra capacity method was used to allocate the costs. The primary customer classifications were residential, commercial, industrial, other utilities, public fire protection, and private fire protection. The rate design study included preparing proof of revenue statements by applying the present and proposed rates to the detailed bill analysis, using a computer rate model.
- City of Lebanon Authority Water and Wastewater Systems - Revenue Requirement, Cost of Service Allocation and Rate Design. The studies included projecting the revenues required for a three-year period for the water and wastewater systems. The projected revenue requirement included debt service for proposed bond issues which funded the construction of new facilities. The rate structures included the results of the cost of service allocation and the projected revenue requirements. Comprehensive reports were prepared summarizing the results of the studies.

Mr. Herbert's continuing education has included several instructional programs related to cost analysis including the National Association of Regulatory Utility Commissioner's Seminar on Water Regulation hosted by the University of South Florida, "Financial Planning for Wastewater Treatment Systems" sponsored by the University of Wisconsin, "Concepts of Service Cost Studies" sponsored by the United States Telephone Association, and AGA Advanced Regulatory Seminar sponsored by the American Gas Association and the University of Maryland.

From 1975 to 1977, Mr. Herbert worked for Herbert Associates, Inc., Consulting Engineers, as a Field Office Manager for a large sewer collection system construction project; and from 1972 to 1974, he worked part time for the United Telephone System, Eastern Group, in the plant accounting department.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 24



Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 24: If the proposed rate is not based upon a cost-of-service study, describe how the Plant Board determined the proposed wholesale rate and state who participated in the determination.

Response: N/A

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 25

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 25:

- a) state whether the proposed rate increase includes an adjustment for rate case expenses incurred in this proceeding.
- b) if the rate increase does not include an adjustment for rate case expenses, state whether the Plant Board will seek an adjustment to recover expenses incurred in litigating this proceeding.
- c) if the Plant Board will seek an adjustment to recover expenses incurred in litigating this proceeding, provide all actual and estimated rate case expenses.

Response:

- a) Yes, the proposed rate increase includes an adjustment for rate case expenses. On page 9 of the study, it notes \$36,979 for rate case expenses and \$20,631 for the cost of service study in this case. It also includes an additional \$4,369 for the amortization of the prior rate case expense for the cost of service study and \$6,021 for the amortization of the prior rate case legal fees.
- b) See 25(a).
- c) The Plant Board will supplement this response as this case progresses and provide actual rate case expenses with invoices as they are received. The Plant Board will seek all rate case expenses and other relief as the Commission deems appropriate. However, in order to minimize expenses, the Plant Board hopes to settle this matter expeditiously prior to a full hearing and has already taken steps to do so. For example, Plant Board Staff met informally on December 7, 2010 to discuss this matter with the Intervenor and their Counsel.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 26

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 26: Identify the section(s) of KRS Chapter 96 under which the Plant Board Municipal utilities was formed and currently operates.

Response: The Plant Board is organized and operates pursuant to KRS 96.171 to 96.188.

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 27

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 27: Provide the minutes of each meeting of the Plant Board since January 1, 2009 in which a proposed rate adjustment to the Plant Board's wholesale customers was discussed.

Response: Ex. 1 – Meeting minutes since January 1, 2009 regarding proposed wholesale rate adjustment.

February 17, 2010

A Regular Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Plant Board Clubhouse, located at 98 Tanglewood Drive on Tuesday, February 16, 2010, at 5:00 p.m.

ATTENDANCE:

Clyde Baldwin, Board Member  
Michael Dudgeon, Secretary/Treasurer  
James Liebman, Board Attorney  
Bennie Maffet, Board Member  
Ann Wingrove, Board Chairperson  
Jimmy Allen, Water Dist. Superintendent  
Herbbie Bannister, Assistant General Manager/Opr.  
Gwen Burkholder, Executive Assistant  
Russ Colwell, Customer Service Director  
John Higginbotham, Cable/Telecom Superintendent  
Scott Hudson, Electric Superintendent  
Carl Mitchell, Mgr. Cable Engineering & Construction  
Hance Price, Staff Attorney  
Chris Riddle, WTP Superintendent  
Mark Redmon, Support Services Director  
Dianne Schneider, HR Director  
Steve Stigers, Meter Reader Supervisor  
Shannon Taylor, Finance Director  
Michael L. Davis, Strand Associates, Inc.  
Greg Miklavcic, Charles T. Mitchell Co.  
Pat Lynch, FPB Customer  
Grey Meyer, FPB Customer

AGENDA

The Agenda for the Regular Board Meeting of January 19, 2010, was received and entered into the Minute Book as follows:

1. Conduct a Public Hearing Regarding Revisions to Net Metering Tariff.
2. Approve Minutes of Special Board Meeting of January 19, 2010.
3. Approve Minutes of Special Board Meeting of February 1, 2010.
4. Accept Electric, Water and Cable Financial & Statistical Data.
5. Informational Item - Departmental Reports.
6. Approve Agreement with Gannett Fleming, Inc. to Conduct a Water Cost of Service and Rate Design Study.
7. Void.
8. Approve Purchase of New Meter Reading System.
9. Approve Water Adjustment Policy to FPB Tariff.
10. Approve Broadcast Music Incorporated (BMI) Agreement.
11. 1999-2010 Cable TV Programming Costs and the Affect on Retail Rates and Operating Expenses.
12. Approve MTV Networks (MTVN) Agreement for Expanded Basic and Digital Basic Channels.
13. Request from Frankfort City Manager Tony Massey for FPB to Consider Adding \$5.00 Monthly Solid Waste Fee to FPB Billing.
14. Committee Reports.
15. New & Old Business.
16. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) in the Event it's Necessary to Discuss Pending Litigation.
17. Closed Door Session.

BOARD ACTION

Ms. Wingrove called the meeting to order. Ms. Wingrove stated the first Item on the Agenda is to conduct a public hearing regarding revisions to FPB's net metering tariff.

Mr. Dudgeon conducted the Public Hearing as the Vice Chair was not in attendance at the meeting.



Safety – During January, there were no OSHA recordables or vehicle accidents to report. (See C-5/11).

Customer Service – The following statistics for the month of January do not include walk-in customers, direct dialed calls to the representatives' two phone lines or any

<u>Total Calls</u>	<u>Days Reporting</u>	<u>Average Per Day</u>	<u>Average Per CSR</u>
January 2010 – 15,490	20	760	48
January 2009 – 11,768	21	775	47

internal calls or after hours and weekend calls. These call numbers also include any calls received at our main number that were transferred to the Cable, Electric and Water Departments. (See C-5/12-15).

Each Department Head reiterated their departmental information from the Executive Digest.

Mr. Higginbotham provided a DTA update. We are currently averaging 2.30 units per household with 39 neighborhoods mailed and 30 neighborhoods remaining, 13% of our customers stated they do not need a DTA device. Approximately 57-60% of our customers are responding to the DTA postcards. Phase II will begin March 1<sup>st</sup> with preparation for the final analog conversion. For the neighborhoods we have covered, the analog signal will be interrupted 4-5 times a day for approximately two minutes and hopefully this will get the non-responders to contact us via phone or internet.

Mr. Riddle updated the Board on the chemical fee project at the WTP. No questions followed.

6. Approve Agreement with Gannett Fleming, Inc. to Conduct a Water Cost of Service and Rate Design Study (\$25,000) (See C-6/1-8):

Staff recommends approving agreement with Gannett Fleming for the development of a water cost of service and rate design study. Gannett Fleming successfully completed a water cost of service study for the Plant Board in 2008, and provided expert testimony at our PSC rate case.

Gannett Fleming proposes to conduct the study on the basis of hourly billing rates (attachment #2) plus reimbursement for direct expenses. Based upon their experience and similar assignments, they estimate the fees up to the filing date with the PSC to be \$25,000. Post filing expenses involve responding to data requests from the PSC and other parties, preparing written rebuttal testimony, and testifying at hearings, and are estimated to be \$15,000-\$25,000. The post filing expenses may not be incurred depending upon whether or not our rate filing is contested.

The Plant Board's staff attorney has reviewed and approved the agreement for execution. Staff has budgeted funds in the amount of \$35,000 for this study.

Mr. Bannister reiterated the Executive Digest.

Mr. Maffet questioned if \$25,000 was up to the testimony. Mr. Bannister stated that was correct. Gannett Fleming estimates if our rate case is contested (at PSC) and they have to gather data and testimony to rebut other testimonies it could cost an additional \$25,000. Mr. Maffet stated we have \$35,000 budgeted. Mr. Bannister responded that was correct however, we could add additional monies to the upcoming budget.

Mr. Baldwin asks if the \$35,000 was based on past history. Mr. Bannister replied yes, the 2008 cost of service study was \$25,000, data development and testimony at the PSC was another \$25,000. Mr. Bannister stated we should have had \$50,000 in the budget. Ms. Wingrove asks if some of the additional money could be recovered if it

went to the PSC. Mr. Bannister stated yes, we feel we now know what the PSC needs and hopefully we can recover these fees.

Ms. Wingrove asks for questions, with no questions. Mr. Baldwin moved to approve the agreement with Gannett Fleming, Mr. Dudgeon seconded this motion. The motion passed.

7. Void.

8. Approve Purchase of New Meter Reading System (\$54,386) (See C-8/1):

Staff recommends the purchase of a new Meter Reading System from Neptune Equipment. FPB currently reads both water and electric meters using a Neptune system that is eight years old and no longer supported by Neptune Equipment. Due to the type of meters used by the Water Department, Neptune is the only company offering a system that can read both our water and electric meters. The cost of \$54,386 is in this year's budget and is \$5,624 under projected budget.

Mr. Colwell reviewed the Executive Digest. Ms. Wingrove asks for any questions, with no questions, Mr. Baldwin moved to approve the purchase, Mr. Maffet seconded. Mr. Dudgeon asks Counsel if there was an agreement with this item. Mr. Colwell stated there was a purchase contract and pricing that Counsel could review, Mr. Dudgeon stated that was not necessary. The motion passed.

9. Approve Water Adjustment Policy to FPB Tariff (C-9/1-3):

Current tariff language only addresses adjusting a customer's water bill for an underground leak that occurs from the meter to the dwelling foundation. Staff drafted additional tariff language to provide guidance in adjusting a customer's water bill for excessive usage resulting from faulty inside plumbing (i.e., faucets, toilets, water heaters, etc.).

A public hearing regarding the proposed tariff on water bill adjustments was conducted on January 19, 2010 at the Board's regularly scheduled meeting. The Plant Board did not receive any comments regarding the proposed tariff and no one spoke at the public hearing on this issue. Staff recommends that the existing tariff on Water Bill Adjustments be amended as attached.

Mr. Bannister presented this item to the Board. Ms. Wingrove asks for any questions, no one responded. Mr. Dudgeon made a motion to approve the new tariff language, Mr. Maffet seconded, the motion passed.

10. Approve Broadcast Music Incorporated (BMI) Agreement (C-10/1-17):

Staff recommends the Board approve the BMI Cable Television System Operator Blanket License agreement. This agreement allows cable operators like FPB to utilize copyrighted music in locally produced commercials, leased access programming, local origination programming and in public service announcements. BMI assesses annual fee payments on FPB's expanded basic cable subscriber count.

FPB, and all other cable operators, signed an interim agreement with BMI in 2007, pending final approval of this agreement between BMI and the National Cable Telecommunications Association for the use of copyrighted music. This agreement accomplishes three items. First, it sets the annual rate; second, it establishes the term (January 1, 2007 through December 31, 2011); and third, the retroactive payment of fees between January 1, 2007 and December 31, 2009.

The fees for this license, including the retroactive fees which alone total approximately \$800, are provided for in the annual budget.

Mr. Higginbotham presented this item to the Board and stated the Staff Attorney had reviewed this agreement. Mr. Maffet moved to approve this agreement as explained, Mr. Baldwin seconded, the motion passed.

11. Informational Item: 1999-2010 Cable TV Programming Costs and the Affect on Retail Rates and Operating Expenses (C-11/1):

questioned. Ms. Lynch further stated every effort should be made to encourage openness rather than the current feeling that this is a closed entity. Mr. Liebman questioned how Ms. Lynch believed it is a closed entity when the meetings are shown on Cable 10. Ms. Lynch responded, so often voting reflects that there has been contact among Board Members prior to the meeting. Mr. Liebman stated Board Members can talk among themselves prior to a meeting. Ms. Lynch stated the typical process here is someone makes a motion, someone seconds a motion and a vote is taken. When proper parliamentary procedure would call for a discussion period after a motion is made and seconded and a vote is taken. It appears too often there is never any discussion prior to the vote being taken. Mr. Liebman stated he respectively disagreed with that, and stated the Chair always allows for questions or discussion. Ms. Lynch stated she was not saying the Chair did not allow for discussion, but that it is never called for. Ms. Lynch again stated, in parliamentary procedure a topic is not for discussion until a motion is properly made and seconded on this issue, then the Chair should call for a discussion of the topic and after discussion is closed, a vote is taken, and this seldom happens here. Ms. Lynch stated her main opinion was that public notice is not being properly given. Ms. Wingrove stated we try our very best to provide public notice of our meetings and that the notice did appear under the organizations as we are not considered a government entity. Ms. Wingrove stated our meetings are also listed on our website along with the Executive Digest. Ms. Wingrove stated we would look into providing access to the Agenda prior to the meetings and we do want to be open as that is why we are televised.

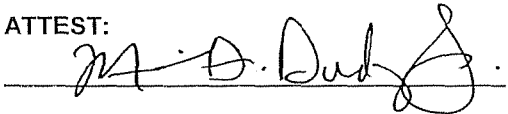
16. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) In the Event it's Necessary to Discuss Pending Litigation: (See C-16/):

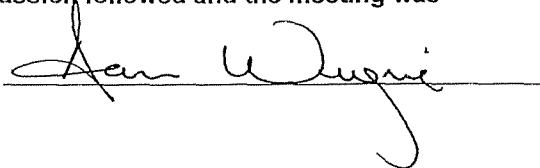
Ms. Wingrove asks if a closed door session was needed, Legal Counsel stated it was not. Mr. Maffet made a motion, Mr. Dudgeon seconded, Ms. Wingrove called for discussion. No discussion followed and the motion passed.

17 Closed Door Session: (See C-17/):

Mr. Maffet made a motion to adjourn. Mr. Dudgeon seconded the motion. Ms. Wingrove called for discussion. No discussion followed and the meeting was adjourned.

ATTEST:





September 27, 2010

A Regular Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse located at 98 Tanglewood Drive, on Tuesday, September 21, 2010 at 5:00 p.m.

**TENDANCE:**

Clyde Baldwin, Board Member  
Sheila Burton, Vice Chair  
Michael Dudgeon, Secretary/Treasurer  
James Liebman, Board Attorney  
Bennie Maffet, Board Member  
Ann Wingrove, Board Chair  
Jim Allen, Water Superintendent  
Herbbie Bannister, Asst. General Manager  
David Billings, Chief Water Engineer  
Russ Colwell, Cust. Service Director  
Vent Foster, Chief Electrical Engineer  
John Higginbotham, Cable/Telecom Supt.  
Scott Hudson, Electric Superintendent  
Carl Mitchell, Cable Eng. & Const. Mgr.  
Karl Pitzer, IT Director  
Hance Price, Staff Attorney  
Mark Redmon, Support Services Director  
Chris Riddle, WTP Superintendent  
Dianne Schneider, HR Director  
Jim Smith, General Manager  
Shannon Taylor, Finance Director  
Michele Walker, Executive Assistant  
Kim Watson, Safety Director  
Charles Geveden, FPB Customer  
Tom Marshall, Attorney At Law  
Pat Lynch, FPB Customer  
Paul Glasser, State Journal Reporter  
David Pike, Prod. Asst. Videographer

**AGENDA**

The Agenda for the meeting was received and entered into the Minute Book as follows:

1. Approve Minutes of Board Meeting of August 17, 2010 & August 27, 2010:
2. Accept Electric, Water and Cable Financial & Statistical Data:
3. Informational Item – Departmental Reports:
4. Approve Resolution for Authorization and Signature of General Manager, Jim Smith:
5. Approve Revisions to Tariff Regarding Energy Curtailment & Restoration:
6. Approve NFL Network/Red Zone NCTC Agreement:
7. Approve Renewal of Lifetime, LMN and LRW Channels:
8. Informational Item: Water Cost of Service Study:
9. Approve Intent Resolution for Borrowing in the Water Department :
10. Approve Facilities Locator Position:
11. Informational Item: Health Care Reform Presentation for Board:
12. New & Old Business:
13. Committee Reports:
14. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) in the Event it's Necessary to Discuss Pending Litigation:
15. Closed Door Session:

**BOARD ACTION**

Ms. Wingrove called the meeting to order and stated the Agenda order would be modified due to speakers present. The order of items presented would be as follows: #1, #5, #11, #8 and resume regular order.

1. Approve Minutes of Board Meeting of August 17, 2010 & August 27, 2010:

Ms. Burton moved to approve, Mr. Maffet seconded, motion passed.

**5. Approve Revisions to Tariff Regarding Energy Curtailment & Restoration:**

Ms. Burton moved to accept the revisions to the tariff, Mr. Dudgeon seconded, the motion passed.

**11. Informational Item: Health Care Reform Presentation for Board:**

Ms. Schneider introduced the President of Sherill Morgan, Mark Morgan. Mr. Morgan presented the Board with information regarding our health care program and the possible effects the Health Care Reform Act could have on our health program. Mr. Morgan stated FPB spent \$8,552 for each employee covered under FPB's health care plan.

At this time, Ms. Wingrove stated an FPB Customer wished to address the Board. Mr. Charles Geveden spoke to the Board regarding his appreciation of the addition of MSNBC to FPB's Cable lineup. Ms. Wingrove thanked Mr. Geveden for his comments and attendance at the meeting.

**8. Informational Item: Water Cost of Service Study:**

Mr. Paul Herbert with Gannett Fleming from Harrisburg, Pennsylvania had a PowerPoint presentation for the Board regarding the 2010 Water Cost of Service Study. The cost study detailed rate increases for the various customer classes. In particular, wholesale water for water districts was expected to increase by 17.37%. Two alternatives were presented in this presentation and the Board selected alternative one because it moves City and County rates closer together.

**2. Accept Electric, Water and Cable Financial & Statistical Data:**

Mr. Dudgeon moved to accept the financials, Mr. Maffet seconded, the motion passed.

**3. Informational Item – Departmental Reports:**

Mr. Smith requested Mr. Hudson report on the electrical outage that occurred this morning. Mr. Hudson stated at approximately 10:14 a.m. KU contractors hit an FPB line that fed a large percentage of East Frankfort. The outage lasted approximately 55 minutes with no injuries sustained by KU.

**4. Approve Resolution for Authorization and Signature of General Manager, Jim Smith:**

This item was removed from the Agenda per Board Chair.

**6. Approve NFL Network/Red Zone NCTC Agreement:**

Mr. Dudgeon moved for approval, Mr. Baldwin seconded, the motion passed.

**7. Approve Renewal of Lifetime, LMN and LRW Channels:**

Mr. Higginbotham stated this renewal would have no impact to our customer base. Mr. Baldwin moved to approve, Mr. Maffet seconded, the motion passed.

**9. Approve Intent Resolution for Borrowing in the Water Department:**

Ms. Taylor stated this resolution is necessary due to IRS regulations for financing of the MCC projects at the WTP. Mr. Baldwin moved for approval, Mr. Dudgeon seconded, the motion passed.

**10. Approve Facilities Locator Position:**

Ms. Schneider stated this position would eliminate multiple truck rolls for the locating of FPB services, and this position will provide cross training for vacations and absentee, etc. However, emergency locates will be covered by each individual department.

Ms. Burton moved to approve, Mr. Maffet seconded and the motion passed.

**12. New & Old Business:**

**1. Approve Resolution for Public Power Week Oct. 3-9, 2010:**

Mr. Smith discussed Public Power Week with the Board. With no discussion, Ms. Burton moved for approval, Mr. Baldwin seconded, the motion passed.

2. Approve Amendments to the Tuition Reimbursement Program:

Ms. Schneider discussed the tuition reimbursement program and brought the Board up to date on the status of current applications for tuition reimbursement requests.

Mr. Maffet made a motion to adopt the program as presented and that it be administered uniformly and consistently, Ms. Burton seconded. Mr. Dudgeon advised Staff to take a hard look at any employee that may have been inconvenienced with the policy being out of place for a period of time. The motion passed.

13. Committee Reports:

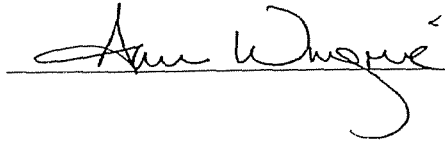
No Reports

14. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) in the Event it's Necessary to Discuss Pending Litigation:

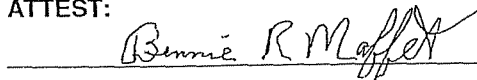
Not Necessary

15. Closed Door Session:

Ms. Burton moved for adjournment, Mr. Maffet seconded, the motion passed with Mr. Baldwin opposing.



ATTEST:



Informational Item: The Water Cost of Service Study is complete and will be presented by Shannon Taylor and Paul Herbert of Gannett Fleming

The current budget projected a water rate increase in October 2010. The results of the cost of service study indicate that a water rate increase is necessary to fund the \$850,000 shortfall in revenue. Two different rate designs are being presented by Gannett Fleming to recover the required revenue:

Alternative #1

- Moves City Rates closer to County water rates. Increases City average residential bill (4,000 gallons per month) by \$2.84 per month and County average residential bill by \$2.06 per month
- Increase Resale – Non-Water Producer (Farmdale, Peaks Mill, et al) rate from \$1.704 per 1000 gallons to \$2.000 per thousand gallons
- Increase Resale – Water Producer (Georgetown) rates from \$1.919 per thousand gallons to \$2.466 per thousand gallons
- Lowers hydrant rates to produce revenue to cover hydrant related labor cost and depreciation expense, only.

Alternative #2

- Does not move City and County rates closer together. Increases City average residential bill (4,000 gallons per month) by \$2.36 per month and County average residential bill by \$3.34 per month
- Increase Resale – Non-Water Producer (Farmdale, Peaks Mill, et al) rate from \$1.704 per 1000 gallons to \$2.000 per thousand gallons
- Increase Resale – Water Producer (Georgetown) rates from \$1.919 per thousand gallons to \$2.466 per thousand gallons
- Lowers hydrant rates to produce revenue to cover hydrant related labor cost and depreciation expense, only.



