

CASE

NUMBER:

99-320

INDEX FOR CASE: 99-320
CUNNINGHAM WATER DISTRICT
Rates - ARF

IN THE MATTER OF THE ALTERNATIVE RATE FILING OF CUNNINGHAM
WATER DISTRICT

SEQ NBR	ENTRY DATE	REMARKS
0001	07/29/99	Application.
0002	08/02/99	Acknowledgement letter.
0003	08/10/99	No def. letter
M0001	08/27/99	JULIAN HOBBS-NOTICE OF INTENT FOR RATE INCREASE
0004	09/14/99	Order issuing Staff Report; comments or request for hearing due 9/24
0005	10/20/99	FINAL ORDER APPROVING RATES



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-320
CUNNINGHAM WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on October 20, 1999.

Parties of Record:

Julian P. Hobbs
Treasurer
Cunningham Water District
Route #1, Box 39A
Cunningham, KY. 42035

Stephanie D. Bell

Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUNNINGHAM WATER)
DISTRICT FOR A RATE ADJUSTMENT PURSUANT) CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE) 99-320
FOR SMALL UTILITIES)

ORDER

On July 29, 1999, Cunningham Water District ("Cunningham") filed an application for Commission approval of proposed rates. The proposed rates for water service would generate additional annual revenues of \$2,728, an increase of 15.66 percent above normalized operating revenues.

By Order dated September 14, 1999, the Commission issued a Staff Report that was prepared upon review of Cunningham's test-year operations. Staff's report recommended that Cunningham's requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such comments or requests were made.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.
2. The rates in Appendix A will produce annual revenue from water sales of \$20,144.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.
2. The rates in Appendix A are approved for service rendered by Cunningham on and after the date of this Order.
3. Within 30 days of the date of this Order, Cunningham shall file with the Commission its revised tariff setting out the rates approved herein.
4. Three years from the date of this Order Cunningham shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 20th day of October, 1999.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-320 DATED OCTOBER 20, 1999.

The following rates and charges are prescribed for the customers in the area served by Cunningham Water District. 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

First	2,000 gallons	\$7.65	Minimum bill
Next	3,000 gallons	2.20	per 1,000 gallons
Over	5,000 gallons	1.80	per 1,000 gallons
Bulk Sales		2.00	per 1,000 gallons



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 14, 1999

Julian P. Hobbs
Treasurer
Cunningham Water District
Route #1, Box 39A
Cunningham, KY. 42035

RE: Case No. 99-320

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephani Bell
Secretary of the Commission

SB/sa
Enclosure

99-320

NOTICE OF INTENDED RATE INCREASE

The rates contained in this notice are the rates purposed by the Cunningham Water District. However the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association or body politic or person may request leave to intervene within thirty (30) days after notice of the rate change is given.

A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkle Lane, P.O. Box 615, Frankfort, KY, 40602, and shall set forth the grounds for the motion, including the status and interest of the movant.

Copies of the application may be obtained at no charge from the Cunningham Water District by contacting at no charge from the Cunningham Water District by contacting Peck Hobbs at 642-2593 or Hughilot Moss at 642-2526.

Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

COMPARISON OF RATES

Current Rates

First 2,000 gallons.....\$6.00 Minimum Bill
Next 3,000 gallons.....\$2.00 per 1,000 gallons
Over 5,000 gallons.....\$1.75 per 1,000 gallons

Proposed Rates

First 2,000 gallons.....\$7.65 Minimum Bill
Next 3,000 gallons.....\$2.20per 1,000 gallons
Over 5,000 gallons.....\$1.80 per 1,000 gallons

Julian Hobbs
Sec/Treas

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUNNINGHAM WATER)
DISTRICT FOR A RATE ADJUSTMENT PURSUANT) CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE) 99-320
FOR SMALL UTILITIES)

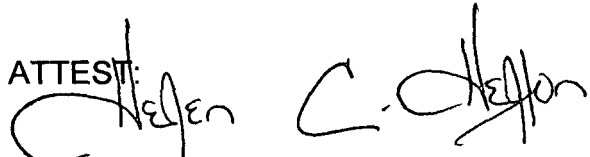
ORDER

On July 29, 1999, Cunningham Water District ("Cunningham") filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of Cunningham's operations, has prepared the attached Staff Report containing Staff's findings and recommendations regarding the proposed rates. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 14th day of September, 1999.

