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October 17, 2013

Mr. John Pierce
Garrison-Quincy-Ky-O-Heights Water District
Post Office Box 279
Garrison, Kentucky 41141

Re: Case No. 2013-00350
Garrison-Quincy-Ky-O-Heights Water District

Dear Mr. Pierce:

Commission Staff has reviewed the application of Garrison-Quincy-Ky-O-Heights Water District for an adjustment of rates pursuant to 807 KAR 5:076. Based upon its review, Commission Staff has determined that the application fails to comply with 807 KAR 5:076 in the following respects:

- 807 KAR 5:076, Section 5(2)(b), requires the applicant to publish notice of the proposed rate adjustment once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the applicant's service area, the first publication to be made by the date the application is filed. Garrison-Quincy-Ky-O-Heights Water District did not indicate on the filed ARF Form-1 that it had provided notice to its customers.
- 807 KAR 5:076, Section 5(3)(c), requires the notice to state the amount of the average usage and the effect upon the average bill for each customer class to which the proposed rate change will apply. The notice provided with Garrison-Quincy-Ky-O-Heights Water District's application did not contain such statement.

For your reference, Commission Staff has prepared and enclosed in this letter a revised notice that complies with 807 KAR 5:076, Section. 5.

Mr. John Pierce
October 17, 2013
Page 2

Until these deficiencies are cured, Garrison-Quincy-Ky-O-Heights Water District's application will not be accepted for filing nor will the statutory period set forth in KRS 278.180 or KRS 278.190 begin to run. Please file the required information and documents necessary to cure these deficiencies within 20 days.

Questions concerning this opinion should be directed to Gerald Wuetcher, Executive Advisor, at (502) 782-2590.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen". The signature is written in a cursive style with a large initial "J".

Jeff Derouen
Executive Director

gw
Enclosure

NOTICE

Garrison-Quincy-Ky-O-Heights Water District has applied to the Kentucky Public Service Commission for an adjustment of rates that will increase annual revenues from water sales by \$553,246. Garrison-Quincy-Ky-O-Heights Water District proposes to phase-in the rate adjustment by increasing its rates 15 percent each year for three years. The Public Service Commission has docketed this case as Case No. 2013-00350.

The effect of the proposed rate adjustment on the average bill of each customer class is shown below

Meter Size	Average Usage (gals)	Current Average Bill	Average Monthly Bill In Year 1	Average Monthly Bill Year 2	Average Monthly Bill Year 3
5/8" x 3/4"	3,592	\$ 24.62	\$ 30.90	\$ 35.55	\$ 40.88
1-inch	7,724	\$ 63.15	\$ 72.63	\$ 83.53	\$ 96.06
2-inch	75,267	\$343.15	\$394.79	\$454.24	\$522.54
Bulk Water	1,000	\$ 7.00	\$ 8.05	\$ 9.26	\$ 10.65

The proposed rates for each year of the proposed adjustment are:

Year 1

	Present Rate	Proposed Rate	Increase \$	Increase %
5/8" x 3/4" Meter				
First 2,000 gals	\$16.53 Minimum	\$19.01 Minimum	\$2.48	15%
Next 3,000 gals	\$6.49 per 1,000 gals	\$7.47 per 1,000 gals	\$0.98 per 1,000 gals	15%
Next 5,000 gals	\$5.43 per 1,000 gals	\$6.25 per 1,000 gals	\$0.82 per 1,000 gals	15%
Over 10,000 gals	\$4.29 per 1,000 gals	\$4.94 per 1,000 gals	\$0.65 per 1,000 gals	15%
1-Inch Meter				
First 10,000 gals	\$63.15 Minimum	\$72.63 Minimum	\$9.48	15%
Over 10,000 gals	\$4.29 per 1,000 gals	\$4.94 per 1,000 gals	\$0.65 per 1,000 gals	15%
2-Inch Meter				
First 50,000 gals	\$234.75 Minimum	\$269.97 Minimum	\$35.22	15%
Over 50,000 gals	4.29 per 1,000 gals	4.94 per 1,000 gals	\$0.65 per 1,000 gals	15%
Bulk Water				
	7.00 per 1,000 gals	8.05 per 1,000 gals	\$1.05 per 1,000 gals	15%

Year 2

	Present Rate	Proposed Rate	Increase \$	Increase %
5/8" x 3/4" Meter				
First 2,000 gals	\$19.01 Minimum	\$21.87 Minimum	\$2.86	15%
Next 3,000 gals	\$7.47 per 1,000 gals	\$8.59 per 1,000 gals	\$1.12 per 1,000 gals	15%
Next 5,000 gals	\$6.25 per 1,000 gals	\$7.19 per 1,000 gals	\$0.94 per 1,000 gals	15%
Over 10,000 gals	\$4.94 per 1,000 gals	\$5.69 per 1,000 gals	\$0.75 per 1,000 gals	15%
1-Inch Meter				
First 10,000 gals	\$72.63 Minimum	\$83.53 Minimum	\$10.90	15%
Over 10,000 gals	\$4.94 per 1,000 gals	\$5.69 per 1,000 gals	\$0.75 per 1,000 gals	15%
2-Inch Meter				
First 50,000 gals	\$269.97 Minimum	\$310.47 Minimum	\$40.50	15%
Over 50,000 gals	\$4.94 per 1,000 gals	\$5.69 per 1,000 gals	\$0.75 per 1,000 gals	15%
Bulk Water				
	8.05 per 1,000 gals	9.26 per 1,000 gals	\$1.21 per 1,000 gals	15%

Year 3

	Present Rate	Proposed Rate	Increase \$	Increase %
5/8" x 3/4" Meter				
First 2,000 gals	\$21.87 Minimum	\$25.15 Minimum	\$3.28	15%
Next 3,000 gals	\$8.59 per 1,000 gals	\$9.88 per 1,000 gals	\$1.29 per 1,000 gals	15%
Next 5,000 gals	\$7.19 per 1,000 gals	\$8.27 per 1,000 gals	\$1.08 per 1,000 gals	15%
Over 10,000 gals	\$5.69 per 1,000 gals	\$6.55 per 1,000 gals	\$0.86 per 1,000 gals	15%
1-Inch Meter				
First 10,000 gals	\$83.53 Minimum	\$96.06 Minimum	\$12.53	15%
Over 10,000 gals	\$5.69 per 1,000 gals	\$6.55 per 1,000 gals	\$0.86 per 1,000 gals	15%
2-Inch Meter				
First 50,000 gals	\$310.47 Minimum	\$357.04 Minimum	\$46.57	15%
Over 50,000 gals	\$5.69 per 1,000 gals	\$6.55 per 1,000 gals	\$0.86 per 1,000 gals	15%
Bulk Water				
	9.26 per 1,000 gals	10.65 per 1,000 gals	\$1.39 per 1,000 gals	15%

The rates contained in this notice are the rates proposed by Garrison-Quincy-Ky-O-Heights Water District. The Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this notice.

A corporation, association, or person may, within thirty (30) days after the initial publication or mailing of notice of the proposed rate change, submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615,

Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party;

Any person may examine this application at Garrison-Quincy-Ky-O-Heights Water District's main offices at 284 Murphy Lane, Garrison, Kentucky 41141. The application and all documents filed with the Public Service Commission may be viewed and downloaded at the Public Service Commission's Web site at <http://psc.ky.gov/>.