# Frankfort Water and Electric Plant Board

## Summary of Proposed Water Rates



# Frankfort Electric and Water Plant Board

## Current Residential/Commercial/Public Water Rates Per 1,000 gallons

City Customers	
Minimum with 2,000 gallon allowance	\$ 8.94
Next 3,000 gallons	4.47
Next 20,000 gallons	3.66
Next 175,000 gallons	3.02
Next 800,000 gallons	2.27
Over 1,000,000 gallons	1.79

Average Residential bill at 4,000 gallons

\$ 17.88

County Customers	
Minimum with 2,000 gallon allowance	\$ 12.60
Next 3,000 gallons	6.29
Next 20,000 gallons	3.66
Next 175,000 gallons	3.02
Next 800,000 gallons	2.27
Over 1,000,000 gallons	1.79

Average Residential bill at 4,000 gallons

\$ 25.18

# Frankfort Electric and Water Plant Board

## Current Resale, Gratis, Water Loading and Fire Rates per 1,000 gallons

<u>Resale - Non Water Producers</u>	
Farmdale, North Shelby, Peaks Mill, S. Anderson, Elkhorn & US 60	\$ 1.704
<u>Resale - Water Producers</u>	
Georgetown	1.919
	0.6517
Gratis	4.470
Water Loading	
<u>Monthly Fire Rates</u>	
Hydrants	12.11
Private Fire Lines	
2" Line	6.06
3" Line	12.11
4" Line	22.66
6" Line	45.31
8" Line	60.40
10" Line	75.52
Fire Sales (per 1000 gallons)	4.47

# Frankfort Electric and Water Plant Board

## Comparison of Present Average Monthly Bills Inside-City For 4,000 gallons of consumption

<u>Water System</u>	<u>Monthly Bill</u>
Frankfort – City Customer	\$17.88
Kentucky American Water	\$23.69*
Nicholasville	\$20.45
Lawrenceburg	\$20.05
Versailles	\$16.36
Winchester	\$16.96
Blue Grass Area Development District (BGADD) Average	\$19.17
Northern Kentucky Water District	\$24.03*
Louisville	\$16.51

\* Currently applying for rate increases.

# Frankfort Electric and Water Plant Board

## Results of Cost of Service Study

The Cost of Service Study recommends a water rate increase to fund the \$850,000 shortfall in revenue

# Frankfort Electric and Water Plant Board

## Frankfort Plant Board Rate Design Guidelines

- City customers' water rates should move closer to County Customer water rates to close gap between rates.
- Hydrant fees are set to cover hydrant related labor cost and depreciation expense, only. (Per Board approval on March 18, 2010).



# Frankfort Electric and Water Plant Board

## Proposed Rate Alternatives Alternative 1

- Moves City Rates closer to County water rates. Increases City average residential bill (4,000 gallons per month) by \$2.84 per month and County average residential bill by \$2.06 per month
- Increase Resale – Non-Water Producer (Farmdale, Peaks Mill, et al) rate from \$1.704 per 1000 gallons to \$2.000 per thousand gallons
- Increase Resale – Water Producer (Georgetown) rates from \$1.919 per thousand gallons to \$2.466 per thousand gallons
- Lowers hydrant rates to produce revenue to cover hydrant related labor cost and depreciation expense, only.

# Frankfort Electric and Water Plant Board

## ALTERNATE 1 COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES FOR THE TEST YEAR ENDED JUNE 30, 2009

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 4,112,323	48.2%	\$ 3,343,033	43.4%	\$ 3,744,401	43.8%	\$ 401,368	12.0%
Commercial	2,111,010	24.7%	2,379,133	31.0%	2,559,272	30.0%	180,139	7.6%
Public	43,144	0.5%	46,965	0.6%	50,250	0.6%	3,285	7.0%
Non Water Prod.	1,458,785	17.1%	1,242,778	16.2%	1,458,660	17.1%	215,882	17.4%
Water Prod.	560,287	6.6%	388,999	5.1%	499,880	5.9%	110,882	28.5%
Private Fire Service	184,591	2.2%	158,030	2.1%	158,531	1.9%	501	0.3%
Public Fire Service	61,206	0.7%	122,650	1.6%	61,206	0.7%	(61,444)	-50.1%
<b>Total Sales</b>	<b>8,531,346</b>	<b>100.0%</b>	<b>7,681,589</b>	<b>100.0%</b>	<b>8,532,201</b>	<b>100.0%</b>	<b>850,612</b>	<b>11.1%</b>
Other Revenues	249,762		249,762		249,762		-	0.0%
<b>Total</b>	<b>\$ 8,781,108</b>		<b>\$ 7,931,351</b>		<b>\$ 8,781,963</b>		<b>\$ 850,612</b>	<b>10.7%</b>

# Frankfort Electric and Water Plant Board

## Proposed Rate Alternative Alternative 2

- Does not move City and County rates closer together. Increases City average residential bill (4,000 gallons per month) by \$2.36 per month and County average residential bill by \$3.34 per month
- Increase Resale – Non-Water Producer (Farmdale, Peaks Mill, et al) rate from \$1.704 per 1000 gallons to \$2.000 per thousand gallons
- Increase Resale – Water Producer (Georgetown) rates from \$1.919 per thousand gallons to \$2.466 per thousand gallons
- Lowers hydrant rates to produce revenue to cover hydrant related labor cost and depreciation expense, only.



# Frankfort Electric and Water Plant Board

## ALTERNATE 2 COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT RATES FOR THE TEST YEAR ENDED JUNE 30, 2009

Customer Classification (1)	Cost of Service		Revenues, Present Rates		Revenues, Proposed Rates		Proposed Increase	
	Amount (Schedule B) (2)	Percent (3)	Amount (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent Increase (9)
Residential	\$ 4,112,323	48.2%	\$ 3,343,033	43.4%	\$ 3,746,995	43.8%	\$ 403,962	12.1%
Commercial	2,111,010	24.7%	2,379,133	31.0%	2,557,260	30.0%	178,127	7.5%
Public	43,144	0.5%	46,965	0.6%	50,156	0.6%	3,191	6.8%
Non Water Prod.	1,458,785	17.1%	1,242,778	16.2%	1,458,660	17.1%	215,882	17.4%
Water Prod.	560,287	6.6%	388,999	5.1%	499,880	5.9%	110,882	28.5%
Private Fire Service	184,591	2.2%	158,030	2.1%	158,531	1.9%	501	0.3%
Public Fire Service	61,206	0.7%	122,650	1.6%	61,206	0.7%	(61,444)	-50.1%
<b>Total Sales</b>	<b>8,531,346</b>	<b>100.0%</b>	<b>7,681,589</b>	<b>100.0%</b>	<b>8,532,689</b>	<b>100.0%</b>	<b>851,101</b>	<b>11.1%</b>
Other Revenues	249,762		249,762		249,762		-	0.0%
<b>Total</b>	<b>\$ 8,781,108</b>		<b>\$ 7,931,351</b>		<b>\$ 8,782,451</b>		<b>\$ 851,101</b>	<b>10.7%</b>

# Frankfort Electric and Water Plant Board

## Comparison of Present and Proposed Monthly Water Rates - Per 1,000 gallons

City Customers	Present	Proposed Rates	
	Rates	Alt. 1	Alt. 2
Minimum with 2,000 gallon allowance	\$ 8.94	\$ 10.36	\$ 10.12
Next 3,000 gallons	4.47	5.18	5.06
Next 20,000 gallons	3.66	3.89	3.89
Next 175,000 gallons	3.02	3.21	3.21
Next 800,000 gallons	2.27	2.41	2.41
Over 1,000,000 gallons	1.79	1.90	1.90
Average Residential bill at 4,000 gallons	\$ 17.88	\$ 20.72	\$ 20.24
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	12.60	13.62	14.26
Next 3,000 gallons	6.29	6.81	7.13
Next 20,000 gallons	3.66	3.89	3.89
Next 175,000 gallons	3.02	3.21	3.21
Next 800,000 gallons	2.27	2.41	2.41
Over 1,000,000 gallons	1.79	1.90	1.90
Average Residential bill at 4,000 gallons	\$ 25.18	\$ 27.24	\$ 28.52

# Frankfort Electric and Water Plant Board

## Comparison of Present and Proposed Monthly Water Rates - Per 1,000 gallons

	Present	Proposed Rates	
	Rates	Alt. 1	Alt. 2
<u>Resale - Non Water Producers</u>			
Farmdale, Peaks Mill, et al	\$ 1.704	\$ 2.000	\$ 2.000
<u>Resale - Water Producers</u>			
Georgetown	1.919	2.466	2.466
Gratis Water Rate	0.6517	0.6517	0.6517
Water Loading	4.47	5.18	5.06
<u>Monthly Fire Rates</u>			
Hydrants	12.11	3.34	3.34
Private Hydrants			
Private Fire Lines			
2" Line	6.06	7.88	7.88
3" Line	12.11	15.74	15.74
4" Line	22.66	29.46	29.46
6" Line	45.31	58.90	58.90
8" Line	60.40	78.52	78.52
10" Line	75.52	98.17	98.17
Fire Sales (per 1000 gallons)	4.47	5.18	5.06

# Frankfort Electric and Water Plant Board

Questions??

October 19, 2010

The Regular Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse located at 98 Tanglewood Drive, on Tuesday, October 19, 2010 at 5:00 p.m.

ATTENDANCE:

Sheila Burton, Vice Chair  
James Liebman, Board Attorney  
Ralph Ludwig, Board Member  
Bennie Maffet, Board Member  
Ann Wingrove, Board Chair  
Jim Allen, Water Superintendent  
Herbbie Bannister, Asst. General Manager  
David Billings, Chief Water Engineer  
Russ Colwell, Cust. Service Director  
Sharmista Dutta, Water Engineer I  
Vent Foster, Chief Electrical Engineer  
John Higginbotham, Cable/Telecom Supt.  
Scott Hudson, Electric Superintendent  
Karl Pitzer, IT Director  
Hance Price, Staff Attorney  
Chris Riddle, WTP Superintendent  
Dianne Schneider, HR Director  
Jim Smith, General Manager  
Shannon Taylor, Finance Director  
Michele Walker, Executive Assistant  
Kim Watson, Safety Director  
Sharon Mills, MedBen Representative  
Pat Lynch, FPB Customer  
Paul Glasser, State Journal Reporter  
Harvey Couch, Cable 10 Videographer

GENDA

The Agenda for the meeting was received and entered into the Minute Book as follows:

1. Approve Minutes of Board Meetings of September 17, 2010:
2. Conduct Public Hearing for Water Rate Increase:
3. Accept Electric, Water and Cable Financial & Statistical Data:
4. Informational Item – Departmental Reports:
5. VOID:
6. Informational Item: IWA/AWWA Water Audit Methodology:
7. Informational Item: Genesco Pump Replacement Project:
8. Approve Employee Health Care & Dependent Care Flexible Spending Accounts:
9. Approve Requested Clubhouse Rental Agreement Revisions:
10. New & Old Business:
  - A. Reading of Michael Dudgeon's Resolution:
  - B. Election of Secretary/Treasurer for FPB Board:
  - C. Election of President of Municipal Corporation Board:
  - D. Approve Pay-Per-View Agreement:
11. Committee Reports:
12. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) in the Event it's Necessary to Discuss Pending Litigation:
13. Closed Door Session:
14. Critique

BOARD ACTION

Ms. Wingrove called the meeting to order. Ms. Wingrove stated due to having speakers present, the Agenda order would be changed as follows: Item 1, 2, 8 and then return to normal order.

1. Approve Minutes of Board Meetings of September 17, 2010:

Ms. Burton made a motion to approve, Mr. Maffet seconded. The motion passed.

2. Conduct Public Hearing for Water Rate Increase:

Ms. Burton called the public hearing to order. Ms. Burton asked if anyone had registered to speak. Ms. Walker responded no. Ms. Taylor detailed the water cost of service study to the Board. With no questions from the public or Board Members, Ms. Burton called the hearing to a close.

3. Accept Electric, Water and Cable Financial & Statistical Data:

Ms. Taylor presented the newly designed financial chart to the Board. Mr. Ludwig asked several questions of Ms. Taylor regarding the financial data. Ms. Burton recommended a work session be conducted to review the new format for reporting the financial data. Mr. Smith responded this would be detailed in the upcoming Board Retreat (Nov. 9-10). Ms. Burton made a motion to accept, Mr. Maffet seconded. The motion passed.

4. Informational Item – Departmental Reports:

Mr. Smith requested the Board accept the departmental reports as a group. Ms. Burton questioned the electrical outage time for Sept. 2010 versus Sept. 2009. Mr. Hudson explained it was due to a transmission circuit outage from KU. Mr. Hudson also updated the Board on an outage that occurred last week (during lunch time) on Versailles Road involving a car hitting and breaking a pole. Mr. Hudson stated approximately 350 commercial customers were back on within 35 minutes. However, approximately 12 customers were off for two hours due to repairs being completed. Mr. Smith stated he had received numerous compliments from the public regarding the restoration process and how quickly FPB had restored the power.

Ms. Burton questioned Mr. Higginbotham about the budgeted and actual counts on the penetration reports for Classic and Preferred Cable. Mr. Higginbotham stated he had budgeted no growth for Classic and Preferred Cable has continued to grow monthly. Mr. Higginbotham stated typically we see additional growth during the holidays with the purchase of new televisions.

5. VOID:

This item was deleted from the Agenda.

6. Informational Item: IWA/AWWA Water Audit Methodology:

Mr. Billings introduced Ms. Dutta. Ms. Dutta detailed a presentation of AWWA's revised accounting methods for calculating water losses to the Board. Mr. Billings stated he did not believe any additional staffing costs would be incurred to implement this methodology. Ms. Burton suggested Staff return in six months with an interim report, Staff agreed to this request.

7. Informational Item: Genesco Pump Replacement Project:

Mr. Billings reminded the Board this was an energy efficiency item presented to the Sustainability Committee. Mr. Maffet asked if this was budgeted. Mr. Billings responded yes and added there are two pumps, each being approximately 35 years old. Mr. Billings stated the replacement of one pump would cost approximately \$21,000; however, we would save approximately \$9,000 in energy savings annually. Mr. Allen added one pump has a burnt up motor and would require replacement anyway.

8. Approve Employee Health Care & Dependent Care Flexible Spending Accounts:

Ms. Schneider detailed this item to the Board and introduced Ms. Sharon Mills with MedBen. Ms. Mills had a presentation for the Board regarding flexible spending accounts. Upon completion of the presentation the Board asked Ms. Mills several



questions regarding the flexible spending accounts and how they would operate. With all discussion complete, Ms. Burton made a motion to approve, Mr. Ludwig seconded, the motion passed. The Board requested to revisit this item one year after implementation. Staff agreed.

9. Approve Requested Clubhouse Rental Agreement Revisions:

Ms. Wingrove reviewed the revisions the Board had requested at the work session last month. Ms. Burton commented she felt at some point a business strategy should be developed for the clubhouse for it to become more attractive and accessible to the public. Ms. Wingrove asked if we could investigate accepting Discover cards for payments. Ms. Walker agreed. Ms. Wingrove stated she was not sure we have promoted the rental of the clubhouse as adequately as possible. With no more discussion, Mr. Maffet made a motion to approve and Ms. Burton seconded. The motion passed.

10. New & Old Business:

Ms. Wingrove welcomed new Board member Mr. Ralph Ludwig to his first official monthly Board meeting.

A. Reading of Michael Dudgeon's Resolution:

Ms. Wingrove read Mr. Dudgeon's Resolution. The Board approved the resolution and requested permanent placement into the minute book.

B. Election of Secretary/Treasurer for FPB Board:

Ms. Burton nominated Mr. Maffet as Secretary/Treasurer for a two year term, Mr. Ludwig seconded, the motion passed.

C. Election of President of Municipal Corporation Board:

With no pressing issues for the Municipal Corporation Board, the Chair agreed to reschedule this item.

D. Approve Pay-Per-View Agreement:

Mr. Higginbotham reviewed this item with the Board. Ms. Burton moved to approve, Mr. Ludwig seconded. The motion passed.

11. Committee Reports:

No reports at this time.

12. Request Permission to have Chairman Call a Closed Door Session in Accordance with KRS 61.810(1)(c) in the Event it's Necessary to Discuss Pending Litigation:

Ms. Burton moved to have a closed session, Mr. Maffet seconded, the motion passed.

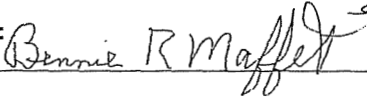
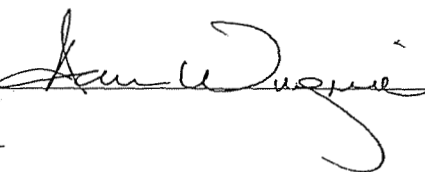
13. Closed Door Session:

Ms. Burton moved to adjourn with no action taken, Mr. Maffet seconded. The motion passed.

14. Critique

Informational item only.

ATTEST:

November 22, 2010

The Regular Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse located at 98 Tanglewood Drive, on Thursday, November 16, 2010 at 5:00 p.m.

ATTENDANCE:

Sheila Burton, Vice Chair  
Scott Green, Board Member  
James Liebman, Board Attorney  
Ralph Ludwig, Board Member  
Bennie Maffet, Board Member  
Ann Wingrove, Board Chair  
Jim Allen, Water Superintendent  
Herbbie Bannister, Asst. General Manager  
David Billings, Chief Water Engineer  
Russ Colwell, Cust. Service Director  
Vent Foster, Chief Electrical Engineer  
John Higginbotham, Cable/Telecom Supt.  
Scott Hudson, Electric Superintendent  
Roger McDonald, Asst. WTP Superintendent  
Karl Pitzer, IT Director  
Hance Price, Staff Attorney  
Dianne Schneider, HR Director  
Jim Smith, General Manager  
Shannon Taylor, Finance Director  
Michele Walker, Executive Assistant  
Kim Watson, Safety Director  
Bill Davis, Attorney, Stoll-Keenon-Ogden  
Pat Lynch, FPB Customer  
Dave Pike, Production Asst. Video

AGENDA

Agenda for the meeting was received and entered into the Minute Book as follows:

1. Approve Minutes of Board Meetings on October 4<sup>th</sup>, 7<sup>th</sup>, and 19<sup>th</sup>, 2010:
2. Accept Electric, Water and Cable Financial & Statistical Data:
3. Informational Item – Departmental Reports:
4. Approve Proposed Retail and Wholesale Water Rate Increase:
5. Approve Changes to Signature Cards at Financial Institutions:
6. New & Old Business:
7. General Manager's Comments:

BOARD ACTION

Ms. Wingrove called the meeting to order and stated due to Mr. Davis being present to speak, the Agenda order would be changed as follows: Item #1, New and Old Business item and then proceed in the regular order.

1. Approve Minutes of Board Meetings of October 4<sup>th</sup>, 7<sup>th</sup> and 19<sup>th</sup>, 2010:

Ms. Burton made a motion to approve, Mr. Maffet seconded. The motion passed.

Ms. Wingrove welcomed Dr. Green to his first monthly Board meeting.

2. Accept Electric, Water and Cable Financial & Statistical Data:

Ms. Taylor detailed the financial data for October. Mr. Ludwig asked where the reserves are compared to two years ago. Ms. Taylor stated the reserves are good, healthy and are better than budgeted. Mr. Smith stated on the month and YTD figures when you compare to the budget numbers you need to look at the actual numbers which reflect we are under-budget in all three divisions. To date, for all three areas (YTD) we have made over \$1.4 million. Because budget numbers are a best guess, could be aggressive or could have had factors in place at that time, the actual numbers are a good indication of where we are currently.

Ms. Wingrove asked what our reserves should be. Ms. Taylor stated the minimum reserve should be enough to cover one month of expenditures. Ms. Wingrove asked if we had exceeded that. Ms. Taylor replied yes. Ms. Burton requested a



spreadsheet on the reserves and how they have fluctuated. Ms. Taylor agreed to provide this documentation as soon as possible.

Mr. Ludwig recommended a work session to have Ms. Taylor explain the flow of money through the organization and for the Board to get a better understanding of the reports and structure. Ms. Wingrove suggested the work session be scheduled before the budget process begins. Mr. Smith suggested a budget/financial workshop be setup as a premier for the annual budget which would be done in the first quarter of 2011.

Ms. Burton made a motion to accept the financial data as presented, Mr. Maffet seconded. The motion passed.

3. Informational Item -- Departmental Reports:

Mr. Smith requested the Board accept the departmental reports as a group.

Mr. Maffet asked why the other bidders did not meet specifications for the bucket truck. Mr. Redmon stated one vendor quoted a truck that was not for off-road use and the other vendor did not have the correct boom angle, and the bucket was not equipped with a safety dump valve. Dr. Green asked if a 4-wheel drive off-road option was necessary. Mr. Hudson replied yes; this truck replaces an all-wheel truck. Mr. Ludwig asked if the 5-6 months delivery time was correct. Mr. Hudson replied yes it typically takes 240 to 270 days for delivery. Mr. Smith explained the truck is built to specifications on a custom basis. The cab is different from the chassis and different companies have different specifications. Mr. Maffet asked if the trade in of \$12,000 was the best we could get or could we get more for the truck on the open market. Mr. Hudson responded that trucks on the website [govdeals.com](http://govdeals.com) were sold in this price range. Mr. Maffet asked what our truck model year is. Mr. Hudson stated a 1996 model and typically they do not offer more than \$9,000 trade in value for a bucket truck.

4. Approve Proposed Retail and Wholesale Water Rate Increase:

Ms. Wingrove asked if there were any comments in response to the public hearing held last month. Ms. Walker responded no. Ms. Burton stated this water rate increase had been delayed for almost a year and unfortunately we are at the point where it cannot be delayed any further. Ms. Burton moved to approve alternative #2, Mr. Ludwig seconded. Dr. Green asked if the rate increase was across the board. Ms. Wingrove stated yes, the City and County residents each have the same percentage increase. In addition, there are four parts, the wholesale water districts, Georgetown and fire hydrants. Ms. Taylor stated the retail rate increase will be effective on the December 15<sup>th</sup> bills and the wholesale water rates will have a 30 day notice from tomorrow. The motion passed.

5. Approve Changes to Signature Cards at Financial Institutions:

Ms. Taylor stated due to changes on the Board, Mr. Dudgeon needed to be removed from the signature cards and Mr. Maffet; the new Secretary/Treasurer would need to be added.

Dr. Green moved to approve, Ms. Burton seconded, the motion passed.

6. New & Old Business:

1. Mr. Bill Davis presented a Resolution to the Board authorizing \$2 million of interim financing for new water treatment plant improvements. Competitive proposals were issued to local banks and Fifth Third Bank had the lowest bid with a fixed interest rate of 1.46% for two years. Mr. Davis stated this was a draw down note which will allow FPB to draw down money as needed to pay costs for the WTP project. The security of the note is a pledge by FPB to issue electric and water revenue bonds in the future. Mr. Davis stated this note is similar to the note approved by FPB three years ago, and FPB has used this type of interim financing in the past. Mr. Davis stated the closing date is anticipated to be November 30, 2010 and Ms. Taylor will make the first draw at that time. Mr. Liebman stated this is the standard process.

Ms. Wingrove asked Ms. Taylor how long she anticipated it would take to draw the \$2 million. Ms. Taylor referred the question to Mr. Billings. Mr. Billings

stated we are currently under contract for both the design of the projects and are under construction for the low service project. We are at 80% billing of the low service project and the high service project will be up to bid within two months. Therefore, Mr. Billings state it would not take long to draw down the monies. Ms. Taylor stated, however, we do not have to take a draw until needed.

Dr. Green asked what happens after two years. Mr. Davis stated FPB could issue the bonds or could roll this note over and enter into a new bond anticipation note. Dr. Green stated there is no way to anticipate what the interest rates may be in two years. Mr. Davis stated he could not predict that.

With no further discussion, Dr. Green made a motion to approve, Ms. Burton seconded, the motion passed.

2. Reservoir Replacement Project:

Mr. Smith requested this item be tabled for further discussion at a later date.

3. Board Retreat

Ms. Wingrove stated at this time she would like to comment on the Board Retreat conducted November 9<sup>th</sup> & 10<sup>th</sup>. Ms. Wingrove stated the Board Members got a very good understanding of a public utility and the role it has to serve the community. Ms. Wingrove offered thanks to everyone for their participation and the re-arranging of their schedules to attend the retreat.