ATTEST:


Executive Director

By the Commission

STAFF REPORT
ON
CUNNINGHAM WATER DISTRICT
CASE NO. 99-320

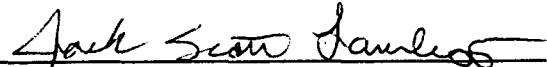
Pursuant to a request by Cunningham Water District ("Cunningham") for assistance with the preparation of a rate application, Commission Staff ("Staff") performed a limited financial review of Cunningham's test year operations, the calendar year ending December 31, 1998. The scope of Staff's review was limited to obtaining information as to whether the test period operating revenues and expenses were representative of normal operations. Insignificant or immaterial discrepancies were not pursued and are not addressed herein.

Upon completion of the review, Staff assisted Cunningham in the development and preparation of a rate application. The application included an adjusted pro forma operating income statement wherein adjustments were made to test year operating revenues and expenses that were known and measurable and deemed to be reasonable. The rates proposed by Cunningham were based on the pro forma income statement as shown in Attachment A of the application. Attachment A also includes the revenue requirement calculation using an 88 percent operating ratio. The rates proposed to meet the \$20,144 revenue requirement are shown in Attachment D of the application.

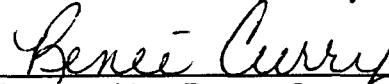
On July 29, 1999, Cunningham submitted the rate application that was prepared under the supervision of Staff to the Commission for consideration. Staff is hereby adopting the contents of that application as its recommendation in this report as if fully

set out herein. Renee Curry is responsible for all revenue adjustments and calculation of the proposed rates. Scott Lawless is responsible for the determination of the revenue requirement. Based on the information included in Cunningham's application, Staff is of the opinion that the rates proposed by Cunningham, as shown in Attachment A of this report, are reasonable and should be approved by this Commission.

Signatures



Prepared by: Jack Scott Lawless, CPA
Financial Analyst, Water and Sewer
Revenue Requirements Branch
Division of Financial Analysis



Prepared by: Renee Curry
Rate Analyst, Communications, Water,
and Sewer Rate Design Branch
Division of Financial Analysis

ATTACHMENT A
STAFF REPORT CASE NO. 99-320
STAFF'S RECOMMENDED RATES

Monthly Water Rates

First	2,000 gallons	\$ 7.65 Minimum Bill
Next	3,000 gallons	2.20 per 1,000 gallons
Over	5,000 gallons	1.80 per 1,000 gallons
Bulk Sales		2.00 per 1,000 gallons



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 10, 1999

Julian P. Hobbs
Treasurer
Cunningham Water District
Route #1, Box 39A
Cunningham, KY. 42035

RE: Case No. 99-320
CUNNINGHAM WATER DISTRICT

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in black ink that reads "Stephanie J. Bell".

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

CUNNINGHAM WATER DISTRICT

FILED

Route 1 Box 39A Cunningham, Ky. 42035 • (502) 642-2593

JUL 29 1999

PUBLIC SERVICE
COMMISSION

July 27, 1999

RECORDED
JUL 29 1999
PUBLIC SERVICE
COMMISSION

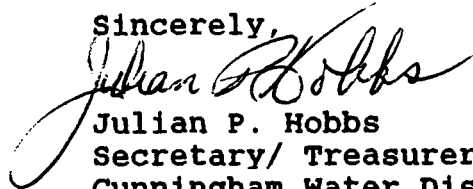
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

CASE 99-320

Please find enclosed the original and ten (10) copies of the rate application for an increase in rates for the customers of the Cunningham Water District of Cunningham, Carlisle County, Kentucky.

Enclosed also is a letter from the Judge of Carlisle county concerning the action of the Fiscal Court in regard to the proposed increase of pay to the commissioners of the Cunningham Water District and a copy of the notice of the proposed rate increased published in the Carlisle County Weekly.

