

MCGHEE ENGINEERING, INC.

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January 25, 2007

Elizabeth O'Donnell, Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Case No. 2007-00045

RECEIVED

JAN 29 2007

PUBLIC SERVICE
COMMISSION

RE: North Logan Water District
Purchase Water Adjustment

Dear Ms. O'Donnell:

On behalf of the North Logan Water District, please find enclosed ten copies of a Purchase Water Adjustment. The adjustment is in response to their supplier's (Logan Todd Regional Water Commission) decision to raise the wholesale rate from \$2.91/1,000 gallons to \$3.31/1,000 gallons. In addition to the PWA, a copy of Logan Todd's rate change notice is attached.

If you have any questions or need additional information, please feel free to call our office or email chriswilcutt@mchsi.com.

Sincerely,

McGhee Engineering, Inc.



Chris Wilcutt P.E.
Project Engineer

Cc: North Logan Water District

See Attached PWA Calculation Spreadsheet (Attachment B)

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.

See Table 3 for Current NLWD Rates

See Table 4 for Revised NLWD Rates

7. Proposed effective date February 1, 2007.



(Signature of Utility Officer)

Tim Barr, Secretary/Treasurer
(Title)

Table 1
Logan Todd Regional Water Commission Base Rate

Usage Block	Rate per 1,000 Gallons
First 1,000 gallons	\$2.91
All Over 1,000 gallons	\$2.91

Table 2
Logan Todd Regional Water Commission Changed Rate

Usage Block	Rate per 1,000 Gallons
First 1,000 gallons	\$3.31
All Over 1,000 gallons	\$3.31

Table 3
Current North Logan Water District Rates

Rate Schedule (Effective 05-09-03 per PSC)

Meter Size All Sizes:

First	<u> 2,000</u>	Gallons @	<u> \$ 22.26</u>	Minimum Bill
Next	<u> 2,000</u>	Gallons @	<u> \$ 10.13</u>	per 1,000 Gallons
Next	<u> 6,000</u>	Gallons @	<u> \$ 6.32</u>	per 1,000 Gallons
Next	<u> 15,000</u>	Gallons @	<u> \$ 5.97</u>	per 1,000 Gallons
All Over	<u> 25,000</u>	Gallons @	<u> \$ 5.62</u>	per 1,000 Gallons

Table 4
Revised North Logan Water District Rates

Meter Size All sizes:

First	<u> 2,000</u>	Gallons @	<u> \$ 23.24</u>	Minimum Bill
Next	<u> 2,000</u>	Gallons @	<u> \$ 10.62</u>	per 1,000 Gallons
Next	<u> 6,000</u>	Gallons @	<u> \$ 6.81</u>	per 1,000 Gallons
Next	<u> 15,000</u>	Gallons @	<u> \$ 6.46</u>	per 1,000 Gallons
All Over	<u> 25,000</u>	Gallons @	<u> \$ 6.11</u>	per 1,000 Gallons

Exhibit A

Supplier's Notice of Rate Change

WHOLESALE WATER RATE RESOLUTION

RESOLUTION OF THE LOGAN/TODD REGIONAL WATER COMMISSION ESTABLISHING THE WHOLESALE WATER RATE OF SAID COMMISSION.

WHEREAS, the Board of Commissioners (the "Commission") of the Logan/Todd Regional Water Commission (the "Commission") is in the process of obtaining permanent financing from the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with the construction of a new water treatment facility and distribution system (the "System"), of the Commission, and

WHEREAS, RD has issued its Letter of Conditions wherein it is stated that in order for RD to provide the permanent financing for the System, certain wholesale water rates must be established,

WHEREAS, in order to comply with the RD Letter of Conditions, the Commission hereby establishes the wholesale water rates set forth herein.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE LOGAN/TODD REGIONAL WATER COMMISSION DOES RESOLVE AS FOLLOWS:

Section 1. Amendment of Existing Rate Resolution. That the previous wholesale water rate Resolution of the Commission is hereby amended so as to implement the rates required by RD in connection with the permanent financing of the System.

Section 2. New Wholesale Water Rate. That the wholesale water rate for water service furnished by the Commission to its members is hereby fixed and established to be \$3.31 per 1,000 gallons. Said wholesale water rate shall be effective for water furnished by the Commission on and after February 1, 2007.

