

**ELKHORN WATER DISTRICT
P.O. BOX 67
FRANKFORT KY 40602**

RECEIVED
NOV 21 2014
PUBLIC SERVICE
COMMISSION

Public Service Commission
P.O. BOX 615
Frankfort KY 40602

Case No. 2014-00405

To the Commission:

The Elkhorn Water District respectfully requests that the Commission allow us to make an adjustment in our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment Clause.

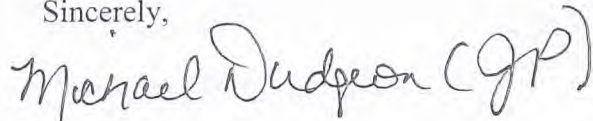
The District purchased 65,264,900 gallons from October 2013 to September 2014. The District sold 54,024,500 gallons to its customers. The effective cost of water purchased was \$2.21 (with the Kentucky River Authority fee) during the test period. With the wholesale increase by the Frankfort Electric Plant Board the new cost it expected to be \$2.45 (with the Kentucky River Authority fee) making the total new cost \$159,899.01. The difference between the old cost and the new cost it expected to be \$15,663.58; the incremented cost in terms of gallons sold is \$.29 per 1,000 gallons. We propose to raise each gallonage block that amount.

The following documents are enclosed:

Purchased Water Rate Adjustment
Copy of Tariff
Statement of Water Purchased and Sold
Notice to Customers
Tariff Sheet

If you have any questions, please contact the office at 695-4431

Sincerely,



Michael Dudgeon
Chairman

NOTICE TO CUSTOMERS

Elkhorn Water District has made an adjustment in rates due to the increase in the Frankfort Electric and Water Plant Board to the District. The change is made necessary due to the increase in the wholesale price of water from our supplier, the Frankfort Electric and Water Plant Board.

Monthly Rates

General Service

First 2,000 gallons per month	\$14.93 Minimum Bill
Next 3,000 gallons per month	5.82 per 1,000 Gallons
Next 5,000 gallons per month	5.24 per 1,000 Gallons
All over 10,000 gallons per month	4.01 per 1,000 Gallons

General Service Meters

5/8 inch	2,000 gallons \$14.93
1 inch	5,000 gallons \$32.39
1 ½ inch	10,000 gallons \$58.59

Mobile Home Parks

Southcreek	15,000 gallons \$111.98
Elkhorn	76,000 gallons \$567.34
Capital	125,000 gallons \$933.13

Emergency Wholesale Rate 4.01 per 1,000 gallons

The application is on file at the office of Elkhorn Water District, Frankfort, Kentucky and is available for examination during office hours.

Elkhorn Water District
(NAME OF UTILITY)

FOR _____

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Usage Blocks

First 2,000 gallons
Next 3,000 gallons
Next 5,000 gallons
Over 10,000 gallons

Monthly Rates

\$14.93 Minimum Bill
5.82 per 1,000 Gallons
5.24 per 1,000 Gallons
4.01 per 1,000 Gallons

Meter Sizes

1 inch meter
1 1/2 inch meter

Monthly Minimum Bills

5,000 Gallons \$32.39
10,000 Gallons \$58.59

All usage in excess of the minimum bill shall be billed according to the General Rate Schedule.

Mobile Home Parks

Southcreek
Elkhorn
Capital

Monthly Minimum Bills

15,000 Gallons \$111.98
76,000 Gallons \$567.34
125,000 Gallons \$933.13

Emergency Wholesale Rate

4.01 per 1,000 Gallons

Anyone who wishes to purchase water at the emergency wholesale rate shall pay any costs associated with the emergency hookup.

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR


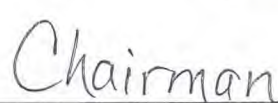
ISSUED BY Neil E. DeGean
SIGNATURE OF OFFICER

TITLE Chairman

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

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

Name of Utility	ELKHORN WATER DISTRICT		
Date	NOVEMBER 17, 2014		
Address	P.O. BOX 67		
City, State, Zip	FRANKFORT KY	40602	
Telephone Number	502-695-4431		
1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
	Supplier(s)	Base Rate	Changed Rate
	FEWPB	2.21	2.45
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit			
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).			
From	OCTOBER 2013	through	SEPTEMBER 2014
	(month and year)		(month and year)
3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.			

Supplier(s)	Gallons Purchased during 12 month period
FEWPB	65,264,900
TOTAL PURCHASES	65,264,900
4. Total gallons sold for the 12 month period	54,024,500
5. Increased water cost	\$15,663.58
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.29
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.	
7. Proposed effective date	NOVERMBER 18, 2014
	
Signature of Utility Officer	
	
Title	

RECEIVED

OCT 10 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF THE FRANKFORT) CASE NO. 2014-00254
ELECTRIC AND WATER PLANT BOARD)

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Frankfort Electric and Water Plant Board ("Frankfort Plant Board" or "FPB"); and the Intervenors, Elkhorn Water District, Peaks Mill Water District, Farmdale Water District, Northeast Woodford County Water District, South Anderson Water District, North Shelby Water Company, U.S. 60 Water District of Shelby and Franklin Counties, Kentucky and the Attorney General of the Commonwealth of Kentucky ("Intervenors") to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or "Recommendation".