Sincerely,



Julian P. Hobbs
Secretary/ Treasurer
Cunningham Water District



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 2, 1999

Julian P. Hobbs
Treasurer
Cunningham Water District
Route #1, Box 39A
Cunningham, KY. 42035

RE: Case No. 99-320
CUNNINGHAM WATER DISTRICT
(Rates - ARF)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received July 29, 1999 and has been assigned Case No. 99-320. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/jc

CUNNINGHAM WATER DISTRICT

Route 1 Box 39A Cunningham, Ky. 42035 • (502) 642-2593

FILED

JUL 29 1999

PUBLIC SERVICE
COMMISSION

July 27, 1999

FILED
JUL 29 1999
PUBLIC SERVICE
COMMISSION

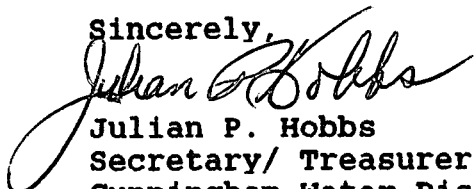
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, Kentucky 40602

CASE 99-320

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Enclosed also is a letter from the Judge of Carlisle county concerning the action of the Fiscal Court in regard to the proposed increase of pay to the commissioners of the Cunningham Water District and a copy of the notice of the proposed rate increased published in the Carlisle County Weekly.

Sincerely,



Julian P. Hobbs
Secretary/ Treasurer
Cunningham Water District

RECEIVED

JUL 29 1999

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

CASE 99-320

Cunningham Water District
Name of Utility

Route #1, Box 4

Cunningham, Kentucky 42035
Business Mailing Address

Telephone Number (502) / 642-2593
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and telephone number of the person to whom correspondence or communications concerning this application should be directed:

NAME: Julian P. Hobbs, Treasurer

Address: Route #1, Box 4

Cunningham, Kentucky 42035

Telephone Number: (502) 642-2593

- | | | | |
|----|---|------------|----|
| 1) | Do you have 500 customers or fewer? | <u>Yes</u> | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? | <u>Yes</u> | No |
| 3) | Has the utility filed an annual report with this Commission for the past year and the two previous years? | <u>Yes</u> | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | <u>Yes</u> | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for this rate revision is the one filed with the Commission for the 12 months ending December 31, 19__.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per</u> <u>Annual Report</u>	<u>Amount Per</u> <u>Annual Report</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Adjusted</u> <u>Amount</u>
<u>Revenue</u>	\$ _____	\$ _____	\$ _____
Total Revenue	\$ _____	\$ _____	\$ _____

Expense

See Attachment A

Total Expense	\$ _____	\$ _____	\$ _____
Revenue Less Expense	\$ _____	\$ _____	\$ _____

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

See Attachment A

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
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See Attachment B

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

District is in the process of hiring an operator to run system.

2) Total number of customers as of the date of filing: 133

3) Total amount of increased revenue requested: \$2,728

4) Please circle Yes or No:

- a) Does the utility have outstanding Long-term indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

- b) Were all revenues and expenses listed in the Annual Report for 19 98 incurred and collected from January 1 to December 31 of that year? Yes No

If no, list total revenue and total expense incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 1998 and the amount shown on this schedule.
- 6) ^{Depreciation schedule is included in 1998 Annual Report.} If utility is a sewer utility:
- N/A
- a) Attach a copy of the latest State and Federal Income Tax Returns.
- b) How much of the utility plant was recovered through the sale of lots or other contributions _____ \$ or %? (If unknown, state the reason.)

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

The increase in rates is necessary to cover increased operating costs since the last rate case.

IV. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using a declining block rate design. This billing analysis is not intended for companies using a flat rate design.

a. Usage Table (Usage by Rate Increment)

Information needed to complete the usage table should be obtained from the meter books or other available usage records. The usage table is used to spread total usage into the proper incremental rate step.

Column No. 1 is the incremental steps in the present or proposed rate schedule for which the analysis is being made. Column No. 2 is the number of bills in each incremental rate step. Column No. 3 is the total gallons used in each incremental rate step. Column Nos. 4, 5, 6, 7, 8, and 9 are labeled to correspond to the incremental rate steps shown in Column No. 1 and contain the actual number of gallons used in each incremental rate step.

Example for completing Usage Table is as follows:

Column No. 1 is incremental rate steps.

