

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

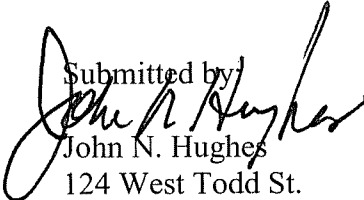
In the Matter of:

PROPOSED ADJUSTMENT OF THE
WHOLESALE WATER SERVICE RATES OF
THE JACKSON COUNTY WATER
ASSOCIATION

) CASE NO. 2011-00240

JACKSON COUNTY WATER ASSOCIATION, INC.'S RESPONSES TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Submitted by



John N. Hughes

124 West Todd St.

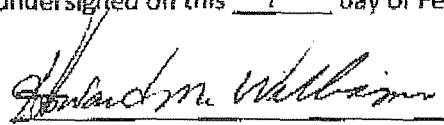
Frankfort, KY 40601

Attorney for JCWA

COMMONWEALTH OF KENTUCKY)
COUNTY OF JACKSON)

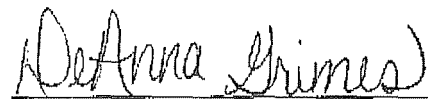
The undersigned, Howard Williams, being duly sworn, deposes and states that he is the President of the Board of Directors of the Jackson County Water Association, Inc., the Applicant, in this proceeding; that he has read the foregoing Responses and has noted the contents; that the same are true of his own knowledge, except as to matters which are stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this 17th day of February, 2012.



Howard Williams

Subscribed, sworn and acknowledged to before me by Howard Williams, President of the Board of Directors of the Jackson County Water Association, Inc., on this 17th day of February, 2012.



Notary Public

My Commission expires: May 15, 2012

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2011-00240
THE JACKSON COUNTY WATER
ASSOCIATION

JACKSON COUNTY WATER ASSOCIATION, INC. RESPONSES TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

1. Refer to "Jackson County Water Association: Determination of Wholesale Water Rate for Satellite Utilities," Exhibit 5. Regarding the 1996 bond issuance, which has a reported annual debt service of \$113,915:

Describe the nature of the obligation (bonded debt or loan agreement).

Identify the creditor or lender.

State the amount of the original obligation.

State the amount of the obligation remaining as of October 1, 2011.

Describe the use of the loan proceeds.

Provide an amortization schedule for the obligation.

State the case number of the Commission proceeding in which Jackson County Water Association received authorization to undertake the obligation.

Witness: Powell

Response: The loan was a Kentucky Infrastructure (KIA) loan with an original value of \$1,795,395.00, 20 year term, and 2.45 % interest rate. The project included major transmission main upgrades (McKee Bypass, Beattyville Supply Line, Sandgap Pump Discharge Transmission Main) and storage tanks (Blooming Grove and Sandgap Tank 2). The project also included various extensions along rural roads to serve over 300 additional customers. The project was filed with the PSC in April, 1993, PSC Case No. 93-120. The amortization schedule is attached.

KENTUCKY INFRASTRUCTURE AUTHORITY
 19881
 JACKSON COUNTY FISCAL COURT (Jackson Co. Water Association)
 LOAN #282-05

