

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 15 2005

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:)
)
EAST CLARK COUNTY WATER)
DISTRICT,)
COMPLAINANT)
)
V.)
)
CITY OF WINCHESTER, ACTING)
BY AND THROUGH WINCHESTER)
MUNICIPAL UTILITIES COMMISSION,)
DEFENDANT)

CASE NO. 2005-00322

ANSWER TO VERIFIED FORMAL COMPLAINT

* * * * *

Comes the City of Winchester, acting by and through Winchester Municipal Utilities Commission (hereinafter "WMU"), and for its Answer to the Verified Formal Complaint filed against it by East Clark County Water District (hereinafter "East Clark"), states as follows:

1. WMU admits paragraphs 1 and 2 of the Complaint regarding the parties, their status, and this Commission's jurisdiction, except it objects to the Commission's jurisdiction to consider Count IV of the Complaint.

2. East Clark, a rural water district, and WMU, a city utility, entered into a Water Purchase Agreement on July 19, 1999 (hereinafter "the 1999 Agreement"), a copy of which was attached as Exhibit "A" to East Clark's Complaint. Through good faith negotiations WMU and East Clark have amended the 1999 Agreement to add additional connections for East Clark to the WMU system by

First Amended Water Purchase Agreement dated January 7, 2003 (see attached Exhibit "A").

3. In 2004, East Clark approached WMU regarding its desire to amend the 1999 Agreement to provide for additional water allocation to East Clark and to adjust the price which WMU was going to pay to East Clark for water repurchased. Due to the request for additional water, WMU also requested that the parties consider amending the 1999 Agreement to provide the procedure to implement the SDC provisions of paragraph 15 thereof. Over a period of eight months WMU and East Clark representatives held several meetings and negotiated an agreement to modify the 1999 Agreement to increase East Clark's water allocation by 100,000 gallons per day and to implement the collection of the SDC fees as provided in paragraph 15 of the 1999 Agreement. The parties were unable to reach agreements on the other matters. To memorialize the agreement reached, WMU prepared a written Second Amendment to the 1999 Agreement which was approved by the WMU Commission and the Board of Commissioners of the City of Winchester. See Exhibit "B" hereto. Before the Second Amendment could be presented to East Clark representatives, East Clark employed other counsel and began to dispute for the first time the rate which East Clark was to pay to WMU and the other matters set forth in the Verified Complaint. Accordingly, WMU denies that it has refused to permit East Clark to purchase sufficient water to serve its customers upon reasonable terms and conditions or that it has failed to

negotiate in good faith regarding all of the matters raised in the Verified Complaint.

4. Regarding the rate to be paid by East Clark to WMU for water purchased, paragraph 8 of the 1999 Agreement provides:

8. **Compensation.** For the first five years, the compensation which ECCWD shall pay to WMU for water furnished under this Agreement shall be ninety-six cents (\$0.96) per hundred cubic feet, excluding surcharges as defined in Paragraph 8 and System Development Charges as defined in Paragraph 15 of this Agreement. The said rate shall be subject to increase or decrease at any time the City, in its sole discretion, changes the water rates for other customers of WMU. The amount of the increase or decrease of the rate hereinabove fixed shall be directly proportional to the increase or decrease produced by such rate change in WMU's gross revenues received for water from its other customers. Any revised rate shall be rounded to the nearest cent. "Other customers" as used herein shall mean regular customers subject to the general water rate schedule fixed by the City from time to time and shall not include water districts or other customers subject to special contractual rates. After five years, the rate will be adjusted to the then current cost of service volumetric rate adjusted biannually according to cost of service methodology.