Columns numbered 2 and 3 are completed by using information obtained from usage records.

Columns numbered 4, 5, 6, 7, 8, and 9 are completed by the following steps:

Step 1: 1st 2,000 gallons minimum bill rate level
432 Bills
518,400 gallons used
All bills use 2,000 gallons or less, therefore,
all usage is recorded in Column 4.

Step 2: Next 3,000 gallons rate level
1,735 Bills
4,858,000 gallons used
1st 2,000 minimum x 1,735 bills = 3,470,000
gallons - record in Column 4
Next 3,000 gallons - remainder of water over
2,000 = 1,388,000 - record in Column 5

Step 3: Next 10,000 gallons rate level
1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000
gallons - record in Column 4
Next 3,000 gallons x 1,830 bills = 5,490,000
gallons - record in Column 5
Next 10,000 gallons - remainder of water over 3,000
= 7,118,700 gallons - record in Column 6

Step 4: Next 25,000 gallons rate level
650 Bills
15,275,000 gallons used
1st 2,000 minimum x 650 bills = 1,300,000
gallons - record in Column 4
Next 3,000 gallons x 650 bills = 1,950,000
gallons - record in Column 5
Next 10,000 gallons x 650 bills = 6,500,000
gallons - record in Column 6
Next 25,000 gallons - remainder of water over 10,000
= 5,525,000 gallons - record in Column 7

Step 5: Over 40,000 gallons rate level
153 Bills
9,975,600 gallons used
1st 2,000 minimum x 153 bills = 306,000
gallons - record in Column 4
Next 3,000 gallons x 153 bills = 459,000
gallons - record in Column 5
Next 10,000 gallons x 153 bills = 1,530,000
gallons - record in Column 6
Next 25,000 gallons x 153 bills = 3,825,000
gallons - record in Column 7
Over 40,000 gallons - remainder of water over 25,000
= 3,855,600 gallons - record in Column 8

Step 6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains revenue produced.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, Kentucky 40602

Telephone: 502/564-3940

c. One copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

- 2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.
- 3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502/564-3940.
- 4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed

Julian G. Hobbs

Officer of the Company

Title

Deputy Treasurer

Date

7-18-99

Cunningham Water District
Pro forma Operating Income Statement and Revenue Requirement Calculation

	Test Year	Adjustments	Ref.	Pro forma Present Rates	Adjustments	Pro forma Proposed Rates
Water sales revenue	18,418	(1,002)	A	17,416	2,728	20,144
OPERATING EXPENSES						
Operation and Maintenance Expenses						
Meter reading and billing expenses	1,500	900	B	2,400		2,400
Insurance	1,237			1,237		1,237
Legal and accounting	425			425		425
Office supplies and postage	701			701		701
Utilities	1,509			1,509		1,509
Supplies	5			5		5
Chemicals	193			193		193
Repairs and maintenance	3,983	300	C	4,283		4,283
Outside services	1,610			1,610		1,610
Miscellaneous	570			570		570
Total Operation and Maintenance	11,733	1,200		12,933	-	12,933
Taxes Other Than Income Taxes	625	(575)	D	50		50
Depreciation	4,744			4,744		4,744
Total Operating Expenses	17,102	625		17,727	-	17,727
Net Operating Income	1,316	(1,627)		(311)	2,728	2,417

Calculation of Revenue Requirements using Operating Ratio

Operating Expenses	17,727
Divide by: 88%	<u>88%</u>

Total Revenue Requirement	20,144
Normalized Operating Revenue	(17,416)

Required Increase	<u>2,728</u>
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Attachment A

Cunningham Water District
Detail of Adjustments to Pro forma Operating Income Statement

A

To adjust test year water sales to billing analysis.

Pro forma	17,416
Less: Test year	(18,418)
Adjustment	<u><u>(1,002)</u></u>

B

To adjust expenses for increase cost of meter reading and billing services.

Pro forma monthly meter reading fee	150
Pro forma monthly billing and accounting fee	<u>50</u>
Total monthly fee	200
Annualize	<u>12</u>
Total Pro forma	2,400
Less: Test year	(1,500)
Adjustment	<u><u>900</u></u>

C

To adjust test year expenses for increase in plant inspection charges.

