

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

September 16, 2011

Mr. Jeff Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

SEP 22 2011

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

Please find enclosed the Association's request for a purchased water rate adjustment. This adjustment request is due to the increased cost of wholesale water from the City of Berea that will be effective on November 10, 2011. Exhibit "B" is attached to the application showing this agreed to rate increase.

Also, enclosed is a revised tariff sheet reflecting the four 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,



Paul B. Reynolds
President/Executive Director

Enclosures

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

RECEIVED

SEP 22 2011

PUBLIC SERVICE
COMMISSION

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

September 16, 2011
(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 schedule 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>NO ADJUSTMENT \$2.01</u>	<u>\$2.01</u>
<u>CITY OF DANVILLE</u>	<u>NO ADJUSTMENT SEE ATTACHED EXHIBIT A</u>	
<u>CITY OF BEREA</u>	<u>\$2.17</u>	<u>\$2.50</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 SEPTEMBER 2010 through AUGUST 2011
 (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>270,672,220</u>
<u>CITY OF DANVILLE</u>	<u>See attached Exhibit C</u>
<u>CITY OF BEREA</u>	<u>30,827,324</u>
TOTAL PURCHASES	<u>395,497,631</u>

4. Total sales for the 12 month period 303,400,403

5. Increased water cost \$10,173.02


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

6. Purchased water adjustment factor \$.04

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 November 10, 2011



(Signature of Utility Officer)

Resident

(Title)

EXHIBIT A

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 A 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

EXHIBIT B

NOTICE

City of Berea Municipal Utilities (BMU) has filed a proposed rate schedule which will increase the rate for water provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>%Difference</u>
Garrard County Water Association	\$.0162490 per cubic foot	\$.0187190 per cu. ft.	15.2%
Southern Madison Water District	\$.0021720 per gallon	\$.0025020 per gal.	15.2%

The proposed effective date is November **10,2011**.

The rates contained in this notice are the rates proposed by BMU. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service commission may obtain copies of the rate application and any other filings made by BMU by contacting the Director, Ed Fortner, Jr., at the offices of BMU, **200** Harrison Road, Berea, KY **40403**; telephone **859-986-4391**.

Any person may examine the rate application and other filings made by BMU by visiting the offices of BMU at 200 Harrison Road in Berea, or by contacting the Public Service Commission at **211** Sower Boulevard in Frankfort, Kentucky; telephone **502-564-3940**.

EXHIBIT C

WATER PURCHASED BY THE GARRARD COUNTY WATER ASSOCIATION
FROM THE CITY OF DANVILLE

<u>MONTH</u>		<u>AMOUNT</u>
September	2010	7,826,848 GALLONS
October	2010	7,424,416 GALLONS
November	2010	6,219,171 GALLONS
December	2010	6,428,088 GALLONS
January	2011	8,064,936 GALLONS
February	2011	6,139,285 GALLONS
March	2011	6,849,511 GALLONS
April	2011	7,177,958 GALLONS
May	2011	8,057,606 GALLONS
June	2011	9,448,736 GALLONS
July	2011	10,757,212 GALLONS
August	2011	9,604,320 GALLONS
TOTAL GALLONS		93,998,087 GALLONS

FOR Entire Area Served _____

PSC KY NO. _____

15th Revised _____ SHEET NO. _____

GARRARD COUNTY WATER ASSOCIATION, INC.
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

14th Revised _____ SHEET NO. _____

RATE PER UNIT

RESIDENTIAL,, FARM AND SMALL, COMMERCLAL

5/8" x 3/4" Meter Schedule

First	1,000 Gallons	10.23 (Minimum Bill)
Next	1,000 Gallons	5.33 per 1,000 Gallons
Next	1,000 Gallois	4.23 per 1,000 Gallons
Next	2,000 Gallois	4.03 per 1,000 Gallois
All Over	5,000 Gallois	3.73 per 1,000 Gallois

LARGE COMMERCIAL, DAIRY FARM AND SCHOOL, CONNECTIONS

1" Meter Schedule

First	5,000 Gallons	27.85 (Minimum Bill)
All Over	5,000 Gallons	3.73 per 1,000 Gallons

1 1/2" Meter Schedule

First	10,000 Gallons	46.50 (Minimum Bill)
All Over	10,000 Gallois	3.73 per 1,000 Gallons

2" Meter Schedule

First	25,000 Gallons	102.45 (Minimum Bill)
All Over	25,000 Gallois	3.73 per 1,000 Gallons

Bulk Sales

\$5.25 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 11/10/11
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE President

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