

Green Hills Water District

P.O. Box 116 Bledsoe, Ky 40810

606-558-3995

Beth O'Donnell
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

JUL 19 2007

PUBLIC SERVICE
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

Dear Ms. O'Donnell:

Case No. 2007-00317

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Green Hills Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,



enclosure

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

Green Hills Water District
(Name of Utility)

July 18, 2007
(Date)

P.O. Box 116
(Address)

Bledsoe, Ky. 40810
(City, State)

606-558-3995
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Pineville</u>	<u>\$1.75 / 1,000</u>	<u>\$1.87 / 1,000</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From May 2006 through April 2007
 (month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>City of Pineville</u>	<u>31,511,180</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
TOTAL PURCHASES	<u>31,511,180</u>

4. Total sales for the 12 month period 19,227,460.

5. Increased water cost 3,781,342.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor .19 per 1,000 gallons.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date on or after August 25, 2007

Bonny Turner
(Signature of Utility Officer)

Dist. OP - Man
(Title)

NOTICE

Green Hills Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is _____,2007.

	CURRENT RATES		PROPOSED RATES
FIRST 2,000	21.56	per 1,000 gallons	21.94 per 1,000 gallons
NEXT 6,000	8.04	per 1,000 gallons	8.23 per 1,000 gallons
OVER 8,000	6.48	per 1,000 gallons	6.67 per 1,000 gallons
Leak adjustment Rate	1.75	per 1,000 gallons	1.94 per 1,000 gallons
Wholesale Water Rate	2.54	per 1,000 gallons	2.73 per 1,000 gallons

Note: Average customer (5,000 gallons) bill will increase from \$ 45.68 to \$ 46.63 or 2 %.

The rates contained in this notice are the rates proposed by the Green Hills 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, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at P.O. Box 116 Bledsoe, Ky 40810. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

FOR Bledsoe, Harlan, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 4

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 4

Green Hills Water District
(Name of Utility)

RATES & CHARGES

Green Hills Water District Rate Schedule

	<u>Current Rate</u>	<u>Proposed Rate</u>
Minimal Bill:		
First 2,000 Gallons	21.56	21.94
Next 6,000 Gallons	8.04 per 1,000 Gallons	8.23 per 1,000 Gallons
Over 8,000 Gallons	6.48 per 1,000 Gallons	6.67 per 1,000 Gallons
Leak Adjustment	1.75 per 1,000 Gallons	1.94 per 1,000 Gallons
Wholesale Water Rate	2.54 per 1,000 Gallons	2.73 per 1,000 Gallons

DATE OF ISSUE 07/18/2007
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY Benny Turner
(Signature of Officer)

TITLE Dist OP- Manager

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

Exhibit A

Pineville Utility Commission

P.O. BOX 277

PINEVILLE, KENTUCKY 40977

March 29, 2007

Benny Turner
Green Hills Water District
PO Box 116
Bledsoe, KY 40810

****CERTIFIED MAIL****

Re: Change in Wholesale/Resale Water Rates

Dear Benny:

The City of Pineville recently ordained new rates for its water utility based on recommendation by the Pineville Utility Commission and a cost of service water rate study prepared by Kentucky Rural Water Association. The recommended rates resulting from the study were approved without change and ordained by second reading of the Pineville City Council on February 13, 2007.

The new water rates for Pineville's customers were effective on customer bills due in April 2007. Allowing time required for notice to you and the Public Service Commission, Pineville proposes to make the new Wholesale/Resale rates effective on your bill due in June 2007. The approved rates are phased-in over a four-year period beginning July 1, 2006; however, due to the length of time taken for public discussion, the effective date of the initial increase was delayed.

The new minimum rate schedule and effective dates are as follows:

Current Rate	\$1.75 per 1,000 gallons
Effective Bills Due April 2007	\$1.87 per 1,000 gallons
Effective Bills Due July 2007	\$1.88 per 1,000 gallons
Effective Bills Due July 2008	\$1.92 per 1,000 gallons
Effective Bills Due July 2009	\$1.97 per 1,000 gallons

Please contact me if you have any questions or comments regarding this matter.

Sincerely,



Bill Bunch
Manager

enc: City Ordinance 53.00, Amendment to PUC Schedule of Rates and Charges
Rates and Charges Tariff