

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF THE)
WHITLEY COUNTY WATER DISTRICT #1)

Case no. 2000-001

Comes the Applicant, Whitley County Water District #1, pursuant to 807 KAR 5:001, Section 10, gives notice to the Kentucky Public Service Commission of its intent to increase its water rates effective January 1, 2000, so as to raise in additional annual revenues the principal sum of \$ 115,872.00. This sum represents the net difference between test year adjusted revenues and revenues necessary to provide for proper debt service coverage. In support of this application and notice, files the following information as required by the applicable KAR as so stated:

807 KAR 5:001:

Section 8(1)

Pursuant to KRS 278.180, Whitley County Water District #1 with the mailing address of 19 S Highway 25 W, Williamsburg, KY 40769-1601, is hereby requesting that the Commission allow it to increase its rates charged for water service.

Section 8(2)

Included herein is the original and eleven (11) copies of same.

Section 10(1)(b)(1)

The rate adjustment is needed to provide financial resources to pay for operating cost that have increased since September 10, 1997; current tariff was placed into effect on September 10, 1997.

Section 10(1)(b)(2)

Whitley County Water District #1 has filed its 1998 annual report with the Commission as well as annual reports for all prior years of operation.

Section 10(1)(b)(3)

N/A. Whitley County Water District #1 is not incorporated.

Section 10(1)(b)(4) and (5)

N/A. Whitley County Water District #1 is not a limited partnership.

Section 10(1)(b)(6)

A certified copy of a certificate of assumed name is not necessary in this instance.

Section 10(1)(b)(7)

The proposed tariff is attached hereto as Appendix A.

Section 10(1)(b)(8)

A comparison of the present and proposed tariffs is attached hereto as Appendix B.

Section 10(1)(b)(9)

Whitley County Water District #1 has provided notice to its customers as required by 807 KAR 5:001, Sections (3) and (4).

Section 10(2)

N/A. Whitley County Water District #1 revenues are less than \$1,000,000.

Section 10(6)(a)

A complete description and quantified explanation for all proposed adjustments to test year operations is included as Appendix C as attached hereto.

Section 10(6)(b) and (c)

N/A. Whitley County Water District #1 revenues are less than \$1,000,000.

Section 10(6)(d)

The proposed rates will produce additional revenues over normalized revenues of \$115,872.00 which is a 17 percent increase.

Section 10(6)(e)

The impact of the rate increase on the residential average user will be an additional \$ 4.34 or 16.64 percent per month.

Section 10(6)(f)

N/A. Whitley County Water District #1 is not a local exchange company.

Section 10(6)(g)

A summary of Whitley County Water District #1 billing analysis is attached hereto as Appendix D.

Section 10(6)(h)

Whitley County Water District #1's revenue requirement was determined using a 120 percent debt service coverage and is detailed in Appendix C.

Section 10(6)(i)

N/A. Rate base and weighted cost of capital calculations were not performed as Whitley County Water District #1 used a debt service coverage ratio to determine its revenue requirements.

Section 10(6)(j)

N/A. Whitley County Water District #1's chart of accounts is not more detailed than those contained in the applicable Uniform Systems of Accounts.

Section 10(6)(k)

Whitley County Water District #1's 1998 Independent Auditor's Report was filed with the Commission along with the 1998 annual report. That Auditor's Report includes the "Independent Auditor's Report on Internal Control Structure Related to Matters Noted in a Financial Statement Audit Conducted in Accordance with Government Auditing Standards."

Section 10(6)(l)

N/A. Whitley County Water District #1 does not file with the Federal Energy Regulatory Commission.

Section 10(6)(m)

N/A. Whitley County Water District #1 does not file with the Federal Energy Regulatory Commission.

Section 10(6)(n)

Depreciation study not performed. However, a copy of the 1998 depreciation schedule has been attached as Appendix E.

Section 10(6)(o)

None.

Section 10(6)(p)

N/A. No stocks or bonds offered.

Section 10(6)(q)

All annual reports have been filed with the Commission.

Section 10(6)(r)

N/A. Monthly managerial reports are not prepared.

Section 10(6)(s)

N/A. Whitley County Water District #1 does not file with the Securities and Exchange Commission.

Section 10(6)(t)

N/A. Whitley County Water District #1 has no affiliated companies.

Section 10(6)(u)

N/A. Whitley County Water District #1 revenues are less than \$5,000,000.

Section 10(6)(v)

N/A. Whitley County Water District #1 is not a local exchange carrier.

Section 10(7)(a)

A pro forma operating statement is attached hereto as Appendix C.

Section 10(7)(b)

N/A. Whitley County Water District #1 does not prepare capital construction budgets.

Section 10(7)(c)

All plant and related depreciation adjustments are detailed in Appendix E as attached hereto.

Section 10(7)(d)

N/A. Whitley County Water District #1 does not prepare monthly operating budgets.

Section 10(7)(e)

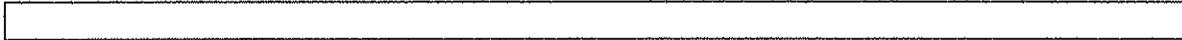
All revenue adjustments are detailed in Appendix C as attached hereto.

Wherefore, Whitley County Water District #1 asks that the Public Service Commission of the Commonwealth of Kentucky make its order authorizing Whitley County Water District #1 to increase its water rates effective January 1, 2000 so as to raise \$ 115,872.00 in additional revenues.