2.45% Rate
 \$56,957.39 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/95	\$34,997.69	\$21,959.76	2.45%	\$56,957.39	\$1,792.63	\$0.00	\$58,750.02	\$1,792,633.22	\$5,875.00	\$5,875.00
02/01/96	\$35,426.95	\$21,531.04	2.45%	\$56,957.39	\$1,767.54	\$0.00	\$58,715.02	\$1,722,209.24	\$5,871.50	\$11,746.50
12/01/95	\$35,850.32	\$21,097.06	2.45%	\$56,957.39	\$1,742.21	\$0.00	\$58,699.60	\$1,686,348.91	\$5,867.96	\$17,614.46
06/01/97	\$36,239.61	\$20,657.77	2.45%	\$56,957.39	\$1,688.35	\$0.00	\$58,643.74	\$1,650,749.30	\$5,864.37	\$23,478.84
12/01/97	\$36,744.28	\$20,213.10	2.45%	\$56,957.39	\$1,650.05	\$0.00	\$58,607.44	\$1,613,305.02	\$5,860.74	\$29,339.58
06/01/98	\$37,194.40	\$19,762.99	2.45%	\$56,957.39	\$1,613.31	\$0.00	\$58,570.69	\$1,576,110.61	\$5,857.97	\$35,196.55
12/01/98	\$37,650.03	\$19,307.36	2.45%	\$56,957.39	\$1,576.11	\$0.00	\$58,533.59	\$1,538,460.68	\$5,853.35	\$41,050.00
06/01/99	\$38,111.25	\$18,846.14	2.45%	\$56,957.39	\$1,539.46	\$0.00	\$58,495.85	\$1,500,349.34	\$5,849.59	\$46,899.59
12/01/99	\$38,578.11	\$18,379.28	2.45%	\$56,957.39	\$1,500.95	\$0.00	\$58,457.74	\$1,461,771.23	\$5,845.77	\$52,745.36
06/01/00	\$39,050.69	\$17,906.70	2.45%	\$56,957.39	\$1,461.77	\$0.00	\$58,419.16	\$1,422,728.54	\$5,841.92	\$58,587.28
12/01/00	\$39,529.06	\$17,429.33	2.45%	\$56,957.39	\$1,422.72	\$0.00	\$58,380.11	\$1,383,191.48	\$5,838.01	\$64,425.29
05/01/01	\$40,013.29	\$16,944.10	2.45%	\$56,957.39	\$1,383.19	\$0.00	\$58,340.59	\$1,343,178.18	\$5,834.06	\$70,259.94
12/01/01	\$40,503.45	\$16,453.93	2.45%	\$56,957.39	\$1,343.18	\$0.00	\$58,300.57	\$1,302,674.73	\$5,830.06	\$76,089.40
06/01/02	\$40,999.62	\$15,957.77	2.45%	\$56,957.39	\$1,302.67	\$0.00	\$58,260.06	\$1,261,675.11	\$5,826.01	\$81,915.41
12/01/02	\$41,501.67	\$15,455.52	2.45%	\$56,957.39	\$1,261.63	\$0.00	\$58,219.06	\$1,220,173.24	\$5,821.91	\$87,737.21
06/01/03	\$42,010.27	\$14,947.12	2.45%	\$56,957.39	\$1,220.17	\$0.00	\$58,177.56	\$1,178,162.97	\$5,817.57	\$93,552.11
12/01/03	\$42,524.89	\$14,432.50	2.45%	\$56,957.39	\$1,178.16	\$0.00	\$58,135.55	\$1,135,638.09	\$5,813.00	\$99,361.78
06/01/04	\$43,045.82	\$13,911.57	2.45%	\$56,957.39	\$1,135.64	\$0.00	\$58,093.03	\$1,092,592.26	\$5,808.18	\$105,167.78
12/01/04	\$43,573.13	\$13,384.26	2.45%	\$56,957.39	\$1,092.59	\$0.00	\$58,049.98	\$1,049,019.13	\$5,803.03	\$110,969.78
05/01/05	\$44,106.99	\$12,850.48	2.45%	\$56,957.39	\$1,049.02	\$0.00	\$57,995.41	\$1,004,912.23	\$5,797.54	\$116,761.78
