

# Garrard County Water Association, Inc.

P.O. BOX 670 315 LEXINGTON ROAD

LANCASTER, KY 40444-0670

(859) 792-4501 TTY: 800-648-6056

FAX: (859) 792-1671

2008-109

RECEIVED

MAR 26 2008

PUBLIC SERVICE  
COMMISSION

March 25, 2008

Ms. Stephanie L. Stumbo, Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Dear Ms. Stumbo:

Please find enclosed the Association's request for a purchased water rate adjustment. This adjustment request is due to several factors as will be discussed in the following:

- (1) An increased cost of wholesale water from the City of Lancaster that will be effective on April 1, 2008. Exhibit "A" is attached to the application showing this agreed to rate increase.
- (2) An increased cost of wholesale water from the City of Berea became effective in the past. This increase was not communicated to the Association and as a result was not passed on to the Association's customer base. Due to the nature of purchases from the City of Berea this increase was not discovered until the Association's independent audit was conducted in January 2008. The Association does not desire to recover any fees from the City of Berea at this time, even though they did not communicate this increase to the Association. Due to the fact that there is no formal notice from the City of Berea, enclosed is the most recent statement from the City of Berea to the Association detailing water charges and additional fees. This is labeled Exhibit B. Also attached is a copy of the rate schedule the Association was utilizing as specified in the original contract between the City of Berea and the Association. This is labeled as Exhibit C.
- (3) An increased cost of wholesale water from the City of Danville became effective in the past. This increase was not communicated to the Association and as a result was not passed on to the Association's customer base. Due to the nature of purchases from the City of Danville this increase was not discovered until the Association's independent audit was conducted in January 2008. The Association does not desire to recover any fees from the City of Danville at this time, even though they did not communicate this

increase to the Association. Due to the fact that there is no formal notice from the City of Danville, enclosed is the most recent statement from the City of Danville to the Association detailing water charges and additional fees. This is labeled Exhibit D. Also attached is a copy of the rate schedule the Association was utilizing as specified in the original contract between the City of Danville and the Association. This is labeled as Exhibit E.

Also, enclosed is a revised tariff sheet reflecting the ten cent per thousand gallons adjustment.

The Association will notify its customers of the rate adjustment before rendering the first customer statement reflecting the increase.

If additional information should be required, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Reynolds", with a long horizontal flourish extending to the right.

Paul Reynolds  
Garrard County Water Association

Enclosures

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

THE GARRARD COUNTY WATER ASSOCIATION, INC.  
(Name of Utility)

MARCH 3, 2008  
(Date)

P.O. BOX 670  
(Address)

LANCASTER, KY 40444-0670  
(City, State)

859-792-4501  
(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 shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>CITY OF LANCASTER</u>	<u>\$1.87</u>	<u>\$1.91</u>
<u>CITY OF DANVILLE</u>	<u>\$1.38</u>	<u>\$1.60</u>
<u>CITY OF BEREA</u>	<u>\$1.95</u>	<u>\$1.98</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 B.
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 MARCH 2007 through FEBRUARY 2008  
 (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 LANCASTER</u>	<u>253,776,100</u>
<u>CITY OF DANVILLE</u>	<u>101,868,401</u>
<u>CITY OF BEREA</u>	<u>26,338,576</u>
TOTAL PURCHASES	<u>381,980,077</u>

4. Total sales for the 12 month period 323,829,781.

5. Increased water cost \$33,352.00.

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

6. Purchased water adjustment factor \$.10.

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 April 10, 2008.