7. General Manager's Comments:

Mr. Smith stated this is a new item on the Agenda; he would like to make comments regarding various items from time to time. Mr. Smith stated he had three issues to speak of at this meeting:

1. Assistant General Manager of Administration Position:

Interviews are in proceeding for this position and Mr. Smith expects a selection to be made within the next two weeks.

2. Assessment of Water and Cable Divisions:

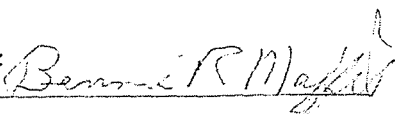
Mr. Smith stated he had an assessment done of the Electric Department a few weeks ago and had received very favorable comments. Mr. Smith stated he will proceed with an assessment of our Cable and Water divisions. This action would provide a better comfort level of where we stand in terms of the operating side of the business. Mr. Smith anticipates this to take 2-3 days for each area with minimal costs.

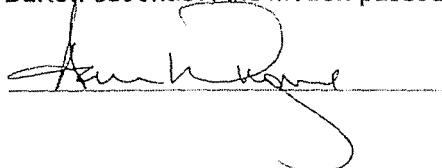
3. Public Meetings over last few months:

Mr. Smith stated he has been working on building public relations with several groups in our community. One relationship in particular, is banking relationships with other banks in Frankfort. Fifth Third Bank made a proposal on the note which the Board approved earlier in this meeting. Mr. Smith stated building these bridges is beneficial to FPB as well as the community. Mr. Smith stated he has been talking to members of our community and our customers concerning their needs and how to better meet those needs into the future. Mr. Smith stated along the Board's recent approval of an Economic Development Incentive Rate the relationships are starting to show and we are making progress forward.

Ms. Wingrove stated with no further items on the Agenda is there a motion to adjourn. Dr. Green moved to adjourn, Ms. Burton seconded, the motion passed.

ATTEST:

  
Bennie R. Maffitt



RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 28

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 28: Provide a copy of all correspondence, electronic mail messages, or other written communications between the Plant Board and its wholesale customers since January 1, 2010 regarding revisions to the Plant Board's wholesale rate.

Response: Ex. 1 – Correspondence with wholesale customers since January 1, 2010 regarding revisions to the wholesale rate.

Pursuant to Ordering Paragraph 4(d), one e-mail was not produced and FPB submits the following explanation.

On December 27<sup>th</sup> and 28<sup>th</sup> Counsel for FPB and US 60 exchanged e-mail correspondence regarding potential settlement options and whether an extension might be appropriate. Counsel for FPB noted no extension was required at this point. The other comments in the e-mail regard settlement options and it was not produced for this reason.

**Price, Hance**

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**From:** Price, Hance  
**Sent:** Monday, December 27, 2010 11:24 AM  
**To:** 'Thomas Marshall'; 'Donald Prather'  
**Cc:** Smith, Jim; Bannister, Herbbie; Thomas, Ron  
**Subject:** FPB Rate Case

Good morning:

I hope that you gentlemen had a nice holiday. We are in the process of compiling our responses to the data requests. I appreciate your all's offer for an extension, but it looks like we can get things together at this point.

Mr. Smith asked me this morning about the progress we had made in this case. As we discussed at our December 7 meeting, he does not want a protracted rate case since this takes up everyone's time and effort.

Have you all had an opportunity to discuss with your clients what would be an acceptable settlement to them? Do you all have any questions regarding the cost of service study? If so, please let me know and I will round up the necessary parties to get your questions answered since that is more efficient than responding to data requests.

As you know, this is a fast docket that requires much of the work be done up front. If we are to save any time and expense, we need to move as quickly as we can. Consequently, while we realize this is a busy time of year for everyone, we would appreciate your prompt attention to this and ask that you all talk with your Boards as soon as possible so we can work out a mutually agreeable settlement before we respond to any further data requests.

Please give me a call with any questions you may have.

Thanks very much,

Hance

**Hance Price: Frankfort Plant Board**

Staff Attorney

PO Box 308, 317 West Second Street, Frankfort, KY 40602

[ T ] 502.352.4541 [ F ] 502.223.3887 [ E ] hprice@fewpb.com [ W ] www.fewpb.com

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The information contained in this e-mail is intended only for the use of the recipient(s) named above and may contain confidential and/or privileged information. Unless otherwise noted, any disclosure or forwarding of this information outside of Frankfort Plant Board is strictly prohibited. If this e-mail was forwarded to you or appears to be mis-addressed, we respectfully request that you delete this message and not further distribute its contents.

12/27/2010

## Price, Hance

---

**From:** Price, Hance  
**Sent:** Monday, December 06, 2010 3:55 PM  
**To:** 'Donald Prather'  
**Cc:** 'Thomas Marshall'; Taylor, Shannon  
**Subject:** RE: Frankfort Plant Board - Cost Study

Don, how are you?

The one I sent today is the most recent version that we are using. The wholesale rates were not revised under either version. That has remained the same throughout the process. However, the city and county rates were not moved closer together.

Look forward to see you tomorrow,

Hance

---

**From:** Donald Prather [mailto:dprather@iglou.com]  
**Sent:** Monday, December 06, 2010 3:17 PM  
**To:** Price, Hance  
**Cc:** 'Thomas Marshall'  
**Subject:** RE: Frankfort Plant Board - Cost Study

Hance, my copy of the cost of service study was accompanied by a 9/29/10 cover letter from Gannett-Fleming to Jim Smith, and was sent by Mr. Smith to North Shelby on October 14<sup>th</sup>. Do you think the version attached to your email below is the same or a different one?

---

**From:** Price, Hance [mailto:HPrice@fewpb.com]  
**Sent:** Monday, December 06, 2010 7:52 AM  
**To:** Thomas Marshall; Donald Prather  
**Cc:** Smith, Jim; Walker, Michele  
**Subject:** FW: Frankfort Plant Board - Cost Study

Don, Tom: how are you all?

Attached please find the most recent cost study. I was not certain whether this had been provided or not. I realize it will take more time to review than one day, but wanted you all to have a copy for tomorrows meeting.

Don also asked whether it was alright to meet with Mr. Smith tomorrow if I wasn't present. I appreciate the courtesy and hope that the discussion is beneficial.

If you have any questions, please give me a call,

Hance  
352-4541

12/27/2010

Jim Smith  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

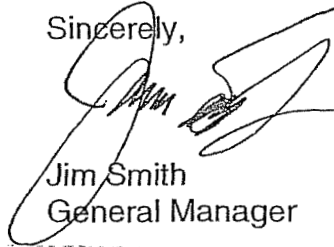
South Anderson Water District  
ATTN: BRENDA ROBINSON  
142 South Main Street  
Lawrenceburg, KY 40342

Dear Ms. Robinson:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,

  
Jim Smith  
General Manager

JS/mw  
Enclosure

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:	B. Received by (Printed Name) Judy Hutton	C. Date of Delivery 11-22-10
<div style="border: 1px solid black; padding: 5px; width: fit-content;">             South Anderson Water District              Attn: Brenda Robinson              142 South Main Street              P. O. Box 17              Lawrenceburg, KY 40342           </div>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2. Article Number <small>(Transfer from service label)</small>	If YES, enter delivery address below:	
PS Form 3811, August 2001	<div style="border: 1px solid black; padding: 2px;">             7003 0500 0004 8520 2457           </div>	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail	<input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes	

Equal Opportunity/Affirmative Action Employer

## NOTICE (SOUTH ANDERSON)

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<u>Customer</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percentage Difference</u>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
North Shelby Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Peaks Mill Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$542.79.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.



FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

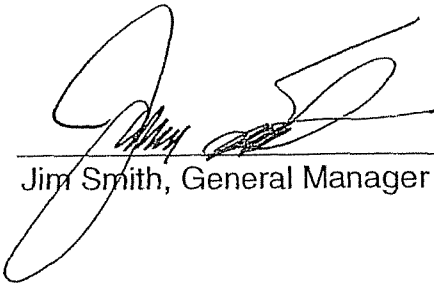
NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**CERTIFICATION OF NOTICE TO CUSTOMERS**

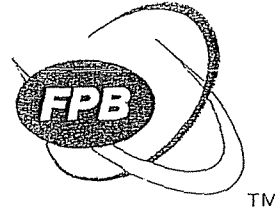
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager

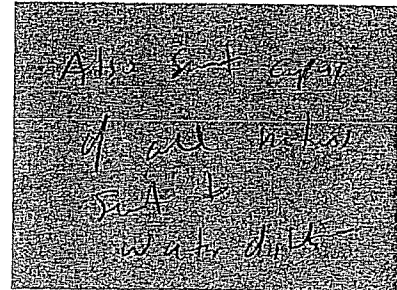


Frankfort Plant Board

Water  
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Electric  
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Digital Cable  
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Cable Advertising

November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615



Re: Wholesale Water Adjustment

Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

Sheet 7 of 83

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CERTIFICATION OF NOTICE TO CUSTOMERS

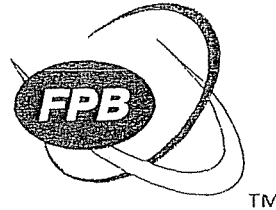
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager



Water  
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Frankfort Plant Board <sup>TM</sup>

September 29, 2010

South Anderson Water District  
ATTN: Brenda Robinson  
142 South Main Street  
P.O. Box 17  
Lawrenceburg, KY 40342

Subject: Proposed Water Rate Increase

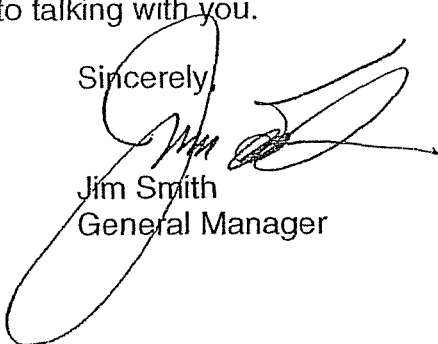
Dear Ms. Robinson:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records South Anderson Water District purchased an average 1,833,750 gallons per month from July 2009 to June 2010. The proposed increase of \$ .296 per 1,000 gallons translates to increase of \$542.79 per month.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

  
Jim Smith  
General Manager

JS/mw  
encl.

MAiled COS Study  
10-4-10

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 10 of 83

Jim Smith  
General Manager



Frankfort Plant Board

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Cable Advertising

## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
Private Fire Lines			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Jim Smith  
General Manager



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Electric  
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Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
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*Frankfort Plant Board*

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October 14, 2010

South Anderson Water District  
Attn: Brenda Robinson  
142 S. Main St.  
Lawrenceburg, KY 40342

Subject: Cost of Service Study 6/30/09

Dear Ms. Robinson:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, loopy scribble that also contains the word "W".

Jim Smith  
General Manager

JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

South Anderson Water District  
 Attn: Brenda Robinson  
 142 South Main Street  
 P. O. Box 17  
 Lawrenceburg, KY 40342

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2. Article Number

(Transfer from service label)

7003 0500 0004 8520 2457

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-15

Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.  
 Important Reminders:  
 A record of delivery kept by the Postal Service for two years

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Judy Hutton*

Agent  
 Addressee

B. Received by (Printed Name)

Judy Hutton

C. Date of Delivery

11-22-10

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

NOV 22 2010  
 LAWRENCEBURG, KY

3. Service Type

Certified Mail  Express Mail

Registered  Return Receipt for Merchandise

Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

South Anderson Water District  
 Attn: Brenda Robinson  
 142 South Main Street  
 P. O. Box 17  
 Lawrenceburg, KY 40342

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2. Article Number

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7003 0500 0004 8520 0422

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Shawn Cook*

Agent  
 Addressee

B. Received by (Printed Name)

SHAWN COOK

C. Date of Delivery

10-4-10

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail

Registered  Return Receipt for Merchandise

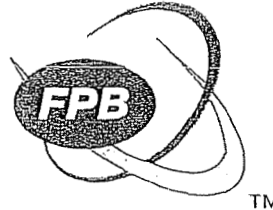
Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

NOV 1 - 10  
 LAWRENCEBURG, KY

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

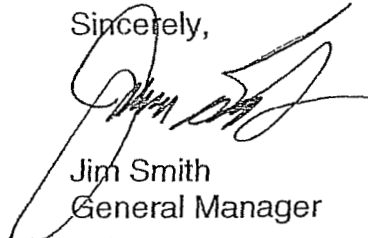
U. S. 60 Water District  
ATTN: Darrell Dees  
P.O. Box 97  
Bagdad, KY 40003

Dear Mr. Dees:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

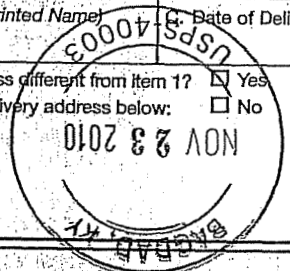
If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,



Jim Smith  
General Manager

JS/mw  
Enclosure  
cc: Don Prather ✓

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <i>Don Prather</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>U. S. 60 Water District ATTN: DARRELL DEES P.O. Box 97 Bagdad, KY 40003</p> </div>	<p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p> <div style="text-align: center;">  </div> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7003 0500 0004 8520 2211</p>	

PS Form 3811, August 2001

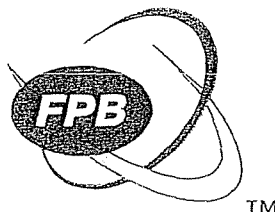
Domestic Return Receipt

102595-02-M-1540

Equal Opportunity/Affirmative Action Employer

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

November 18, 2010

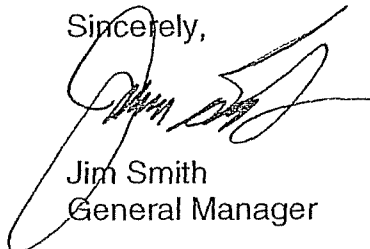
U. S. 60 Water District  
ATTN: Darrell Dees  
P.O. Box 97  
Bagdad, KY 40003

Dear Mr. Dees:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,



Jim Smith  
General Manager

JS/mw  
Enclosure  
cc: Don Prather ✓

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 15 of 83

## NOTICE (U.S. 60)

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<u>Customer</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percentage Difference</u>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
North Shelby Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Peaks Mill Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$4,170.80.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

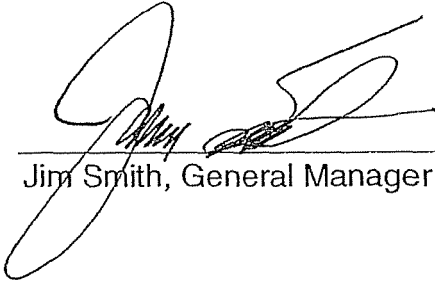
CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CERTIFICATION OF NOTICE TO CUSTOMERS

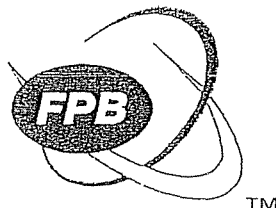
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager

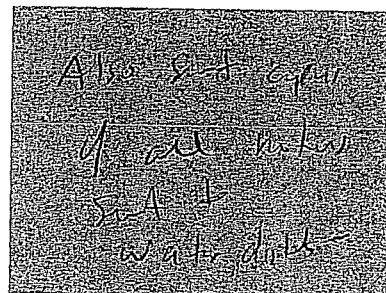


Frankfort Plant Board <sup>TM</sup>

Water  
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Digital Cable  
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Cable Advertising

November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615



Re: Wholesale Water Adjustment

Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

Sheet 19 of 83

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year

DATE EFFECTIVE December 19, 2010  
Month / Date / Year

ISSUED BY James Smith  
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



CERTIFICATION OF NOTICE TO CUSTOMERS

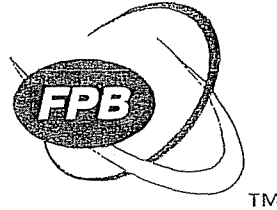
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager



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Long Distance  
Community TV  
Ethernet/Internet  
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Cable Advertising

Frankfort Plant Board

September 29, 2010

U. S. 60 Water District  
ATTN: DARRELL DEES  
P.O. Box 97  
Bagdad, KY 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records U.S. 60 Water District account number #32715 purchased an average of 2,430,333 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$719.38.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized, circular scribble.

Jim Smith  
General Manager

JS/mw  
cc: Donald Prather, Esq.  
encl.

MAiled COS Study  
10-4-10

*Equal Opportunity/Affirmative Action Employer*

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

Water  
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Cable Advertising

## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

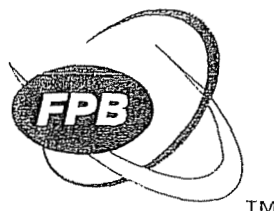
The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
<b>Private Fire Lines</b>			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Jim Smith  
General Manager



Water  
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Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

*Frankfort Plant Board*

September 29, 2010

U. S. 60 Water District  
ATTN: DARRELL DEES  
P.O. Box 97  
Bagdad, KY 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records U.S. 60 Water District account number #32715 purchased an average 2,430,333 gallons per month from July 2009 to June 2010. The proposed increase of \$ .296 per 1,000 gallons translates to increase of \$719.38 per month.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to be "Jim Smith", is written over a large, stylized scribble or flourish.

Jim Smith  
General Manager

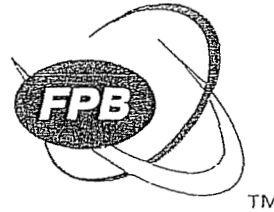
JS/mw  
cc: Donald Prather, Esq.  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 24 of 83

Jim Smith  
General Manager



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Long Distance  
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*Frankfort Plant Board*

---

October 14, 2010

U.S. 60 Water District  
ATTN: Darrell Dees  
P.O. Box 97  
Bagdad, KY 40003

Subject: Cost of Service Study 6/30/09

Dear Mr. Dees:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,



Jim Smith  
General Manager

JS/mw  
cc: Donald Prather, Esq.  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

Sheet 25 of 83

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

U. S. 60 Water District  
ATTN: DARRELL DEES  
P.O. Box 97  
Bagdad, KY 40003

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Address

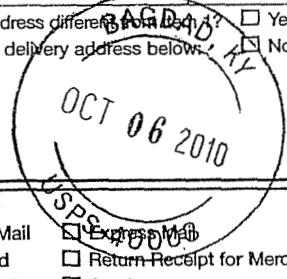
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) 7003 0500 0004 8520 0408



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

U. S. 60 Water District  
ATTN: DARRELL DEES  
P.O. Box 97  
Bagdad, KY 40003

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Address

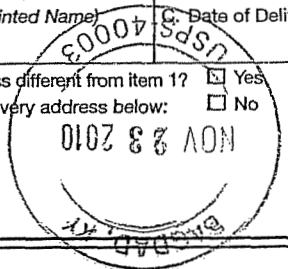
B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) 7003 0500 0004 8520 2211



Jim Smith  
General Manager



Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
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Cable Modem/ISP  
Cable Advertising

Frankfort Plant Board

September 29, 2010

Peaks Mill Water District  
ATTN: Dale Gatewood  
310 Perkins Lane  
Frankfort, KY 40601

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Peaks Mill Water District account #28600 purchased on average 6,975,350 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$2,064.70

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

  
Jim Smith  
General Manager

JS/mw  
cc: Thomas A. Marshall, Esq.  
encl.

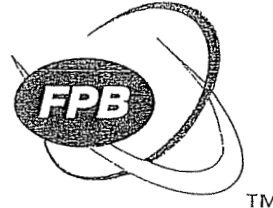
MAILED COS Study  
10-4-10

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 27 of 83

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

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Electric  
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Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

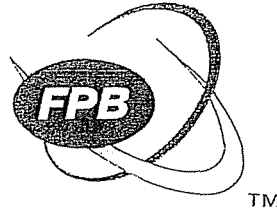
Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
<b>Private Fire Lines</b>			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc



Jim Smith  
General Manager



Water  
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Long Distance  
Community TV  
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Cable Modem/ISP  
Cable Advertising

## Frankfort Plant Board

September 29, 2010

Peaks Mill Water District  
ATTN: Dale Gatewood  
310 Perkins Lane  
Frankfort, KY 40601

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Peaks Mill Water District account #30329 purchased on average 72,733 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$21.53.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized, looping graphic element that resembles a signature or a decorative flourish.

Jim Smith  
General Manager

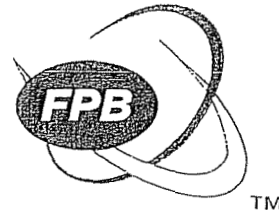
JS/mw  
cc: Thomas A. Marshall, Esq. ✓  
encl.

*Equal Opportunity/Affirmative Action Employer*

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Sheet 29 of 83

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

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## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

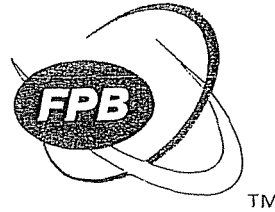
The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
<b>Private Fire Lines</b>			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

**Equal Opportunity/Affirmative Action Employer**

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
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Jim Smith  
General Manager



Frankfort Plant Board

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Cable Modem/ISP  
Cable Advertising

October 14, 2010

Peaks Mill Water District  
ATTN: Dale Gatewood  
310 Perkins Lane  
P.O. Box 67  
Frankfort, KY 40601

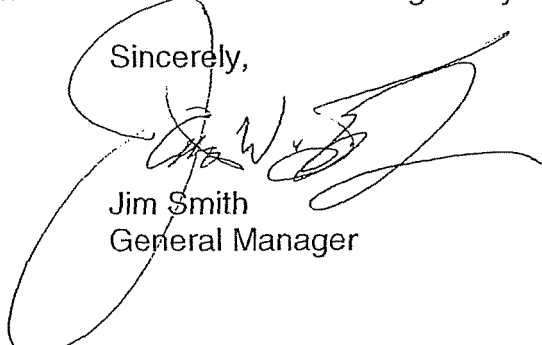
Subject: Cost of Service Study 6/30/09

Dear Mr. Gatewood:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,



Jim Smith  
General Manager

JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

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Fax (502) 223-3887 www.fpb.cc

Sheet 31 of 83

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Peaks Mill Water District  
 ATTN: Dale Gatewood  
 310 Perkins Lane  
 P. O. Box 67  
 Frankfort, KY 40601

2. Article Number

(Transfer from service label)

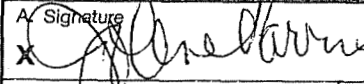
7003 0500 0004 8520 2440

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-15

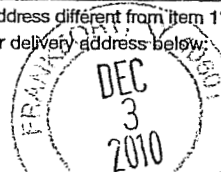
**COMPLETE THIS SECTION ON DELIVERY**

A. Signature   Agent  
 Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Important Reminders:  
 Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.  
 Certified Mail is not available for any class of international mail.  
 NO INSURANCE COVERAGE IS PROVIDED for values, please consider other values, please consider other values, please consider other values.