Pro forma monthly inspection fee	50
Annualize	<u>12</u>
Total Pro forma	600
Less: Test year	(300)
Adjustment	<u><u>300</u></u>

D

To eliminate school and sales taxes from operating expenses.

School tax	(516)
Sales tax	(59)
Adjustment	<u><u>(575)</u></u>

COMPARISON OF RATES

Current Rates		
First	2,000 gallons	\$ 6.00 Minimum Bill
Next	3,000 gallons	2.00 per 1,000 gallons
Over	5,000 gallons	1.75 per 1,000 gallons

Proposed Rates		
First	2,000 gallons	\$ 7.65 Minimum Bill
Next	3,000 gallons	2.00 per 1,000 gallons
Over	5,000 gallons	1.80 per 1,000 gallons

Gallon Usage	Current Rates	Proposed Rates	Increase	Percentage
2000	\$6.00	\$7.65	\$1.65	27.50%
3000	8.20	9.85	\$1.65	20.12%
4000	10.40	12.05	\$1.65	15.87%
5000	12.60	14.25	\$1.65	13.10%
6000	14.35	16.05	\$1.70	11.85%
7000	16.10	17.85	\$1.75	10.87%
8000	17.85	19.65	\$1.80	10.08%
9000	19.60	21.45	\$1.85	9.44%
10000	21.35	23.25	\$1.90	8.90%
15000	30.10	32.25	\$2.15	7.14%
20000	38.85	41.25	\$2.40	6.18%
25000	47.60	50.25	\$2.65	5.57%
30000	56.35	59.25	\$2.90	5.15%
35000	65.10	68.25	\$3.15	4.84%
50000	91.35	95.25	\$3.90	4.27%
75000	135.10	140.25	\$5.15	3.81%
100000	178.85	185.25	\$6.40	3.58%
200000	353.85	365.25	\$11.40	3.22%

BILLING ANALYSIS FOR: CUNNINGHAM WATER DISTRICT
 TEST PERIOD 12 MONTHS ENDING: DECEMBER 31, 1998
 USAGE TABLE

CLASS	USAGE	BILLS	GALLONS	FIRST	NEXT	OVER	TOTAL
FIRST	2,000	380	471,050	2,000	3,000	5,000	471,050
NEXT	3,000	708	2,472,050	1,416,000	1,056,050		2,472,050
OVER	5,000	493	3,725,100	986,000	1,479,000	1,260,100	3,725,100

TOTAL 1,581 6,668,200 2,873,050 2,535,050 1,260,100 6,668,200

REVENUE TABLE
 CURRENT RATES
 REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	1,581	2,873,050	\$6.00 \$9,486.00
NEXT	3,000		2,535,050	2.20 5,577.11
OVER	5,000		1,260,100	1.75 2,205.18
Bulk Sales			118,000	\$1.25 \$147.50