Under the 1999 Agreement, beginning in 1999 the rate which East Clark was charged for water was 96¢ per 100 cubic feet. This rate was adjusted without objection in accord with the provisions of paragraph 9 of the 1999 Contract in 2000 to \$1.10 per 100 cubic feet; in 2001 to \$1.16 per 100 cubic feet; in 2002 to \$1.17 per 100 cubic feet; and in 2003 to \$1.18 per 100 cubic feet. All such increases were in proportion to rate increases imposed upon WMU customers system-wide. Pursuant to this provision, the rate under the 1999 Agreement payable by East

Clark to WMU for water purchased was to increase July 15, 2004. At the request of East Clark, WMU delayed the implementation of its new rate to East Clark until January 1, 2005. To implement said rate WMU filed Case No. 2004-00506 with the Public Service Commission and a new rate tariff to East Clark was approved by Order entered December 17, 2004 (see Exhibit "C" attached hereto). East Clark received notice of the filing of the new rate tariff, and advised the Commission in writing that it had no objections to the rate revision.

5. The Commission approved rate implemented in January 2005 for water sold by WMU to East Clark is based upon the volumetric cost of service rate study done by Thompson Environmental Network, Inc. in 1999 (hereinafter "1999 Rate Study"). The 1999 Rate Study was done at the request of WMU in conjunction with its review of its entire rate structure for all customers. WMU denies that the cost of service rates for wholesale customers recommended by the 1999 Rate Study are inaccurate and denies that the study did not comport with generally accepted cost of service principles and further denies that the study resulted in an unlawful or unreasonable allocation of expenses to East Clark and its customers. In fact, the cost of service rate recommended by the 1999 Rate Study for wholesale customers was \$1.93 per 100 cubic feet. The rate adjustment made in January 2005, when applied to East Clark's past two year average usage rate, results in a single volumetric rate of \$1.71

per 100 cubic feet, assuming that all of the water is purchased through one meter.

6. WMU denies that the rates charged by it to East Clark are excessive, unreasonable, or unlawful or that they are based upon inappropriate allocation of costs, unreasonable demand factors, or that such rates are the result of a rate structure whereby East Clark subsidizes the rates paid by WMU's other customers. WMU denies that East Clark is required to pay a rate different than the rate they agreed to pay in the 1999 Agreement whereby they agreed to pay "the then current cost-of- service volumetric rate." WMU denies that a declining block rate cannot be a "cost of service volumetric rate." WMU admits that East Clark is a wholesale customer and submits that the rate which has been approved by the Commission on December 17, 2004 in Case No. 2004-00506 is a cost of service volumetric rate. WMU denies that the 1999 Agreement requires a single volumetric rate.

7. Pursuant to paragraph 14 of the 1999 Agreement, East Clark agreed to resell water to WMU and WMU agreed to repurchase same upon certain terms and conditions. Paragraph 14 of the 1999 Agreement provided in part:

. . . the price to be paid for water repurchased by WMU pursuant to this paragraph shall initially be one and 24/100 dollars (\$1.24) per hundred cubic feet, and shall be increased or decreased at the same time and in the same proportion that the price paid by ECCWD to WMU for water under Paragraph 6 of this Agreement is increased or decreased.

8. East Clark's Complaint alleges that WMU had been informed that East Clark intended to impose retail rates for water repurchased by WMU and that in fact WMU had agreed to pay such rates. Moreover, East Clark alleges that it relied upon WMU's agreement to pay a retail rate for repurchased water in deciding not to contest the rate filing approved by the Commission in Case No. 2004-00506. At no time did WMU have any knowledge of East Clark's attempt to charge WMU retail rates for water repurchased prior to discovering same in a review of Commission records in February 2005. WMU specifically denies that there was any agreement with East Clark in which East Clark agreed not to oppose the rate increase filed by WMU in 2004 in exchange for WMU paying East Clark's retail rates for water purchased after January 2005. The rate to be charged to WMU for water repurchased from East Clark is specified in paragraph 14 of the 1999 Agreement and should be enforced.

9. East Clark's Complaint alleges that East Clark would not receive any rate increase for water repurchased by WMU from East Clark as a result of WMU's increase of rates to East Clark. This allegation is mistaken in that the 1999 Contract specifically provides at paragraph 14 that the price for repurchased water paid by WMU to East Clark "shall be increased or decreased at the same time and in the same proportion that the price paid by ECCWD to WMU for water under Paragraph 6 of this Agreement is increased or decreased." Accordingly, the parties' contract specifically provides that the price for water

repurchased by WMU will be increased at the same time that the price increase is imposed on East Clark for water it purchases from WMU.