**SECTION ON DELIVERY**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Peaks Mill Water District  
 ATTN: Dale Gatewood  
 310 Perkins Lane  
 P. O. Box 67  
 Frankfort, KY 40601

2. Article Number


(Transfer from service label)

7003 0500 0004 8520 0392

PS Form 3811, August 2001

Domestic Return Receipt

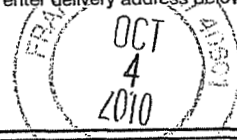
102595-02-M-15

A. Signature   Agent  
 Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



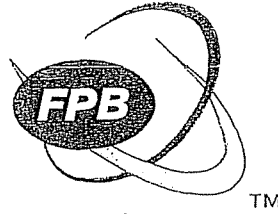
3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Jim Smith  
General Manager



Frankfort Plant Board

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Cable Advertising

November 18, 2010

Peaks Mill Water District  
ATTN: DALE GATEWOOD  
310 Perkins Lane  
Frankfort, KY 40601

Dear Mr. Gatewood:

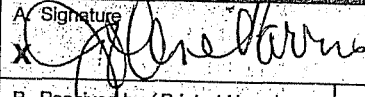
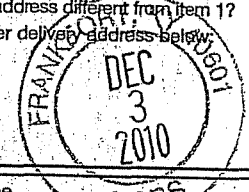
Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,

Jim Smith  
General Manager

JS/mw  
Enclosure  
cc: Tom Marshall ✓

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">             Peaks Mill Water District              ATTN: Dale Gatewood              310 Perkins Lane              P. O. Box 67              Frankfort, KY 40601           </div>	B. Received by (Printed Name)	C. Date of Delivery
2. Article Number <small>(Transfer from service label)</small>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, August 2001	<div style="text-align: center;">  </div> 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes  7003 0500 0004 8520 2440	

## NOTICE (PEAKS MILL)

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<u>Customer</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percentage Difference</u>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
North Shelby Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Peaks Mill Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$2,086.23.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**CERTIFICATION OF NOTICE TO CUSTOMERS**

I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.

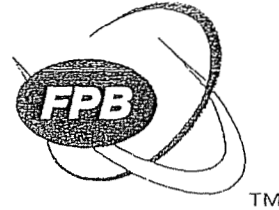


---

Jim Smith, General Manager



Jim Smith  
General Manager

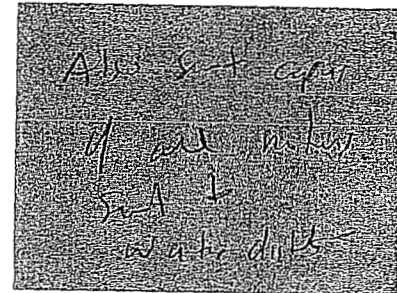


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Frankfort Plant Board

November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615



Re: Wholesale Water Adjustment

Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

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Fax (502) 223-3887 www.fpb.cc

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CERTIFICATION OF NOTICE TO CUSTOMERS

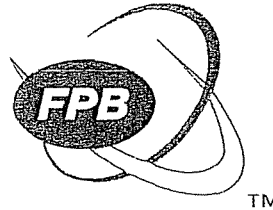
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager



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Electric  
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Cable Advertising

## Frankfort Plant Board

September 29, 2010

North Shelby Water District  
ATTN: DARRELL DEES  
P.O. Box 97  
Bagdad, KY 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records North Shelby Water District purchased an average 13,786,633 gallons per month from July 2009 to June 2010. The proposed increase of \$ .296 per 1,000 gallons translates to increase of \$4,080.84 per month.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to be "Jim Smith", is written over a large, stylized, circular scribble. Below the signature is the printed name and title of the sender.

Jim Smith  
General Manager

JS/mw  
cc: Donald Prather, Esq.  
encl.

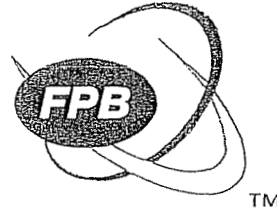
mailed COS study  
10-4-10

*Equal Opportunity/Affirmative Action Employer*

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Sheet 40 of 83

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

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## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

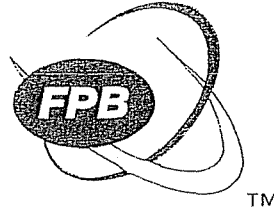
The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>			
Private Fire Lines	\$12.11	\$ 3.34	-\$ 8.77
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

Jim Smith  
General Manager



Frankfort Plant Board

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Cable Modem/ISP  
Cable Advertising

October 14, 2010

North Shelby Water District  
ATTN: Darrell Dees  
P.O. Box 97  
Bagdad, KY 40003

Subject: Cost of Service Study 6/30/09

Dear Mr. Dees:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, light-colored scribble or mark.

Jim Smith  
General Manager

JS/mw  
cc: Donald Prather, Esq.  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 42 of 83

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

North Shelby Water District  
 ATTN: Darrell Dees  
 P.O. Box 97  
 Bagdad, KY 40003

2. Article Number  
 (Transfer from service label)

7003 0500 0004 8520 0415

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-15

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

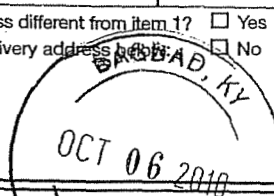
*[Handwritten Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

North Shelby Water District  
 ATTN: Darrell Dees  
 P.O. Box 97  
 Bagdad, KY 40003

2. Article Number  
 (Transfer from service label)

7003 0500 0004 8520 2433

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-15

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

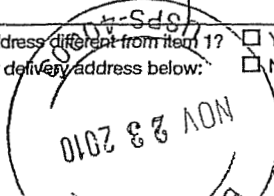
*[Handwritten Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

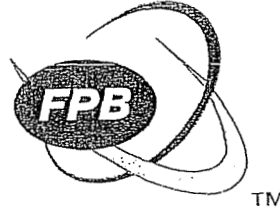


3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Jim Smith  
General Manager



# Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

North Shelby Water District  
ATTN: Darrell Dees  
P.O. Box 97  
Bagdad, KY 40003

Dear Mr. Dees:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,



Jim Smith  
General Manager

JS/mw  
Enclosure  
cc: Don Prather ✓

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <i>Don Prather</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  <div style="border: 1px solid black; padding: 5px; text-align: center;">             North Shelby Water District              ATTN: Darrell Dees              P.O. Box 97              Bagdad, KY 40003           </div>	B. Received by (Printed Name) _____ C. Date of Delivery _____	
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____	
2. Article Number <small>(Transfer from service label)</small>	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, August 2001		

7003 0500 0004 8520 2433



## NOTICE (NORTH SHELBY)

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<u>Customer</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percentage Difference</u>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
North Shelby Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Peaks Mill Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$4,080.84.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

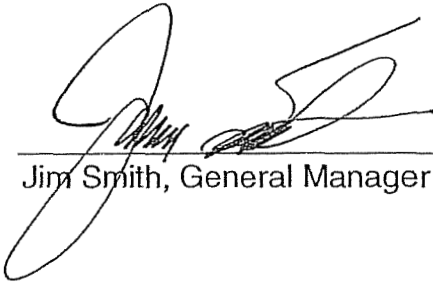
CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**CERTIFICATION OF NOTICE TO CUSTOMERS**

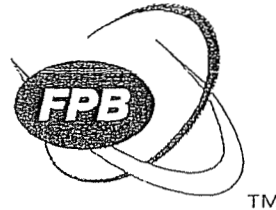
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager



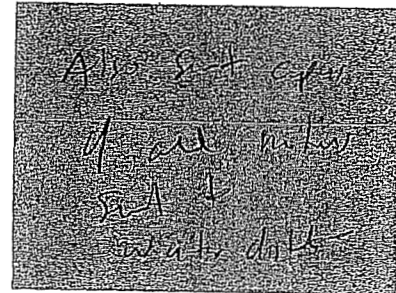
Frankfort Plant Board <sup>TM</sup>

Water  
Cable  
Electric  
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Local Phone  
Digital Cable  
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Community TV  
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Cable Modem/ISP  
Cable Advertising

November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Wholesale Water Adjustment



Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year

DATE EFFECTIVE December 19, 2010  
Month / Date / Year

ISSUED BY James Smith  
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CERTIFICATION OF NOTICE TO CUSTOMERS

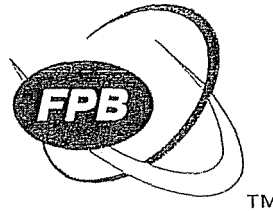
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager



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Cable Advertising

## Frankfort Plant Board

September 29, 2010

Elkhorn Water District  
ATTN: Dale Gatewood  
310 Perkins Lane  
P.O. Box 67  
Frankfort, KY 40602

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Elkhorn Water District purchased on average 6,578,633 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$1,947.28.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized scribble or flourish.

Jim Smith  
General Manager

JS/mw

cc: Thomas A. Marshall, Esq. ✓  
encl.

*Mailed COS Study  
10-4-10*

**Equal Opportunity/Affirmative Action Employer**

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 51 of 83

Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

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## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381. A summary of the proposed rates follows:

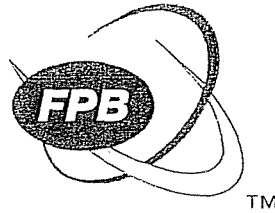
Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
<b>Private Fire Lines</b>			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc



Jim Smith  
General Manager



Frankfort Plant Board

Water  
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Electric  
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Cable Modem/ISP  
Cable Advertising

October 14, 2010

Elkhorn Water District  
ATTN: Dale Gatewood  
310 Perkins Lane  
P.O. Box 67  
Frankfort, KY 40602

Subject: Cost of Service Study 6/30/09

Dear Mr. Gatewood:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, loopy scribble. Below the signature is the printed name and title of the sender.

Jim Smith  
General Manager

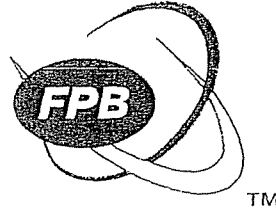
JS/mw  
cc: Thomas A. Marshall, Esq.  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 53 of 83

Jim Smith  
General Manager



Frankfort Plant Board

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Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

Elkhorn Water District  
Attn: Dale Gatewood  
P.O. Box 67  
Frankfort, KY 40602

Dear Mr. Gatewood:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized circular flourish. Below the signature, the name "Jim Smith" and title "General Manager" are printed in a standard font.

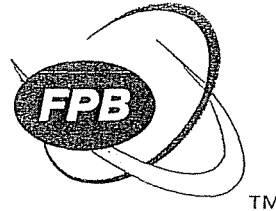
JS/mw  
Enclosure  
cc: Tom Marshall ✓

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 54 of 83

Jim Smith  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Wholesale Water Adjustment

Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

Sheet 55 of 83

**NOTICE (ELKHORN)**

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<b><u>Customer</u></b>	<b><u>Current Rate</u></b>	<b><u>Proposed Rate</u></b>	<b><u>Percentage Difference</u></b>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
North Shelby Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Peaks Mill Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$1,947.28.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

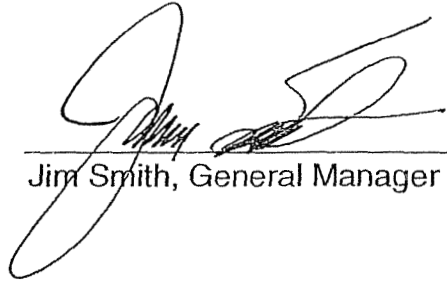
CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**CERTIFICATION OF NOTICE TO CUSTOMERS**

I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.

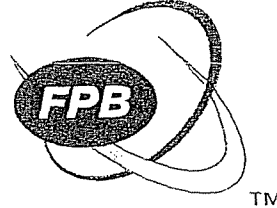


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Jim Smith, General Manager



Jim Smith  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

November 18, 2010

Farmdale Water District  
Attn: Clifford Toles  
100 Highwood Drive  
Frankfort, KY 40601

Dear Mr. Toles:

Enclosed is a notice of water rate increase and the new tariff that Frankfort Electric and Water Plant Board filed with the Public Service Commission on November 18, 2010 reflecting the new wholesale water rate.

If you have any questions, please do not hesitate to contact me at (502) 352-4381.

Sincerely,

Jim Smith  
General Manager

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee		
	B. Received by (Printed Name) <input checked="" type="checkbox"/> Date of Delivery 11/21/10		
1. Article Addressed to:  <div style="border: 1px solid black; padding: 5px; width: fit-content;">Farmdale Water District ATTN: Brenda Robinson 100 Highwood Drive Frankfort, KY 40601</div>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No		
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		

7003 0500 0004 8520 2419

Domestic Return Receipt 102595-02-M-1540

Equal Opportunity/Affirmative Action Employer



## NOTICE (FARMDALE)

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") has filed a proposed rate schedule with the Public Service Commission which will increase the rate for wholesale water service provided as follows:

<u>Customer</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Percentage Difference</u>
Elkhorn Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
Farmdale Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
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South Anderson Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%
U.S. 60 Water District	\$1.704 per 1,000 gallons	\$2.00 per 1,000 gallons	17.37%

The proposed effective date is December 18, 2010. Water passing through the meter prior to that date will be billed at \$1.704 per 1,000 gallons. Water passing through the meter on and after that date will be billed at \$2.000 per 1,000 gallons. At \$.296 per 1,000 gallons this would be a monthly increase of \$5,003.17.

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings of FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4381.

Any person may examine the rate application and other filings by FPB at its office located at 317 W. Second Street, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

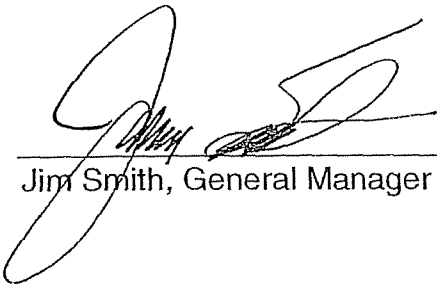
CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**CERTIFICATION OF NOTICE TO CUSTOMERS**

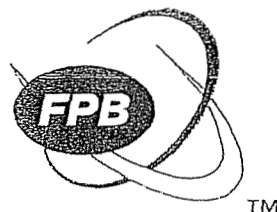
I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

Jim Smith  
General Manager

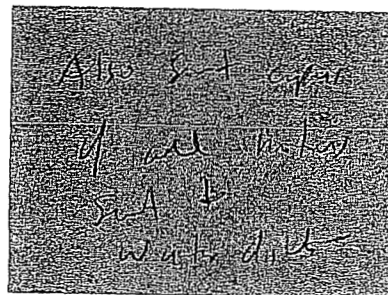


Frankfort Plant Board <sup>TM</sup>

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November 18, 2010

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615



Re: Wholesale Water Adjustment

Dear Mr. Derouen:

At its regular meeting on November 16, 2010, the Frankfort Plant Board approved a wholesale water rate increase. This increase affects all regulated wholesale customers. Enclosed are the following items:

- A revised tariff for filing with the Commission;
- A copy of the notice mailed to each wholesale customer;
- A certification that the notice was published and mailed in accordance with PSC regulations;

I appreciate your assistance. If you need additional information or have any questions regarding this rate increase, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Sincerely,

*Hance Price*

Hance Price  
Staff Attorney

HP/mw

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Sheet 64 of 83

FOR ENTIRE SERVICE AREA  
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

FRANKFORT ELECTRIC &  
WATER PLANT BOARD  
(Name of Utility)

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts

RATE: \$2.000 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: This tariff page revises the rate established in Case No. 2008-00250 of \$1.704 per 1,000 gallons listed on the tariff page stamped effective by the PSC on December 8, 2008.

DATE OF ISSUE November 18, 2010  
Month / Date / Year  
DATE EFFECTIVE December 19, 2010  
Month / Date / Year  
ISSUED BY James Smith  
(Signature of Officer)  
TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CERTIFICATION OF NOTICE TO CUSTOMERS

I, Jim Smith, General Manager of the Frankfort Electric and Water Plant Board, certify that publication and mailing of the attached notice is being made in compliance with the Public Service Commission's regulations.



---

Jim Smith, General Manager

1. Service for two years  
 with First-Class Mail® or  
 Registered Mail.  
 Registered Mail  
 may be requested to provide proof of  
 delivery. To receive a fee waiver for  
 Restricted Mail recipient is  
 restricted to the addressee or  
 mark on the mailpiece with the  
 restricted, please present the arti-  
 cle with postage and mail,  
 when making an inquiry,  
 available on mail.

**THIS SECTION**  
 Complete items 1, 2, and 3. Also complete  
 Restricted Delivery is desired.  
 Print your name and address on the reverse  
 so that we can return the card to you.  
 Attach this card to the back of the mailpiece,  
 or on the front if space permits.

1. Article Addressed to:

Farmdale Water District  
 ATTN: Brenda Robinson  
 100 Highwood Drive  
 Frankfort, KY 40601

2. Article Number  
 (Transfer from service label) 7003 0500 0004 8520 0439

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee  
*Jaw Sanders*

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

**SENDER: COMPLETE THIS SECTION**

1. Complete items 1, 2, and 3. Also complete  
 item 4 if Restricted Delivery is desired.  
 2. Print your name and address on the reverse  
 so that we can return the card to you.  
 3. Attach this card to the back of the mailpiece,  
 or on the front if space permits.

1. Article Addressed to:

Farmdale Water District  
 ATTN: Brenda Robinson  
 100 Highwood Drive  
 Frankfort, KY 40601

2. Article Number  
 (Transfer from service label) 7003 0500 0004 8520 2419

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Addressee  
*Jaw Sanders*

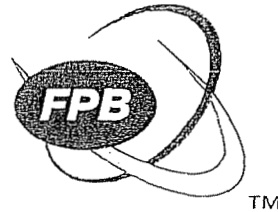
B. Received by (Printed Name) C. Date of Delivery  
11/2/10

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Jim Smith  
General Manager



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Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

*Frankfort Plant Board*

September 29, 2010

Farmdale Water District  
ATTN: Clifford Toles  
100 Highwood Drive  
Frankfort, KY 40602

Subject: Proposed Water Rate Increase

Dear Mr. Toles:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Farmdale Water District account #28221 purchased an average of 3,785,317 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$1,120.45.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to be "Jim Smith", is written over the typed name and title.

Jim Smith  
General Manager

JS/mw  
encl.

*Mailed COS Study  
10-4-10*

*Equal Opportunity/Affirmative Action Employer*

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Sheet 68 of 83



Jim Smith  
General Manager



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## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

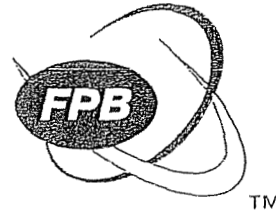
Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>			
Private Fire Lines	\$12.11	\$ 3.34	-\$ 8.77
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

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Sheet 69 of 83

Jim Smith  
General Manager



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## Frankfort Plant Board

September 29, 2010

Farmdale Water District  
ATTN: Clifford Toles  
100 Highwood Drive  
Frankfort, KY 40602

Subject: Proposed Water Rate Increase

Dear Mr. Toles:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Farmdale Water District account #28222 purchased an average of 8,174,067 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$2,419.52.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized circular flourish that loops around the signature.

Jim Smith  
General Manager

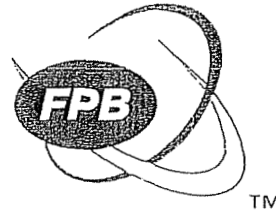
JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
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Sheet 70 of 83

Jim Smith  
General Manager



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Frankfort Plant Board <sup>TM</sup>

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

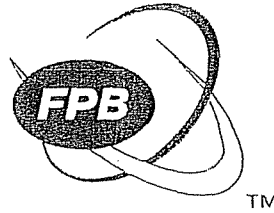
The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>			
Private Fire Lines	\$12.11	\$ 3.34	-\$ 8.77
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

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Cable Advertising

Jim Smith  
General Manager



## Frankfort Plant Board

September 29, 2010

Farmdale Water District  
ATTN: Clifford Toles  
100 Highwood Drive  
Frankfort, KY 40602

Subject: Proposed Water Rate Increase

Dear Mr. Toles:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Farmdale Water District account #28378 purchased an average of 4,867,917 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$1,440.90.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized circular flourish.

Jim Smith  
General Manager

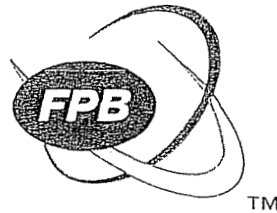
JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

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Sheet 72 of 83

Jim Smith  
General Manager



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Frankfort Plant Board <sup>TM</sup>

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

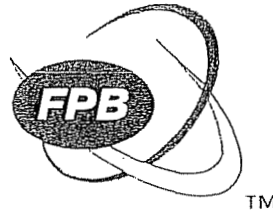
The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
<b>Private Fire Lines</b>			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

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Fax (502) 223-3887 www.fpb.cc

Jim Smith  
General Manager



Frankfort Plant Board

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Cable Modem/ISP  
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September 29, 2010

Farmdale Water District  
ATTN: Clifford Toles  
100 Highwood Drive  
Frankfort, KY 40602

Subject: Proposed Water Rate Increase

Dear Mr. Toles:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for non-water producers (water districts) will increase from \$1.704 to \$2.000 per 1,000 gallons or 17.37%. According to our records Farmdale Water District account #33036 purchased an average of 75,350 gallons per month from July 2009 to June 2010. At \$ .296 per 1,000 gallons this would be a monthly increase of \$22.30.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

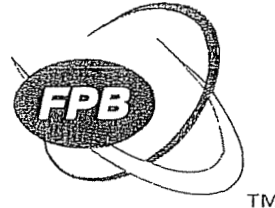
A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized, circular flourish. The signature is positioned to the right of the word "Sincerely," and above the printed name and title.

Jim Smith  
General Manager

JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

Jim Smith  
General Manager



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Electric  
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Cable Advertising

Frankfort Plant Board

**NOTICE OF PUBLIC HEARING**

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The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

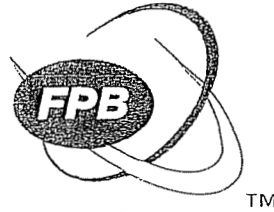
The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons			
Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>			
Private Fire Lines	\$12.11	\$ 3.34	-\$ 8.77
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

Jim Smith  
General Manager



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Electric  
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Community TV  
Ethernet/Internet  
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Cable Advertising

*Frankfort Plant Board*

---

October 14, 2010

Farmdale Water District  
ATTN: Brenda Robinson  
100 Highwood Drive  
Frankfort, KY 40602

Subject: Cost of Service Study 6/30/09

Dear Ms. Robinson:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized circular flourish.

Jim Smith  
General Manager

JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

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Sheet 76 of 83



For Priority Mail  
June 2002 (Reverse)

COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> <i>Tom Marshall</i> <input type="checkbox"/> Address	
1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
ATTN: TOM MARSHALL Attorney at Law 212 Washington Street Frankfort, KY 40601		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Registered <input type="checkbox"/> C.O.D. <input type="checkbox"/> Insured Mail	
2. Article Number		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
(Transfer from service label)		7003 0500 0004 8520 2402	

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-11

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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1. Article Addressed to:		B. Received by (Printed Name)	C. Date of Delivery
ATTN: TOM MARSHALL Attorney at Law 212 Washington Street Frankfort, KY 40601		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Registered <input type="checkbox"/> C.O.D. <input type="checkbox"/> Insured Mail	
2. Article Number		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
(Transfer from service label)		7003 0500 0004 8520 2235	

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-11

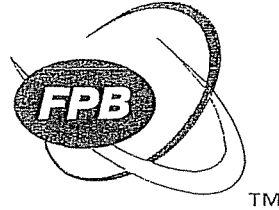
Certified receipts of correspondence copied to legal counsel for intervenors

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <i>Don Prather</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to:  ATTN: DON PRATHER Mathis, Riggs & Prather PSC P.O. Box 1059 500 Main Street Shelbyville, KY 40066-1059	B. Received by (Printed Name) <i>Don Prather</i>	C. Date of Delivery 10-8-10
	D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number <u>7003 0500 0004 8520 2396</u> (Transfer from service label)		
PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-11		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature <i>Don Prather</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Address	
1. Article Addressed to:  ATTN: DON PRATHER Mathis, Riggs & Prather PSC P.O. Box 1059 500 Main Street Shelbyville, KY 40066-1059	B. Received by (Printed Name) <i>Don Prather</i>	C. Date of Delivery 11-29-10
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		
2. Article Number <u>7003 0500 0004 8520 2228</u> (Transfer from service label)		
PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-11		

Certified receipts of correspondence copied to legal counsel for intervenors.

