

PEAKS MILL WATER DISTRICT

Church Quarles, Chairman

310 Perkins Road
Frankfort, Kentucky 40601

(502) 227-5740

December 18, 2008

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED
DEC 23 2008
PUBLIC SERVICE
COMMISSION

To the COMMISSION:

The PEAKS MILL WATER DISTRICT respectfully requests that the COMMISSION allow us to make an adjustment in our rates in accordance with 807 KAR 5:067 Purchased Water Adjustment clause.

The District has been told by its supplier, Frankfort Electric and Water Plant Board that a \$0.0465 increase will take effect on November 30, 2008 and a \$0.283 increase on December 8, 2008. The Company purchased 86,126,100 gallons from Frankfort between November 2007 and October 2008. The result of these increases is an increase to our rates of \$0.43 per 1,000 gallons. We propose to raise each gallonage block that amount.

The following documents are enclosed:

- Exhibit A. Purchased Water Rate Adjustment
- Exhibit B. Copy of Wholesale Tariff
- Exhibit C. Statement of Purchases and Sales
- Exhibit D. Notice to Customers
- Exhibit E. Tariff Sheet

The District requests the COMMISSION to grant a deviation from the regulations and allow two purchase water adjustments in that we received two adjustments within 8 days of each other.

If you have any questions, please contact Warner Broughman at 859-271-1778, as he is handling this matter.

Yours truly,


Church Quarles, Manager

CQ:pac

PURCHASED WATER RATE ADJUSTMENT

Pursuant to KRS 278.012 and 278.015

U.S. 60 Water District

(Name of Utility)

310 Perkins Road

Frankfort, KY 40601

(Business Mailing Address)

December 18, 2008

(Date)

(502) 227-5740

(Telephone Number)

1. (a) Names of all wholesale suppliers and the base rate and changed rate of each.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
(1) <u>Frankfort</u>	<u>\$1.539</u>	<u>\$ 1.869</u>
(2) <u>Kentucky American</u>	<u>varies</u>	<u>no change</u>

- (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 Purchased Water Adjustment is Based

From November 2007 through October 2008

Month & Year

Month & Year

3. Statement of Water Purchases

<u>Supplier's Name</u>	<u>Gallons Purchased</u>
	<u>Meter No. 1</u>
(1) <u>Kentucky American</u>	<u>507,000</u>
(2) <u>Frankfort</u>	<u>86,126,100</u>
	<u>86,633,100</u>

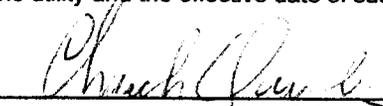
4. Total Sales for the 12-Months 66,031,900 gallons

5. Purchased Water Adjustment Factor 0.43 per 1,000 gallons.

Unit Price Calculation

Increase 28,421.61 = .43 /1,000 gallons
Water Sold 66,031,900

NOTE: Revised tariff sheets must be attached showing rates to be charged by the utility and the effective date of such increased rates.



Signature of Utility Officer

Manager

Title

EXHIBIT A

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

The Electric and Water Plant
Board of the City of Frankfort, Kentucky
(Name of Utility)

CANCELLING P.S.C. KY. NO. N/A

N/A SHEET NO. N/A

RULES AND REGULATIONS

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB for resale.

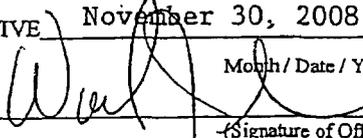
KENTUCKY RIVER AUTHORITY WITHDRAWAL FEE:

Tier I Fee	2.2 cents per thousand gallons
Tier II Fee	<u>6.0 cents per thousand gallons</u>
Subtotal	8.2 cents per thousand gallons
Adjustment to recover the full cost of the KRA fee	1.45 cents per thousand gallons
Total for separate line item	9.65 cents per thousand gallons

NOTE: This adjustment recovers the increase in the Kentucky River Authority withdrawal fee adjusted for water loss. All other charges remain in full force and effect.

DATE OF ISSUE October 30, 2008
Month / Date / Year

DATE EFFECTIVE November 30, 2008
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE General Manager

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

EXHIBIT B-1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PROPOSED ADJUSTMENT OF THE)	
WHOLESALE WATER SERVICE RATES OF)	
THE FRANKFORT ELECTRIC AND WATER)	CASE NO. 2008-00250
PLANT BOARD)	

NOTICE OF RATE INCREASE

Comes the Electric and Water Plant Board of the City of Frankfort ("FPB"), by and through counsel, and for its Notice of Rate Increase hereby states as follows:

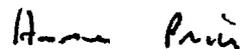
Pursuant to KRS 278.190 FPB gives notice that it will adjust its existing rates for wholesale water service from \$1.539 per 1,000 gallons to \$1.822 per 1,000 gallons effective December 8, 2008.

In support of this increase, FPB notes that on June 6, 2008 it filed its proposed tariff increasing wholesale water rates. Thereafter, on July 2, 2008, the Commission entered an Order suspending the proposed rate for five months from July 7, 2008 to December 6, 2008.