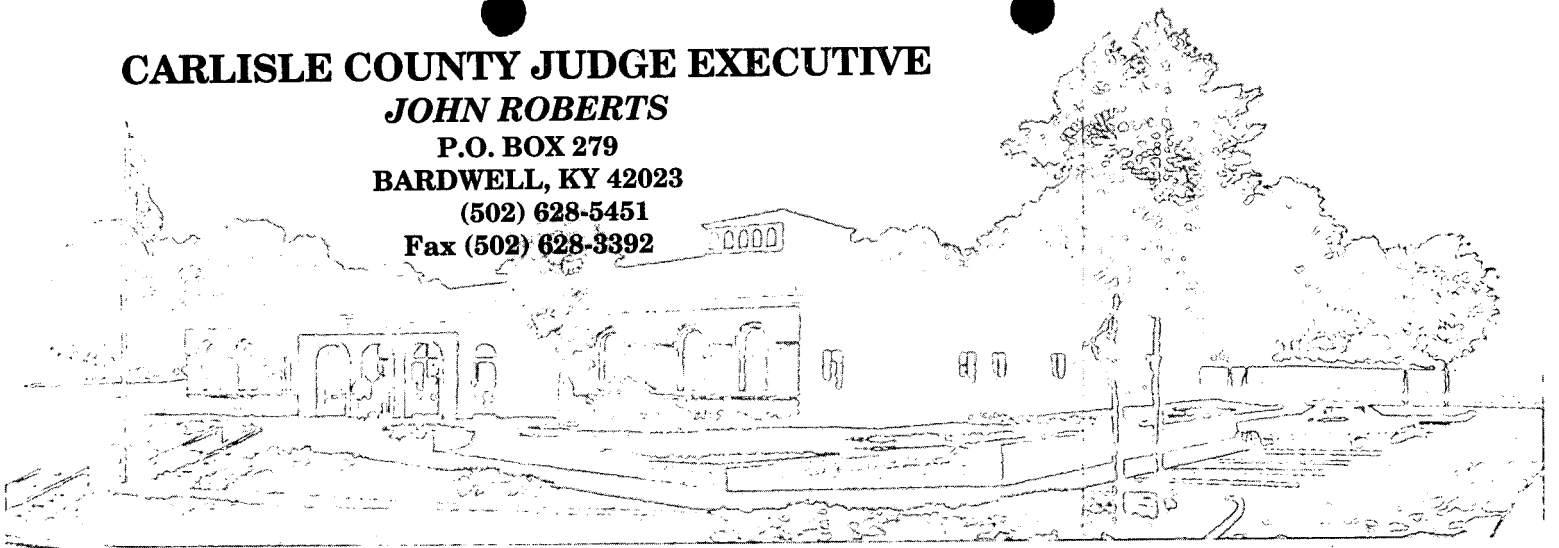
TOTAL 1,581 6,786,200 \$17,415.79

VERIFICATION OF PROPOSED RATES

	Bills	Gallons	Rate	Revenue
First 2,000 gallons	1,581	2,873,050	\$7.65	\$12,094.65
Next 3,000 gallons		2,535,050	2.20	5,577.11
Over 5,000 gallons		1,260,100	1.80	2,268.18
Retail Revenue				19,939.94
Bulk Sales Revenue		118,000	\$2.00	\$236.00
Total Revenue		6,786,200		\$20,175.94

CARLISLE COUNTY JUDGE EXECUTIVE

JOHN ROBERTS
P.O. BOX 279
BARDWELL, KY 42023
(502) 628-5451
Fax (502) 628-3392



May 26, 1999

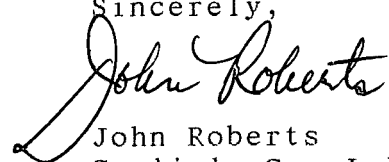
Hughilot Moss
Route 1
Cunningham, KY 42035

RECEIVED
JUL 29 1999
PUBLIC SERVICE
COMMISSION

Dear Hughilot:

It was brought to our attention that the Cunningham Water District salaries and not had an increase in quite some time. It was then brought before the Fiscal Court to approve the increase in salaries for the secretary/treasurer and for the manager/chairman.

Enclosed is a copy of the minutes from that meeting showing the increase for each. Thank you for a job well done.

Sincerely,

John Roberts
Carlisle Co. Judge/Executive

JR:gt

CARLISLE COUNTY FISCAL COURT
May 4, 1999

Judge Exec. John Roberts presiding with the following magistrates present:
Esquires; Wilson, Mathis, Presson and McPherson.

Also present: Theresa Owens - County Clerk, Lavada Bean - County Treasurer,
Michael Hogancamp - County Attorney, Tommy Case - DES Director, Greg Terry- Road
Foreman, Steve McChristian - Sheriff and Larry Dale Byassee - Jailer.

Visitors present: Zane Teeters and Kay Presson

On motion by Esquire Wilson and seconded by Esquire Mathis to approve the
minutes of the last regular meeting. All magistrates present voting aye, motion
carried.

On motion by Esquire McPherson and seconded by Esquire Wilson to approve the
repair of paint on ambulance unit 419. All magistrates present voting aye, motion
carried.

On motion by Esquire McPherson and seconded by Esquire Wilson to approve
the donation of the rescue squad fire truck (1964 Intl) to a rural fire department
in Marshall County. All magistrates present voting aye, motion carried.

On motion by Esquire Mathis and seconded by Esquire McPherson to open the
CRA hearing. All magistrates present voting aye, motion carried.