Respectfully submitted,


Chairman

WHITLEY COUNTY WATER DISTRICT #1
RATE INCREASE
APPENDIXES



A. PROPOSED TARIFF	APPENDIX A
B. PRESENT AND PROPOSED TARIFF	APPENDIX B
C. EXPLANATION OF PROPOSED ADJUSTMENTS	APPENDIX C
D. BILLING ANALYSIS	APPENDIX D
E. DEPRECIATION SCHEDULE	APPENDIX E

WHITLEY COUNTY WATER DISTRICT #1
PSC – RATE INCREASE
PROPOSED RATES

APPENDIX A

Effective January 1, 2000 Proposed Rates

<u>RATES: Monthly</u>			<u>Proposed</u>
First	1,000 gallons	Minimum Bill	\$13.00
Next	4,000 gallons	Per 1,000 gallons	5.38
Next	95,000 gallons	Per 1,000 gallons	5.20
Over	100,000 gallons	Per 1,000 gallons	4.60
Non Metered Customers			\$36.18

WHITLEY COUNTY WATER DISTRICT #1
PSC – RATE INCREASE
PRESENT & PROPOSED RATES

APPENDIX B

Effective September 10, 1997 Present Rates
Effective January 1, 2000 Proposed Rates

<u>RATES: Monthly</u>			<u>Present</u>	<u>Proposed</u>
First	1,000 gallons	Minimum Bill	\$10.83	\$13.00
Next	4,000 gallons	Per 1,000 gallons	4.83	5.38
Next	95,000 gallons	Per 1,000 gallons	4.33	5.20
Over	100,000 gallons	Per 1,000 gallons	3.83	4.60
Non Metered Customers			\$30.15	\$36.18

<u>MONTHLY USAGE</u>	<u>MONTHLY BILL AT CURRENT RATE</u>	<u>MONTHLY BILL AT PROPOSED RATE</u>	<u>BILLING INCREASE OVER CURRENT</u>	<u>PERCENT INCREASE OVER CURRENT</u>
1,000	\$ 10.83	\$ 13.00	\$ 2.17	20.0%
2,000	15.66	18.38	2.72	17.4%
3,000	20.49	23.76	3.27	16.0%
4,000	25.32	29.14	3.82	15.0%
5,000	30.15	34.52	4.37	14.5%
6,000	34.48	39.72	5.24	15.2%
7,000	38.81	44.92	6.11	15.7%
8,000	43.14	50.12	6.98	16.2%
9,000	47.47	55.32	7.85	16.5%
10,000	51.80	60.52	8.72	16.8%
15,000	73.45	86.52	13.07	17.8%
20,000	95.10	112.52	17.42	18.3%
30,000	138.40	159.32	20.92	15.1%
40,000	181.70	206.12	24.42	13.4%
50,000	225.00	365.44	140.44	62.4%
100,000	441.50	701.50	260.00	58.9%
200,000	\$ 824.50	\$1,284.50	460.00	55.8%

WHITLEY COUNTY WATER DISTRICT				APPENDIX C - 1		
RATE INCREASE						
	1998			Pro forma	16.92%	Pro forma
	Audit			Present	Increase	Proposed
	Test Year	ref.	Adjustments	Rates	Adjustments	Rates
Operating Revenues						
Sales of Water	\$ 531,840	a	\$ 152,640	\$ 684,480	h \$ 115,872	\$ 800,352
Penalties	16,513			16,513		16,513
Purchased Water	(292,172)	b	(83,419)	(375,591)		(375,591)
Total Operating Revenues	256,181		69,221	325,402	115,872	441,274
Operating Expenses						
Salaries and Wages	116,488	c	21,623	138,111		138,111
Payroll Taxes	9,541	d	1,562	11,103		11,103
Employee Workmen's Comp	6,142			6,142		6,142
Sampling	7,644	g	1,834	9,478		9,478
Insurance	10,762			10,762		10,762
Legal and Accounting	279	e	12,500	12,779		12,779
Materials and Supplies	31,167	g	7,480	38,647		38,647
Rents	2,215	g	532	2,747		2,747
Vehicle Expense	10,345	g	2,483	12,828		12,828
Utilities	5,085	g	1,220	6,305		6,305
Miscellaneous Expenses	14,089	g	3,381	17,470	-	17,470
Total Operation and Maintenance Expense	213,757		52,615	266,372	-	266,372
Depreciation Expense	84,446	f	58,285	142,731	-	142,731
Total Operating Expenses	298,203		110,900	409,103	-	409,103
Net Operating Income	(42,022)		(41,679)	(83,701)	115,872	32,171
Plus: Interest Income	4,491			4,491		4,491
Interest Expense	(34,058)			0		0
Non-operating expense	(29,567)		-	4,491	-	4,491
Net income						
Per audit @ 12-31-98	(71,589)		(41,679)	(79,210)	115,872	36,662
Plus interest expense	34,058		-	0	-	0
Income available to service debt	\$ (37,531)		\$ (41,679)	\$ (79,210)	\$ 115,872	\$ 36,662
Three year average debt service			\$ 77,621			
Times 120% debt service coverage ratio			1.20			
Debt service coverage requirement			\$ 93,145			
				Income available to service debt		\$ 36,662
				Less: Debt service requirement		(93,145)
				Deficit at proposed rates		\$ (56,483)

WHITLEY COUNTY WATER DISTRICT #1

APPENDIX C - 2

RATE INCREASE

A. New customers added: Due to additional water lines the District anticipates adding 460 additional customers. The average water bill historically is \$27.70 per month. The increased revenue is projected at \$152,640 annually.

B. Due to increase in additional customers additional water will be purchased. This projected cost for all water is as follows:

Customers	2,089
Average gallons consumed	4,600
Gallons per month	9,609,400
Gallons per year	115,313,000
Add 30% for water loss	49,420,000
Total gallons required	164,733,000
Average cost per 1,000 gallons	\$2.28
Projected annual cost	\$ 375,591

C. All employees were raised \$.50 per hour (see details of gross pay.) \$ 21,623
=====

D. Payroll tax on pay raise (\$15,623 @ 10%) \$1,562
=====

E. Due to changes in personnel, outside accounting services were hired:

Monthly fee	\$ 750.00
12 months	x 12
Annual cost	\$ 9,000.00
Annual audit	3,500.00
Total	\$12,500.00

=====

H. Due to the cost of additional water lines the annual depreciation is expected to increase as follows:

Cost of additions	\$ 2,331,000
Life of additions	40 yrs
Additional depreciation	\$ 58,285

=====

WHITLEY COUNTY WATER DISTRICT #1

APPENDIX C - 3

RATE INCREASE

G. Due to increase in total customers other expenses are projected to increase by 24%. This is based on the increase in revenue.