10. WMU denies that the Commission has jurisdiction to construe portions of the 1999 Contract which East Clark alleges violate 7 U.S.C. Section 1926(b) and/or KRS 278.280 regarding whether or not the provisions for allocating or relinquishing territory to WMU as provided in paragraph 3 of the 1999 Agreement are enforceable and valid.

11. WMU denies that it has threatened to impose a 25% surcharge as set forth in the 1999 Agreement. In fact, although East Clark has exceeded their 400,000 gallon daily allocation three times, the last two of which were in June and July, 2005, at no time has WMU imposed a surcharge.

12. WMU denies that it has exerted leverage upon "a purported right to prevent East Clark from purchasing water from another supplier." The 1999 Agreement provides that WMU will be the exclusive provider of water to East Clark. At all times herein WMU has negotiated in good faith to increase the water allocation to East Clark and to bill same upon reasonable terms and conditions including a rate.

WHEREFORE, WMU requests that the Commission:

1. Dismiss the Verified Complaint of East Clark.
2. Reaffirm the approval of the Commission rendered in Case No. 2004-00506 on December 17, 2004, as set forth in the Order attached hereto as Exhibit "C" establishing WMU's rate to

East Clark after January 2005 to be in accord with the filed tariff.

3. Affirm the Order entered in Case No. 2005-00264 denying East Clark's attempt to impose rates for repurchased water which are effective after January 1, 2005 which are in violation of the parties' 1999 Agreement.

4. Deny for lack of jurisdiction the request that the Commission determine the parties' rights under the 1999 Agreement regarding the allegations that certain portions of the 1999 Agreement violate 7 U.S.C. Section 1926(b) and/or KRS 278.280 and other applicable statutes and regulations.

5. Approve the agreements reached by East Clark and WMU regarding the purchase of additional water allocations and the implementation of SDC's as set forth in the Second Amendment to the 1999 Water Purchase Agreement attached hereto as Exhibit "B".

6. Grant such other relief to WMU as may be appropriate.

WHITE, McCANN & STEWART, PLLC

BY 

John H. Rompf, Jr.
P. O. Box 578
Winchester, KY 40392-0578
Telephone No. (859) 744-2551
Fax No. (859) 744-2583

ATTORNEYS FOR DEFENDANT

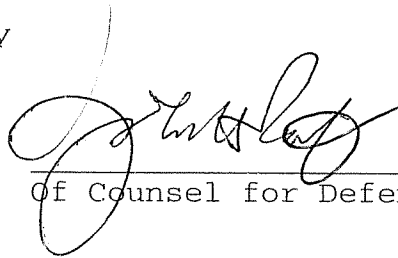
CERTIFICATE OF SERVICE

I certify that the foregoing has been served by mailing true copies of same on this 17 day of August, 2005, to the following:

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

Mr. William Ballard, Manager
East Clark County Water District
P. O. Box 112
Winchester, KY 40392-0112

Hon. C. Kent Hatfield
Hon. Deborah T. Eversole
Stoll, Keenon & Park, LLP
2650 Aegon Center
400 West Market Street
Louisville, KY 40202-3377
Counsel for East Clark County
Water District



Of Counsel for Defendant

CITY OF WINCHESTER, KENTUCKY

ORDER NO. 2003-27

AN ORDER APPROVING AN AMENDMENT TO
THE WATER PURCHASE CONTRACT WITH
EAST CLARK COUNTY WATER DISTRICT

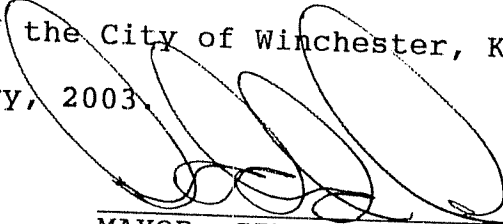
WHEREAS, the City of Winchester ("City") and Winchester Municipal Utilities ("WMU") have previously entered into a contract for the sale of water with East Clark County Water District ("ECCWD") dated July 15, 1999, and