(Signature of Utility Officer)



(Title)

EXHIBIT A

FOR Garrard County, Kentucky  
Area Served

P.S.C. KY. NO. 5

SHEET NO. \_\_\_\_\_

City of Lancaster  
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 4

SHEET NO. \_\_\_\_\_

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

Garrard County Water Association

Water Usage Rate \$1.83 Per 1,000 Gallons

Kentucky River Authority Withdrawal Fee:

Tier I Fee \$0.022 Per 1,000 Gallons

Tier II Fee \$0.060 Per 1,000 Gallons

Total Rate for the Separate Line Item Charge \$0.082 Per 1,000 Gallons

NOTE: This page only revises the Kentucky River Authority Withdrawal Fee. The usage rate remains the same as approved by order issued June 4, 2007 in Case No. 2007-00114 and effective for service rendered on and after June 10, 2007.

DATE OF ISSUE February 29, 2008  
Month / Date / Year

DATE EFFECTIVE April 1, 2008  
Month / Date / Year

ISSUED BY [Signature]  
(Signature of Officer)

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. n/a DATED n/a



BEREA COLLEGE WATER UTILITY DEPARTMENT  
Name of Issuing Corporation

WHOLESALE SERVICE-CLASS 0

- (a) Applicable: To all customers in the City of Berea, Kentucky, and contiguous territory thereto.
- (b) Availability of Service: Water service to water districts purchased for resale.
- (c) Rates: (Monthly) Per 1000 gallons

All water sales \$1.95 per 1,000 gallons

- (d) Late Payment Charge: 10% will be added if bill is not paid by the 10th day after billing date.

(e) Special Rule:

- (1) The standard rules and regulations of the utility shall apply.
- (2) Reconnect charges shall be \$10.00.
- (3) If account is not paid before the 27th day after date of mailing the monthly bill, services may be discontinued in accordance with the rules and regulations of the Berea College Water Utility and the Public Service Commission.
- (4) There shall be added to the customers bill as a separate item an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter imposed upon Berea College Water Utility by local taxing authorities whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon the percentage of the gross receipts, net receipts or revenues from the sale of services rendered by Berea College Water Utility to the customer.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

NOV 19 1990

PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

BY: Steve Latta  
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE DECEMBER 10, 1990 DATE EFFECTIVE NOVEMBER 19, 1990  
MONTH DAY YEAR PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE YEAR

ISSUED BY Mike Bellhurein Utilities Administrator CPO 2337, Berea KY 40403  
NAME OF OFFICER TITLE ADDRESS

ISSUED BY AUTHORITY OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY JUL 18 1992

CASE NO: 90-052

DATED: NOVEMBER 19, 1990  
PURSUANT TO 807 KAR 5:011,  
SECTION 9 (1)