Revenue increase	\$132,960		
	<u> </u>	=	24 %
Prior revenue	\$548,353		

Sampling	\$ 7,644	x 24%	\$ 1,834
Materials & supplies	31,167	x 24%	7,480
Rents	2,215	x 24%	532
Vehicle expense	10,345	x 24%	2,483
Utilities	5,085	x 24%	1,220
Miscellaneous expense	14,089	x 24%	3,381

H. Additional revenue required for (See appendix D) \$115,782

WHITLEY COUNTY WATER DISTRICT
PROJECTED WAGES

APPENDIX C - 4

Employee	Hours Reg. O/T	Pay Rate	Gross Reg. O/T
Kathy Moyers Office	2,080 40	8.98	\$ 18,678 539
Total	<u>2,120</u>		<u>19,217</u>
David Bird	2,080 120	8.98	\$ 18,678 1,616
Total	<u>2,200</u>		<u>20,295</u>
Albert Mahan Well	2,080 240	7.50	\$ 15,600 2,700
Total	<u>2,320</u>		<u>18,300</u>
Freddie Akers	2,080 120	7.50	\$ 15,600 1,350
Total	<u>2,200</u>		<u>16,950</u>
Kevin McGhee	2,080 60	6.25	\$ 13,000 563
Total	<u>2,140</u>		<u>13,563</u>
Amanda Siler P-T Clerical	1300 0	5.15	\$ 6,695 0
Total	<u>1300</u>		<u>6,695</u>
Other Part Helpers Total	<u>1190</u>	5.15	<u>\$ 6,131</u>
David Disney - Superintendent		\$ 990	<u>\$ 29,760</u>
Commissioners			<u>\$ 7,200</u>
Total			<u>\$ 138,111</u>

WHITLEY COUNTY WATER DISTRICT #1

APPENDIX C - 5

CUSTOMER SALES AND REVENUE DATA:

MONTH June '99

As of: 7/16/99

		<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED		\$ 25,592.38	\$ 146,540.69
GALLONS OF WATER PURCHASED		12,209,700	67,569,400
GALLONS OF WATER PRODUCED		333,000	2,084,000
GALLONS SOLD TO METERED CUSTOMERS		7,365,000	45,863,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS		10,000	60,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments)	7,000 405,000	412,000	731,300
ESTIMATED GALLONS UNACCOUNTED FOR		4,755,700	22,999,100
ESTIMATED PERCENT OF LOSS		38%	33%

As of: 7/16/99

RESIDENTIAL SALES:

	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
NUMBER OF USERS	1,654	9,501	2	12
GALLONS OF WATER SOLD	6,454,000	40,175,000	10,000	60,000
AMOUNT BILLED	\$ 40,835.05	\$ 249,301.67	\$ 60.30	\$ 361.80
AVERAGE GALLON SOLD PER CUSTOMER	3,902	4,229	5,000	
AVERAGE BILL PER CUSTOMER	\$ 24.69	\$ 26.24	\$ 30.15	\$

COMMERCIAL SALES:

NUMBER OF USERS	88	514		
GALLONS OF WATER SOLD	811,000	4,810,000		
AMOUNT BILLED	\$ 4,165.89	\$ 24,708.99		
AVERAGE GALLON SOLD PER CUSTOMER	9,216	9,378		
AVERAGE BILL PER CUSTOMER	\$ 47.34	\$ 48.07		

SCHOOL SALES:

NUMBER OF USERS	5	30		
GALLONS OF WATER SOLD	100,000	878,000		
AMOUNT BILLED	\$ 473.00	\$ 4,040.74		
AVERAGE GALLON SOLD PER CUSTOMER	20,000	29,267		
AVERAGE BILL PER CUSTOMER	\$ 94.60	\$ 134.69		

TOTAL SALES:

NUMBER OF USERS	1,747	10,045	2	12
GALLONS OF WATER SOLD	7,365,000	45,863,000	10,000	60,000
AMOUNT BILLED	\$ 45,473.94	\$ 278,051.40	\$ 60.30	\$ 361.80
AVERAGE GALLON SOLD PER CUSTOMER	4,216	4,566	5,000	
AVERAGE BILL PER CUSTOMER	\$ 26.03	\$ 27.68	\$ 30.15	\$

WHITLEY COUNTY WATER DISTRICT #1

APPENDIX C - 6

CUSTOMER SALES AND REVENUE DATA:

MONTH December '97

As of: 1/14/98

		<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED		\$ 21,708.22	\$ 277,044.60
GALLONS OF WATER PURCHASED		9,384,000	122,093,500
GALLONS OF WATER PRODUCED		345,000	4,331,000
GALLONS SOLD TO METERED CUSTOMERS		7,660,000	87,366,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS		10,000	120,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments)	11,000 125,000	136,000	2,166,700
ESTIMATED GALLONS UNACCOUNTED FOR		1,923,000	36,771,800
ESTIMATED PERCENT OF LOSS		20%	29%

As of: 1/15/98

RESIDENTIAL SALES:

	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
NUMBER OF USERS	1,495	17,468	2	24
GALLONS OF WATER SOLD	6,565,000	75,108,000	10,000	120,000
AMOUNT BILLED	\$ 39,814.21	\$ 455,970.77	\$ 60.30	\$ 713.50
AVERAGE GALLON SOLD PER CUSTOMER	4,391	4,300	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 26.63	\$ 26.10	\$ 30.15	\$ 29.73