WHEREAS, the ECCWD has requested WMU to allow it to connect to its system at additional locations in order to better serve its customers, and

WHEREAS, WMU has approved an Amended Water Purchase Agreement (the "Amended Agreement") to allow such connections by action of its Commission a true copy of which Amended Agreement is attached hereto as exhibit "A",


NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners of the City of Winchester, Kentucky that the Mayor execute the Amended Agreement with ECCWD and WMU, attached hereto as Exhibit "A", on behalf of the City of Winchester, Kentucky.

Introduced and adopted at a regular meeting of the Board of Commissioners of the City of Winchester, Kentucky held on the 7th day of January, 2003.



MAYOR, CITY OF WINCHESTER, KENTUCKY

ATTEST:



CITY CLERK

J:\JHR\wmu-eccwd-ordr

EXHIBIT

A

CITY OF WINCHESTER, KENTUCKY
by and through its
WINCHESTER MUNICIPAL UTILITIES COMMISSION
and
EAST CLARK COUNTY WATER DISTRICT

AMENDMENT TO WATER PURCHASE AGREEMENT

This Amendment to Water Purchase Agreement made and entered into this 12th day of December, 2002, by and between, the CITY OF WINCHESTER, KENTUCKY, a corporation of the third class located in Clark County, Kentucky (hereinafter referred to as "City"), by and through its WINCHESTER MUNICIPAL UTILITIES COMMISSION (hereinafter referred to as "WMU"), and EAST CLARK COUNTY WATER DISTRICT (hereinafter referred to as "ECCWD"), of Winchester, Clark County, Kentucky,

WITNESSETH

WHEREAS, the parties hereto had previously entered into a Water Purchase Agreement dated July 15, 1999 (hereinafter "Agreement"), and

WHEREAS, the parties desire to amend the Agreement in order to allow ECCWD to serve additional customers and to allow it additional connections to the WMU water system,

NOW THEREFORE, the parties agree to amend the Water Purchase Agreement as follows:

1. Notwithstanding paragraph 2 of the Agreement, ECCWD shall be entitled to connect to and purchase water from Kentucky American Water Company (KAWC) with a connection to be made on Kentucky Highway 1924 (Ford Road) just west of the railroad

OCT 17 2002

crossing at Dale Power Plant in order to serve no more than seven residential connections upon the following terms:

a. Sale of water to ECCWD by KAWC shall be at a rate negotiated by KAWC and ECCWD.

b. Payment for tap or other administrative fees, charges, or tariffs to KAWC shall be as approved by the Public Service Commission and paid by ECCWD.

c. Any additional service connections to this waterline extension shall be upon the prior written approval of WMU.

2. In addition to the master meters currently utilized by ECCWD to access water directly from WMU, WMU agrees to provide additional access to its system for the benefit of ECCWD and its customers as follows:

A. Kentucky Highway 627 at or near the northern boundary of Royal Oaks Subdivision upon the following terms and conditions:

1. Extension of the waterline from Royal Oaks Subdivision's existing facility shall be at the sole expense of ECCWD. Construction of the waterline from Royal Oaks Subdivision up to and including the meter and meter vault shall be as per WMU specifications set forth in the developer manual and current WMU policy.

2. The waterline extension shall be a minimum of six inch in diameter ductile iron to the meter vault.

3. ECCWD shall provide easement descriptions

to WMU for the waterline extension. WMU will prepare the easements in WMU standard format including standard WMU conditions. ECCWD shall acquire the easements and necessary signatures. All costs associated with the easement acquisition shall be borne by ECCWD including fees for preparation and recording costs.