BY: Steve Latta  
PUBLIC SERVICE COMMISSION MANAGER



City of

DANVILLE

KENTUCKY

P.O. Box 670  
Danville, KY 40423  
(859) 238-1200

GARRARD COUNTY WATER ASSOC  
PO BOX 670  
LANCASTER KY 40444

Stmnt date  
=====

Customer #  
=====

01/01/08 to 02/01/08  
Auto Debiting Available

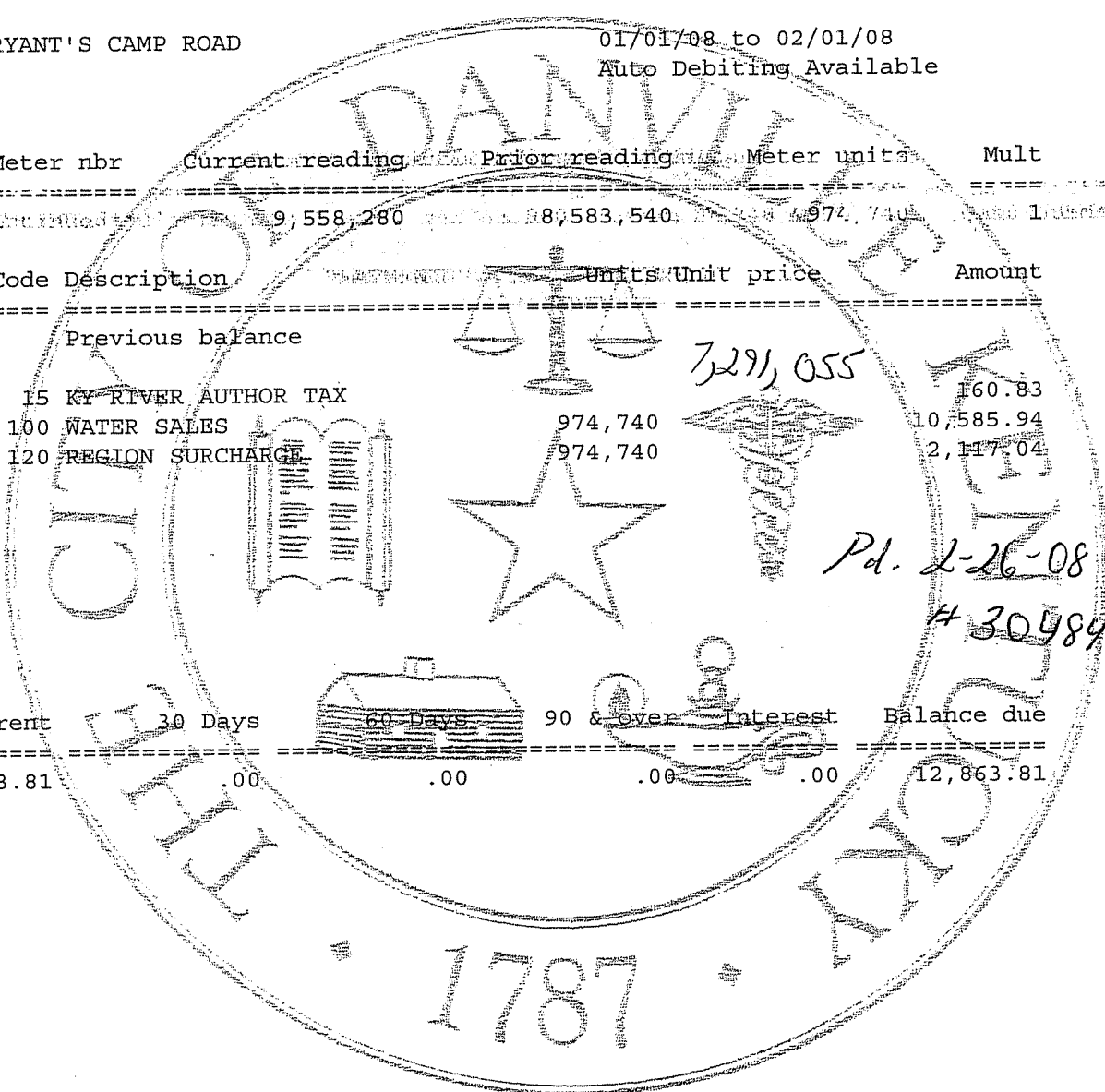
BRYANT'S CAMP ROAD

Date	Meter nbr	Current reading	Prior reading	Meter units	Mult
02/01/08		9,558,280	8,583,540	974,740	

Date	Code	Description	Units	Unit price	Amount
01/31/08		Previous balance			3,291,055
02/22/08	15	KY RIVER AUTHOR TAX			160.83
00/00/00	100	WATER SALES	974,740		10,585.94
00/00/00	120	REGION SURCHARGE	974,740		2,117.04

*Pd. 2-26-08*  
*# 30484*

Current	30 Days	60 Days	90 & over	Interest	Balance due
12,863.81	.00	.00	.00	.00	12,863.81



Please Remit a Copy with Payment. Thank You.