12/01/05	\$44,647.21	\$12,310.17	2.45%	\$56,957.39	\$1,004.91	\$0.00	\$57,932.30	\$960,265.01	\$5,791.78	\$122,549.78
06/01/06	\$45,194.14	\$11,760.25	2.45%	\$56,957.39	\$960.27	\$0.00	\$57,867.46	\$915,070.67	\$5,785.57	\$128,333.78
12/01/06	\$45,747.77	\$11,209.62	2.45%	\$56,957.39	\$915.07	\$0.00	\$57,802.71	\$869,223.10	\$5,779.00	\$134,113.78
05/01/07	\$46,308.18	\$10,649.21	2.45%	\$56,957.39	\$869.32	\$0.00	\$57,738.46	\$823,014.92	\$5,772.09	\$139,893.78
12/01/07	\$46,875.45	\$10,081.93	2.45%	\$56,957.39	\$823.01	\$0.00	\$57,674.40	\$776,139.47	\$5,764.84	\$145,673.78
06/01/08	\$47,448.68	\$9,507.71	2.45%	\$56,957.39	\$776.14	\$0.00	\$57,610.53	\$728,689.79	\$5,757.27	\$151,453.78
12/01/08	\$48,030.54	\$8,926.45	2.45%	\$56,957.39	\$728.68	\$0.00	\$57,547.66	\$680,658.85	\$5,749.30	\$157,233.78
06/01/09	\$48,619.32	\$8,339.07	2.45%	\$56,957.39	\$680.66	\$0.00	\$57,484.05	\$632,049.63	\$5,740.99	\$163,013.78
12/01/09	\$49,214.90	\$7,742.48	2.45%	\$56,957.39	\$632.04	\$0.00	\$57,420.43	\$583,264.63	\$5,732.22	\$168,793.78
05/01/10	\$49,817.79	\$7,139.60	2.45%	\$56,957.39	\$583.22	\$0.00	\$57,356.99	\$533,905.54	\$5,723.00	\$174,573.78
12/01/10	\$50,428.05	\$6,529.33	2.45%	\$56,957.39	\$533.01	\$0.00	\$57,293.99	\$482,578.79	\$5,713.33	\$180,353.78
08/01/11	\$51,045.80	\$5,911.53	2.45%	\$56,957.39	\$482.59	\$0.00	\$57,231.71	\$430,292.99	\$5,703.18	\$186,133.78
12/01/11	\$51,671.11	\$5,286.28	2.45%	\$56,957.39	\$430.52	\$0.00	\$57,170.92	\$377,161.68	\$5,692.57	\$191,913.78
06/01/12	\$52,304.08	\$4,653.31	2.45%	\$56,957.39	\$377.95	\$0.00	\$57,111.25	\$323,014.92	\$5,681.57	\$197,693.78
12/01/12	\$52,944.80	\$4,012.59	2.45%	\$56,957.39	\$323.56	\$0.00	\$57,053.80	\$267,913.00	\$5,670.06	\$203,473.78
05/01/13	\$53,593.90	\$3,354.91	2.45%	\$56,957.39	\$274.51	\$0.00	\$57,000.00	\$211,811.78	\$5,658.05	\$209,253.78
12/01/13	\$54,249.99	\$2,707.49	2.45%	\$56,957.39	\$224.02	\$0.00	\$57,000.00	\$155,710.52	\$5,645.54	\$215,033.78
05/01/14	\$54,914.48	\$2,042.93	2.45%	\$56,957.39	\$168.77	\$0.00	\$57,000.00	\$100,609.26	\$5,632.03	\$220,813.78
12/01/14	\$55,587.16	\$1,370.23	2.45%	\$56,957.39	\$111.86	\$0.00	\$57,000.00	\$45,508.00	\$5,618.52	\$226,593.78
08/01/15	\$56,268.10	\$669.29	2.45%	\$56,957.39	\$56.27	\$0.00	\$57,000.00	\$0.00	\$5,604.01	\$232,373.78
Totals	\$1,792,633.22	\$485,662.29		\$2,278,295.51	\$39,665.80	\$0.00	\$2,317,961.31		\$87,881.78	\$87,881.78