4. ECCWD shall determine the size of the meter. Should the meter size exceed six-inch, the waterline extension shall be upsized to match the meter requirement. ECCWD shall pay the tap fee as ordained but shall pay no SDC. ECCWD shall be responsible all costs associated with installation of the waterline, meter assembly, and vault.

5. WMU shall have the right to inspect the waterline extension from Royal Oaks Subdivision to and including the meter vault. Upon satisfactory completion, this section of the waterline shall be dedicated to WMU for ownership and perpetual maintenance.

B. Connection at Kentucky Highway 1923 (Two Mile Road) at or near the terminus of ECCWD's existing waterline upon the following terms and conditions:

1. Extension of the waterline from the terminus of ECCWD's existing waterline on Kentucky Highway 1923 to the terminus of the existing WMU waterline approximately 1,100 feet shall be prorated as follows:

a. All pipe and fitting shall be at the expense of WMU.

b. Installation of pipe including all labor (including rock excavation and installation of pipe and fittings), materials (rock used as backfill, concrete for thrust blocks, and other), and equipment shall be at the expense of ECCWD.

2. All construction including the meter box shall be per WMU specifications as outlined in their developer manual and policy and current WMU policies. WMU shall have the right to inspect the waterline construction.

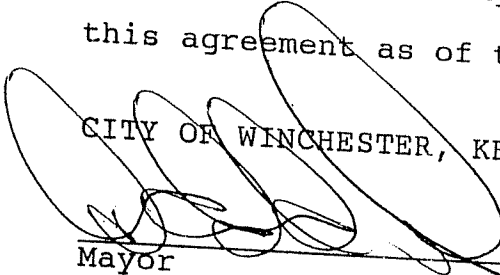
3. The waterline shall be eighteen inches in diameter and constructed of ductile iron. ECCWD shall determine the size of the meter.

4. ECCWD shall pay tap fees as ordained but shall pay no SDC.

5. Upon satisfactory completion, the waterline shall be dedicated to WMU for ownership and perpetual maintenance.

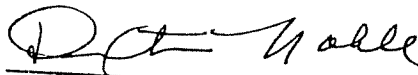
In testimony whereof, the parties hereto have executed this agreement as of the day herein first above written.

CITY OF WINCHESTER, KENTUCKY

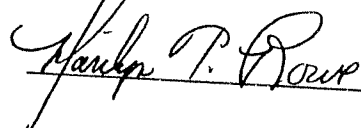


Mayor

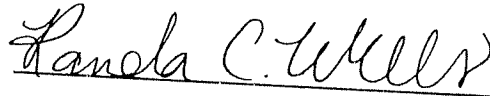
WINCHESTER MUNICIPAL
UTILITIES COMMISSION



ATTEST:



ATTEST:



EAST CLARK COUNTY
WATER DISTRICT

Harold Rogers, Chair

ATTEST:

Fred Farris Secretary, Treas.

CITY OF WINCHESTER, KENTUCKY

ORDER NO. 2005-27

AN ORDER APPROVING A SECOND AMENDMENT
TO THE WATER PURCHASE CONTRACT WITH
EAST CLARK COUNTY WATER DISTRICT
TO ALLOW ADDITIONAL CAPACITY

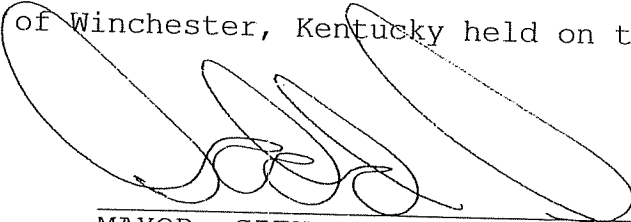
WHEREAS, the City of Winchester ("City") and Winchester Municipal Utilities ("WMU") have previously entered into a contract for the sale of water with East Clark County Water District ("ECCWD") dated July 15, 1999, and amendment thereto dated December 12, 2002, and

WHEREAS, the ECCWD has requested WMU to allow it additional capacity in order to better serve its customers, and

WHEREAS, WMU has approved a Second Amended Water Purchase Agreement (the "Amended Agreement") to allow such additional capacity by action of its Commission, a true copy of which Amended Agreement is attached hereto as Exhibit "A",

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners of the City of Winchester, Kentucky that the Mayor execute the Second Amended Agreement with ECCWD and WMU, attached hereto as Exhibit "A", on behalf of the City of Winchester, Kentucky.