COMMERCIAL SALES:

NUMBER OF USERS	84	997		
GALLONS OF WATER SOLD	933,000	10,500,000		
AMOUNT BILLED	\$ 4,647.17	\$ 51,938.48		
AVERAGE GALLON SOLD PER CUSTOMER	11,107	10,532		
AVERAGE BILL PER CUSTOMER	\$ 55.32	\$ 52.09		

SCHOOL SALES:

NUMBER OF USERS	5	60		
GALLONS OF WATER SOLD	162,000	1,758,000		
AMOUNT BILLED	\$ 743.46	\$ 7,975.68		
AVERAGE GALLON SOLD PER CUSTOMER	32,400	29,300		
AVERAGE BILL PER CUSTOMER	\$ 148.69	\$ 132.93		

TOTAL SALES:

NUMBER OF USERS	1,584	18,525	2	24
GALLONS OF WATER SOLD	7,660,000	87,366,000	10,000	120,000
AMOUNT BILLED	\$ 45,204.84	\$ 515,884.93	\$ 60.30	\$ 713.50
AVERAGE GALLON SOLD PER CUSTOMER	4,836	4,716	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 28.54	\$ 27.85	\$ 30.15	\$ 29.73

WHITLEY COUNTY WATER DISTRICT #1

APPENDIX C - 7

CUSTOMER SALES AND REVENUE DATA:

MONTH December '98

As of:

	<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED	\$ 21,376.67	\$ 284,499.66
GALLONS OF WATER PURCHASED	9,345,300	121,161,400
GALLONS OF WATER PRODUCED	406,000	4,424,000
GALLONS SOLD TO METERED CUSTOMERS	6,488,000	86,536,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS	10,000	120,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments) 8,000	8,000	2,200,460
ESTIMATED GALLONS UNACCOUNTED FOR	3,245,300	36,728,940
ESTIMATED PERCENT OF LOSS	33%	29%

As of:

RESIDENTIAL SALES:

	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
NUMBER OF USERS	1,510	17,961	2	24
GALLONS OF WATER SOLD	5,584,000	75,101,000	10,000	120,000
AMOUNT BILLED	\$ 35,923.15	\$ 466,371.38	\$ 60.30	\$ 723.60
AVERAGE GALLON SOLD PER CUSTOMER	3,698	4,181	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 23.79	\$ 25.97	\$ 30.15	\$ 30.15

COMMERCIAL SALES:

NUMBER OF USERS	81	994		
GALLONS OF WATER SOLD	753,000	9,761,000		
AMOUNT BILLED	\$ 3,889.28	\$ 49,781.17		
AVERAGE GALLON SOLD PER CUSTOMER	9,296	9,820		
AVERAGE BILL PER CUSTOMER	\$ 48.02	\$ 50.08		

SCHOOL SALES:

NUMBER OF USERS	5	60		
GALLONS OF WATER SOLD	151,000	1,674,000		
AMOUNT BILLED	\$ 695.33	\$ 7,732.25		
AVERAGE GALLON SOLD PER CUSTOMER	30,200	27,900		
AVERAGE BILL PER CUSTOMER	\$ 139.07	\$ 128.87		

TOTAL SALES:

NUMBER OF USERS	1,596	19,015	2	24
GALLONS OF WATER SOLD	6,488,000	86,536,000	10,000	120,000
AMOUNT BILLED	\$ 40,507.76	\$ 523,884.80	\$ 60.30	\$ 723.60
AVERAGE GALLON SOLD PER CUSTOMER	4,065	4,551	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 25.38	\$ 27.55	\$ 30.15	\$ 30.15

Whitley County Water District
Bond Amortization Schedule

APPENDIX C - 7

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$11,177	\$67,258	\$78,435
2000	11,941	66,619	78,560
2001	9,857	66,011	75,868
	<u>\$32,975</u>	<u>\$199,888</u>	<u>\$232,863</u>
	=====	=====	=====
Three year average			<u>\$77,621</u>
			=====

Whitley County Water District
Debt Amortization

Loan #0176

	Prin	Int	Total
1999	3,177	483	3,660
2000	3,441	219	3,660
2001	857	11	868
2002			0
2003			
Balance			
Total	7,475	713	8,188

Loan #0223

	Prin	Int	Total
1999	0	0	0
2000	0	0	0
2001	0	0	0
2002	0	0	0
2003			
Balance	0	0	0
Total	0	0	0

Rural Development 1994

	Prin	Int	Total
1999	8,000	36,775	44,775
2000	8,500	36,400	44,900
2001	9,000	36,000	45,000
2002	9,500	35,575	45,075
2003	9,500	35,125	44,625
Balance	683,500	684,850	1,368,350
Total	728,000	864,725	1,592,725

Rural Development 1998

	Prin	Int	Total
1999	0	30,000	30,000
2000	0	30,000	30,000
2001	0	30,000	30,000
2002	6,000	30,000	36,000
2003	7,000	29,700	36,700
Balance	587,000	681,200	1,268,200
Total	600,000	830,900	1,430,900

WHITLEY COUNTY WATER DISTRICT #1
PSC - RATE INCREASE
BILLING ANALYSIS

APPENDIX D Page 1 of 6

NOTE: ALL CUSTOMERS

Average number of customers	<u>2,089</u>
Average billings: (based on the last 30 months of consumption 28,822 gallons):	\$ 27.30
Billing based on new rate increase	<u>31.92</u>
Increase	<u>\$ 4.62</u>
Percentage of increase	<u>16.92%</u>
Monthly revenue at existing rates	\$ 57,040
Monthly revenue at proposed rates	<u>66,696</u>
Monthly increase	<u>\$ 9,656</u>
Annual increase	<u>\$ 115,872</u>
Projected annual revenue	<u>\$ 800,352</u>