Credited by KIA on 8/21/95

2. Refer to "Jackson County Water Association: Determination of Wholesale Water Rate for Satellite Utilities," Exhibit 5, and Jackson County's Response to the Commission Staff's First Request for Information, Item 17.

a. For each of the loans listed below, provide the number of the Commission proceeding in which Jackson County received authorization to issue the evidence of indebtedness:

Loan No. 9103 - \$541,000.

Loan No. 9104 - \$90,000.

Loan No. 9107 - \$1,214,000.

Loan No. 9111 - \$1,130,000.

Loan No. 9114 - \$685,000.

b. The United States Department of Agriculture Rural Development ("RD") requires its borrowers to maintain a debt service coverage ("DSC") of 1.2 times. Explain why Jackson County used a DSC of 1.1 times' in its coverage calculation.

Witness: Powell

Response: All of these loans were recognized for inclusion in rates in Case 2006-00467. Attached is Attachment C of the Staff Report in that case, which lists each of the loans and the calculation of the revenue requirement.

b. RD requires a 10% coverage, not 20% as referenced in the question.

ATTACHMENT C
STAFF REPORT CASE NO. 2006-00467
COMPARISON OF REVENUE REQUIREMENT DETERMINATION

	Jackson Requested	Staff Recommended	Difference
Pro Forma Operating Expenses	\$ 1,404,029	\$ 1,352,007	\$ (52,022)
Debt Service Requirement			
Annual Principal and Interest			
KIA, 1992, \$1,792,633		113,915	
RD, 1972, \$393,000		22,903	
RD, 1979, \$541,000		31,528	
RD, 1986, \$150,000		8,742	
RD, 1986, \$90,000		5,245	
RD, 1991, \$1,214,600		70,785	
RD, 1994, \$1,000,000		54,343	
RD, 2003, \$1,130,000		62,614	
RD, 2003, \$685,000		37,956	
Total Principal and Interest Subject to Coverage		408,031	
Coverage at 10% of Principal and Interest		40,803	
KIA Loan Servicing Fee		1,692	
Total Debt Service Requirement	401,550	450,527	48,977
Total Revenue Requirement	1,805,579	1,802,534	(3,045)
Less: Other Operating Revenue		(72,663)	(72,663)
Interest Income	(48,774)	(48,774)	-
Other Income	(528)	(528)	-
Revenue Required from Rates	1,756,277	1,680,569	(75,708)
Less: Pro Forma Present Rate Revenue	(1,546,016)	(1,585,775)	(39,759)
Required Revenue Increase	\$ 210,261	\$ 94,794	\$ (115,467)

To determine Jackson's revenue requirement Staff added the pro forma operating expenses as presented in Attachment A to Jackson's annual debt service requirement as determined by Staff. Pro forma revenues other than those from rates were then deducted to determine the revenue required from rates. The required increase was determined by subtracting pro forma present rate revenues from the

3 Refer to Jackson County's Response to the Commission Staffs Initial Information Request, Item 1.

Provide all cost-of-service studies that Jackson County used to develop its current retail rates. Describe how Jackson County considered depreciation expense in the development of its current retail rates. Identify amount of depreciation expense included in revenue requirement that the rates are intended to recover. Identify all depreciation schedules used in the calculation of this amount. If Jackson County's current retail rates were not developed to recover any depreciation expense, explain why: Jackson County did not include any depreciation expense in its retail rates. It is reasonable to include depreciation expense in wholesale rates and not in retail rates.

Witness: Powell

Response: The current retail rates were established in Case No. 2010-00399. The cost study used for those rates was included in the Preliminary Engineering Report, exhibit 2 of the application. A copy of the cost study is attached. Depreciation was included in the retail rate calculation – see sheet labeled “Revenue Requirement for Proposed Project”, note 1. Depreciation rates were set in Case 2006-00467 and were used for the subsequent rate study. Both the retail and wholesale rates reflect the same depreciation expense calculation.

**JACKSON COUNTY WATER ASSOCIATION
JACKSON COUNTY, KENTUCKY**

REVISED APPENDIX A

PRELIMINARY ENGINEERING REPORT

RAW WATER FACILITIES

AUGUST, 2009

Prepared By:

**KENVIRONS, INC.
452 VERSAILLES ROAD
FRANKFORT, KENTUCKY 40601**

PROJECT No. 2006080

**EXISTING OPERATING BUDGET
FOR YEAR ENDING 2008**

REVENUE REQUIREMENTS	2008
1.0 Operation & Maintenance Expenses	
1.1 Source of Supply	272,042
1.2 Water Treatment	181,637
1.3 Transmission & Distribution	366,229
1.4 Customer Accounts	160,920
1.5 Administration & General	<u>254,980</u>
	\$1,235,808
2.0 Debt Service	
2.1 RD Annual Principal & Interest	\$303,361
2.2 KIA Annual Principal & Interest	<u>113,720</u>
	\$417,081
3.0 Debt Service Coverage, Reserve, & Service Fees	
3.1 RD	\$30,336
3.2 KIA	<u>1,700</u>
	\$32,036
4.0 Other	
4.1 Taxes Other Than Income	\$43,495
4.2 Depreciation Expenses	<u>532,013</u>
	\$575,508
TOTAL REVENUE REQUIREMENTS	<u>\$2,260,433</u>
UTILITY INCOME	
5.0 Operating Income	
5.1 Water Sales	\$1,681,931
5.2 Miscellaneous Services	<u>83,881</u>
	\$1,765,812
6.0 Non-Operating Income	
6.1 Interest on Deposits	\$95,132
6.2 Other, Non-Utility	<u>0</u>
	\$95,132
TOTAL UTILITY INCOME	<u>\$1,860,944</u>

REVENUE REQUIREMENTS FOR PROPOSED PROJECT

PROPOSED PROJECT FUNDING

Empowerment Zone Grant	\$1,200,000
Rural Development Grant	1,542,000
Rural Development Loan	<u>3,598,000</u>
	\$6,340,000

REVENUE REQUIREMENT FOR PROPOSED PROJECT

1.0 Operation & Maintenance Expenses	
1.1 Source of Supply	\$38,000
2.0 Debt Service	
RD Loan Amount	\$3,598,000
Term of Loan, Years	38
Interest Rate	2.75%
Capital Recovery Factor	0.0427
2.1 RD Annual Principal & Interest	\$153,806
3.0 Debt Service Coverage, Reserve, & Service Fees	
3.1 Rural Development Coverage at 10%	15,381
4.0 Other	
4.1 Depreciation Expenses (see Note 1)	<u>44,975</u>
TOTAL REVENUE REQUIREMENTS FOR PROPOSED PROJECT	\$214,162

Note 1 - Depreciation was evaluated using 50% of the RD Loan amount and applying straight-line depreciation over a 40 year life cycle.