Jim Smith  
General Manager



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Frankfort Plant Board

September 29, 2010

Georgetown Municipal Water & Sewage  
ATTN: Mr. Billy Jenkins  
125 West Clinton Street  
Georgetown, KY 40324

Subject: Proposed Water Rate Increase

Dear Mr. Jenkins:

At their regular Board Meeting on September 21, 2010 the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, the wholesale rate for water producers will increase from \$1.919 to \$2.466 per 1,000 gallons.

Enclosed is a copy of an executive summary of the cost of service study. A complete package of the study will be provided once it is finalized. After you have an opportunity to review the summary, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized scribble.

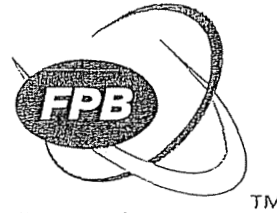
Jim Smith  
General Manager

JS/mw  
encl.

mailed COS Study  
10-4-10

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Jim Smith  
General Manager



Frankfort Plant Board <sup>TM</sup>

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## NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, October 19, 2010 at 5:00 p.m. at the Clubhouse located at 98 Tanglewood Drive, Frankfort, Kentucky, 40602 to receive oral or written comments covering a proposed water rate increase for retail and wholesale water customers.

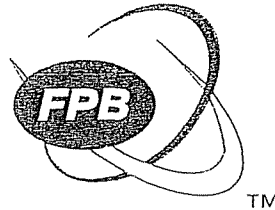
The increase for resale, non-water producers (i.e. water districts) will be effective with the bill due and payable January 15, 2011. The increase for all other customer classes will be effective with the bill due and payable December 15, 2010.

The basis for the rate increase is detailed in a cost of service study available by contacting the FPB at 502-352-4381.

Service	Existing Rate	Proposed Rate	Proposed Increase Difference
Resale – Non-Water Producers (Water Districts)	\$1.704 per 1,000 gallons	\$2.000 per 1,000 gallons	\$ .296 per 1,000 gallons or 17.37%
Resale – Other Water Producers (Georgetown Water)	\$1.919 per 1,000 gallons	\$2.466 per 1,000 gallons	\$ .547 per 1,000 gallons
<b>City Customers</b>			
Minimum with 2,000 gallon allowance	\$8.94	\$10.36	\$ 1.42
Next 3,000 gallons	\$4.47	\$ 5.18	\$ .71
Next 20,000 gallons	\$3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$1.79	\$ 1.90	\$ .11
<b>County Customers</b>			
Minimum with 2,000 gallon allowance	\$12.60	\$13.62	\$ 1.02
Next 3,000 gallons	\$ 6.29	\$ 6.81	\$ .52
Next 20,000 gallons	\$ 3.66	\$ 3.89	\$ .23
Next 175,000 gallons	\$ 3.02	\$ 3.21	\$ .19
Next 800,000 gallons	\$ 2.27	\$ 2.41	\$ .14
Next 1,000,000 gallons	\$ 1.79	\$ 1.90	\$ .11
Next 20,000 gallons Water Loading	\$ 4.47	\$ 5.18	\$ .71
<b>Hydrants – Private Hydrants</b>	\$12.11	\$ 3.34	-\$ 8.77
Private Fire Lines			
2" Line	\$ 6.06	\$ 7.88	\$ 1.82
3" Line	\$12.11	\$15.74	\$ 3.63
4" Line	\$22.66	\$29.46	\$ 6.80
6" Line	\$45.31	\$58.90	\$13.59
8" Line	\$60.40	\$78.52	\$18.12
10" Line	\$75.52	\$98.17	\$22.65
Fire Sales (per 1,000 gallons)	\$ 4.47	\$ 5.18	\$ .71

**Equal Opportunity/Affirmative Action Employer**

Jim Smith  
General Manager



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## Frankfort Plant Board

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October 14, 2010

Georgetown Municipal Water & Sewage  
Mr. Billy Jenkins  
125 W. Clinton Street  
Georgetown, KY 40324

Subject: Cost of Service Study 6/30/09

Dear Mr. Jenkins:

Enclosed please find a copy of the Cost of Service Allocation Study as of June 30, 2009 and Proposed Customer Rates.

After you have an opportunity to review the study, I would like to arrange a meeting with you to answer any questions you might have. I look forward to talking with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Smith", is written over a large, stylized, circular scribble.

Jim Smith  
General Manager

JS/mw  
encl.

*Equal Opportunity/Affirmative Action Employer*

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Sheet 81 of 83

Provide proof of delivery for items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

**THIS SECTION**

1. Article Addressed to:

Georgetown Municipal Water & Sewage  
Mr. Billy Jenkins  
125 West Clinton Street  
Georgetown, Kentucky 40324

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
 Address  
*x [Signature]*

B. Received by (Printed Name) C. Date of Delivery  
*L. Thompson* *10-4-10*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

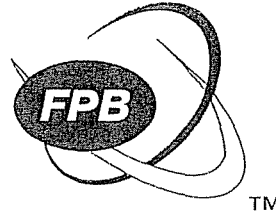
3. Service Type

Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number 7003 0500 0004 8520 0378  
 (Transfer from service label)

Jim Smith  
General Manager



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## Frankfort Plant Board <sup>TM</sup>

### CUSTOMER INFORMATION SHEET FOR WATER RATE CHANGE (Q&A)

? Why is this water rate increase necessary?

*Answer: The increase is due to increased debt service payments associated with bond issues, operation and maintenance expenses, and decreased water sales. These expenses are considered fixed costs of the operation and remain the same even though we are selling fewer gallons of water.*

? How much will the average residential bill increase?

*Answer: An average residential bill is around 4,000 gallons per month. This would mean an approximate increase of \$2.84 for City customers and \$2.06 for County customers. (All increases will be based on actual consumption).*

? When will I see this increase on my bill?

*Answer: This will be effective on bills due and payable December 15, 2010.*

? Are the water rates going to continue to increase?

*Answer: The Water Department will continue to do a Cost of Service Study every two years to evaluate our water rates. A cost of service study is a type of research and reporting used to determine the actual costs of providing services to customers. Utilities use these studies to determine what they require in the way of operating capital and what rates they can afford to set for their services. These types of studies are performed by businesses in all service industries as part of standard operating procedures.*

Is FPB planning any other rate increases (cable, water or electric) this calendar year?

*Answer: No, not for this calendar year.*

? What is FPB going to do to help customers with their bills?

*Answer: FPB will work with those that need help and are eligible for payment arrangements. Please do not wait until your service is interrupted. When you know you are going to need help, come into our office and let us work with you. FPB also has conservation tips on our website at [www.fpb.cc](http://www.fpb.cc).*

**Equal Opportunity/Affirmative Action**

317 West Second Street (P.O. Box 308) Frankfort, Kentucky  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

MAiled to  
water dist.  
Tom Marshall  
Don Prather  
10/27-1 Sheet 83 of 83

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 29



Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12/17/2010  
Case No. 2010-00485

ITEM 29: Wholesale Water Service Agreements

- Response:
- Ex. 1 – South Anderson Agreements
  - Ex. 2 – U.S. 60 Agreements
  - Ex. 3 – North Shelby Agreements
  - Ex. 4 – Elkhorn Agreements
  - Ex. 5 – Peaks Mill Agreements
  - Ex. 6 – Farmdale Agreements
  - Ex. 7 – City of Georgetown Agreement
  - Ex. 8 – City of Georgetown Amendment

**AGREEMENT FOR FRANKFORT TO PROVIDE  
THE SOUTH ANDERSON WATER DISTRICT  
WITH SUPPLEMENTAL POTABLE WATER**

This agreement is made and entered into this 30<sup>th</sup> day of JUNE, 2000, by and between the Electric and Water Plant Board of the City of Frankfort, Kentucky hereinafter called "Plant Board," whose address is 317 West Second Street, P.O. Box 308, Frankfort, Kentucky, 40602, and the South Anderson Water District, whose address is P.O. Box 16, Lawrenceburg, Kentucky, 40342.

**WHEREAS**, the South Anderson Water District has a need for a supplemental water supply; and,

**WHEREAS**, the Plant Board has the treatment capacity to serve the South Anderson Water District, and an abundant raw water supply, subject to continuing adequate flow in the Kentucky River at Lock and Dam Number 4; and,

**WHEREAS**, the general location of the proposed facilities required for the sale and delivery of potable water by the Plant Board to the South Anderson Water District are generally shown on the plans entitled "South Anderson Water District, Water Systems Extensions" by Kenvirons, Inc. (project number 97185) and dated January, 2000; attached herewith.

**1. PLANT BOARD PARTICIPATION  
(TWILIGHT TRAIL TO JONES LANE)**

The Plant Board will provide and install 12-inch diameter ductile iron pipe, fittings, valves and appurtenances from the Plant Board's existing 12-inch water main on Twilight Trail to Jones Lane. This water main extension is approximately 6,600 feet in length. The **estimated** construction cost of this 12-inch diameter water main extension from Twilight Trail to Jones Lane is \$262,000 (Attachment A).

The South Anderson Water District will reimburse the Plant Board the equivalent cost of providing and installing 8-inch SDR21 PVC pipe, 8-inch ductile iron fittings, and appurtenances from Twilight Trail to Jones Lane. The **estimated** cost of an equivalent 8-inch diameter PVC water main extension is \$83,700 (see attachment B). This figure is based upon an installation cost of \$8.25 per linear foot as provided by Kenvirons, Inc., and the Plant Board's annual contract price for ductile iron fittings, valves and appurtenances.

The **actual** reimbursement fee paid to the Plant Board from South Anderson Water District will be based upon the following:

1. The actual length of 12-inch ductile iron pipe laid from Twilight Trail to Jones Lane and,
2. The "as-bid" price for providing and installing 8-inch PVC pipe, ductile iron fittings, valves and appurtenances. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.
3. A cost for mobilization, demobilization, and concrete encasement as noted in Attachment B.

## **2. PLANT BOARD PARTICIPATION (JONES LANE TO EVERGREEN ROAD)**

The Plant Board will provide 12-inch ductile iron pipe, fittings, valves and appurtenances from Jones Lane to Evergreen Road. This is a distance of approximately 7,600 feet. The estimated cost of materials for this extension is \$128,600 (see attachment C). Air release valves shall be supplied by South Anderson Water District. Steel casing pipe for Evergreen Road crossing is to be supplied by South Anderson Water District.

South Anderson Water District will reimburse the Plant Board the equivalent cost of providing 8-inch SDR 21 PVC pipe, 8-inch ductile iron fittings, valves and appurtenances for this extension. The **estimated** cost for providing the equivalent 8-inch diameter pvc pipe, ductile iron fittings, valves and appurtenances is \$36,300 (see attachment D). This figure is based upon a material cost of \$4.00 per foot for 8-inch pvc pipe as provided by Kenvirons, Inc., and the Plant Board's annual contract price for ductile iron fittings and valves.

The **actual** reimbursement by South Anderson Water District will be determined by the following:

1. The actual length of the water-line extension from Jones Lane to Evergreen Road and,
2. The "as-bid" price for providing 8-inch pvc pipe, ductile iron fittings, and valves. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.

**3. PLANT BOARD PARTICIPATION  
(EVERGREEN ROAD TO FRANKLIN/ANDERSON COUNTY LINE)  
(STA 181+00 TO STA 60+00)**

The PVC water main from Evergreen Road to the Franklin/Anderson County line shall be constructed to AWWA standards. The PVC pipe shall be C-900 pipe as approved by AWWA. The Plant Board will pay to the South Anderson Water District the difference in pipe material cost between the C-900 pipe and the SDR21 pipe. The AWWA C-900 PVC pipe is estimated to cost \$6.55 per foot while the SDR21 pipe is projected to cost \$4.00 per foot. The distance between Evergreen Road and the Anderson County line is approximately 12,100 feet. Therefore, the Plant Board will reimburse the South Anderson Water District approximately \$30,855 for the installation of C-900 pipe. The Plant Board will require a line valve approximately every 1,000 feet and a tee and valve for the purpose of installing a fire hydrant in the future. The Plant Board will provide the line valves, tee's, hydrant valves and plugs. All fittings shall be ductile iron and rated for 350 psi working pressure. The PVC pipe shall be bedded and backfilled with manufactured sand to a height of 6-inches above the barrel of the pipe. The minimum depth of bedding below the pipe barrel shall be 6-inches. Excavation below the bells of the pipe shall be a minimum of 6-inches. The total estimated participation from the Plant Board to South Anderson Water District, from Evergreen Road to the Franklin/Anderson County line is \$48,700. (see Attachment E).

The actual participation by the Plant Board will be based upon the following:

1. The actual length of water main constructed from Evergreen Road to the Anderson/Franklin County line.
2. The "as-bid" price for C-900 PVC pipe versus SDR21 PVC pipe.
3. The "as-bid" price will be determined from the contract awarded for the construction of the water main from Jones Lane to the end of the project in Anderson County.

**4. EASEMENTS/PERMITS**

The South Anderson Water District will be responsible for obtaining all the necessary easements and permits required for the construction of the water transmission main and appurtenances. The plans for the water main construction, from Twilight Trail to Jones Lane, will be submitted for approval to the Division of Water, by the Plant Board. All fees (to property owners, regulatory agencies, etc.) required for the construction of the water main, will be the responsibility of the South Anderson Water District.

**5. PUMP STATION**

A pump station will be required to pump water from Frankfort's pressure zone of 972 feet to South Anderson's pressure zone of 983 feet. The pump station will be owned, operated, and maintained by South Anderson Water District. The location of the pump station will be in Anderson County.

**6. METERING**

The metering point will be located in Franklin County in the vicinity of the Anderson County line. The Plant Board will own and maintain the metering facilities. The cost of the metering facilities is the responsibility of the South Anderson Water District. The master meter and vault shall be in accordance with Plant Board standards.

**7. RATES**

Rates and conditions of service to South Anderson Water District shall be at all times under the prevailing Rates, Rules, and Regulations as promulgated and adopted by the Plant Board. The rates charged South Anderson Water District will be in accordance with the existing rate schedule applicable to all Plant Board water users except that a minimum consumption of 50,000 gallons per day will be required. A minimum monthly bill will be based on this required daily minimum of consumption. The maximum allowable daily consumption shall be 100,000 gallons. Plant Board's rate schedule is subject to periodic adjustment to reflect changes in the cost of service. A copy of such Rates, Rules, and Regulations, presently existing is attached hereto as a part hereof.

**8. INTERRUPTIONS IN SERVICE**

The Plant Board will not be responsible for interruptions in service beyond its reasonable control, and it shall have the right upon notice to interrupt water supply to South Anderson Water District, if necessary, to make repairs to its water system.

**9. TERM OF CONTRACT**

The initial term of this agreement shall be for forty-two years from the date water is first supplied under this agreement. Potable water service will begin immediately following the successful testing and disinfecting of the transmission main and appurtenances. This agreement can be extended for an additional twenty-year term upon written approval by both parties. South Anderson Water District shall notify

the Plant Board in writing at least six months before the initial forty-two year term if they do not want to extend the agreement. Upon the giving of such written notice, this agreement shall terminate at the end of original term.

**10. WATER EXTENSION**

The Plant Board shall own and maintain the water transmission main and appurtenances from Twilight Trail to the Franklin/Anderson County line. The Plant Board shall have the right to make or permit to be made extensions to waterlines, which will become part of the Plant Board system. Such extensions shall include taps and tie-ins, and no consent from South Anderson Water District shall be required for such extensions, taps or tie-ins.

**11. WATER USE RESTRICTION**

In the event any occurrence, condition or circumstances that leads the Plant Board to request voluntary curtailment of water consumption or to impose mandatory curtailment of water consumption with respect to the Plant Board's own water users, South Anderson Water District will make the same request for voluntary curtailment of consumption or will impose the same mandatory curtailment of water consumption, upon its water users, to the end that wholesale water users of the Plant Board and water users of South Anderson Water District will be treated alike with respect to curtailment of water consumption, and South Anderson Water District will cooperate fully in taking the same character of enforcement action as the Plant Board takes with respect to any such request or mandate.

**12. PROJECT INSPECTION**

The Plant Board will have a resident inspector on the job to assure that the water main from Jones Lane to the Franklin/Anderson County line is constructed in accordance with this agreement and the policies and practices of the Plant Board. The construction and operation of the transmission main, shall be to the satisfaction of the Plant Board and it's inspector, prior to the commencement of service.

**13. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the Parties and prior negotiations and understandings are hereby superceded by this Agreement. No amendment or alteration to this Agreement shall be valid or binding unless reduced in writing and signed by both parties.

14. GOVERNING LAWS

This Agreement shall be governed by the Laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney fees incurred in connection of said litigation.

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KENTUCKY

BY: E Bruce Dungan  
BOARD CHAIRMAN

ATTEST: [Signature]

SOUTH ANDERSON WATER DISTRICT

BY: George Kline  
ACTING BOARD CHAIRMAN

ATTEST: [Signature]

# ATTACHMENT A



## 12 INCH TRANSMISSION MAIN

						Work Order#	7995-B
						Project Title	Jones Ln. to Twilight Tr.- W.L. Ext.
						Project Code:	02 - D
WORK ORDER							
COST AND BILLING SHEET							
	<u>COST ELEMENT</u>	<u>DESCRIPTION</u>				<u>SUB-TOTAL</u>	<u>TOTAL</u>
1.	LABOR COST						
A	CONSTRUCTION	2856 HRS.	\$12.45	PER HOUR		\$ 35,557.20	
B	ENGINEERING			LUMP SUM		\$ 1,000.00	
C	TOTAL LABOR COST						\$ 36,557.20
2.	FRINGE BENEFIT	30% OF LABOR CHARGE					\$ 10,967.16
3.	EQUIPMENT COST	\$312 PER DAY X 89.25 DAYS					\$ 27,846.00
4.	MATERIAL COST						
A	INVENTORY MATERIAL	PER MAT'L SHEET				\$ 106,632.16	
B	MAT'L PURCHASED DIRECT	PURCHASE ORDERS		(SEE ATTACHED)		\$ 10,000.00	
C	SUB-TOTAL MATERIAL COST	4A+4B				\$ 116,632.16	
D	MATERIAL HANDLING COST	20% OF INVENTORY MAT'L COST (A)				\$ 21,326.43	
E	TOTAL MATERIAL COST	4C+4D					\$ 137,958.59
5.	MISC. COST	10% CONTINGENCY					\$ 21,332.90
	A** 40 L.F. BORE, JACK & CASE						\$ 7,000.00
	B HOE RAM ROCK IF APPLICABLE						\$ 20,000.00
6.	SUB-TOTAL						\$ 261,661.85
	SALVAGE MATERIAL COST CREDIT						
	CREDIT	DESCRIPTION					
7.	A						
	B						
	C						
	D TOTAL SALVAGE CREDIT				\$ -		
8.	TOTAL COST AFTER SALVAGE						\$ 261,661.85
9.	NON BILLABLE COST (SEE ATTACHED)**	(Controlled by w/o Type) or		N/A			**
		(Plant Board %)					
10.	TOTAL COST TO BILL	( 8 less 9 )					\$ 261,661.85
	COMMENTS **						

**APPROVED CAPITAL ADDITIONS PROJECT**

(1) Is this W/O part of the approved Capital Additions Budget?

Yes XX No

Frankfort Electric and  
Water Plant Board

FISCAL YEAR 2000-2001, SECTION 6, PAGE 16, LINE 21

Form w/c-4 (8/87)

\*\*PLANT BOARD WILL BE REIMBURSED BY SOUTH ANDERSON WATER DISTRICT FOR THE COST OF AN EQUIVALENT 8-INCH PVC MAIN. PER CONTRACT WITH S.A.W.D.