"The City of Firsts"

First Courthouse in Kentucky - 1785  
First U.S. Post Office in the West - 1792  
First Successful Ovariectomy in the World - 1809

First Capitol of Kentucky District - 1785  
First Political Club in the West - 1786  
First Constitutional Convention in the West - 1792

First College in the West - 1783  
First Law School in the West - 1799  
First State Supported School for Deaf - 1823

EXHIBIT E

be the expense and responsibility of the Purchaser to furnish, install, and maintain the necessary metering equipment, the same to be determined by the Seller's City Engineer, and any required devices of standard types for property measuring the quantity of water delivered to the Purchaser and the responsibility of the Seller to calibrate and test for accuracy such metering equipment annually, or at such other times that are reasonably requested by either party. A meter registering not more than 2% above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by tests to be inaccurate shall be corrected for the six (6) months previous to such tests in accordance with the percentage of inaccuracy found by such tests.

If any meter fails to register for any period, the amount of water delivered in the corresponding period immediately prior to the failure shall be considered the amount consumed, unless the Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on a regular basis, but not less than once every month. An appropriate official or representative of the Purchaser shall at all reasonable times have access to the meter for the purpose of verifying its readings.

5. The Purchaser agrees to pay to Seller for water delivered in accordance with the following rate schedule based on monthly consumption:

Quantity (Cu Ft)	Rate (\$/100 Cu Ft)
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EXHIBIT E cont.

First	20,000 cu ft	\$1.68
Next	80,000 cu ft	\$1.44
Next	100,000 cu ft	\$1.20
Next	300,000 cu ft	\$1.06
All over	500,000 cu ft	\$0.86

6. In addition to the foregoing schedule of rates, the Purchaser shall further pay to Seller a surcharge of twenty percent (20%) to be added to the total water bill (not including any applicable taxes or fees).

HOWEVER, the parties understand and agree that if at any time during the term of this agreement the rate charged to other wholesale consumers, including other municipalities, independent water districts, or privately owned water companies, are modified, either increased or decreased, the rate of charge to the Purchaser shall automatically be modified to conform to such rates; similarly, it is agreed and understood that in the event the amount of the surcharge which is charged to all wholesale customers outside the city limits of Seller, is modified, then the rate of surcharge unto Purchaser shall automatically be modified to conform with such surcharge rate. It is understood and agreed by the parties that modification of the water purchase rate and the surcharge thereon shall be at the discretion of the Seller, City of Danville. The City of Danville shall be required to give a written five (5) month advance notice of any rate increase and comply with any applicable Public Service Commission rulings.

7. The Purchaser shall not consume more than the monthly limit without written permission from the Seller except in the case

FOR Entire Area Served  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

11th Revised SHEET NO. 1

GARRARD COUNTY WATER ASSOC., INC.

(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

10th Revised SHEET NO. 1

RATES AND CHARGES

RATE PER UNIT

RESIDENTIAL, FARM AND SMALL COMMERCIAL

5/8" x 3/4" Meter Schedule

First	1,000 Gallons	10.14 (Minimum Bill)
Next	1,000 Gallons	5.24 per 1,000 Gallons
Next	1,000 Gallons	4.14 per 1,000 Gallons
Next	2,000 Gallons	3.94 per 1,000 Gallons
All Over	5,000 Gallons	3.64 per 1,000 Gallons

LARGE COMMERCIAL, DAIRY FARM AND SCHOOL CONNECTIONS

1" Meter Schedule

First	5,000 Gallons	27.40 (Minimum Bill)
All Over	5,000 Gallons	3.64 per 1,000 Gallons

1 1/2" Meter Schedule

First	10,000 Gallons	45.60 (Minimum Bill)
All Over	10,000 Gallons	3.64 per 1,000 Gallons

2" Meter Schedule

First	25,000 Gallons	100.20 (Minimum Bill)
All Over	25,000 Gallons	3.64 per 1,000 Gallons

Bulk Sales

\$4.75 per 1,000 Gallons

Rates based on monthly consumption.

Penalty of 10% applied to all unpaid bills 10 days from date of bill.

DATE OF ISSUE \_\_\_\_\_

Month / Date / Year

DATE EFFECTIVE 04/10/08

ISSUED BY [Signature]  
Month / Date / Year  
(Signature of Officer)

TITLE President

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