WHITLEY COUNTY WATER DISTRICT #1
PSC – RATE INCREASE
BILLING ANALYSIS

APPENDIX D Page 2 of 6

NOTE: RESIDENTIAL CUSTOMERS

Average residential customers billed	1,498	
New customers	<u>502</u>	
Total	<u>2,000</u>	
Billing:		
(based on the last 30 months of consumption 4,237 gallons):	\$ 26.07	
Billing based on new rate increase	<u>30.41</u>	
Increase	<u>\$ 4.34</u>	
Percentage of increase	<u>16.64%</u>	

NOTE: COMMERCIAL BILLINGS

Average commercial billings	<u>84</u>	
Billing:		
(based on the last 30 months of consumption 10,008 gallons):	\$ 50.47	
Billing based on new rate increase	<u>60.52</u>	
Increase	<u>\$ 10.05</u>	
Percentage of increase	<u>19.91%</u>	

NOTE: SCHOOL CUSTOMERS

Average school customer billings	<u>5</u>	
Billing:		
(based on the last 30 months of consumption 28,822 gallons):	\$ 132.16	
Billing based on new rate increase	<u>158.39</u>	
Increase	<u>\$ 26.23</u>	
Percentage of increase	<u>19.84%</u>	

WHITELY COUNTY WATER DISTRICT
 AVERAGE WATER BILL

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>TOTAL</u>
Number of bills for the year	18,549	19,039	10,057	47,645
Average number of users per month	1,546	1,587	1,749	1,588
Gallons Sold	87,406,000	86,653,000	45,923,000	219,982,000
Amount billed	\$ 516,598	\$ 524,608	\$ 278,413	\$ 1,319,619
Average gallons sold per customer	4,712	4,552	4,567	4,617
Average bill per customer	\$ 27.85	\$ 27.55	\$ 27.68	\$ 27.70
 Projected customers after water line additions				<u><u>2,089</u></u>
 Average monthly revenue at existing rates				<u><u>\$ 57,040</u></u>
 Projected revenue per year				<u><u>\$ 684,480</u></u>

CUSTOMER SALES AND REVENUE DATA:

MONTH December '97

As of: 1/14/98

	<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED	\$ 21,708.22	\$ 277,044.60
GALLONS OF WATER PURCHASED	9,384,000	122,093,500
GALLONS OF WATER PRODUCED	345,000	4,331,000
GALLONS SOLD TO METERED CUSTOMERS	7,660,000	87,366,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS	10,000	120,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments)	11,000 125,000	136,000 2,166,700
ESTIMATED GALLONS UNACCOUNTED FOR	1,923,000	36,771,800
ESTIMATED PERCENT OF LOSS	20%	29%

	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
As of: 1/15/98				
<u>RESIDENTIAL SALES:</u>				
NUMBER OF USERS	1,495	17,468	2	24
GALLONS OF WATER SOLD	6,565,000	75,108,000	10,000	120,000
AMOUNT BILLED	\$ 39,814.21	\$ 455,970.77	\$ 60.30	\$ 713.50
AVERAGE GALLON SOLD PER CUSTOMER	4,391	4,300	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 26.63	\$ 26.10	\$ 30.15	\$ 29.73

COMMERCIAL SALES:

NUMBER OF USERS	84	997		
GALLONS OF WATER SOLD	933,000	10,500,000		
AMOUNT BILLED	\$ 4,647.17	\$ 51,938.48		
AVERAGE GALLON SOLD PER CUSTOMER	11,107	10,532		
AVERAGE BILL PER CUSTOMER	\$ 55.32	\$ 52.09		

SCHOOL SALES:

NUMBER OF USERS	5	60		
GALLONS OF WATER SOLD	162,000	1,758,000		
AMOUNT BILLED	\$ 743.46	\$ 7,975.68		
AVERAGE GALLON SOLD PER CUSTOMER	32,400	29,300		
AVERAGE BILL PER CUSTOMER	\$ 148.69	\$ 132.93		

TOTAL SALES:

NUMBER OF USERS	1,584	18,525	2	24
GALLONS OF WATER SOLD	7,660,000	87,366,000	10,000	120,000
AMOUNT BILLED	\$ 45,204.84	\$ 515,884.93	\$ 60.30	\$ 713.50
AVERAGE GALLON SOLD PER CUSTOMER	4,836	4,716	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 28.54	\$ 27.85	\$ 30.15	\$ 29.73

CUSTOMER SALES AND REVENUE DATA:

As of:	MONTH	December '98	
		<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED		\$ 21,376.67	\$ 284,499.66
GALLONS OF WATER PURCHASED		9,345,300	121,161,400
GALLONS OF WATER PRODUCED		406,000	4,424,000
GALLONS SOLD TO METERED CUSTOMERS		6,488,000	86,536,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS		10,000	120,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments)	8,000	8,000	2,200,460
ESTIMATED GALLONS UNACCOUNTED FOR		3,245,300	36,728,940
ESTIMATED PERCENT OF LOSS		33%	29%

As of:	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
<u>RESIDENTIAL SALES:</u>				
NUMBER OF USERS	1,510	17,961	2	24
GALLONS OF WATER SOLD	5,584,000	75,101,000	10,000	120,000
AMOUNT BILLED	\$ 35,923.15	\$ 466,371.38	\$ 60.30	\$ 723.60
AVERAGE GALLON SOLD PER CUSTOMER	3,698	4,181	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 23.79	\$ 25.97	\$ 30.15	\$ 30.15

