

Big Sandy Water District

18200 State Route 3, Catlettsburg, Kentucky 41129

606 - 928 - 2075

April 20, 2012

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

APR 24 2012

PUBLIC SERVICE
COMMISSION

RE: Application for an Adjustment in Rates Pursuant to
the Alternative Rate Filing Procedure for Small Utilities

Big Sandy Water District ("Big Sandy") is submitting its application requesting Commission approval of its increase in water rates pursuant to the Alternative Rate Filing Procedure for Small Utilities ("ARF"). Attached is the completed "ARF Application" and the revised tariffs. A copy of this application and related filings has been sent to the Office of the Attorney General, State Capitol Building, Suite 118, Frankfort, KY 40601.

Sincerely,



James Blanton, Manager
Big Sandy Water District

Enclosure

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION
For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

RECEIVED

APR 24 2012

PUBLIC SERVICE
COMMISSION

Big Sandy Water District
(Name of Utility)

18200 State Route 3

(Business Mailing Address - Number and Street or P.O. Box)

Catlettsburg, Kentucky 41129

(Business Mailing Address - City, State, and Zip)

(606) 928 - 2075

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

James Blanton, Manager

(Name)

18200 State Route 3

(Address - Number and Street or P.O. Box)

Catlettsburg, Kentucky 41129

(Address - City, State, Zip)

(606) 928 - 2075

(Telephone Number)

bdistrict@windstream.net

(Email Address)

(For each statement below, the Applicant should check either "YES" or "NO".)

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Applicant is a water association organized pursuant to KRS Chapter 273. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." (Attach completed "Reasons for Application" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2010</u> . | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>250,499</u> and total revenues from service rates of \$ <u>2,386,988</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. As of the date of the filing of this application , Applicant had <u>4,644</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>62%</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed *James Blanton*
 Officer of the Company/Authorized Representative

Title MANAGER

Date 04/20/12

COMMONWEALTH OF KENTUCKY

COUNTY OF BOYD

Before me appeared JAMES BLANTON, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Leresa Brown
 Notary Public

My commission expires: 03/08/16

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- "Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- "Billing Analysis" Attachment
- Depreciation Schedule
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return

CUSTOMER NOTICE

Big Sandy Water District has applied to the Public Service Commission for an adjustment of rates in the total amount of \$2,387,005 on an annual basis, which is an increase of \$250,516 or approximately 11.73 percent over normalized revenues from water sales of \$2,136,489.

The estimated amount of the total increase per customer class/meter size is:

Meter Size	Requested Increase	
	Dollar	Percentage
5/8X3/4 Inch	\$ 171,815	68.6%
1 Inch	1,083	0.4%
1 1/2 Inch	144	0.1%
2 Inch	1,421	0.6%
3 Inch	8,627	3.4%
4 Inch	56,791	22.7%
Wholesale:		
Cannonsburg	5,342	2.1%
Overland	5,375	2.1%
Totals	\$ 250,598	100.0%

The comparison of the present and proposed rates of the Big Sandy Water District is as follows:

5/8 x3/4 Inch Meter						
		Existing	Proposed	Differences		
		Rates	Rates	\$		%
FIRST	2,000	\$ 17.38	\$ 20.86	\$ 3.48		20.02%
NEXT	8,000	\$ 6.79	\$ 6.58	\$ (0.21)		-3.09%
NEXT	20,000	\$ 5.66	\$ 6.17	\$ 0.51		9.01%
NEXT	20,000	\$ 4.90	\$ 5.78	\$ 0.88		17.96%
ALL OVER	50,000	\$ 4.14	\$ 4.90	\$ 0.76		18.36%
1 Inch Meter						
		Existing	Proposed	Differences		
		Rates	Rates	\$		%
FIRST	10,000	\$ 71.70	\$ 73.50	\$ 1.80		2.51%
NEXT	20,000	\$ 5.66	\$ 6.17	\$ 0.51		9.01%
NEXT	20,000	\$ 4.90	\$ 5.78	\$ 0.88		17.96%
OVER	50,000	\$ 4.14	\$ 4.90	\$ 0.76		18.36%
1 1/2 Inch Meter						
		Existing	Proposed	Differences		
		Rates	Rates	\$		%
FIRST	30,000	\$ 184.90	\$ 196.90	\$ 12.00		6.49%
NEXT	20,000	\$ 4.90	\$ 5.78	\$ 0.88		17.96%
OVER	50,000	\$ 4.14	\$ 4.90	\$ 0.76		18.36%