REVISED REVENUE REQUIREMENTS AND PERCENT RATE INCREASE

1.0 Operation & Maintenance Expenses		
1.1 Existing	\$1,235,808	
1.2 Proposed	<u>38,000</u>	
		\$1,273,808
2.0 Debt Service		
2.1 Existing (see Note 2)	\$393,769	
2.2 Proposed	<u>153,806</u>	
		\$547,575
3.0 Debt Service Coverage, Reserve, & Service Fees		
3.1 Existing (see Note 3)	\$29,705	
3.2 Proposed	<u>15,381</u>	
		\$45,085
4.0 Taxes Other Than Income & Depreciation		
4.1 Existing	\$575,508	
4.2 Proposed	<u>44,975</u>	
		\$620,483
		<u>\$2,486,951</u>
PROJECTED REVENUE REQUIREMENTS		
Less Current Income from Miscellaneous Services and Non-Operating Sources	\$179,013	
		<u>\$2,307,938</u>
REVISED REVENUE REQUIREMENT FROM SALES		

PERCENT RATE INCREASE

$$\frac{\text{Revenue Required from Water Sales}}{\text{Current Water Sales Income}} = 37.22\%$$

Current Cost for 4,500 gallons.....	\$31.45
Proposed Cost for 4,500 gallons	\$43.16

Note 2 - Debt Service reduced by \$23,312 due to RD loan maturing in 2010

Note 3 - Coverage reduced by \$2,331 due to RD loan maturing in 2010

Jackson County Water Association
 Supplemental Raw Water Intake
 Billing Analysis for Year Ending March 31, 2009

EXISTING RATES

3/4" Meters: Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
2.0	14,779	15,278.5	15,278.5	18.0	30.0	50.0
18.0	35,217	159,409.0	66,434.0	92,975.0	1,749.8	
30.0	247	6,689.8	494.0	4,446.0	1,020.0	1,693.5
50.0	34	3,393.5	68.0	612.0	1,020.0	1,693.5
Totals	48,277	184,770.8	82,274.5	98,033.0	2,769.8	1,693.5
Min Bill & Rate per 1,000 Gal.			\$15.00	\$6.58	\$5.45	\$4.26
Revenue		\$724,155		\$645,057	\$15,095	\$7,214
TOTAL REVENUE		\$1,391,522				

1" Meters: Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
5.0	6	20.8	20.8	15.0	30.0	50.0
15.0	25	237.9	50.0	187.9	27.1	
30.0	3	87.1	6.0	54.0	60.0	24.5
50.0	2	124.5	4.0	36.0	60.0	24.5
Totals	36	470.3	80.8	277.9	87.1	24.5
Min Bill & Rate per 1,000 Gal.			\$34.85	\$6.58	\$5.45	\$4.26
Revenue		\$1,255		\$1,829	\$475	\$104
TOTAL REVENUE		\$3,662				

1.5" Meters: Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
10.0	0	0.0	0.0	10.0	30.0	50.0
10.0	0	0.0	0.0	0.0	0.0	0.0
30.0	0	0.0	0.0	0.0	0.0	0.0
50.0	0	0.0	0.0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$67.75	\$6.58	\$5.45	\$4.26
Revenue		\$0		\$0	\$0	\$0
TOTAL REVENUE		\$0				

2" Meters: Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
20.0	0	0.0	0.0	30.0	50.0	
30.0	0	0.0	0.0	0.0	0.0	0.0
50.0	0	0.0	0.0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$133.35	\$5.45	\$4.26	
Revenue		\$0		\$0	\$0	\$0
TOTAL REVENUE		\$0				

3/4" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
2.0	1,567	842.9	2.0	18.0	30.0	50.0
18.0	796	5,050.4	1,592.0	3,458.4	551.8	
30.0	50	1,551.8	100.0	900.0	240.0	527.2
50.0	8	927.2	16.0	144.0	240.0	527.2
Totals	2,421	8,372.3	2,550.9	4,502.4	791.8	527.2
Min Bill & Rate per 1,000 Gal.			\$15.00	\$6.58	\$5.45	\$4.26
Revenue		\$36,315		\$29,626	\$4,315	\$2,246
TOTAL REVENUE		\$72,502				

1" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
5.0	55	107.6	5.0	15.0	30.0	50.0
15.0	73	820.9	146.0	674.9	27.1	
30.0	4	107.1	8.0	72.0	30.0	11.1
50.0	1	61.1	2.0	18.0	30.0	11.1
Totals	133	1,096.7	263.6	764.9	57.1	11.1
Min Bill & Rate per 1,000 Gal.			\$34.85	\$6.58	\$5.45	\$4.26
Revenue		\$4,635		\$5,033	\$311	\$47
TOTAL REVENUE		\$10,027				

1.5" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
10.0	9	55.2	10.0	10.0	30.0	50.0
10.0	4	54.2	8.0	46.2	296.1	
30.0	20	696.1	40.0	360.0	450.0	714.4
50.0	15	1,464.4	30.0	270.0	450.0	714.4
Totals	48	2,269.9	133.2	676.2	746.1	714.4
Min Bill & Rate per 1,000 Gal.			\$67.75	\$6.58	\$5.45	\$4.26
Revenue		\$3,252		\$4,449	\$4,066	\$3,043
TOTAL REVENUE		\$14,811				

2" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next	Next
20.0	50	324.4	20.0	30.0	50.0	
30.0	20	679.0	40.0	639.0	468.0	4,579.7
50.0	26	5,099.7	52.0	468.0	4,579.7	
Totals	96	6,103.1	416.4	1,107.0	4,579.7	
Min Bill & Rate per 1,000 Gal.			\$133.35	\$5.45	\$4.26	
Revenue		\$12,821		\$6,033	\$19,510	
TOTAL REVENUE		\$38,363				

Jackson County Water Association
 Supplemental Raw Water Intake
 Billing Analysis for Year-Ending March 31, 2009

EXISTING RATES

3" Meters: Residential					
Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	30.0	0	30.0	20.0	50.0
Next	20.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$188.05	\$5.45	\$4.26
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

4" Meters: Residential					
Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	40.0	0	40.0	10.0	50.0
Next	10.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$242.55	\$5.45	\$4.26
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

RESIDENTIAL TOTALS

No. of Bills 48,313
 Usage (1,000 gallons) 185,241
 Revenue \$1,395,184

Wholesale Water Customers

Utility	Usage 1,000 Gal.	Rate per 1,000 Gal.	Water Revenue
Eastern Rockcastle WD	14,618.0	\$2.66	\$38,884
City of Beattyville	7,760.0	\$2.55	19,788.0
City of McKee	499.0	\$2.39	1,192.6
Estill County WD No.1	585.0	\$2.55	1,491.8
Bulk Loading Stations	93.0	\$2.25	\$209.25
Totals	23,555.0		\$61,565

3" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	30.0	0	30.0	20.0	50.0
Next	20.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$188.05	\$5.45	\$4.26
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

4" Meters: Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	40.0	0	40.0	10.0	50.0
Next	10.0	0	0.0	0.0	0.0
Over	50.0	12	1,457.0	216.0	1,217.0
Totals	12	1,457.0	24.0	216.0	1,217.0
Min Bill & Rate per 1,000 Gal.			\$242.55	\$5.45	\$4.26
Revenue			\$2,911	\$1,177	\$5,184
TOTAL REVENUE			\$2,772		

NON-RESIDENTIAL TOTALS

No. of Bills 2,710
 Usage (1,000 gallons) 19,299
 Revenue \$144,975

JACKSON COUNTY WATER ASSOCIATION TOTALS

No. of Bills \$1,083
 Usage (1,000 gallons) 228,095.1
 Revenue \$1,601,725

Jackson County Water Association
 Supplemental Raw Water Intake
 Billing Analysis for Year Ending June 30, 2009

PROPOSED RATES

3/4" Meters; Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			2.0	18.0	30.0	50.0			
First	2.0	14,779	15,278.5	15,278.5					
Next	18.0	33,217	159,409.0	66,434.0	92,975.0				
Next	30.0	247	6,689.8	494.0	4,446.0	1,749.8			
Over	50.0	34	3,393.5	68.0	612.0	1,020.0	1,693.5		
Totals	48,277	184,770.8	82,274.5	98,033.0	2,769.8	1,693.5			
Min Bill & Rate per 1,000 Gal.			\$20.58	\$9.03	\$7.48	\$5.85			
Revenue			\$993,541	\$885,238	\$20,718	\$9,907			
TOTAL REVENUE			\$1,909,404						