<u>COMMERCIAL SALES:</u>				
NUMBER OF USERS	81	994	-	-
GALLONS OF WATER SOLD	753,000	9,761,000		
AMOUNT BILLED	\$ 3,889.28	\$ 49,781.17		
AVERAGE GALLON SOLD PER CUSTOMER	9,296	9,820		
AVERAGE BILL PER CUSTOMER	\$ 48.02	\$ 50.08		

<u>SCHOOL SALES:</u>				
NUMBER OF USERS	5	60	-	-
GALLONS OF WATER SOLD	151,000	1,674,000		
AMOUNT BILLED	\$ 695.33	\$ 7,732.25		
AVERAGE GALLON SOLD PER CUSTOMER	30,200	27,900		
AVERAGE BILL PER CUSTOMER	\$ 139.07	\$ 128.87		

<u>TOTAL SALES:</u>				
NUMBER OF USERS	1,596	19,015	2	24
GALLONS OF WATER SOLD	6,488,000	86,536,000	10,000	120,000
AMOUNT BILLED	\$ 40,507.76	\$ 523,884.80	\$ 60.30	\$ 723.60
AVERAGE GALLON SOLD PER CUSTOMER	4,065	4,551	5,000	5,000
AVERAGE BILL PER CUSTOMER	\$ 25.38	\$ 27.55	\$ 30.15	\$ 30.15

CUSTOMER SALES AND REVENUE DATA:

MONTH June '99

As of: 7/16/99

	<u>THIS MONTH</u>	<u>TO DATE</u>
COST OF WATER PURCHASED	\$ 25,592.38	\$ 146,540.69
GALLONS OF WATER PURCHASED	12,209,700	67,569,400
GALLONS OF WATER PRODUCED	333,000	2,084,000
GALLONS SOLD TO METERED CUSTOMERS	7,365,000	45,863,000
ESTIMATED GALLONS SOLD TO UNMETERED CUSTOMERS	10,000	60,000
ESTIMATED KNOWN LOSS OF WATER (well contracts leaks/adjustments)	7,000 405,000	412,000 731,300
ESTIMATED GALLONS UNACCOUNTED FOR	4,755,700	22,999,100
ESTIMATED PERCENT OF LOSS	38%	33%

As of: 7/16/99

RESIDENTIAL SALES:

	<u>METERED</u>	<u>TO DATE</u>	<u>UNMETERED</u>	<u>TO DATE</u>
NUMBER OF USERS	1,654	9,501	2	12
GALLONS OF WATER SOLD	6,454,000	40,175,000	10,000	60,000
AMOUNT BILLED	\$ 40,835.05	\$ 249,301.67	\$ 60.30	\$ 361.80
AVERAGE GALLON SOLD PER CUSTOMER	3,902	4,229	5,000	
AVERAGE BILL PER CUSTOMER	\$ 24.69	\$ 26.24	\$ 30.15	\$

COMMERCIAL SALES:

NUMBER OF USERS	88	514	-	-
GALLONS OF WATER SOLD	811,000	4,810,000		
AMOUNT BILLED	\$ 4,165.89	\$ 24,708.99		
AVERAGE GALLON SOLD PER CUSTOMER	9,216	9,358		
AVERAGE BILL PER CUSTOMER	\$ 47.34	\$ 48.07		

SCHOOL SALES:

NUMBER OF USERS	5	30	-	-
GALLONS OF WATER SOLD	100,000	878,000		
AMOUNT BILLED	\$ 473.00	\$ 4,040.74		
AVERAGE GALLON SOLD PER CUSTOMER	20,000	29,267		
AVERAGE BILL PER CUSTOMER	\$ 94.60	\$ 134.69		

TOTAL SALES:

NUMBER OF USERS	1,747	10,045	2	12
GALLONS OF WATER SOLD	7,365,000	45,863,000	10,000	60,000
AMOUNT BILLED	\$ 45,473.94	\$ 278,051.40	\$ 60.30	\$ 361.80
AVERAGE GALLON SOLD PER CUSTOMER	4,216	4,566	5,000	
AVERAGE BILL PER CUSTOMER	\$ 26.03	\$ 27.68	\$ 30.15	\$

WHITLEY COUNTY WATER DIST. #1
Depreciation Schedule

	Cost	Computed	
		Composite Rate	Annual Depreciation
Building and Improvements	42,409.57	2.500%	1,060.00
Water Treatment Equipment	1,447.89	6.009%	87.00
Distributions Reservoirs and Standpipes	2,542,377.24	2.833%	72,017.00
Office Equipment	26,673.16	6.827%	1,821.00
Vehicles	24,685.36	18.853%	4,654.00
Maintenance Equipment	40,998.09		4,100.00
Communication Equipment	5,389.89		498.00
	<u>2,683,981.20</u>	3.139%	84,237.00