Introduced and adopted at a regular meeting of the Board of Commissioners of the City of Winchester, Kentucky held on the 15th day of February, 2005.


MAYOR, CITY OF WINCHESTER, KENTUCKY
Dodd D. Dixon

ATTEST

CITY CLERK

EXHIBIT

B

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CITY OF WINCHESTER, KENTUCKY
by and through its
WINCHESTER MUNICIPAL UTILITIES COMMISSION
and
EAST CLARK COUNTY WATER DISTRICT

SECOND AMENDMENT TO WATER PURCHASE AGREEMENT

This Second Amendment to Water Purchase Agreement made and entered into this _____ day of _____, 2005, by and between the CITY OF WINCHESTER, KENTUCKY, a corporation of the third class located in Clark County, Kentucky (hereinafter referred to as "City"), by and through its WINCHESTER MUNICIPAL UTILITIES COMMISSION (hereinafter referred to as "WMU"), and EAST CLARK COUNTY WATER DISTRICT (hereinafter referred to as "ECCWD"), of Winchester, Clark County, Kentucky,

WITNESSETH

WHEREAS, the parties hereto had previously entered into a Water Purchase Agreement dated July 15, 1999 (hereinafter "Agreement"), and

WHEREAS, the parties hereto have amended the Agreement on December 12, 2002, and

WHEREAS, the parties desire to further amend the Agreement in order to allow ECCWD an additional quantity of water pursuant to paragraphs 6 and 7 thereof,

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. The first sentence of paragraph 6 of the Agreement is amended to provide that WMU agrees to sell and deliver to ECCWD up to 500,000 gallons per day as a peak day allocation.

2. In accord with paragraph 15 of the Agreement, ECCWD shall be assessed and shall pay to WMU SDC's for all meters set after January 1, 2005 at the rate provided in City of Winchester Ordinance No. 14-90 as now exists or hereafter may be amended. The SDC fees shall be paid by ECCWD quarterly beginning April 1, 2005 for all meters installed in the previous quarter.


ECCWD shall retain the right to collect SDC's from developers, property owners, customers or other parties within its retail water service territory in a manner of its choice.

Should the Kentucky Public Service Commission (PSC) issue an order resulting from Administrative Case No. 375, or any other current or future case, which conflicts with the provisions contained herein with regard to the permissibility, assessment, or payment of SDC's, this paragraph will be subject to negotiated amendment by the parties to bring the provisions of the Agreement into compliance with said PSC order.

3. In all other respects the Agreement as amended shall remain in full force and effect.

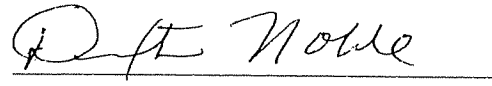
In testimony whereof, the parties hereto have executed this Agreement as of the day herein first above written.

CITY OF WINCHESTER, KENTUCKY



Mayor

WINCHESTER MUNICIPAL
UTILITIES COMMISSION



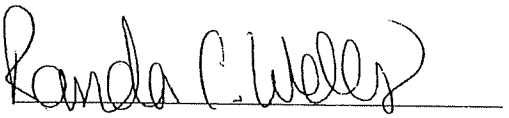
EAST CLARK COUNTY
WATER DISTRICT

ATTEST:



City Clerk

ATTEST:



ATTEST:



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

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P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
December 17, 2004

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WMU

Vernon Azevedo
Winchester Municipal Utilities
150 North Main Street
P.O. Box 4177
Winchester, KY 40392-4177

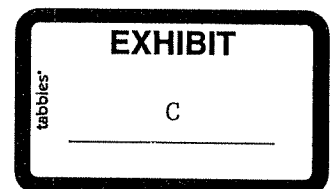
CERTIFICATE OF SERVICE

RE: Case No. 2004-00506
Winchester Municipal Utilities

I, Beth O'Donnell, Executive Director 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 addressee by U.S. Mail on December 17, 2004.

