

GALLATIN COUNTY WATER DISTRICT
4500 HIGHWAY 455
SPARTA, KY 41086
NOVEMBER 10, 2011

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2011-00378

Dear Mr. Derouen:

Enclosed please find Gallatin County Water District's response to the Commission Staff's first request for information. Should the Commission require additional information please do not hesitate to contact me. Also enclosed are signed copies of the subject tariff sheet revision.

Sincerely,



Vic Satchwell
Chairman

FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 3

Gallatin County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 3

COMPARISON OF CURRENT AND PROPOSED RATES YEAR 1

<u>Meter Size</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>%</u>
<u>5/8" x 3/4" Meter</u>				
First 1,000 Gallons	\$ 16.60 Minimum	\$17.65	\$1.05	.06
Next 2,000 Gallons	5.80 / 1,000	6.50	.70	.12
Next 2,000 Gallons	5.20 / 1,000	5.96	.46	.08
Next 5,000 Gallons	5.60 / 1,000	5.62	.42	.08
Over 10,000 Gallons	5.00 / 1,000	5.30	.30	.06

COMPARISON OF CURRENT AND PROPOSED RATES YEAR 3

<u>Meter Size</u>	<u>Year 1 Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>%</u>
<u>5/8" x 3/4" Meter</u>				
First 1,000 Gallons	\$ 17.65 Minimum	\$21.00	\$3.35	.19
Next 2,000 Gallons	6.50 / 1,000	7.75	1.25	.19
Next 2,000 Gallons	5.96 / 1,000	7.44	1.48	.25
Next 5,000 Gallons	5.62 / 1,000	6.70	1.08	.19
Over 10,000 Gallons	5.30 / 1,000	6.20	.90	.17

Meter Connection Fee

5/8 x 3/4 Inch Connection	\$530.00	\$802.00	\$272.00	.51
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DATE OF ISSUE September 20, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011) Year 3 (11- 1, 2013)

ISSUED BY *Nic Satehwell*
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 3

Gallatin County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 3

RATES AND CHARGES

<u>Meter Size</u>	<u>Effective</u> <u>11-1-2011</u>	<u>Effective</u> <u>11-1-2013</u>
<u>5/8" x 3/4" Meter</u>		
First 1,000 Gallons	\$ 17.65 Minimum	\$21.00 / 1,000
Next 2,000 Gallons	6.50 / 1,000	7.75 / 1,000
Next 2,000 Gallons	5.96 / 1,000	7.44 / 1,000
Next 5,000 Gallons	5.62 / 1,000	6.70 / 1,000
Over 10,000 Gallons	5.30 / 1,000	6.20 / 1,000
Wholesale Rate	\$1.46 / 1,000	\$1.46 / 1,000

Sales to Kentucky Speedway will be a flat rate equivalent of \$2,917 per month, or a minimum of \$35,000 annually.

DATE OF ISSUE September 20, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011) Year 3 (11- 1 - 2013)

ISSUED BY *Nie Satchwell*
MONTH / DATE / YEAR
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 4

Gallatin County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 4

RATES AND CHARGES

B. DEPOSITS:

A customer may be charged a deposit of \$85.14 for rates effective on and after November 1, 2011.

A customer may be charged a deposit of \$102.76 for rates effective on and after November 1, 2013.

C. METER CONNECTION/TAP-ON CHARGES:

5/8 X 3/4 Inch Connection

\$802.00

All Larger Meters

Actual Cost of Installation

DATE OF ISSUE September 20, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011) Year 3 (11- 1 - 2013)

ISSUED BY *Vis Satchwell*
MONTH / DATE / YEAR
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

Gallatin County Water District
4500 Ky. Hwy. 455
Sparta, Ky. 41086

Case No. 2011-00378

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Question 1.

ADJUSTMENTS PER EXHIBIT 4

Operating Income for 2010

Total Operating Revenue From Sales (Billing Analysis)	\$	856,352
Less Bad Debt (Annual Report and Exhibit 5)		(10,267)
Less Leak Adjustments and Incorrect Readings (Exhibit 5)		(8,210)
Plus Forfeited Discounts (Annual Report and Audit Report at 7)		31,820
Plus Miscellaneous Service Revenue (Annual Report and Audit Report at 7)		21,160
Plus Other Revenue (Annual Report and Audit Report at 7)		2,266
Total Operating Revenue	\$	893,121
Income Per Annual Report at 40		896,286
Difference		(3,165)
Other Operating Revenue (Interest Income and Non Utility Income (AR 19)		17,158
Total Operating Revenue	\$	910,279

Adjustment for Insurance - General Liability

Test Year \$14,202 (AR) and Pro forma Ex 9) of \$12,055 a decrease of \$2,147

Other Insurance of \$4,936 is not included in Exh 4 but is included in Annual Report. Pro forma revenue would be increased however this would not make a material adjustment in rates.

Adjustment for Workers Comp is \$1,567 (AR 3,331 and Exh 9) is \$4,898

Adjustment for debt principal and interest in the amount of \$1,806 is the result of amortizing debt over a 3-year period as shown on Exh. 10.

Question 2

ADJUSTMENTS TO SALARIES AND WAGES

Info was taken from Exhibit 6

Employee		2010 Pay	Pro Forma Pay	Change
T. McIntyre	1	\$33,090	-	(33,090)
New Hire	2		\$24,960	\$24,960
A. Smith	3	-	\$31,200	\$31,200
M. Courtney	4	52,817	-	(52,817)
S. Simpson	5	29,382	30,264	882
T. Hendron	5	36,265	37,353	1,088
B. Glacken	5	29,697	30,588	891
M. Garrett	5	36,824	39,520	2,696
J. Cain	6	2,349	-	(2,349)
Salaries and Wages Employee			193,885	
D. Easton	7	1,100	1,800	700
L. Burgett	7	1,100	1,800	700
V. Satchwell		3,600	3,600	-
Total		\$ 226,224	\$ 201,085	\$ (25,139)

1. No longer employed.
2. Hired to replace T. McIntyre
3. New hire
4. Retired and will not be replaced.
- 5 3% pay raise per 11-2010 board meeting Exh 11
6. No longer employed replaced by New Hire
7. Commissioner - salaries increased per 11-2010 board meeting Exh 11

Question 3

Miscellaneous Expenses

Miscellaneous	\$	671
Outside Services		924
Education		1,315
Bank Service Charges		7,027
Dues/Subscriptions		1,228
Telephone		6,788
Rumpkes Garbage		921
Alarm Monitoring		216
	\$	19,090

\$2.00 difference is due to rounding.

Question 4

DECREASE IN PENSION AND BENEFITS

Health insurance was taken also from Exhibit 6. It appears the actual adjustment is \$12,396 (Health and Retirement TY at \$114,249 and Proforma at 101,853) This would have no impact on rates as the proforma listed in Exhibit 4 is \$101,853.

Test year retirement expense was taken from Exh. 6, Proforma was multiplied times .1896 also at Exh. 6.