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Date Printed: 11/2/99

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Period Ended 12/31/98

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Num	Loc	Salvage Property Description	ITC Acquired	T	Method	Life	Cost/Basis	Exp./AFD	Prior Depr.	Cur. Depr.	End. Depr.
Group # 2 Property 911 Building											
1	1	911 Building	01/18/95	N	SL	40	31,880.81	0.00	2,325.00	797.00	3,122.00
2	1	95 Improvements	06/30/95	N	SL	40	3,639.57	0.00	227.00	91.00	318.00
3	1	Roof	06/15/96	N	SL	40	6,889.19	0.00	272.00	172.00	444.00
Group # 2 Total							42,409.57	0.00	2,824.00	1,060.00	3,884.00
Group # 3 Reservoirs Coll & Imp											
1	1	190000 Gal. Water Tank	03/20/95	N	SL	50	176,322.98	0.00	9,697.00	3,526.00	13,223.00
2	1	Unlocated	12/31/96	N	SL		7,216.23	0.00	0.00	0.00	0.00
3	1	Unlocated	12/31/96	N			0.00	0.00	0.00	0.00	0.00
Group # 3 Total							183,539.21	0.00	9,697.00	3,526.00	13,223.00
Group # 4 Wells & Springs											
1	1	Wells	01/01/85	N	SL	35	81,298.29	0.00	20,905.48	2,323.00	23,228.48
Group # 4 Total							81,298.29	0.00	20,905.48	2,323.00	23,228.48
Group # 5 Supply Mains											
1	1	Water Mains	01/01/85	N	SL	50	406,022.30	0.00	73,083.60	8,120.00	81,203.60
2	1	91 Additions	06/30/91	N	SL	50	11,936.85	0.00	1,552.07	239.00	1,791.07
3	1	92 Additions	06/30/92	N	SL	50	119.60	0.00	12.76	2.00	14.76
4	1	93 Additions	06/30/93	N	SL	50	2,022.05	0.00	181.54	40.00	221.54
5	1	94 Additions	06/30/94	N	SL	50	26,186.36	0.00	1,833.32	524.00	2,357.32
6	1	94 Additions - Corbin By-	06/30/94	N	SL	50	29,754.32	0.00	2,082.72	595.00	2,677.72
7	1	95 Additions Contract	03/20/95	N	SL	50	962,066.26	0.00	52,913.32	19,241.00	72,154.32
8	1	96 Additions	06/30/96	N	SL	50	1,414.76	0.00	42.15	28.00	70.15
Group # 5 Total							1,439,522.50	0.00	131,701.48	28,789.00	160,490.48
Group # 6 Pumping Equipment											
1	1	Pumping Equipment	01/01/85	N	SL	40	14,925.19	0.00	3,358.04	373.00	3,731.04
2	1	89 Additions	06/30/89	N	SL	40	5,372.08	0.00	1,141.25	134.00	1,275.25
3	1	90 Additions	06/30/90	N	SL	40	2,685.79	0.00	503.41	67.00	570.41
4	1	91 Additions	06/30/91	N	SL	40	4,689.75	0.00	761.82	117.00	878.82
5	1	92 Additions	06/30/92	N	SL	40	1,281.49	0.00	176.18	32.00	208.18
6	1	93 Additions	06/30/93	N	SL	40	875.98	0.00	98.65	22.00	120.65
7	1	94 Additions	06/30/94	N	SL	40	836.84	0.00	73.30	21.00	94.30
8	1	95 Additions	06/30/95	N	SL	40	2,511.53	0.00	157.18	63.00	220.18
9	1	96 Additions	06/30/96	N	SL	40	5,181.59	0.00	194.77	130.00	324.77
Group # 6 Total							38,360.24	0.00	6,464.60	959.00	7,423.60

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WHITLEY COUNTY WATER DIST #1
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Num	Loc	Salvage Property Description	ITC	Acquired	T	Method	Life	Cost/Basis	Exp./AFD	Prior Depr.	Cur. Depr.	End. Depr.
Group # 7 Water Treatment Equipment												
1	1	Treatment		01/01/85	N	SL	40	785.00	0.00	177.04	20.00	197.04
2	1	Chlorinator Pump		02/06/90	N	SL	10	277.14	0.00	219.66	28.00	247.66
3	1	92 Additions		06/30/92	N	SL	10	385.75	0.00	212.61	39.00	251.61
Group # 7 Total								1,447.89	0.00	609.31	87.00	696.31
Group # 8 Services												
1	1	Services		10/10/85	N	SL	50	125,961.07	0.00	22,672.76	2,519.00	25,191.76
2	1	Capitalized Labor		06/30/89	N	SL	50	7,717.73	0.00	1,330.92	154.00	1,484.92
3	1	90 Additions		06/30/90	N	SL	50	689.31	0.00	103.63	14.00	117.63
4	1	Capitalized Labor		06/30/90	N	SL	50	5,891.67	0.00	883.90	118.00	1,001.90
5	1	91 Additions		06/30/91	N	SL	50	1,275.75	0.00	166.36	26.00	192.36
6	1	Capitalized Labor		06/30/91	N	SL	50	3,665.96	0.00	476.26	73.00	549.26
7	1	Capitalized Labor		06/30/92	N	SL	25	5,078.76	0.00	1,117.18	203.00	1,320.18
8	1	Mt. Ash Expansion		06/30/93	N	SL	25	10,000.00	0.00	1,800.00	400.00	2,200.00
9	1	93 Additions		06/30/93	N	SL	25	2,329.04	0.00	419.06	93.00	512.06
10	1	Whitley County School		09/30/93	N	SL	25	148,623.50	0.00	25,266.06	5,945.00	31,211.06
11	1	94 Additions		06/30/94	N	SL	25	2,598.30	0.00	363.83	104.00	467.83
12	1	95 Additions		06/30/95	N	SL	25	7,275.29	0.00	727.52	291.00	1,018.52
13	1	95 Additions Contract 1		06/30/95	N	SL	25	351,099.05	0.00	38,620.93	14,044.00	52,664.93
14	1	96 Additions		06/30/96	N	SL	25	5,166.23	0.00	310.32	207.00	517.32
Group # 8 Total								677,371.66	0.00	94,258.73	24,191.00	118,449.73
Group # 9 Meters - Purchased												
1	1	Meters		01/01/85	N	SL	10	66,832.19	0.00	60,148.76	6,683.00	66,831.76
2	1	89 Additions		06/30/89	N	SL	10	2,315.91	0.00	1,968.93	232.00	2,200.93
3	1	90 Additions		06/30/90	N	SL	10	3,077.36	0.00	2,308.31	308.00	2,616.31
4	1	91 Additions		06/30/91	N	SL	10	1,018.72	0.00	662.29	102.00	764.29
5	1	93 Additions		06/30/93	N	SL	10	914.40	0.00	411.04	91.00	502.04
6	1	95 Additions		06/30/95	N	SL	10	185.00	0.00	46.75	19.00	65.75
7	1	96 Additions		06/30/96	N	SL	10	856.50	0.00	128.83	86.00	214.83
Group # 9 Total								75,200.08	0.00	65,674.91	7,521.00	73,195.91
Group # 10 Meters - Installed												
1	1	Installations		01/01/85	N	SL	10	31,934.88	0.00	28,740.92	3,193.00	31,933.92
2	1	89 Additions		06/30/89	N	SL	10	4,389.95	0.00	3,731.50	439.00	4,170.50
3	1	90 Additions		06/30/90	N	SL	10	2,560.38	0.00	1,920.26	256.00	2,176.26
4	1	91 Additions		06/30/91	N	SL	10	908.86	0.00	590.89	91.00	681.89
5	1	92 Additions		06/30/92	N	SL	10	2,307.08	0.00	1,269.19	231.00	1,500.19
6	1	93 Additions		06/30/93	N	SL	10	1,704.86	0.00	766.71	170.00	936.71
7	1	94 Additions		06/30/94	N	SL	10	2,637.87	0.00	923.47	264.00	1,187.47
8	1	95 Additions		06/30/95	N	SL	10	318.33	0.00	79.75	32.00	111.75
9	1	96 Additions		06/30/96	N	SL	10	323.05	0.00	48.15	32.00	80.15