2 Inch Meter					
		Existing Rates	Proposed Rates	Differences \$	%
FIRST	50,000	\$ 282.90	\$ 312.50	\$ 29.60	10.46%
OVER	50,000	\$ 4.14	\$ 4.90	\$ 0.76	18.36%
3 Inch Meter					
		Existing Rates	Proposed Rates	Differences \$	%
FIRST	100,000	\$ 489.90	\$ 557.50	\$ 67.60	13.80%
OVER	100,000	\$ 4.14	\$ 4.90	\$ 0.76	18.36%
4 Inch Meter					
		Existing Rates	Proposed Rates	Differences \$	%
FIRST	200,000	\$ 903.90	\$ 1,047.50	\$ 143.60	15.89%
OVER	200,000	\$ 4.14	\$ 4.90	\$ 0.76	18.36%
WHOLESALE					
		Existing Rates	Proposed Rates	Differences \$	%
OVERLAND DEVELOPMENT:					
MONTHLY SERVICE FEE		\$ 547.75	N/A	N/A	N/A
RATE PER 1,000 GALLONS		\$ 1.87	\$ 4.41	\$ 2.54	135.83%
CANNONSBURG WATER DIST.:					
RATE PER 1,000 GALLONS		\$ 2.53	\$ 4.41	\$ 1.88	74.31%

IMPACT ON AVERAGE CUSTOMER BILL

Average Bill					
Meter Size	Gallons	Existing Rates	Proposed Rates	Increase	
				\$	%
5/8X3/4 Inch	3,890	\$ 30.21	\$ 33.30	\$ 3.08	10.2%
1 Inch	15,781	\$ 155.36	\$ 164.70	\$ 9.34	6.0%
1 1/2 Inch	9,208	\$ 184.90	\$ 196.90	\$ 12.00	6.5%
2 Inch	2,344	\$ 282.90	\$ 312.50	\$ 29.60	10.5%
3 Inch	148,257	\$ 689.68	\$ 793.96	\$ 104.28	15.1%
4 Inch	1,156,922	\$ 4,865.56	\$ 5,736.42	\$ 870.86	17.9%

The rates contained in this notice are the rates proposed by the Big Sandy Water District; 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 submit a written request to intervene to the Public Service Commission at the address shown below. Copies of the application may be obtained at no charge by contacting Big Sandy Water District at the address below. Any person may examine the rate application and any other filings at the offices of Big Sandy Water District or the Public Service Commission.

Big Sandy Water District
18200 State Route 3
Catlettsburg, Kentucky 41129

Telephone: 606-928-2075

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Telephone: 502-564-3940

Persons may also view and download a copy of the rate application through the Public Service Commission's website at psc.ky.gov.

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

The proposed increase in the rates and charges is necessary for Big Sandy Water District ("Big Sandy") to meet continuing demand for adequate service. It has been approximately 17 years since Big Sandy last requested and received a general increase in its base water rates in Case No. 9156. An increase in its rates is essential for Big Sandy to maintain a reasonable level of service, to meet the expanding needs of its service area, and to cover its debt service requirements.

The cost-of-service study produces a 36.82 percent increase in the minimum bill for the 5/8 x 3/4 inch meter. Big Sandy believes that an increase of this magnitude could result in rate shock to its ratepayers. For this reason, Big Sandy is proposing rates that produce a 20 percent minimum bill for the 5/8 x 3/4 inch meter to gradually move towards the cost-of-service study.