12 INCH TRANSMISSION MAIN

Work Order# 7995-B  
 Project Title Twilight Tr. to Jones Ln.  
 Water Line Extension

VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
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VALVEBOX	VALVE_BOX	50750	\$36.25		
VALVEBOX	VALVE_BOX	50750	\$36.25		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
11_25-12	12in.11-1/4%ell	54840	\$212.32		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
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22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
22-5-12	12in.22_1/2%el	54850	\$227.19		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		
45-12ELL	12in.45%_ell	54860	\$278.51		



# ATTACHMENT B

**ATTACHMENT B**  
**ESTIMATED CONSTRUCTION COST**  
**8-INCH, SDR21 PVC, WATER MAIN**  
**TWILIGHT TRAIL - JONES LANE**

ITEM #				UNIT	
1	MOBILIZATION	1	LSUM	\$3,000.00	\$3,000.00
2	TIE TO EXISTING WATER MAIN	1	LSUM	\$2,000.00	\$2,000.00
3	12-INCH TAP SLEEVE	1	EACH	\$861.55	\$861.55
4	12-INCH TAP VALVE	1	EACH	\$964.82	\$964.82
5	VALVE BOX	1	EACH	\$36.25	\$36.25
6	8-INCH, 11 1/4 BEND	10	EACH	\$105.96	\$1,059.60
7	8-INCH, 22 1/2 BEND	16	EACH	\$100.41	\$1,606.56
8	8-INCH 45 BEND	8	EACH	\$138.18	\$1,105.44
9	INSTALL 8-INCH SDR21 PVC WATER MAIN	6,600	LF	\$8.25	\$54,450.00
10	8" D.I. PIPE IN STEEL CASING PIPE BORED & JACKED UNDER JONES LANE	40	LF	\$175.00	\$7,000.00
11	CONCRETE ENCASE 8-INCH PVC WATER MAIN	1	LSUM	\$2,000.00	\$2,000.00
12	DEMOBILIZE	1	LSUM	\$2,000.00	\$2,000.00

	<u>\$76,084.22</u>
CONTINGENCY 10%	\$7,608.42
GRAND TOTAL	<u>\$83,692.64</u>

# ATTACHMENT C

# ATTACHMENT C

## ESTIMATE OF MATERIAL COST

JONES LANE (STA. 257+10) TO EVERGREEN RD. STA (181+00)

ITEM #				UNIT	
1	12-INCH D.I. PIPE	7610	FT.	\$13.01	\$99,006.10
2	12-INCH 45 DEG. BEND	11	EACH	\$513.85	\$1,027.70
3	12-INCH 22 1/2 BEND	2	EACH	\$227.19	\$454.38
4	12-INCH 11 1/4 BEND	12	EACH	\$212.32	\$2,547.84
5	12-INCH GATE VALVE	10	EACH	\$696.97	\$6,969.70
6	12X6 TEE	10	EACH	\$405.53	\$4,055.30
7	HYDRANT VALVE	8	EACH	\$220.46	\$1,763.68
8	6-INCH PLUG	8	EACH	\$45.41	\$363.28
9	VALVE BOXES	18	EACH	\$36.25	\$652.50
SUBTOTAL					\$116,840.48
CONTINGENCY					\$11,684.04
GRAND TOTAL					\$128,524.52

# ATTACHMENT D



**ATTACHMENT D**  
**ESTIMATED REIMBURSEMENT COST**  
**FROM S.A.W.D. TO PLANT BOARD**  
**JONES LANE (STA 257+10) TO EVERGREEN ROAD (STA 181+00)**

ITEM #				UNIT	
1	8-INCH, SRD21, PVC WATER MAIN	7610	LF	\$4.00	\$30,440.00
2	8-INCH GATE VALVE	2	EACH	\$352.84	\$705.68
3	8-INCH 45 DEG. BEND	2	EACH	\$138.18	\$276.36
4	8-INCH 22 1/2 BEND	2	EACH	\$100.41	\$200.82
5	8-INCH 11 1/4 BEND	12	EACH	\$105.96	\$1,271.52
6	VALVE BOX	2	EACH	\$36.25	\$72.50

SUBTOTAL	\$32,966.88
CONTINGENCY	\$3,296.69
GRAND TOTAL	\$36,263.57

# ATTACHMENT E

**ATTACHMENT E**  
**ESTIMATED PARTICIPATION BY PLANT BOARD**  
**EVERGREEN ROAD TO FRANKLIN/ANDERSON COUNTY LINE**

ITEM #				UNIT	
1	C-900 PVC PIPE VERSUS SDR 21 PVC PIPE	12100	FT	\$2.55	\$30,855.00
2	8-INCH GATE VALVE	10	EACH	\$352.84	\$3,528.40
3	8X6 TEE	12	EACH	\$489.95	\$5,879.40
4	HYDRANT VALVE	12	EACH	\$220.46	\$2,645.52
5	6-INCH PLUG	12	EACH	\$45.41	\$544.92
6	VALVE BOX	22	EACH	\$36.25	\$797.50

SUBTOTAL	\$44,250.74
CONTINGENCY	\$4,425.01
GRAND TOTAL	\$48,675.75

**FRANKFORT ELECTRIC & WATER PLANT BOARD**  
**CURRENT ELECTRIC & WATER RATES**

<p><b>ELECTRIC RATES</b></p> <p><b>R1 - RESIDENTIAL</b>  <b>CUSTOMER CHARGE (RATE 10)</b>      \$ 2.59</p> <p><b>ENERGY CHARGE:</b>  0 - 100 KWH                                    .05430  101-400 KWH                                    .05450  OVER 400 KWH                                    .04610</p>	<p><b>S-1 SECURITY LIGHTS (RATE 1)</b></p> <p>175 WATT (MERCURY VAPOR)                \$ 6.90 PER MONTH  400 WATT (MERCURY VAPOR)                \$ 8.90 PER MONTH  250 WATT (HIGH PRESSURE SODIUM)        \$ 9.15 PER MONTH  100 WATT (HIGH PRESSURE SODIUM)        \$ 5.75 PER MONTH  175 WATT (METAL HALIDE)                    \$ 5.90 PER MONTH</p>																					
<p><b>GS1 - GENERAL SERVICE</b>  <b>CUSTOMER CHARGE (RATE 15)</b>      \$ 3.77</p> <p><b>ENERGY CHARGE:</b>  0-500 KWH                                        .06810  501-2000 KWH                                    .05740  OVER 2000 KWH                                    .05290</p> <p><b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>M-1 MUNICIPAL STREET LIGHTING (RATE 2)</b>  <b>CUSTOMER CHARGE:</b>                    \$3.75</p> <p>ALL KWH                                        .05000 PER KWH  (SAME AS CITY GOVERNMENT RATE)</p>																					
<p><b>GS1 - GENERAL SERVICE</b>  <b>CUSTOMER CHARGE (RATE 18)</b>      \$ 3.77</p> <p><b>ENERGY CHARGE:</b>  0-500 KWH                                        .06810  501-2000 KWH                                    .05740  OVER 2000 KWH                                    .05290</p> <p><b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>SIGNAL LIGHTS (RATE 2)</b>  <b>CUSTOMER CHARGES:</b>                \$ 3.75</p> <p>ALL KWH                                        .05000 PER KWH  (SAME AS CITY GOVERNMENT RATE)</p>																					
<p><b>LP - LARGE POWER (RATE 20)</b>      \$ 4.13</p> <p><b>ALL KW</b></p> <p><b>ENERGY CHARGE:</b>  0-500,000 KWH                                    .03440  500,001-2,000,000 KWH                        .03190  OVER 2,000,000 KWH                            .03070</p> <p>POWER FACTOR CLAUSE APPLIES</p> <p><b>MINIMUM BILL: \$ 4.13 x 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW</b></p> <p><b>*INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT</b></p>	<p><b>G-1 GRATIS (IN-HOUSE)</b>  (RATE 3) NO DEMAND  (RATE 17) WITH DEMAND</p> <p>ALL KWH                                        .05000 PER KWH  ALL KW    0</p>																					
<p><b>HLF HIGH LOAD FACTOR</b>  <b>LARGE POWER (RATE 21)</b></p> <p>ALL KW    \$ 5.18  ALL KWH    .02830</p> <p>POWER FACTOR CLAUSE APPLIES</p> <p><b>MINIMUM BILL: \$5.18 x 25% OF THE HIGHEST KW IN THE PRECEDING 11 MONTHS BUT NOT LESS THAN 2 KW</b></p> <p><b>*INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT</b></p>	<p><b>FUEL ADJUSTMENT - ALL RATES WILL INCLUDE A PROVISION FOR FUEL ADJUSTMENT AT A MONTHLY RATE PER KWH AS DETERMINED FROM KU'S BILLING.</b></p>																					
<p><b>M1 - LOCAL GOVERNMENT/SCHOOL</b>  <b>CUSTOMER CHARGE (RATE 2)</b>      \$ 3.75</p> <p>ALL KWH                                        .05000 PER KWH  <b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>WATER RATES</b></p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">CITY W1</th> <th style="text-align: center;">COUNTY W2</th> </tr> </thead> <tbody> <tr> <td>MIN. 2,000 GAL.</td> <td style="text-align: center;">\$6.27 PER MONTH</td> <td style="text-align: center;">\$9.52 PER MONTH</td> </tr> <tr> <td>NEXT 3,000 GAL.</td> <td style="text-align: center;">\$3.14 PER 1,000 GAL.</td> <td style="text-align: center;">\$4.78 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 20,000 GAL.</td> <td style="text-align: center;">\$2.58 PER 1,000 GAL.</td> <td style="text-align: center;">\$2.58 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 175,000 GAL.</td> <td style="text-align: center;">\$2.12 PER 1,000 GAL.</td> <td style="text-align: center;">\$2.12 PER 1,000 GAL.</td> </tr> <tr> <td>NEXT 800,000 GAL.</td> <td style="text-align: center;">\$1.60 PER 1,000 GAL.</td> <td style="text-align: center;">\$1.60 PER 1,000 GAL.</td> </tr> <tr> <td>OVER 1,000,000 GAL.</td> <td style="text-align: center;">\$1.26 PER 1,000 GAL.</td> <td style="text-align: center;">\$1.26 PER 1,000 GAL.</td> </tr> </tbody> </table>		CITY W1	COUNTY W2	MIN. 2,000 GAL.	\$6.27 PER MONTH	\$9.52 PER MONTH	NEXT 3,000 GAL.	\$3.14 PER 1,000 GAL.	\$4.78 PER 1,000 GAL.	NEXT 20,000 GAL.	\$2.58 PER 1,000 GAL.	\$2.58 PER 1,000 GAL.	NEXT 175,000 GAL.	\$2.12 PER 1,000 GAL.	\$2.12 PER 1,000 GAL.	NEXT 800,000 GAL.	\$1.60 PER 1,000 GAL.	\$1.60 PER 1,000 GAL.	OVER 1,000,000 GAL.	\$1.26 PER 1,000 GAL.	\$1.26 PER 1,000 GAL.
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<p><b>M1 - CITY GOVERNMENT/SCHOOL</b>  <b>CUSTOMER CHARGE (RATE 19)</b>      \$ 3.75</p> <p>ALL KWH                                        .05000 PER KWH  ALL KW    0</p> <p><b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>SEWER RATES</b>                              <b>EFFECTIVE 8/1/96</b></p> <p>RESIDENTIAL                                  \$2.94 PER 1,000 GAL.  COMMERCIAL                                  \$2.94 PER 1,000 GAL.  INDUSTRIAL                                    \$3.14 PER 1,000 GAL.</p>																					
<p><b>M1 - LOCAL GOVERNMENT/SCHOOL</b>  <b>CUSTOMER CHARGE (RATE 2)</b>      \$ 3.75</p> <p>ALL KWH                                        .05000 PER KWH  <b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>FIRE SERVICE</b></p> <p>ALL FIRE HYDRANTS                        \$ 8.00 PER HYDRANT</p> <p><b>LINE SIZE</b></p> <p>2" LINE                                         \$ 4.00 PER MONTH  3" LINE                                         \$ 8.00 PER MONTH  4" LINE                                         \$15.00 PER MONTH  6" LINE                                         \$30.00 PER MONTH  8" LINE                                         \$40.00 PER MONTH  10" LINE                                        \$50.00 PER MONTH</p>																					
<p><b>M1 - CITY GOVERNMENT/SCHOOL</b>  <b>CUSTOMER CHARGE (RATE 19)</b>      \$ 3.75</p> <p>ALL KWH                                        .05000 PER KWH  ALL KW    0</p> <p><b>MINIMUM BILL: EQUALS CUSTOMER CHARGE</b></p>	<p><b>FIRE HYDRANT SALES</b>                    \$ 3.00</p> <p><b>WHOLESALE WATER</b>                        \$ 1.313</p> <p><b>WATER SALES &amp; WATER LOADING STATIONS</b>                    \$ 2.60</p> <p><b>GRATIS (WATER)</b>                            \$ .46</p> <p><b>GEORGETOWN WATER</b></p> <table border="0"> <tbody> <tr> <td>0 - 15,000,000</td> <td style="text-align: right;">\$ 1.365</td> </tr> <tr> <td>OVER 15,000,000</td> <td style="text-align: right;">\$ 1.20</td> </tr> </tbody> </table>	0 - 15,000,000	\$ 1.365	OVER 15,000,000	\$ 1.20																	
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MATHIS, RIGGS, PRATHER & DEAN, P.S.C.

ATTORNEYS AT LAW  
500 MAIN STREET - P.O. BOX 1059  
SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR.  
T. SHERMAN RIGGS  
DONALD T. PRATHER  
MARK D. DEAN

HAROLD Y. SAUNDERS  
OF COUNSEL

TELEPHONE: (502) 633-5220  
FAX: (502) 633-0667

March 23, 1998

Mr. Warner Caines, General Manager  
Frankfort Electric and Water Plant Board  
315 West Second Street  
Frankfort, KY-40601

Re: U. S. 60 Water District

Dear Mr. Caines:

Enclosed is a fully executed copy of the amendment to water supply contact dated March 11, 1998 between the Plant Board and U. S. 60 Water District. I would like to personally extend my sincere gratitude to you, your staff, and your Board for their prompt action on this matter. U. S. 60 Water District looks forward to many more years of our mutually beneficial relationship.

Yours truly,

MATHIS, RIGGS, PRATHER & DEAN, P.S.C.

By:



Donald T. Prather

DTP/kr

Enclosures

cc: U. S. 60 Water District  
Terry Loper, Rural Development

2wtr\60\Caines3.ltr

AMENDMENT TO  
WATER SUPPLY CONTRACT

This amendment made and entered into this the 11<sup>th</sup> day of March, 1998, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

The parties hereto, in consideration of the mutual duties and obligations herein created, have, and do hereby agree that Paragraph 9 of the Water Supply Contract dated July 13, 1992, previously entered in between these same parties, is hereby amended to read as follows:

"9. It is further mutually agreed and understood by and between the parties hereto that this Contract is to run for a period of forty-two (42) years beginning March 10, 1998 and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District."


ATTEST:

  
Secretary

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY.

BY: E Bruce Dugan  
Chairman

ATTEST:

  
Secretary

U.S. 60 WATER DISTRICT OF  
SHELBY & FRANKLIN COUNTIES, KY.

BY: William Eggen  
Chairman

2WTRVAMWTRSUP.CTC

TERRITORIAL AGREEMENT

THIS AGREEMENT made and entered into this 13<sup>th</sup> day of July, 1992, in Frankfort, Franklin County, Kentucky, by and between Electric and Water Plant Board of the City of Frankfort, Kentucky, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WHEREAS, the Board has recently constructed a water storage tank on the Pea Ridge Road in Franklin County, Kentucky; and

WHEREAS, the Board and the District wish to establish, by agreement, the water service area of each in the vicinity of the newly constructed water storage tank; and

WHEREAS, the Board and the District intend to enter into a long term water supply agreement wherein the Board shall supply water to the District; and

WHEREAS, the Board and the District wish to establish the territorial boundaries of each in this vicinity for the benefit of the customers.

WITNESSETH, NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. The Board and the District agree that the Board

shall have the right to provide water to those customers that exist now or may in the future exist within the territorial boundaries hereinafter described and as more particularly described and reflected upon the attached territorial map which is incorporated herein and made a part hereof.

2. The parties hereto agree that the Eastern and Northern territorial boundary of the District shall be revised as follows:

Beginning at a point in the center of U.S. Highway 60 in the center of South Benson Creek; thence northwesterly to the intersection with KY Highway 1665 at the mean sea level elevation of 750 feet, thence with said 750 feet contour line in a northerly direction generally along the east side of said KY 1665 to a point said point being 1100 feet east of the centerline of KY 1665 and 1300 feet south of the centerline of Pea Ridge Road; thence north 800 feet to a point in the west property line of Dorothy Kirk, thence with said property line to the center of Pea Ridge Road, thence north to the center of Benson Creek; thence west along Benson Creek and North Benson creek to the Franklin-Shelby County line; thence south along said county line to a point one mile north of U.S. Highway 60; thence along the original boundary (May 11, 1961) to the point of beginning.

3. In the event of any discrepancy between the above territorial description and the attached territorial map that has been made a part hereof then the territorial map shall be controlling as to the parties respective water service area.

4. The parties hereto agree that this territorial agreement with attachments shall be filed with all necessary governmental agencies.

5. This territorial agreement constitutes the entire territorial agreement between the Board and the District and

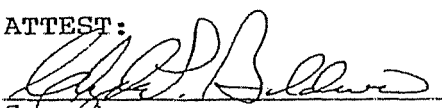


prior negotiations and understandings are hereby superseded by this agreement. No amendment or alteration to this agreement shall be valid or binding unless reduced in writing and signed by both parties.

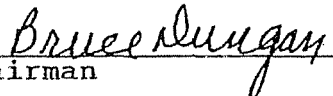
6. This agreement shall be governed by the laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers on this the day and year first above written.

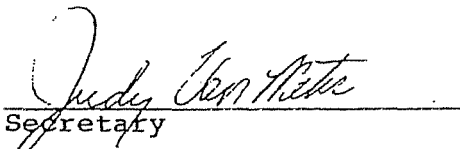
ATTEST:

  
Secretary

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY

BY:   
Chairman

ATTEST:

  
Secretary

U.S. 60 WATER DISTRICT OF  
SHELBY & FRANKLIN COUNTIES, KY

BY:   
Chairman

2025 RELEASE UNDER E.O. 14176

Shelby & Franklin County's  
Distribution Area

BEANSON

Frankfort Elec. & Water  
Plant Board Distribution  
Area.

Area of Boundary by  
Contour Elevation  
(U.S.G.S. - EL 750)

Frankfort

Frankfort

FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KY.

Frankfort Electric & Water Pl. Bd./  
U.S. 60 Water District  
Distribution Area

REVISION	DATE	BY

MAP NO.

DRAWN BY

APPROVED BY

SCALE 1" = 200'

DRAWING NO.

NAME

WORK ORDER NO.

WATER LINE EXTENSION AGREEMENT

THIS AGREEMENT, made and entered into this 13<sup>th</sup> day of July, 1992 in Frankfort, Franklin County, Kentucky, by and between Electric and Water Plant Board of the City of Frankfort, Kentucky, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes; hereinafter referred to as "Board", and the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WHEREAS, The District has a need for water supply; and

WHEREAS, the Board and the District intend to enter into a water supply agreement wherein the Board will supply water to the District; and

WHEREAS, the Board has recently constructed a water storage facility on the Pea Ridge Road, in Frankfort, Franklin County, Kentucky; and

WHEREAS, the location of the proposed facilities required for sale and delivery of water by the Board to the District are generally shown on a map marked exhibits A and B herewith.

WITNESSETH, NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. The Board will construct from the entry to its water storage tank located on Pea Ridge Road, Franklin County,

Kentucky to a meter vault located on Pea Ridge Road at approximately 250 feet east of the center line of Kentucky Highway 1665 (Bryant Benson Road) a twelve inch ductile iron water line of approximately 10,560 feet. The District shall install the aforementioned meter vault in accordance with the Board's specifications and at the sole cost of the District. The District shall assign to the Board all easements the District has previously obtained along the route of the aforementioned twelve inch ductile iron water line and shall assist the Board in obtaining any other necessary easements.

2. The meter shall be a minimum four inch meter of the type specified by the Board which shall be installed by the Board and paid for by the District and located at the aforementioned new metering point near the intersection of Pea Ridge Road and Kentucky Highway 1665. This is in addition to the existing three inch meter which will remain at its existing metering point. The Board shall have the right to inspect and test said meters and any other meters later installed at any and all times.

3. The Board shall install a backflow preventer or back flow preventers which shall be paid for by the District and shall be located at such point or points as the Board shall designate, which said backflow preventers the Board shall have the right to inspect and test at any and all times.

4. The District agrees to pay to the Board the sum of \$70,485.00 (Seventy Thousand, four hundred and eighty five dollars) toward the installation and construction of the

aforementioned twelve inch ductile iron water line mentioned in paragraph one above. This is in addition to the District paying the entire costs of the meters and backflow preventers mentioned in paragraphs two and three above. The District agrees to pay the Board the \$70,485.00 and all other costs due the Board in two equal installments. The first installment being due within five days after the Board notifies the District in writing that 50% of the installation and construction of the water line has been completed. The remaining 50% is due within five days after the Board notifies the District in writing that the installation and construction has been completed.

5. The District also agrees to pay to the Board \$250.00 for each of the seventeen existing customers which the \$250.00 represents the county tap on fee. The District further agrees to supply the Board with the name and addresses of the aforementioned seventeen existing customers.


6. Any dispute that might arise between the Board and the District concerning the construction and installation of the twelve inch ductile iron pipe water line shall not relieve the District of its obligation to pay when due those amounts mentioned herein.

7. This agreement constitutes the entire agreement between the parties and prior negotiations and understandings are hereby superseded by this agreement. No amendment or alteration to this agreement shall be valid or binding unless reduced in writing and signed by both parties.

8. This agreement shall be governed by the laws of the Commonwealth of Kentucky and in the event of litigation the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney's fees incurred in connection with said litigation.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers on this the day and year first above written.

ATTEST:

  
Secretary

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY

BY:   
Chairman

ATTEST:

  
Secretary

U.S. 60 WATER DISTRICT OF  
SHELBY & FRANKLIN COUNTIES, KY

BY:   
Chairman

WATER SUPPLY CONTRACT

THIS AGREEMENT made and entered into this the 13<sup>th</sup> day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 WATER DISTRICT OF SHELBY AND FRANKLIN COUNTIES, KENTUCKY, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District potable treated water meeting applicable purity standards of the appropriate regulatory agency(s) (presently the Kentucky Department for Natural Resources and Environmental Protection) in such quantity and at such pressure as the Board may have in its main at the service connection at the time of use, subject to the capacity and ability of the Board's system and facilities to furnish water to the Board's existing customers.

2. The Board under this Agreement is obligated to make water available to the facilities of the District.

3. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or

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pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

4. It is the intention of this contract that the Board will be a reliable, long-term supplier of water to the District, and that the District will be a reliable long-term purchaser of water from the Board. There is no present maximum purchase limit under this contract, it being the intention of the parties that the District may continue to increase its purchases under the contract until such time that the capacity of the Board's system can no longer reasonably supply the needs of the Board's then-existing customers plus an increase in the District's consumption. At that time the Board will notify the District that the District will thereafter have a maximum annual contractual limit equal to the amount purchased by the District during the previous calendar year. The Board will reasonably notify the District when the Board anticipates that a future limitation is likely to be imposed. The District will keep the Board reasonably advised of all significant extensions of other events which are likely to significantly affect the District's level of water purchases from the Board.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board,



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which shall be installed by the Board and paid for by the District and located at such points or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuation will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or fires, strikes, acts of God or other causes, there may not be periods during which the supply may be curtailed or interrupted. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from its supply obligations under this contract for such reasonable period of time as may be necessary to restore service. Temporary failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available

to the Board is otherwise diminished over an extended period of time, the supply of water to the District shall be reduced or diminished in the same ratio or proportion as the supply to the Board's other customers is reduced or diminished.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights and obligations of the Board or District hereunder.

11. The District will purchase on a calendar year basis (December to December meter reading date) an amount of water equal to fifty percent (50%) of the average amount of water purchased by the District from the Board during the preceding three calendar years. The District will be relieved from this minimum purchase requirement if the remaining duration of this contract becomes twenty years or less.

12. In the event the Board fails to abide by the terms and conditions of this agreement and/or fails to abide by its' Rates, Rules and Regulations then this agreement may be


terminated by the District prior to its expiration upon written notice to the Board.

13. In the event the District fails to abide by the terms and conditions of this agreement and/or fails to abide by the Board's Rate, Rules and Regulations, then this agreement may be terminated by the Board prior to its' expiration upon written notice to the District.

14. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to the sale, provision and purchase of water.

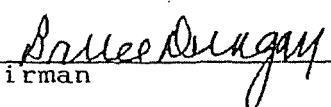
IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

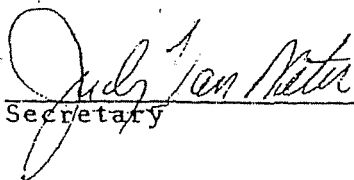
  
Secretary

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY

BY:

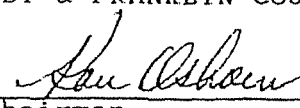
  
Chairman

ATTEST:

  
Secretary

U.S. 60 WATER DISTRICT OF  
SHELBY & FRANKLIN COUNTIES, KY

BY:

  
Chairman

This contract is approved on behalf of the Farmers Home Administration on this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

By: \_\_\_\_\_

Title: \_\_\_\_\_

CONTRACT

THIS CONTRACT made and entered into on this the 21<sup>st</sup> day of June, 1984, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U. S. 60 WATER DISTRICT of FRANKLIN AND SHELBY COUNTY, KENTUCKY, hereinafter referred to as "District";

WITNESSETH, that the parties hereto have, and do agree between themselves as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the hereinafter designated service connection at the time of use but not to exceed more than 150 gallons per minute or six million gallons per month, with, however, pumping from the main, to be at regular pumping periods at the time or times designated by the Board.
2. The Board shall have the option to furnish electric power for all the uses of the District at the existing published rates of the Board at time of service.
3. The Board under this contract is obligated to make water available only to the facilities of the District.
4. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis, and in an effort to assist the residents of the District to have water service, and the District shall have the right to cancel and terminate this contract at any time it desires on sixty (60) days written notice to the Board.
5. The Board under this contract has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.
6. The District shall at all times pay the rates and charges for water as exist at the time of delivery of water prescribed under the then existing published rates, rules and regulations of the Board.
7. The Board shall deliver and make such water available to the District at the end of its existing line in or near Bridgeport, Kentucky. It will furnish through a meter or meters of the size and type specified by the Board, which shall be furnished by the Board at the cost of the District, and the cost of installation and maintenance of such meters shall be by the Board at the cost of the District. Such meter or meters shall be located at such point or points as the Board shall designate. Said meter or meters shall remain the property of the Board, and subject to maintenance, inspection and testing by the Board at the cost of the District. If water be pumped by the district from said main, any such pump shall be of the size determined by the Board, and located where and operated as the Board shall direct.

8. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted.

9. The present Rates, Rules and Regulations of the Board relating to water service are attached hereto and made of a part hereof. Whenever feasible and practical the Board shall give the District sixty (60) days advance notice of any rate increase. In the event that the Board; at its sole discretion, determines that said 60 day notice is not feasible or practical, the Board shall notify the District of any such rate increase in as timely manner as is possible.

10. It is further mutually agreed and understood by and between the parties hereto that this contract is for a term of 40 years from this date, with an option to renew for an additional period of 20 years, provided the Plant Board continues to be in operation during this time period.

IN TESTIMONY WHEREOF, The parties hereto and executed this contract by and through their respective representatives duly authorized so to you on this the 21 day of June, 1984.

ATTEST:

ELECTRIC AND WATER PLANT BOARD OF THE CITY OF  
FRANKFORT, KENTUCKY

Helen F. Holmes

SECRETARY

BY

James W. Medley

CHAIRMAN

ATTEST:

U.S. WATER DISTRICT OF FRANKLIN AND SHELBY  
COUNTIES, KENTUCKY

Ronald DeBoer

SECRETARY

BY

James W. Medley

CHAIRMAN

FV  
5/24  
7/2/84

#28

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 15<sup>th</sup> day of May, 1964, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U. S. 60 WATER DISTRICT of FRANKLIN AND SHELBY COUNTY, KENTUCKY, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH, that the parties hereto have, and do agree between themselves as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the hereinafter designated service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, to be at regular pumping periods at the time or time designated by the Board, not to exceed 10 hours per day.

2. The Board shall have the option to furnish electric power for all the uses of the District at the existing published rates of the Board at time of service.


3. The Board under this agreement is obligated to make water available only to the facilities of the District.

4. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis, and in an effort to assist the residents of the District to have water service, and the District shall have the right to cancel and terminate this contract at any time it desires on sixty (60) days written notice to the Board.

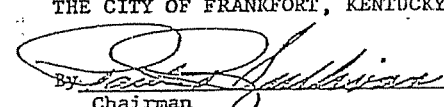
5. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

to be executed by its duly authorized officers, on this the day and year first above written.


ATTEST:

  
Secretary

ELECTRIC AND WATER PLANT BOARD OF  
THE CITY OF FRANKFORT, KENTUCKY

By   
Chairman

ATTEST:

  
Secretary

U. S. 60 WATER DISTRICT OF FRANKLIN  
AND SHELBY COUNTY, KENTUCKY

By 

FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KENTUCKY

RATES  
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All Water Service.

<u>Rate:</u>	<u>City</u>	<u>Rural (Outside City Limits)</u>
First 5,000 gallons per month @ \$	.30 /M gal.	\$ .40
Next 20,000 gallons per month @	.20 /M gal.	.20
Next 175,000 gallons per month @	.15 /M gal.	.15
Next 800,000 gallons per month @	.12 /M gal.	.12
Excess @	10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¼¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

Effective Date 3-1-48

Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such service.



6. The District shall at all times pay the rates and charges for water as exist at the time of delivery of water prescribed under the then existing published rates, rules and regulations of the Board.

7. The Board shall deliver and make such water available to the District at the end of its existing line in or near Bridgeport, Kentucky. It will be furnished through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate, which said meter or meters the Board shall have the right to inspect and test at any and all times. If the water be pumped by the District from said main, any such pump shall be of the size determined by the Board and located where the Board shall direct.

8. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted.

9. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

10. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from its date, with an option to renew for an additional period of 20 years.

11. The District agrees to provide <sup>elevated</sup> storage for 150,000 gallons of water so as to reduce the peak flow on the system of the Board.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement

AMENDMENT TO  
WATER SUPPLY CONTRACT

This amendment made and entered into this the 14 day of April, 1998, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, a water company created and existing under the Laws of the State of Kentucky, hereinafter referred to as "Company";

The parties hereto, in consideration of the mutual duties and obligations herein created, have, and do hereby agree that Paragraph 9 of the Water Supply Contract dated July 13, 1992, previously entered in between these same parties, is hereby amended to read as follows:

"9. It is further mutually agreed and understood by and between the parties hereto that this Contract is to run for a period of forty-two (42) years beginning April 14, 1998 and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the Company."

ATTEST:

William L. Tingle  
Secretary

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY.

BY: E. Bruce Dungan  
Chairman

ATTEST:

Robert R. [Signature]  
Secretary

NORTH SHELBY WATER COMPANY

BY: Duncan R. [Signature]  
President

2WTRVAMWTRSUP.2TC

SIDE LETTER AGREEMENT

This Side Letter Agreement made and entered into this 13<sup>th</sup> day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky and NORTH SHELBY WATER COMPANY;

In connection with the execution of the Water Supply Contract of even date herewith by and between the parties, the parties agree that the water to be furnished to the Company under that Water Supply Contract shall be furnished through a four-inch meter at the existing metering point in or near Frankfort, Kentucky.

ATTEST:

[Signature]  
SECRETARY

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY

BY: [Signature]  
CHAIRMAN

ATTEST:

[Signature]  
SECRETARY

NORTH SHELBY WATER COMPANY

BY: [Signature]  
PRESIDENT

This Side Letter Agreement is approved on behalf of the Farmers Home Administration on this the \_\_\_ day of \_\_\_\_\_, 1992.

By: \_\_\_\_\_

Title: \_\_\_\_\_

WATER SUPPLY CONTRACT

THIS AGREEMENT made and entered into this the 13<sup>th</sup> day of July, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, hereinafter referred to as "Company";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the Company potable treated water meeting applicable purity standards of the appropriate regulatory agency(s) (presently the Kentucky Department for Natural Resources and Environmental Protection) in such quantity and at such pressure as the Board may have in its main at the service connection at the time of use, subject to the capacity and ability of the Board's system and facilities to furnish water to the Board's existing customers.

2. The Board under this Agreement is obligated to make water available to the facilities of the Company.

3. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

4. It is the intention of this contract that the Board will be a reliable, long-term supplier of water to the Company, and that the Company will be a reliable long-term purchaser of water from the Board. There is no present maximum purchase limit under this contract, it being the intention of the parties that the Company may continue to increase its purchases under the contract until such time that the capacity of the Board's system can no longer reasonably supply the needs of the Board's then-existing customers plus an increase in the Company's consumption. At that time the Board will notify the Company that the Company will thereafter have a maximum annual contractual limit equal to the amount purchased by the Company during the previous calendar year. The Board will reasonably notify the Company when the Board anticipates that a future limitation is likely to be imposed. The Company will keep the Board reasonably advised of all significant extensions of other events which are likely to significantly affect the Company's level of water purchases from the Board.

5. The Company shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the Company through a meter or meters of the size and type specified by the Board, which shall be installed by the Board and paid for by the Company and located at such points or points as the Board

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shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the Company, discloses any error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its water supply system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuation will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or fires, strikes, acts of God or other causes, there may not be periods during which the supply may be curtailed or interrupted. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from its supply obligations under this contract for such reasonable period of time as may be necessary to restore service. Temporary failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Board is otherwise diminished over an extended period of time, the supply of water to the Company shall be reduced

or diminished in the same ratio or proportion as the supply to the Board's other customers is reduced or diminished.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the Company.

10. Any successor of the Board or the Company, whether the result of legal process, assignment or otherwise, shall succeed to the rights and obligations of the Board or Company hereunder.

11. The Company will purchase on a calendar year basis (December to December meter reading date) an amount of water equal to fifty percent (50%) of the average amount of water purchased by the Company from the Board during the preceding three calendar years. The Company will be relieved from this minimum purchase requirement if the remaining duration of this contract becomes twenty years or less.

12. In the event the Board fails to abide by the terms and conditions of this agreement and/or fails to abide by its' Rates, Rules and Regulations then this agreement may be terminated by the Company prior to its expiration upon written notice to the Board.

13. In the event the Company fails to abide by the terms and conditions of this agreement and/or fails to abide by the Board's Rate, Rules and Regulations, then this agreement may be terminated by the Board prior to its' expiration upon written notice to the Company.

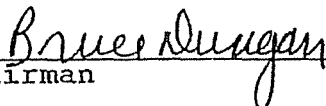
14. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to the sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers, on this the day and year first above written.

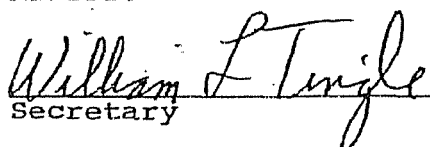
ATTEST:

  
Secretary

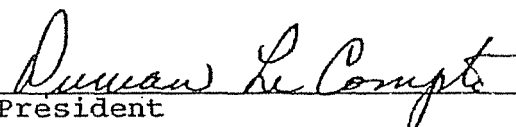
ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KY

BY:   
Chairman

ATTEST:

  
Secretary

NORTH SHELBY WATER COMPANY

BY:   
President

This contract is approved on behalf of the Farmers Home Administration on this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

By: \_\_\_\_\_

Title: \_\_\_\_\_



A G R E E M E N T

THIS AGREEMENT made and entered into on this the 31 day of July 1979, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, a non-profit corporation created and existing under the Laws of the State of Kentucky, hereinafter referred to as "Company";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the Company water in only such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 300 gallons per minute or ten million gallons per month, with, however, pumping from the main, if done by the Company, done at regular pumping periods to be designated by the Board.

2. The Board under this agreement is obligated to make water available only to the facilities of the Company.

3. The Board in agreeing to furnish water to the Company is acting on a friendly and neighborly basis and in an effort to assist the residents of the Company to have water service, and agrees to release the Company from this contract at any time the Company desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The Company shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the Company through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the Company and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the Company, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted. (Continues on next page.)

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the Company's water distribution system.

11. Any successor of the Board or the Company, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or Company hereunder.

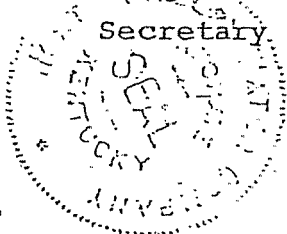
IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

\_\_\_\_\_  
Secretary

ATTEST:

*William J. Tangle*  
\_\_\_\_\_  
Secretary



ELECTRIC AND WATER PLANT BOARD OF  
THE CITY OF FRANKFORT, KENTUCKY

By: *[Signature]*  
Chairman

NORTH SHELBY WATER COMPANY

By: *J. W. Miles*  
\_\_\_\_\_  
President

FMHA Concurs: 7-31-79  
*Robert W. Letton*  
COMMUNITY PROGRAMS SPECIALIST

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 10th day of November, 1992, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board," and the ELKHORN WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District;"

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use subject only to the capacity and ability of the Board's system and facilities to furnish water to the District and other customers.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the Districts to have water service, and

agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such points or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from this provision for such reasonable period of time as may be necessary to restore service.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof. The initial rate for purchased water will be 98 cents per thousand gallons. The initial rate is for all water purchased regardless of total volume. Additionally, it is acknowledged and agreed that the rate charged by the Board will be raised or lowered as proportionally as rates for the Board's regular customers are raised or lowered.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 42 years from the date of execution and entry as specified in the first paragraph of this Agreement and thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

11. This contract replaces all previous or existing agreements between these parties and constitutes the sole and complete agreement as to their sale, provision and purchase of water.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

*Ed. B. ...*  
Secretary

ELECTRIC AND WATER PLANT BOARD OF  
THE CITY OF FRANKFORT, KENTUCKY

By *E. Bruce Dungan*  
Chairman

ATTEST:

*George M. Lettett*  
Secretary

ELKHORN WATER DISTRICT

By *W. D. Jewell*  
Chairman

THIS AGREEMENT made and entered into on this the 6th day of June, 1995, by and between ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the Peaks Mill Water District, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District;"

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use subject only to the capacity and ability of the Board's system and facilities to furnish water to the District and other customers.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the Districts to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.



4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate at its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Board from this provision for such reasonable period of time as may be necessary to restore service.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof. The initial rate for purchased water will be \$1.03 cents per thousand gallons. The initial rate is for all water purchased regardless of total volume. Additionally,

~~it is acknowledged and agreed that the rate charged by the~~  
Board will be raised or lowered as proportionally as rates for  
the Board's regular customers are raised or lowered.

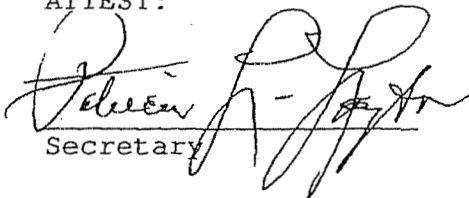
9. It is further mutually agreed and understood by and  
between the parties hereto that this contract is to run for a  
period of 42 years from the date of execution and entry as  
specified in the first paragraph of this Agreement and  
thereafter may be renewed or extended for such term, or terms,  
as may be agreed upon by the Board and the District.

10. Any successor of the Board or the District, whether  
the result of legal process, assignment or otherwise, shall  
succeed to the rights of the Board or District hereunder.

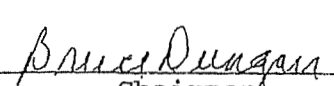
11. This contract replaces all previous or existing  
agreements between these parties and constitutes the sole and  
complete agreement as to their sale, provision and purchase of  
water.

IN TESTIMONY WHEREOF, the parties hereto have caused this  
agreement to be executed by its duly authorized officers, on  
this day and year first above written.

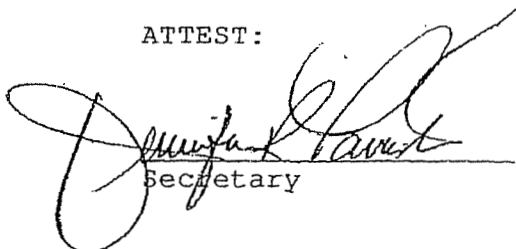
ATTEST:

  
Secretary

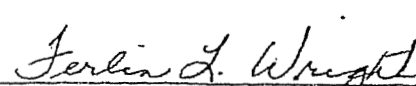
ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT KENTUCKY

BY:   
Chairman

ATTEST:

  
Secretary

PEAKS MILL WATER DISTRICT

BY:   
Chairman

A M E N D E D A G R E E M E N T

THIS AMENDED AGREEMENT made and entered into on this the 6th day of November, 1995, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the Peaks Mill Water District, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That in recognition of the requirements of 7 C.F.R. 1942.18, and since it was the intention of the parties that the AGREEMENT as initially entered on June 6, 1995, was to comply with federal requirements so that the District would be able to qualify for federal funding, and in consideration of the mutual duties and obligations herein created, the parties hereto, have, and do agree as follows:

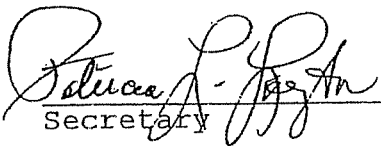
1. The Board will furnish the water required by the District at the current point of delivery or as otherwise mutually agreed, and in the case of water shortages, all of the Board's users will share proportionately.

2. The terms of the AGREEMENT dated June 6, 1995, entered into between the Board and the District are ratified and adopted as if fully restated herein.

IN TESTIMONY WHEREOF, the parties hereto have caused this AMENDED AGREEMENT to be executed by its duly authorized officers, on this day and year first above written.

ATTEST:

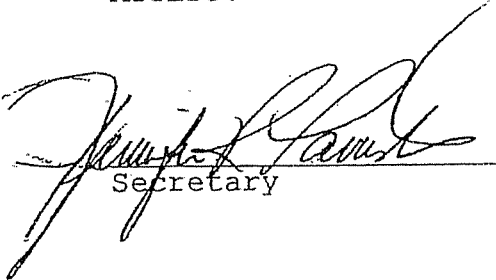
ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT KENTUCKY

  
Secretary

BY: Bruce Dungan

ATTEST:


PEAKS MILL WATER DISTRICT

  
Secretary

BY: Ferdin L. Wright

Certification

I hereby certify this to be a true and accurate copy. I am the custodian of records for the Electric and Water Plant Board of the City of Frankfort, Kentucky.

  
Ann B. Bohannon, Executive Assistant  
Electric and Water Plant Board of the  
City of Frankfort, Kentucky

RESOLUTION OF THE ELECTRIC AND WATER PLANT  
BOARD OF THE CITY OF FRANKFORT, KENTUCKY  
REGARDING THE WATER SUPPLY CONTRACT  
WITH THE PEAKS MILL WATER DISTRICT  
AND AMENDMENT THERETO

This Resolution of the Electric and Water Plant Board of the City of Frankfort, Kentucky ("Plant Board") confirms and approves actions taken or to be taken, as described herein, by and on behalf of the Plant Board in connection with the water supply contract with the Peaks Mill Water District, Franklin County, Kentucky, ("District") as initially entered into between the parties on June 6, 1995, and as to ratification of the contract and amendment thereto;

WHEREAS, the Plant Board finds that it is to its best interest to amend the June 6, 1995 contract between the Plant Board and the District to include language sufficient to comply with federal requirements, and to clearly state the Plant Board's commitment to provide a proportional share of water service to the District in times of shortage, and;

WHEREAS, the District has been notified by letter that funding approval is contingent upon compliance with a request from Rural Economic and Community Development that the water supply contract be modified and amended to comply with certain requirements of 7 C.F.R. 1942.18 to specifically state the commitment of the supplier "to furnish, at a specified point, an adequate quantity of water or other service, and to provide that, in case of shortages, all of the supplier's users will share proportionately...", and;

WHEREAS, it is necessary that there be a resolution regarding the adoption of the contract as amended, and;

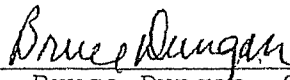
WHEREAS, the Electric and Water Plant Board of the City of Frankfort has met and agreed to amendment of the contract and expressed in open session on October 16, 1995 its desire to assist the Peaks Mill Water District in its efforts to provide water service and to receive the available federal funding for improvement of facilities and extension of water services to more residents of Franklin County;

NOW, THEREFORE, BE IT RESOLVED that the Chairman of the Plant Board be and is hereby directed to execute an amended contract with the District, so as to comply with all federal

requirements, including the commitment by the Plant Board that in times of shortage, the District will be treated like other customers and will receive a proportional share of the available water; and further it is resolved that the terms of the June 6, 1995 contract between the District and the Plant Board are hereby ratified, and that this resolution shall be evidence of the Plant Board's adoption and ratification of those terms and the inclusion of the necessary amendment heretofore described.

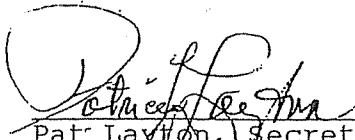
Approved in open session on the 16th day of October, 1995, upon motion made by Board Member, James D. Liebman, and seconded by Board Member, William Bearden.

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KENTUCKY



Bruce Dungan, Chairman

ATTEST:



Pat Layton, Secretary  
ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT, KENTUCKY

Certification

I hereby certify this to be a true and accurate copy. I am the custodian of records for the Electric and Water Plant Board of the City of Frankfort, Kentucky.



Ann B. Bohannon, Executive Assistant  
Electric and Water Plant Board of the  
City of Frankfort, Kentucky

#236

AGREEMENT

THIS AGREEMENT made and entered into on this the 10 day of September, 1968, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the PEAKS MILL WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.
2. The Board under this agreement is obligated to make water available only to the facilities of the District.
3. The board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.
4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure

for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as





FRANKFORT ELECTRIC & WATER PLANT BOARD

FRANKFORT, KENTUCKY

RATES  
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All water service.

Rate:		City	Rural
			(Outside City Limits)
First	5,000 gallons per month	@ \$ .30 /M gal.	\$ .40
Next	20,000 gallons per month	@ .20 /M gal.	.20
Next	175,000 gallons per month	@ .15 /M gal.	.15
Next	800,000 gallons per month	@ .12 /M gal.	.12
Excess		@ .10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3 1/2¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

	Effective Date 3-1-48
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$ 100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

Revised Sept. 19, 1968

AGREEMENT

THIS AGREEMENT made and entered into on this the 20 day of August, 1968, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the PEAKS MILL WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky hereinafter referred to as "District";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.

2. The Board under this agreement is obligated to make water available only to the facilities of the District.

3. The board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure

for any particular service such as irrigation, fire protection, industrial or commercial use.

5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; ~~provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as the normal daily requirements of the District shall bear to the normal daily requirements of the Board.~~ *6/28*

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the system to be constructed by the District.

11. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

J. Howard W. Johnson  
Secretary

ELECTRIC AND WATER PLANT BOARD OF  
THE CITY OF FRANKFORT, KENTUCKY

By William P. Austin  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

PEAKS MILL WATER DISTRICT

By \_\_\_\_\_  
Chairman

FRANKFORT ELECTRIC & WATER PLANT BOARD  
FRANKFORT, KENTUCKY

RATES  
WATER SERVICE

Effective December Billing Period, 1960.

Applicable to:

All water service.

Rate:	City	Rural (Outside City Limits)
First 5,000 gallons per month	@ \$ .30 /M gal.	\$ .40
Next 20,000 gallons per month	@ .20 /M gal.	.20
Next 175,000 gallons per month	@ .15 /M gal.	.15
Next 800,000 gallons per month	@ .12 /M gal.	.12
Excess	@ .10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

Size of Service	Effective Date 3-1-48
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$ 100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

ADDENDUM TO AGREEMENT OF AUGUST 11, 1967

That certain agreement made and entered into on August 11, 1967, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, and FARMDALE WATER DISTRICT, a water district of Franklin County, Kentucky, is hereby extended to encompass the supplying of water by the board to the district in sufficient quantities for the district to provide service to a certain extension upon which construction is about to begin and that is the subject to engineering plans, studies, and specifications that have been examined by both parties.

The supplying of water to the extension of the district shall be under the same terms and conditions and subject to the same limitations as set out in the original agreement of August 11, 1967, except that limitation on the maximum gallonage to be delivered is eliminated.

As a further consideration for the supplying of water to the district for its extension mentioned herein, Farmdale Water District does hereby agree that there is a certain small area of property lying within the physical boundaries of the district in which the Electric and Water Plant Board is now providing service to certain customers and that the Electric and Water Plant Board may extend its operations within the district's territories to encompass the areas outlined on the map that is attached hereto and made a part hereof by reference,

IN TESTIMONY OF THE FOREGOING, witness the signatures of the parties at Frankfort, Kentucky, this the 13 day of May, 1974.