KRS 278.190 notes "[i]f the proceeding has not been concluded and an order made at the expiration of five (5) months . . . the utility may place the proposed change of rate . . . in effect at the end of that period after notifying the commission, in writing, of its intention so to do."

WHEREFORE, pursuant to KRS 278.190 and the Commission's July 2, 2008 Order, FPB will adjust its wholesale rate from \$1.539 to \$1.822 per 1,000 gallons effective December 8, 2008.

Respectfully Submitted,

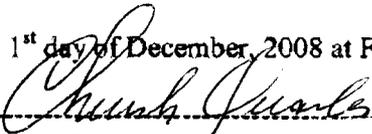


Hance Price
Staff Attorney
Frankfort Plant Board
317 W. Second Street
Frankfort, KY 40601
(502) 352-4541
hprice@fewpb.com

PEAKS MILL WATER DISTRICT
STATEMENT OF WATER SOLD
OCTOBER 2007 - OCTOBER 2008

DATE	YEAR	GALLONS SOLD	NUMBER OF CUSTOMERS
11	2007	5,496,800	1122
12	2007	5,055,100	1127
01	2008	5,877,800	1121
02	2008	5,467,600	1121
03	2008	4,109,800	1123
04	2008	4,654,000	1124
05	2008	4,886,200	1125
06	2008	6,405,900	1129
07	2008	5,343,900	1133
08	2008	6,079,300	1136
09	2008	6,671,300	1139
10	2008	5,984,200	1136
TOTALS		66,031,900	13,534

Done this 1st day of December, 2008 at Frankfort, Ky.



Church Quarles
Commissioner

PEAKS MILL WATER DISTRICT					
STATEMENT OF PURCHASED WATER					
OCTOBER 2007 - OCTOBER 2008					
FRANKFORT PLANT BOARD			KENTUCKY AMERICA WATER		
MONTH	YEAR	GALLONS	COST	GALLONS	COST
11	2007	8,148,400	\$12,947.81	27,750	\$172.94
12	2007	6,706,700	\$10,664.74	27,750	\$160.88
01	2008	6,876,300	\$10,933.60	31,500	\$153.44
02	2008	8,885,900	\$14,126.54	27,750	\$142.75
03	2008	6,792,300	\$10,799.33	31,500	\$153.44
04	2008	6,436,100	\$10,234.27	49,500	\$208.87
05	2008	7,011,100	\$11,163.69	55,500	\$226.47
06	2008	6,618,000	\$10,527.44	92,250	\$334.30
07	2008	8,010,500	\$12,759.03	42,750	\$189.07
08	2008	6,732,400	\$10,697.78	45,750	\$197.87
09	2008	7,114,800	\$11,305.42	42,750	\$189.07
10	2008	6,793,600	\$10,795.03	32,250	\$158.25
TOTALS		86,126,100	\$136,954.68	507,000	\$2,287.35

Done this 1st day of December, 2008 at Frankfort, Ky.

Church Quarles
 CHURCH QUARLES
 COMMISSIONER

EXHIBIT C-2

NOTICE

PEAKS MILL WATER DISTRICT has filed an application with the Public Service Commission for a proposed rate change for water service. The change is made necessary due to an increase in the wholesale price of water from our supplier.

The rates contained in this notice are the rates proposed by PEAKS MILL WATER DISTRICT. However, the Public Service Commission may order rates to be changed that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Rates:

First 2,000 gallons per month	\$20.11 (minimum bill)
Next 3,000 gallons per month	\$ 6.64 per 1,000 gallons
Next 5,000 gallons per month	\$ 5.58 per 1,000 gallons
Over 10,000 gallons per month	\$ 4.97 per 1,000 gallons

Any corporation, association, body politic or person may by motion within 30 days after publication of the proposed rate changes, request leave to intervene. All persons having reasons to intervene should file with the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602. The application is on file at the offices for the PEAKS MILL WATER DISTRICT, 310 Perkins Road, Frankfort, KY and is available for examination during business hours.

EXHIBIT D

Peaks Mill Water District
310 Perkins Road
Frankfort, KY 40601

P.S.C. KY No. _____
2nd Revised SHEET NO. 1
Cancelling P.S.C. KY No. 2006-00142
(Sheet No.)

RATES & CHARGES

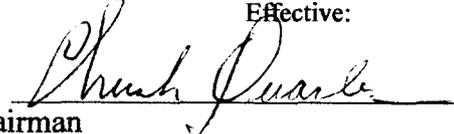
RATE PER UNIT

Applicable: Entire area Served
Available: To All Customers Served by the Water District

Rates:

First 2,000 gallons per month	\$20.11 (minimum bill)
Next 3,000 gallons per month	6.64 per 1,000 gallons
Next 5,000 gallons per month	5.58 per 1,000 gallons
Over 10,000 gallons per month	4.97 per 1,000 gallons

Date of Issue: December 18, 2008 Date Effective: December 18, 2008

Issued by: 
Title: Chairman

Issued by the authority of an Order of the Public Service
Commission of Kentucky
in Case No. _____ Dated _____

EXHIBIT E