It is understood by all parties hereto that this Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to FPB's rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis of this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

The adoption of this Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order. Therefore, the parties stipulate and recommend the following:

1. FPB should be permitted to adjust its rates to recover more in annual revenue than it is recovering under its current rates, with such rates to be effective for service rendered on and after November 1, 2014. The parties agree to phase in rate increases for the next four (4) years beginning with the current rate of \$2.25 per 1,000 gallons. Under this structure, the rates are as follows:

Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons

Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons

Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons

Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

FPB will not increase the rates charged to the wholesale non-water producers (i.e. water districts and company) until after October 31, 2018. After October 31, 2018, FPB will continue to charge \$2.55 per 1,000 gallons until it files a revised tariff that is approved by the Commission. For the avoidance of doubt, changes in the Kentucky River Authority Withdrawal fee are not affected by this settlement.

The initial rate for water is established herein. Thereafter, all parties agree to attempt to resolve any future rate increases in good faith before filing with the Commission.

2. Each party waives all cross-examination of the witnesses of the other parties unless the Commission disapproves this Recommendation, and each party further stipulates and recommends that the testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

3. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving FPB or any other utility.

4. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to that order.

5. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties, nor shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party, the Commission, or its Staff in any such hearing.

6. The parties agree that the foregoing Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Recommendation in its entirety.

AGREED: This the ^{10th} ~~3rd~~ day of October, 2014.

FRANKFORT ELECTRIC AND WATER
PLANT BOARD

BY: Herbbie Bannister
HERBBIE BANNISTER, ITS GENERAL MANAGER

SOUTH ANDERSON WATER DISTRICT

By: Raymond Edelman
RAYMOND EDELMAN, ESQ., ITS ATTORNEY

NORTH SHELBY WATER COMPANY, U.S. 60
WATER DISTRICT OF SHELBY AND FRANKLIN
COUNTIES, KENTUCKY, NORTHEAST
WOODFORD COUNTY WATER DISTRICT,
FARMDALE WATER DISTRICT, ELKHORN WATER
DISTRICT, PEAKS MILL WATER DISTRICT

BY: Donald T. Prather
DONALD T. PRATHER, ESQ, THEIR ATTORNEY

ATTORNEY GENERAL OF THE COMMONWEALTH
OF KENTUCKY

By: Jennifer Black Hans
JENNIFER BLACK HANS, ESQ.
GREGORY T. DUTTON, ESQ.,
ITS ATTORNEYS

The Electric and Water Plant Board
of the City of Frankfort, Kentucky
(NAME OF UTILITY)

FOR Entire Service Area
P.S.C. KY. NO. 1
1st Revised SHEET NO. 1
CANCELLING P.S.C. KY. NO. 1
Original SHEET NO. 1

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB for resale.

AVAILABILITY OF SERVICE: To all water districts.

RATE: Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons
Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons
Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons
Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: As of November 1, 2014, this tariff sheet cancels and replaces all other tariff sheets on file containing general rates applicable to wholesale water districts and implements the general rates established herein. EPB's tariff sheet containing charges for the Kentucky River Authority withdrawal fee on file with the Commission shall remain in full force and effect.

DATE OF ISSUE: October 10, 2014
MONTH - DAY - YEAR
DATE EFFECTIVE: November 1, 2014
MONTH - DAY - YEAR
ISSUED BY: *Harold S. Trammeter*
SIGNATURE OF OFFICER
TITLE: General Manager
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00254 DATED NOV 12 2015

The following rates and charges are prescribed for the customers in the area served by Frankfort Electric and Water Plant Board. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

Year 1 (Effective Date of this Order – October 31, 2015) - \$2.25 per 1,000 gallons

Year 2 (November 1, 2015- October 31, 2016) - \$2.35 per 1,000 gallons

Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons

Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

Water Purchased and Sold

Water Purchased		Water Sold
October	4,405,500	4,082,700
November	4,748,100	3,138,000
December	5,099,800	4,192,000
January	7,748,200	4,897,900
February	5,206,500	4,890,000
March	5,517,000	4,950,000
April	5,094,200	4,282,000
May	4,912,200	4,366,900
June	6,284,500	4,938,000
July	5,476,700	4,462,500
August	6,003,800	5,308,000
September	4,768,400	4,516,500
TOTAL	65,264,900	54,024,500

RESOLUTION

RESOLUTION OF THE Elkhorn Water District, AUTHORIZING THE IMPLEMENTATION OF NEW RATES, SUBMITTING NEW RATES TO THE PUBLIC SERVICE COMMISSION AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS

WHEREAS, the Frankfort Electric and Water Plant Board has raised the wholesale cost of water and

WHEREAS, the Public Service Commission has approved the rate increase; and

WHEREAS, the District desires to adjust its rates to its customers to reflect the wholesale rate increase.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Elkhorn Water District as follows:

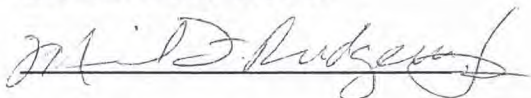
SECTION 1. That the District hereby accepts the rate awarded by the Public Service Commission and approves the raising of rates by a like amount to its customers..

SECTION 2. That Michael Dudgeon is hereby authorized, directed and empowered by the District to execute the necessary documents, and to otherwise act on behalf of the District to implement the changed rates.

SECTION 3. This Resolution shall take effect immediately upon passage.

ADOPTED on November 11, 2014.

Elkhorn Water District



Title: Chairman

ATTESTED



Title: Secretary