ATTEST:

B. B. Shambaugh  
Secretary

FARMDALE WATER DISTRICT

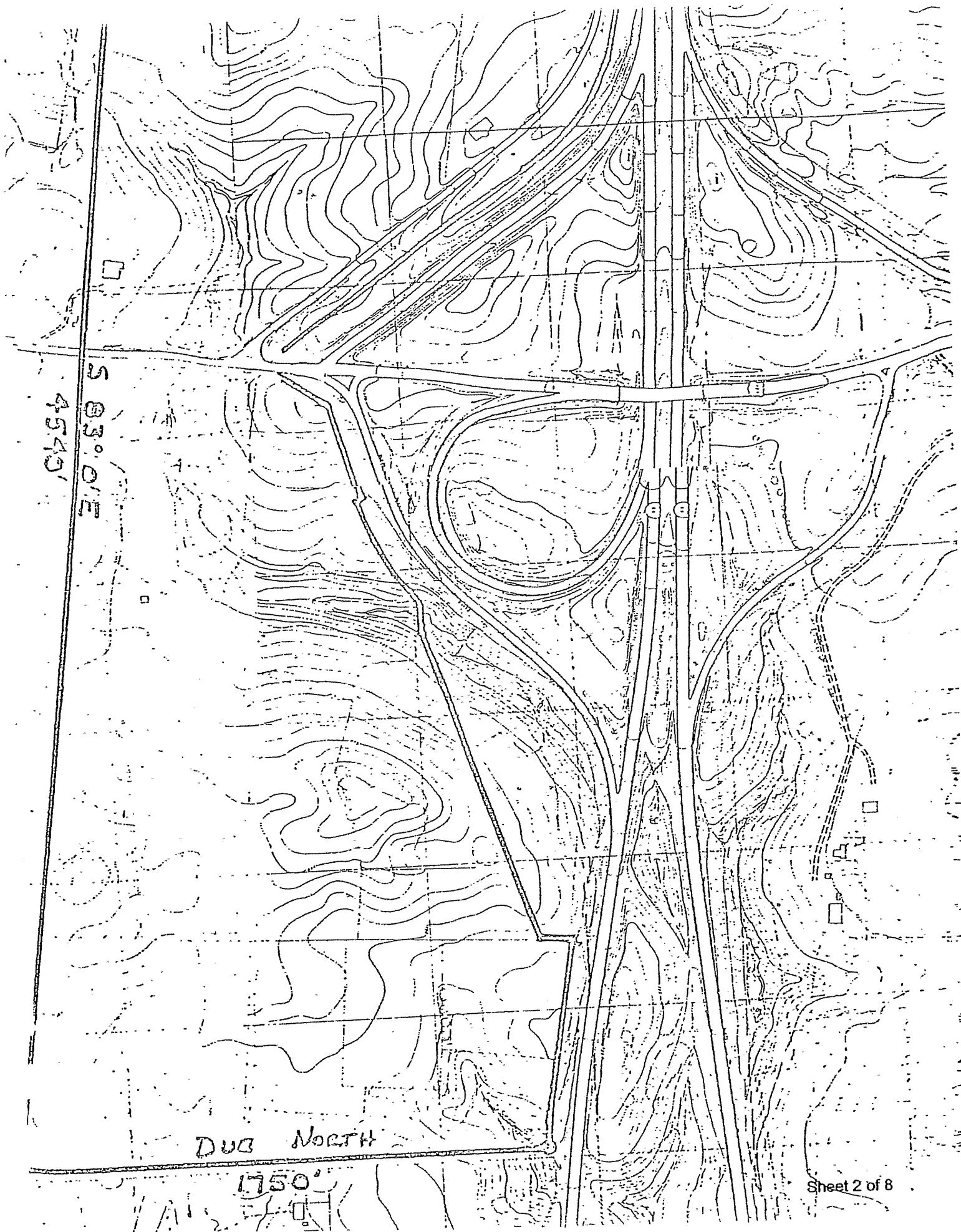
N. P. Green  
By N. P. Green, Chairman

ATTEST:

R. C. Howard  
Secretary

FRANKFORT ELECTRIC & WATER PLANT BOARD

William A. Curlew  
By



503.01E  
4549'

DUG NORTH

1750'

Sheet 2 of 8





SECOND ADDENDUM TO AGREEMENT OF AUGUST 11, 1967

That certain agreement made and entered into on August 11, 1967 by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, and FARMDALE WATER DISTRICT, a water district of Franklin County, Kentucky is hereby further extended by including herein the following:

1. The term of the agreement of August 11, 1967 is extended to run for twenty (20) years from the date of the first delivery of water to the District's extension with an option being granted to the District to extend the contract for an additional twenty (20) year period.

2. It is understood that the rights of the District in the original contract, the addendum of May 23, 1974 and this Second Addendum are pledged by the District to the United States of America acting through the Farmer's Home Administration of the United States Department of Agriculture as part of the security for a loan from the United States of America.

IN TESTIMONY OF THE FOREGOING, witness the signatures of the parties at Frankfort, Kentucky, this the \_\_\_\_\_ day of \_\_\_\_\_ 1974.

ATTEST:

FARMDALE WATER DISTRICT

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
By N. P. Green, Chairman

ATTEST:

FRANKFORT ELECTRIC & WATER BOARD

RC Houder  
Secretary

William A. Austin  
By:

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 18<sup>th</sup> day of August, 1967, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the FARMDALE WATER DISTRICT, a water district created and existing under the Laws of the State of Kentucky, hereinafter referred to as "District";

WITNESSETH: that the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the District water in such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 150 gallons per minute or one million gallons per month, with, however, pumping from the main, if done by the District, done at regular pumping periods to be designated by the Board, not to exceed ten hours per day.
2. The Board under this agreement is obligated to make water available only to the facilities of the District.
3. The Board in agreeing to furnish water to the District is acting on a friendly and neighborly basis and in an effort to assist the residents of the District to have water service, and agrees to release the District from this contract at any time the District desires on Sixty (60) days written notice to the Board.
4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.
5. The District shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the District through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the District and located at such point or points as the Board shall designate on its main at or near end of 12 inch main south of right-of-way of Highway I-64, in Franklin County, Kentucky, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the District, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted; provided, however, notwithstanding a shortage by reason of any one of the above causes, if water be available to the District from the system of the Board through the aforesaid line, the Board shall in such event, furnish to the District water in such quantity as the normal daily requirements of the District shall bear to the normal daily requirements of the Board.

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the 12 inch main to be constructed by the parties from the intersection of Glenwood Drive and U. S. Highway No. 127.

11. Any successor of the Board or the District, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or District hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

Secretary

W. W. Williams

ELECTRIC AND WATER PLANT BOARD OF  
THE CITY OF FRANKFORT, KENTUCKY

By William P. Carter  
Chairman

ATTEST:

Secretary

B. B. Thomas

FARMDALE WATER DISTRICT

By J. P. Brown  
Chairman

FRANKFORT DOMESTIC & WATER PLANT BOARD

FRANKFORT, KENTUCKY

RATES  
WATER SERVICE

Effective Dec. 1st Bill for Period, 1958.

Applicable to:

All water service.

Rate:	City	Rural (Outside City Limits)
First 5,000 gallons per month	@ \$ .30 /M gal.	\$ .40
Next 20,000 gallons per month	@ .25 /M gal.	.20
Next 175,000 gallons per month	@ .15 /M gal.	.15
Next 300,000 gallons per month	@ .12 /M gal.	.12
Excess	@ .10 /M gal.	.10

Minimum Bill:

5/8 and 3/4" Meters	\$ 1.00 Month	1.25
1" Meters	1.50 Month	1.50
1-1/2" Meters	2.50 Month	2.50
2" Meters	5.00 Month	5.00
3" Meters	10.00 Month	10.00
4" Meters	20.00 Month	20.00
6" Meters	30.00 Month	30.00
8" Meters	50.00 Month	50.00

Booster Pumping (Outside City) -Plus- 20% and in no case shall it be less than 3¢ per thousand gallons.

Fire Hydrants - Per Hydrant \$ 10.00 per year.

Sprinkler Service and Private Fire Hydrants:

Size of Service	Effective Date 3-1-48
Size of Service - 2"	\$ 12.00 per year.
Size of Service - 4"	\$ 30.00 per year.
Size of Service - 6"	\$ 60.00 per year.
Size of Service - 8"	\$100.00 per year.

Terms of Payment:

The above rates are Net and apply on all bills paid within ten (10) days from date thereof. On all bills not so paid an additional charge of 10% of the amount billed will be made.

Special Provision:

Board reserves the right to curtail the use of water under unusual circumstances or emergencies.

Customer requesting water meter for Seasonal or Temporary use must pay to the Board a charge of \$100.00 for the meter installation. Rates are applicable for the succeeding twelve months period. Further, the customer shall contact the Municipal Sewer Board in regard to exemption on sewer rental and the Municipal Sewer Board shall direct the Plant Board to exempt sewer charge for such services.

AGREEMENT FOR FRANKFORT TO PROVIDE GEORGETOWN  
WITH ALTERNATIVE WATER SOURCE

THIS AGREEMENT made and entered into this 3rd day of April, 1990, by and between THE ELECTRIC & WATER PLANT BOARD of the CITY OF FRANKFORT, KENTUCKY, hereinafter called "Plant Board" and the GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE OF GEORGETOWN, KENTUCKY, hereinafter called "Georgetown Water Service".

WHEREAS, the Georgetown Water Service has a need for an alternative water supply; and,

WHEREAS, an Engineering Study indicated the present abundance of Frankfort's water supply, subject to continuing adequate Kentucky River flow, and Plant Board's substantial unused treating and pumping capacity; and

WHEREAS, Plant Board recognizes that potential economies may be gained by existing Plant Board customers through sale by the Plant Board of additional water to Georgetown Water Service pursuant to the terms, tenor, limitations and conditions of this Agreement; and

WHEREAS, the location of the proposed facilities required for sale and delivery of water by the Plant Board to Georgetown Water Service are generally shown on a map marked Exhibit A herewith.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. Georgetown Water Service will construct at its sole expense from its system at the Scott County-Franklin County Line to the Intersection of U.S. 421 to Duckers Station Road a 16 inch water line from its System to Plant Board's System at the Intersection of U.S. 421 with Duckers Station Road; provided, however, the Plant Board, if it wants class 52 pipe instead of class 50 pipe, shall pay the difference in pipe costs for the portion of said line covered by paragraph 12 hereof. Georgetown Water Service will procure at its sole expense all necessary rights-of-way and permits for such construction.
2. Plant Board will enlarge its System by constructing a 16 inch water line from the existing 16 inch water line at the intersection of U.S. 421 & Taylor Tot Road eastwardly along U.S. 421 to its

Intersection with the Duckers Station Road.

3. Georgetown Water Service agrees to pay the Plant Board for installation costs associated with approximately 4,500 feet more or less of 16 inch water line from Taylor Tot Road to Chenault Road at an estimated cost of \$175,000.00. If the Plant Board should choose to use a less direct route for this water line then the Plant Board will bear cost associated with the additional length.
4. Georgetown Water Service agrees to pay the Plant Board the difference between the cost of a 16 inch water line, including fittings, valves and accessories, and a 12 inch water line, including fittings, valves and accessories, from the north end of Chenault Road eastwardly along U.S. 421 to its intersection with Duckers Station Road. The cost difference for approximately 6,000 feet more or less of line is estimated to be \$50,000.00.
5. Georgetown Water Service shall design, construct, own and maintain a pump station to be constructed near U.S. 460 and near the Franklin-Scott County line at a site to be determined by agreement of both parties.
  - a. The metering point will be located inside the pump station. Georgetown Water Service will pay for all metering facilities which metering facilities will be purchased and installed by the Plant Board. The Plant Board will own and maintain all such metering facilities, as well as the adjacent double check valve assembly adjacent to the pump station.
  - b. Georgetown Water Service will install at its sole expense, in accordance with the Plant Board specifications, the double check valve assembly in the outside vault adjacent to the pump station. With the exception of the metering equipment, the ownership of facilities by the Plant Board will end on the effluent side of the double check valve assembly. The double check valve assembly is to be installed adjacent to and on the influent side of the pump station.
  - c. No taps shall be made between the effluent side of the double check valve assembly and effluent side of pump or pumps.
6. The Plant Board agrees to a target date for



connecting the two water systems which shall be approximately 120 days from the issuance of a work order by the Plant Board. Both parties agree to use reasonable diligence in pursuing the required construction and to coordinate the same with construction required by the other party.

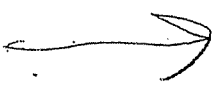
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7. The Plant Board agrees to supply 1,000,000 gallons of water per day and an additional 1,300,000 gallons of water per day if the same is readily available but in no event shall the Plant Board be required to supply water if to do so would adversely affect the Plant Board's present or future capability to meet the demands of its existing customers and present service areas. The Plant Board will not be responsible for interruptions in service beyond its reasonable control, and it shall have the right upon notice to interrupt water supply to Georgetown Water Service, if necessary, to make repairs to its water system; and further, in the event of interruption in service and in order to meet the demands of its customers, the Plant Board reserves the right to require the Georgetown Water Service to pump only during off-peak hours.

8. Nothing in this Agreement shall be construed to obligate the Plant Board to maintain any particular water pressure in its lines serving Georgetown Water Service. The water pressure within the Georgetown Water Service system shall be its sole responsibility.



9. Rates and conditions of service to Georgetown Water Service shall be at all times under the Prevailing Rates, Rules and Regulations as promulgated and adopted from time to time by the Plant Board. The rates charged Georgetown Water Service will be in accordance with the existing rate schedule applicable to all Plant Board water users except that a minimum consumption of 255,000 gallons per day will be required. A minimum monthly bill will be based on this required daily minimum of consumption. Plant Board's rate schedule is subject to periodic adjustment to reflect changes in the cost of service. A copy of such Rates, Rules and Regulations, presently existing, is attached hereto as a part hereof marked Exhibit B.



10. The initial term of this Agreement shall be for ten (10) years from the date water is first supplied under this Agreement. This Agreement shall be automatically extended for one additional ten (10) year term after the initial ten (10) year

term unless Georgetown Water Service notifies the Plant Board in writing at least six (6) months before the end of the initial ten (10) year term that this Agreement shall not be extended. Upon the giving of such written notice, this Agreement shall terminate at the end of such original ten (10) year term, but otherwise this Agreement shall terminate twenty (20) years after commencement of the original term.

a. Nothing in this Agreement shall be construed to obligate Plant Board at the end of the term of this Agreement to enter into any other Agreement with Georgetown Water Service for water.

11. Georgetown Water Service agrees to advance to Plant Board at the time of signing this Agreement the sum of \$225,000; required by Paragraphs 3 and 4 of this Agreement.

a. If the estimated cost advanced is greater than the actual cost, the Board shall upon completion of the installation promptly refund such excess, if any, to the Georgetown Water Service.

b. If the estimated cost is less than the actual cost advanced, the Georgetown Water Service shall promptly pay to Plant Board prior to the inauguration of any service, the additional cost. The Plant Board agrees to advise Georgetown Water Service should it appear that actual cost will substantially exceed the estimated cost advanced.

12. The section of the water line constructed by the Georgetown Water Service from the intersection of U.S. 421 and the Duckers Station Road to the effluent side of the double check valve assembly located adjacent to the influent side of the pump station, including the double check valve assembly, when completed shall become the property of the Plant Board and be tested and maintained by the Plant Board as a part of its System.

a. Plant Board shall have the right to make or permit to be made extensions to water lines which will become part of the Plant Board System. Such extensions shall include taps and tie-ins, and no consent from Georgetown Water Service shall be required for such

extensions, taps or tie-ins.

- b. Georgetown Water Service agrees to execute and deliver all instruments of writing required to complete the transfer of the facilities described in this Paragraph 12 to the Plant Board so as to vest the ownership and title to such facilities in the Plant Board.
13. The Plant Board must approve the design of the portion of the line covered by paragraph 12 hereof. In the event the Plant Board finds it necessary or desirable to install or have the Georgetown Water Service install for the Plant Board's own use additional fittings and valves (i.e. "tee" and valve or "cross" and valve) to any of the facilities so constructed, the same shall be at the cost (materials and labor) of the Plant Board. The Plant Board has the right during construction to inspect the portion of the line covered by Paragraph 12. The Georgetown Water Service will designate a contact person for the Plant Board's inspector. The Plant Board inspector will not interfere with construction of the water line. If the inspector in anyway has a problem with the installation he will contact the Georgetown Water Service Contact Person and the matter resolved as quickly as possible.
14. In the event any occurrence, condition or circumstance leads the Plant Board to request voluntary curtailment of water consumption or to impose mandatory curtailment of water consumption with respect to the Plant Board's own water users, Georgetown Water Service will make the same request for voluntary curtailment of consumption or will impose the same mandatory curtailment of water consumption, upon its water users, to the end that wholesale water users of the Plant Board and water users of Georgetown Water Service will be treated alike with respect to curtailment of water consumption, and Georgetown Water Service will cooperate fully in taking the same character of enforcement action as the Plant Board takes with respect to any such request or mandate.
15. This Agreement constitutes the entire Agreement between the Parties and prior negotiations and understandings are hereby superceded by this Agreement. No amendment or alteration to this Agreement shall be valid or binding unless reduced in writing and signed by both parties.
16. This Agreement shall be governed by the Laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky. The parties expressly agree that the prevailing party shall recover from the other party, in addition to taxable costs, all reasonable expenses and all reasonable attorney

fees incurred in connection of said litigation.

- 17. In the event of any emergency affecting the ability of the Plant Board to supply water as provided herein, the Georgetown Water Service agrees to provide materials, labor and treated water to the Plant Board when and where available to assist in such emergency, with any and all costs for same to be reimbursed by the Plant Board upon receipt of appropriate billing for same.

ELECTRIC AND WATER PLANT BOARD  
OF THE CITY OF FRANKFORT,  
KENTUCKY

BY: Bruce Dungan  
BOARD CHAIRMAN

ATTEST:

[Signature]

GEORGETOWN MUNICIPAL WATER  
AND SEWER SERVICE

BY: O.W. Lancaster  
BOARD CHAIRMAN

ATTEST:

[Signature]

0681L

SECOND ADDENDUM TO AGREEMENT OF APRIL 23, 1990

That certain Agreement made and entered into on April 23, 1990 by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, ("FPB") and GEORGETOWN MUNICIPAL WATER AND SEWER SERVICE OF GEORGETOWN, KENTUCKY ("GMWSS") is hereby further extended by including herein the following:

1. The term of the Agreement of April 23, 1990 was extended by the First Addendum to run for six months from April 23, 2010, that is, until October 23, 2010. The April 23, 1990 Agreement and the First Addendum were to terminate October 23, 2010.

2. Subsequently, the parties have determined to extend the Agreement of April 23, 1990 an additional ten (10) years with that Agreement and the First and Second Addendum terminating on October 23, 2020. Upon mutual agreement, the parties may agree to extend the Agreement an additional ten years from October 23, 2020.

3. Pursuant to paragraph 10(a) of the April 23, 1990 Agreement, nothing in that Agreement or the First or Second Addendum shall be construed to obligate FPB after October 23, 2020 to supply water to or enter into any other Agreement with GMWSS or the City of Georgetown for water.

4. All other terms and conditions of the April 23, 1990 Agreement shall remain in full force and effect.

IN TESTIMONY OF THE FOREGOING, witness the signature of the parties hereto  
this the 20<sup>th</sup> day of September, 2010.

ATTEST:

Billie Travis  
Secretary

GEORGETOWN MUNICIPAL WATER AND  
SEWER SERVICE OF GEORGETOWN, KY.

Johnny C. Griffin  
By:

ATTEST:

Ann Wagner  
Secretary

FRANKFORT ELECTRIC AND WATER PLANT  
BOARD

[Signature]  
By:

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 30

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 7-2-2008  
Case No. 2008-00250

ITEM 30: Annual effect of proposed rate adjustments

Response: (a) (b) Annual expected increase for wholesale customers is \$224,220. Our budgeted revenue for wholesale customers for the 10-11 fiscal year is \$1,290,780 at current rates and \$1,515,000 at the proposed rates. This follows the budget assumption that Wholesale customers will purchase 757,500,000 gallons of water in fiscal year 10-11.



RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 31

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 31: Pro forma adjustments to water operations and calculations.

Response: (a)(b) Ex. 1 - Chemical and labor adjustments

	10-11 Cost/lb.	10-11 Estimated Use	10-11 Cost
Liquid Ferric Chloride	\$ 0.098	760095	\$ 74,489.31
Chlorine	\$ 0.195	0	\$ -
Liquid Caustic Soda	\$ 0.106	381234	\$ 40,334.56
Polyaluminum Hydroxyclosulfate	\$ 0.174	353283	\$ 61,471.24
Powdered Activated Carbon	\$ 0.622	94500	\$ 58,779.00
Hydrofluosilicic Acid	\$ 0.339	96000	\$ 32,544.00
Anhydrous Ammonia	\$ 0.800	22659	\$ 18,127.20
Potassium Permanganate	\$ 2.950	4163.628	\$ 12,282.70
Sulfuric Acid	\$ 0.085	150000	\$ 12,750.00
Zinc Orthophosphate	\$ 0.490	48000	\$ 23,520.00
Salt	\$0.08158	409500	\$ 33,407.01
		Total	\$ 367,705.02

FRANKFORT ELECTRIC AND WATER PLANT WATER BOARD  
LABOR ADJUSTMENT

Account	Trial Balance 2008/2009	Increase by 2% 2009/2010	Additional Position	2009/2010 Labor TB plus added pos.	Difference from 2008/2009 Trial Balance	
642000 WATER TREATMENT LABOR	337,307	344,053		344,053	6,746	2.00%
644100 TREATMENT LABORATORY PAYROLL	42,319	43,166		43,166	846	2.00%
652100 WATER TREATMENT MAINT PAYROLL	82,741	84,395		84,395		
677100 FIRE HYDRANTS PAYROLL	44,555	45,446		45,446	891	2.00%
678100 WATER DIST PAYROLL	844,728	861,622		861,622	16,895	2.00%
700100 ENGINEERING PAYROLL	233,567	238,239		238,239	4,671	2.00%
902100 METER READING PAYROLL	157,745	160,900		160,900	3,155	2.00%
920100 ADMINISTRATIVE PAYROLL	163,179	166,443		166,443	3,264	2.00%
920820 BOARD PAYROLL	1,128	1,151		1,151	23	2.00%
932120 SUPPORT SERVICES PAYROLL	91,339	93,166		93,166	1,827	2.00%
905100 INFORMATION TECHNOLOGIES PAYROLL	94,996	96,896		96,896	1,900	2.00%
932210 AUTO & TRUCK REPAIR PAYROLL	63,461	64,730		64,730	1,269	2.00%
903100 CUSTOMER RECORDS AND COLLECTION	169,743	173,138		173,138	3,395	2.00%
	2,326,809	2,373,346		2,373,346	44,881	
920910 SOCIAL SECURITY EXPENSE	211,840	216,076		216,076	4,237	2.00%
926100 EMPLOYEES WELFARE EXPENSE	488,851	488,851		488,851	0	0.00%
926500 COMPANY CONTRIBUTION TO EMP PENSION	395,555	401,807		401,807	6,253	1.58%
PENSION CONTRIBUTION AS A % OF LABOR EXPENSE		16.93%				
	1,096,245	1,106,735		1,106,735	10,490	
				393,929		
	0.169998668	0.1693				

RESPONSE TO PSC

*PSC CASE NO. 2010-00485*

ITEM 32

Frankfort Electric and Water Plant Board  
Response to PSC Order Dated: 12-17-2010  
Case No. 2010-00485

ITEM 32: Pro forma adjustments to shared expenses that include water operations and calculations.

Response: See chemical and labor adjustments provided in response to Item No. 31.