1" Meters; Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			5.0	15.0	30.0	50.0			
First	5.0	6	20.8						
Next	15.0	25	237.9	50.0	187.9				
Next	30.0	3	87.1	6.0	54.0	27.1			
Over	50.0	2	124.5	4.0	36.0	60.0	24.5		
Totals	36	470.3	80.8	277.9	87.1	24.5			
Min Bill & Rate per 1,000 Gal.			\$47.67	\$9.03	\$7.48	\$5.85			
Revenue			\$1,716	\$2,509	\$652	\$143			
TOTAL REVENUE			\$5,020						

1.5" Meters; Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			10.0	10.0	30.0	50.0			
First	10.0	0	0.0						
Next	10.0	0	0.0		0.0				
Next	30.0	0	0.0	0.0	0.0	0.0			
Over	50.0	0	0.0	0.0	0.0	0.0	0.0		
Totals	0	0.0	0.0	0.0	0.0	0.0	0.0		
Min Bill & Rate per 1,000 Gal.			\$92.82	\$9.03	\$7.48	\$5.85			
Revenue			\$0	\$0	\$0	\$0	\$0		
TOTAL REVENUE			\$0						

2" Meters; Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			20.0	30.0	50.0				
First	20.0	0	0.0						
Next	30.0	0	0.0		0.0				
Over	50.0	0	0.0	0.0	0.0	0.0			
Totals	0	0.0	0.0	0.0	0.0	0.0	0.0		
Min Bill & Rate per 1,000 Gal.			\$183.12	\$7.48	\$5.85				
Revenue			\$0	\$0	\$0	\$0	\$0		
TOTAL REVENUE			\$0						

3/4" Meters; Non-Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			2.0	18.0	30.0	50.0			
First	2.0	1,567	842.9						
Next	18.0	796	5,050.4	3,458.4					
Next	30.0	50	1,551.8	900.0	551.8				
Over	50.0	8	927.2	144.0	240.0	527.2			
Totals	2,421	8,372.3	2,550.9	4,502.4	791.8	527.2			
Min Bill & Rate per 1,000 Gal.			\$20.58	\$9.03	\$7.48	\$5.85			
Revenue			\$49,824	\$40,657	\$5,923	\$3,084			
TOTAL REVENUE			\$99,488						

1" Meters; Non-Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			5.0	15.0	30.0	50.0			
First	5.0	55	107.6						
Next	15.0	73	820.9	674.9					
Next	30.0	4	107.1	72.0	27.1				
Over	50.0	1	61.1	18.0	30.0	11.1			
Totals	133	1,096.7	263.6	764.9	57.1	11.1			
Min Bill & Rate per 1,000 Gal.			\$47.67	\$9.03	\$7.48	\$5.85			
Revenue			\$6,340	\$6,907	\$427	\$65			
TOTAL REVENUE			\$13,739						

1.5" Meters; Non-Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			10.0	10.0	30.0	50.0			
First	10.0	9	55.2						
Next	10.0	4	54.2	8.0	46.2				
Next	30.0	20	696.1	40.0	360.0	296.1			
Over	50.0	15	1,464.4	30.0	270.0	450.0	714.4		
Totals	48	2,269.9	133.2	676.2	746.1	714.4			
Min Bill & Rate per 1,000 Gal.			\$92.82	\$9.03	\$7.48	\$5.85			
Revenue			\$4,455	\$6,106	\$5,581	\$4,179			
TOTAL REVENUE			\$20,322						

2" Meters; Non-Residential									
Water Use	No. Bills	1,000 Gal.	First	Next	Next	Next	Next	Next	Next
1,000 Gal.			20.0	30.0	50.0				
First	20.0	50	324.4						
Next	30.0	20	679.0	40.0	639.0				
Over	50.0	26	5,099.7	52.0	468.0	4,579.7			
Totals	96	6,103.1	416.4	1,107.0	4,579.7				
Min Bill & Rate per 1,000 Gal.			\$183.12	\$7.48	\$5.85				
Revenue			\$17,580	\$8,280	\$26,791				
TOTAL REVENUE			\$52,651						

Jackson County Water Association
 Supplemental Raw Water Intake
 Billing Analysis for Year Ending June 30, 2009