Section 3. Severability. That if any clause, provision, paragraph or section of this Resolution be ruled void or unenforceable by any court of competent jurisdiction, the remainder thereof is intended to be adopted and shall be in full force and effect notwithstanding.

Section 4. All Former Provisions in Conflict Repealed; Effective Date of Resolution. That all orders, resolutions, motions or parts thereof, insofar as same may be in conflict herewith, are repealed, and this Resolution shall take effect from and after its passage, approval and publication as provided by law.

Adopted and approved on this December 21, 2006.

Logan/Todd Regional Water Commission

Robert S. Dlouhy
Chairman

Attest:

Sandra Walton
Secretary

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Logan/Todd Regional Water Commission, that the foregoing Resolution is a true copy of a Resolution duly adopted by the Commission of said Commission at a meeting held on December 21, 2006, that said Resolution has been ordered to be published as required by law, and that said Resolution appears as a matter of public record in the official records of said Commission

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, that said Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as Secretary of the Commission and the official Seal of the Commission on this December 21, 2006.

Sandra Walton
Secretary

(Seal of Commission)

LOGAN/TODD REGIONAL WATER COMMISSION
 248 Tower Street, P. O. Box 400, Guthrie, KY 42234
 Phone: (270) 483-6990, Fax: (270) 483-6691
 January 11, 2007

- COMMISSION MEMBER ENTITIES**
- ADAIRVILLE
 - AUBURN
 - EAST LOGAN WATER DISTRICT
 - ELKTON
 - GUTHRIE
 - LEWISBURG
 - NORTH LOGAN WATER DISTRICT
 - OAK GROVE
 - RUSSELLVILLE
 - SOUTH LOGAN WATER ASSOCIATION
 - TODD COUNTY WATER DISTRICT
 - TRENTON

To Whom It May Concern:

At its board meeting held December 21, 2006, the Logan/Todd Regional Water Commission passed a resolution denoted **WHOLESALE WATER RATE RESOLUTION** in order to comply with the Rural Development Letter of Conditions related to long-term financing of its regional water project.

This resolution states in part that "the wholesale water rate for water service furnished by the Commission to it's (sic) members is hereby fixed and established to be \$3.31 per 1,000 gallons. Said wholesale water rate shall be effective for water furnished by the Commission on and after February 1, 2007."

Brent H. Traugber
 Brent H. Traugber, P. E.
 System Manager/Executive Director

Sandra A. Walton
 Sandra A. Walton
 Secretary/Treasurer

Exhibit B

**Purchase Water Adjustment
Calculation Spreadsheet**

Cost of Water Calculation for Purchased Water Adjustment

Month	Actual (From NLWD Records) Quantity (Gallons)			Cost of Purchased Water	
	Purchased	Sold - Retail	Sold - Other	Old Rate	New Rate
January 2006	2,411,000	2,040,950	-	\$ 7,016	\$ 7,980
February 2006	2,167,000	2,190,720	-	\$ 6,306	\$ 7,173
March 2006	2,286,000	1,786,610	-	\$ 6,652	\$ 7,567
April 2006	2,397,000	1,796,660	-	\$ 6,975	\$ 7,934
May 2006	2,528,000	1,924,300	-	\$ 7,356	\$ 8,368
June 2006	3,022,000	2,599,530	-	\$ 8,794	\$ 10,003
July 2006	3,409,000	2,375,420	-	\$ 9,920	\$ 11,284
August 2006	3,708,000	3,212,100	-	\$ 10,790	\$ 12,273
September 2006	2,833,000	2,729,160	-	\$ 8,244	\$ 9,377
October 2006	3,031,000	2,114,030	-	\$ 8,820	\$ 10,033
November 2006	2,423,000	2,707,930	-	\$ 7,051	\$ 8,020
December 2006	2,984,000	1,896,840	-	\$ 8,683	\$ 9,877
TOTALS	33,199,000	27,374,250	-	\$ 96,609	\$ 109,889
Monthly Average	2,766,583	2,281,188	-		

Old LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 2.91
All Over 1,000 Gallons	\$ 2.91

New LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 3.31
All Over 1,000 Gallons	\$ 3.31

Purchased Water Adjustment Factor Calculation	
Cost Difference (New-Old)	\$ 13,280
PWA Factor (\$/1000 gal)	\$ 0.49

Notes:

1. All purchased and sold quantities are from NLWD records.