On motion by Esquire Mathis and seconded by Esquire Wilson to close the CRA
hearing. All magistrates present voting aye, motion carried.

On motion by Esquire Mathis and seconded by Esquire Wilson to open the
LGEA hearing. All magistrates present voting aye, motion carried.

On motion by Esquire Wilson and seconded by Esquire Mathis to close the
LGEA hearing. All magistrates present voting aye, motion carried.

On motion by Esquire McPherson and seconded by Esquire Presson to
advertise for bids for rock, hauling, gas, and RS2. All magistrates present
voting aye, motion carried.

On motion by Esquire Mathis and seconded by Esquire Wilson to commit to
purchase an oil distributor from Larry Heurman for \$35,000.00 provided it is in the
same condition as when the commitment was made. All magistrates present voting
aye, motion carried.

Zane Teeters requested the Sheriff and ambulance to be on call for the
GRRDC bike trail rede 5-29-99.

On motion by Esquire McPherson and seconded by Esquire Mathis to approve
the 1st reading of proposed 99/00 budget. All magistrates present voting aye,
motion carried.

On motion by Esquire McPherson and seconded by Esquire Presson to approve the
monthly salary increases for the Cunningham Water District employees (increase to
\$100 for secretary/treasurer, increase to \$200 for manager/chairman). All magistrates
present voting aye, motion carried.

On motion by Esquire Mathis and seconded by Esquire McPherson to approve the
following transfers:

TRANSFER: \$2289 FROM 01-5080-525 TO 01-5001-105
\$1700 FROM 01-5080-525 TO 01-5080-578
\$1000 FROM 02-9200-999 TO 02-6105-576
\$ 304 FROM 03-9200-999 TO 03-9400-202
\$5000 FROM 76-9200-999 TO 76-5145-159
\$ 600 FROM 08-9200-999 TO 08-5135-578

All magistrates present voting aye, motion carried.

On motion by Esquire Wilson and seconded by Esquire McPherson to approve the following emergency transfers:

EMERGENCY
TRANFERS: \$1000 FROM 01-9200-999 TO 01-9300-999
\$1000 FROM 01-9300-999 TO 76-9200-999
\$1000 FROM 01-9200-999 TO 01-9300-999
\$1000 FROM 01-9300-999 TO 08-9200-999

All magistrates present voting aye, motion carried.

On motion by Esquire Wilson and seconded by Esquire McPherson to approve the Treasurers' monthly report. All magistrates present voting aye, motion carried.

On motion by Esquire McPherson and seconded by Esquire Presson to approve the claims. All magistrates present voting aye, motion carried.

On motion by Esquire Wilson and seconded by Esquire McPherson to go into closed session. All magistrates present voting aye, motion carried.

On motion by Esquire Wilson and seconded by Esquire McPherson to go into open session. All magistrates present voting aye, motion carried.

On motion by Esquire Presson and seconded by Esquire Wilson to hire Larry Tolbert on the road department at the same salary as current road employees due to the fact of already having a CDL license and the ability to operate equipment. All magistrates present voting aye, motion carried.

On motion by Esquire Presson and seconded by Esquire Mathis to adjourn. All magistrates present voting aye, motion carried.

NOTICE OF INTENDED RATE INCREASE

The rates contained in this notice are the rates proposed by the Cunningham Water District. However the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association or body politic or person may request leave to intervene within thirty (30) days after notice of the rate change is given.

A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 730 Schenkle Lane, P O Box 615, Frankfort, KY., 40602, and shall set forth the grounds for the motion, including the status and interest of the movant.

Copies of the application may be obtained at no charge from the Cunningham Water District by contacting Peck Hobbs at 642-2593 or Hughilot Moss at 642-2526.

Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

COMPARISON OF RATES

Current Rates

First 2,000 gallons. . . . \$6.00 Minimum Bill
Next 3,000 gallons. . . . \$2.00 per 1,000 gallons
Over 5,000 gallons. . . . \$1.75 per 1,000 gallons

Proposed Rates

First 2,000 gallons. . . . \$7.65 Minimum Bill
Next 3,000 gallons. . . . \$2.00 per 1,000 gallons
Over 5,000 gallons. . . . \$1.80 per 1,000 gallons