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Num	Loc	Salvage Property Description	ITC	Acquired	T	Method	Life	Cost/Basis	Exp./AFD	Prior Depr.	Cur. Depr.	End. Depr.
Group # 10 Total								47,085.26	0.00	38,070.84	4,708.00	42,778.84
Group # 11 Office Equipment												
1	1	Office Equipment		10/10/85	N	SL	20	13,234.49	0.00	5,955.76	662.00	6,617.76
2	1	Safe		10/20/89	N	SL	20	125.00	0.00	50.79	6.00	56.79
3	1	Telephone System		12/21/90	N	SL	10	595.98	0.00	417.60	60.00	477.60
4	1	Operations manual		03/03/92	N	SL	10	1,000.00	0.00	583.33	100.00	683.33
5	1	Printer		03/27/92	N	SL	5	870.50	0.00	860.98	34.00	894.98
		Salvage:	700.00									
6	1	Upgrade Software/Conv.		02/24/93	N	SL	3	3,625.00	0.00	3,625.00	0.00	3,625.00
		Salvage:	3,625.00									
7	1	Time Clock		02/25/93	N	SL	5	284.95	0.00	275.46	57.00	332.46
8	1	Heating & A/C		05/01/95	N	SL	10	2,200.00	0.00	586.67	220.00	806.67
9	1	Equipment		06/30/95	N	SL	10	1,406.95	0.00	382.13	141.00	523.13
10	1	TV		04/15/96	N	SL	10	200.34	0.00	35.03	20.00	55.03
11	1	Computer System		05/17/96	N	SL	6	2,960.00	0.00	780.78	493.00	1,273.78
12	1	Battery Backup		06/17/96	N	SL	6	169.95	0.00	42.16	28.00	70.16
Group # 11 Total								26,673.16	0.00	13,595.69	1,821.00	15,416.69
Group # 12 Transportation Equipment												
1	1	56 Ford		05/15/89	N	SL	10	400.00	0.00	400.00	0.00	400.00
		Salvage:	400.00									
2	1	Chevette		05/02/90	N	SL	7	575.00	0.00	563.29	1.00	564.29
		Salvage:	570.29									
3	1	From Tom Petry		02/11/91	N	SL	7	1,550.00	0.00	1,531.13	221.00	1,752.13
4	1	1985 Dodge PU		10/20/93	N	SL	5	550.00	0.00	453.73	110.00	563.73
5	1	85 Ford PU		07/28/94	N	SL	5	2,000.00	0.00	1,366.67	400.00	1,766.67
6	1	88 Chevrolet PU		04/07/94	N	SL	5	5,422.50	0.00	4,067.38	1,085.00	5,152.38
7	1	1990 GMC Pickup		03/20/95	N	SL	5	8,020.86	0.00	4,411.30	1,604.00	6,015.30
8	1	Transportation Equipment		05/30/95	N	SL	5	1,067.00	0.00	533.10	213.00	746.10
9	1	International Dump Truck		10/09/96	N	SL	5	3,500.00	0.00	875.00	700.00	1,575.00
10	1	Utility Trailer		11/08/96	N	SL	5	1,600.00	0.00	373.33	320.00	693.33
Group # 12 Total								24,685.36	0.00	14,574.93	4,654.00	19,228.93
Group # 13 Communication Equipment												
1	1	Air Compressor		04/30/96	N	SL	10	425.00	0.00	71.33	43.00	114.33
Group # 13 Total								425.00	0.00	71.33	43.00	114.33
Group # 14												
1	1	Power Equipment		01/01/85	N	SL	10	14,898.09	0.00	10,888.48	1,490.00	12,378.48
2	1	Backhoe		02/20/96	N	SL	10	26,100.00	0.00	4,785.00	2,610.00	7,395.00
Group # 14 Total								40,998.09	0.00	15,673.48	4,100.00	19,773.48

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Num	Loc	Salvage Property Description	ITC	Acquired T	Method	Life	Cost/Basis	Exp./AFD	Prior Depr.	Cur. Depr.	End. Depr.	
Group # 15												
1	1	Communication Equipment		01/01/85	N	SL	10	4,547.99	0.00	4,093.40	455.00	4,548.40
2	1	Radio		08/19/92	N	SL	5	416.90	0.00	417.00	0.00	417.00
Group # 15 Total							4,964.89	0.00	4,510.40	455.00	4,965.40	
Grand Total							2,683,981.20	0.00	418,632.18	84,237.00	502,869.18	