ARF FORM 1 - ATTACHMENT CPR - SEPTEMBER 2011
20% Increase Min. Bill

5/8 x3/4 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	2,000	\$	17.38	\$	20.86	\$ 3.48	20.02%
NEXT	8,000	\$	6.79	\$	6.58	\$ (0.21)	-3.09%
NEXT	20,000	\$	5.66	\$	6.17	\$ 0.51	9.01%
NEXT	20,000	\$	4.90	\$	5.78	\$ 0.88	17.96%
ALL OVER	50,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
1 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	10,000	\$	71.70	\$	73.50	\$ 1.80	2.51%
NEXT	20,000	\$	5.66	\$	6.17	\$ 0.51	9.01%
NEXT	20,000	\$	4.90	\$	5.78	\$ 0.88	17.96%
OVER	50,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
1 1/2 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	30,000	\$	184.90	\$	196.90	\$ 12.00	6.49%
NEXT	20,000	\$	4.90	\$	5.78	\$ 0.88	17.96%
OVER	50,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
2 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	50,000	\$	282.90	\$	312.50	\$ 29.60	10.46%
OVER	50,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
3 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	100,000	\$	489.90	\$	557.50	\$ 67.60	13.80%
OVER	100,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
4 Inch Meter							
		Existing Rates		Proposed Rates		Differences	
						\$	%
FIRST	200,000	\$	903.90	\$	1,047.50	\$ 143.60	15.89%
OVER	200,000	\$	4.14	\$	4.90	\$ 0.76	18.36%
WHOLESALE							
		Existing Rates		Proposed Rates		Differences	
						\$	%
OVERLAND DEVELOPMENT:							
	MONTHLY SERVICE FEE	\$	547.75		N/A	\$ N/A	N/A
	RATE PER 1,000 GALLONS	\$	1.87	\$	4.41	\$ 2.54	135.83%
CANNONBURG WATER DISTRICT:							
	RATE PER 1,000 GALLONS	\$	2.53	\$	4.41	\$ 1.88	74.31%

ARF FORM 1 - ATTACHMENT SAO-S - SEPTEMBER 2011

	2010 Annual Report	Differences	Adj Ref.	Pro Forma Operations
Operating Revenues:				
Revenue - Metered Water Sales	\$ 2,104,849	\$ 31,640	(a)	\$ 2,136,489
Operating Expenses:				
Operation & Maintenance:				
Salaries & Wages - Employees	\$ 309,202	\$ 6,349	(b)	\$ 315,551
Salaries & Wages - Commissioners	30,000	0		30,000
Employee Pension & Benefits	124,033	24,957	(c)	148,990
Purchased Water	795,787	(10,629)	(d)	785,158
Purchased Power	61,674	0		61,674
Materials & Supplies	115,746	(37,614)	(e)	78,132
Contractual Services - Accounting	4,620	0		4,620
Contractual Services - Legal	4,188	0		4,188
Contractual Services - Water Testing	4,978	0		4,978
Contractual Services - Other	26,580	(3,090)	(f)	23,490
Transportation	26,673	0		26,673
Insurance	19,103	(5,399)	(g)	13,704
Advertising	190	0		190
Bad Debt Expense	8,680	0		8,680
Miscellaneous	52,568	0		52,568
Total Operation & Maintenance	\$ 1,584,022	\$ (25,426)		\$ 1,558,596
Depreciation	393,195	(388)	(h)	392,807
Taxes Other Than Income:				
Payroll Taxes	28,771	(4,632)	(i)	24,139
Utility Operating Expenses	\$ 2,005,988	\$ (30,446)		\$ 1,975,542
Net Utility Operating Income	\$ 98,861	\$ 62,086		\$ 160,947
Other Income & Deductions:				
Interest Income	3,409	0		3,409
Net Income Available for Debt Service	\$ 102,270	\$ 62,086		\$ 164,356

(a) **Revenue from Water Sales:** This adjustment reflects the results of Commission Staff's billing analysis and the current tariffed rate

	Customers	Gallons	Revenue
Normalized Revenue Water Sales	4,644	298,578,500	\$ 2,136,489
Annual Report Totals	4,474	288,465,000	2,104,849
Difference	170	10,113,500	\$ 31,640

(b) **Salaries & Wages:** This adjustment reflects the 2011 wages applied to the hours worked during the 2010 test period.