PROPOSED RATES

3" Meters; Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	30.0	0	0.0	0.0	50.0
Next	20.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$257.92	\$7.48	\$5.85
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

4" Meters; Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	40.0	0	0.0	0.0	50.0
Next	10.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$332.72	\$7.48	\$5.85
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

RESIDENTIAL TOTALS

No. of Bills	48,313
Usage (1,000 gallons)	185,241
Revenue	\$1,914,424

Wholesale Water Customers

	Usage 1,000 Gal.	Rate per 1,000 Gal.	Water Revenue
Utility			
Eastern Rookcastle WD	14,618.0	\$3.65	\$53,356
City of Beattyville	7,760.0	\$3.50	27,160.0
City of McKee	499.0	\$3.28	1,636.7
Estill County WD No.1	585.0	\$3.50	2,047.5
Bulk Loading Stations	93.0	\$3.09	\$287.37
Totals	23,555.0		\$84,487

3" Meters; Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	30.0	0	0.0	0.0	50.0
Next	20.0	0	0.0	0.0	0.0
Over	50.0	0	0.0	0.0	0.0
Totals	0	0.0	0.0	0.0	0.0
Min Bill & Rate per 1,000 Gal.			\$257.92	\$7.48	\$5.85
Revenue			\$0	\$0	\$0
TOTAL REVENUE			\$0	\$0	\$0

4" Meters; Non-Residential

Water Use 1,000 Gal.	No. Bills	1,000 Gal.	First	Next	Next
First	40.0	0	0.0	0.0	50.0
Next	10.0	0	0.0	0.0	0.0
Over	50.0	12	1,457.0	24.0	1,217.0
Totals	12	1,457.0	24.0	216.0	1,217.0
Min Bill & Rate per 1,000 Gal.			\$332.72	\$7.48	\$5.85
Revenue			\$3,993	\$1,616	\$7,119
TOTAL REVENUE			\$12,728		

NON-RESIDENTIAL TOTALS

No. of Bills	2,710
Usage (1,000 gallons)	19,299
Revenue	\$198,927

JACKSON COUNTY WATER ASSOCIATION TOTALS

No. of Bills	51,083
Usage (1,000 gallons)	228,095.1
Revenue	\$2,197,839

ADDITIONAL REVENUE GENERATE

	\$596,114
	37.22%

Jackson County Water Association
 Supplemental Raw Water Intake

Proposed Percent Rate Increase 37.22%

3/4" Meter

Water Use	Existing Rate	Proposed Rate
First 2,000	\$15.00 Min. Bill	\$20.58 Min. Bill
Next 18,000	\$6.58 /1,000 gal.	\$9.03 /1,000 gal.
Next 30,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

1" Meter

Water Use	Existing Rate	Proposed Rate
First 5,000	\$34.85 Min. Bill	\$47.67 Min. Bill
Next 15,000	\$6.58 /1,000 gal.	\$9.03 /1,000 gal.
Next 30,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

1-1/2" Meter

Water Use	Existing Rate	Proposed Rate
First 10,000	\$67.75 Min. Bill	\$92.82 Min. Bill
Next 10,000	\$6.58 /1,000 gal.	\$9.03 /1,000 gal.
Next 30,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

2" Meter

Water Use	Existing Rate	Proposed Rate
First 20,000	\$133.55 Min. Bill	\$183.12 Min. Bill
Next 30,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

3" Meter

Water Use	Existing Rate	Proposed Rate
First 30,000	\$188.05 Min. Bill	\$257.92 Min. Bill
Next 20,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

4" Meter

Water Use	Existing Rate	Proposed Rate
First 40,000	\$242.55 Min. Bill	\$332.72 Min. Bill
Next 10,000	\$5.45 /1,000 gal.	\$7.48 /1,000 gal.
Over 50,000	\$4.26 /1,000 gal.	\$5.85 /1,000 gal.

Wholesale Users

Utility	Existing Rate	Proposed Rate
Eastern Rockcastle WA	\$2.66 /1,000 gal.	\$3.65 /1,000 gal.
City of Beattyville	\$2.55 /1,000 gal.	\$3.50 /1,000 gal.
City of McKee	\$2.39 /1,000 gal.	\$3.28 /1,000 gal.
Estill Co. WD No. 1	\$2.55 /1,000 gal.	\$3.50 /1,000 gal.
Bulk Loading Stations	\$2.25 /1,000 gal.	\$3.09 /1,000 gal.