Executive Director

BOD/sa
Enclosure



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF WHOLESALE)
WATER SERVICE RATE OF WINCHESTER) CASE NO. 2004-00506
MUNICIPAL UTILITIES)

ORDER

On December 1, 2004, Winchester Municipal Utilities ("WMU") filed proposed revisions to its wholesale water service rate to East Clark County Water District. Under the proposed revisions, WMU's wholesale rate would be revised from a rate of \$1.18 per 1,000 gallons to a declining block rate that is currently assessed to WMU's retail customers.¹ On December 14, 2004, East Clark County Water District advised the Commission in writing that it had no objections to the proposed rate revisions.

The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service." Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (1994).

In the case at bar, this purpose has been served. The public utility affected by the proposed rate adjustment has had the opportunity to voice its concerns and to request an investigation. It has indicated its satisfaction with the proposed revision. As the proposed rates appear neither unreasonable or unconscionable on their face, we find

¹ WMU's retail rates are not subject to Commission jurisdiction. See McClellan v. Louisville Water Co., Ky., 351 S.W.2d 197 (1961).

that further proceedings are not required and that the rates should be permitted to become effective subject to the conditions noted below.

WMU proposes that its revised rates become effective for water service provided in December 2004 and billed on January 1, 2005. This proposed effective date is contrary to KRS 278.180(1) that provides that a utility must provide the Commission with 30 days prior notice of any proposed rate adjustment. As WMU provided the Commission with notice of its proposed rate adjustment on December 1, 2004, it may not lawfully assess the proposed rates for service provided before January 1, 2005.

IT IS THEREFORE ORDERED that the rates set forth in the Appendix to this order are approved for wholesale water service rendered by WMU to East Clark Water District on and after January 1, 2005.

Done at Frankfort, Kentucky, this 17th day of December, 2004.

By the Commission

[Faint, illegible text, likely a list of names or titles]

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00506 DATED DECEMBER 17, 2004

The following rates and charges are prescribed for water service that Winchester Municipal Utilities provides to East Clark County Water District on and after January 1, 2005. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

First 100 cubic feet	\$4.37 minimum bill
Next 400 cubic feet	3.24 per 100 cubic feet
Next 1,500 cubic feet	3.03 per 100 cubic feet
Next 15,000 cubic feet	2.88 per 100 cubic feet
Next 333,000 cubic feet	2.19 per 100 cubic feet
Over 350,000 cubic feet	1.54 per 100 cubic feet

FOR Winchester, Kentucky
Name of Municipality

P.S.C. KY. NO. _____ | _____

Original SHEET NO. _____ | _____

Winchester Municipal Utilities Commission
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

East Clark County Water District

First	100 cubic feet	\$4.37 minimum bill
Next	400 cubic feet	3.24 per 100 cubic feet
Next	1,500 cubic feet	3.03 per 100 cubic feet
Next	15,000 cubic feet	2.88 per 100 cubic feet
Next	333,000 cubic feet	2.19 per 100 cubic feet
Over	350,000 cubic feet	1.54 per 100 cubic feet

A Water Purchase Contract between the City of Winchester (by and through its Winchester Municipal Utilities Commission) and the East Clark County Water District, entered into on the 15th day of July 1999, is on file at the Kentucky Public Service Commission. The PSC accepted the contract and made it effective on January 20, 2000.

These rates are in accordance with the aforementioned contract and will become effective for services rendered after January 1, 2005. See Order in PSC Case No. 2004-00506 issued December 17, 2004.

DATE OF ISSUE DECEMBER 1, 2004
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2005
Month / Date / Year

ISSUED BY *Yunon Azuelo*
(Signature of Officer)

TITLE GENERAL MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
1/1/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director