Position Title	2010 Wages		2010 Hours	Pro Forma
	Regular	Overtime	Overtime	Salaries
Manager	\$ 22 00	\$ 33 00	208 00	\$ 52,184
Assistant Manager	\$ 19 41	\$ 29 12	226 00	46,566
Meter Reader/Operator	\$ 16 24	\$ 24 36	206 50	38,484
Office Manager	\$ 17 50	\$ 26 25	151 50	40,027
Clerk	\$ 12 50	\$ 18 75	0 00	25,750
Laborer	\$ 10 50	\$ 15 75	315 50	26,599
Meter Reader	\$ 13 50	\$ 20 25	218 50	32,235
Meter Reader/Operator	\$ 15 74	\$ 23 61	72 50	34,136
Clerk	\$ 9 50	\$ 14 25	0 00	19,570
Totals				\$ 315,551
Pro Forma Salaries & Wages - Employees				\$ 315,551
Less: Reported Salaries & Wages - Employees				309,202
Pro Forma Adjustment				\$ 6,349

(c) **Employee Pension and Benefits:** This adjustment reflects: (1) the current employer retirement contribution rate; (2) the pro forma salaries and wages; and (3) the current employee insurance premiums

Position Title	Pro Forma Employee Pension and Benefits				
	Emp Health Insurance	Emp Contrib 1.5%	Dental MO Premium	18.9%	Totals
Manager	\$ 16,644	\$ (783)	\$ 781	\$ 9,863	\$ 26,505
Assistant Manager	16,092	(698)	678	8,801	24,873
Meter Reader/Operator	16,644	(577)	537	7,273	23,877
Office Manager	0	0	0	7,565	7,565
Clerk	7,620	(386)	0	4,867	12,101
Laborer	6,060	(399)	396	5,027	11,084
Meter Reader	18,996	(484)	603	6,092	25,207
Meter Reader/Operator	11,328	(512)	510	6,452	17,778
Clerk	0	0	0	0	0
Totals	\$ 93,384	\$ (3,839)	\$ 3,505	\$ 55,940	\$ 148,990
Pro Forma Employee Pension & Benefits					\$ 148,990
Less: Reported Employee Pension & Benefits					124,033
Pro Forma Adjustment					\$ 24,957

(d) **Purchased Water:** Big Sandy's test-period non-revenue water exceeds the Commission's allowable limit of 15 percent. This adjustment reflects the 15 percent limitation and the current wholesale rates being charged to Big Sandy

Month	Test-Period Water - Gallons per Invoices				
	Cannonsburg WD	City of Kenova	Rattlesnake Ridge WD	Louisa Water Company	Total
Jan-10	3,377,300	23,342,000	425,290	6,491,100	33,635,690
Feb-10	5,867,000	22,260,000	384,160	6,231,600	34,742,760
Mar-10	4,811,800	20,182,000	323,150	6,390,700	31,707,650
Apr-10	3,287,400	20,847,000	381,390	5,959,000	30,474,790
May-10	4,016,000	18,836,000	356,000	6,672,820	29,880,820
Jun-10	4,279,900	16,080,000	443,680	7,289,800	28,093,380
Jul-10	4,283,600	20,740,000	588,320	8,177,600	33,789,520
Aug-10	4,033,700	19,571,000	247,090	7,782,300	31,634,090
Sep-10	4,906,400	21,454,000	497,090	7,314,700	34,172,190
Oct-10	3,530,100	18,616,000	591,800	7,130,703	29,868,603
Nov-10	4,120,800	19,869,000	368,900	7,405,400	31,764,100
Dec-10	4,686,700	16,381,000	522,800	9,958,600	31,549,100
Annual Totals	51,200,700	238,178,000	5,129,670	86,804,323	381,312,693

Unaccounted for Water Loss Percentage

Water Produced/Purchased	381,312,693.00
Water Sales - Staff's Billing Analysis	298,578,500 00
Water Treatment Plant	20,000 00
System Flushing	859,000 00
Fire Department	245,000 00
Other	353,000.00
Total Water Sold and Used	<u>300,055,500.00</u>
Unaccounted for Water Loss - Gallons	<u>81,257,193.00</u>
Percentage of Unaccounted for Water Loss	<u>21.310%</u>
Percentage Water Loss in Excess of 15 Percent	<u>6.310%</u>

Determination of Pro Forma Purchased Water

Pro Forma Water Sales	298,578,500
Add: System Flushing, Fire Department, and Other	1,457,000
Subtotal	300,035,500
Divided by: 15% Non-revenue Water Reciprocal	0.85
Allowable Purchases - Gallons	<u>352,982,941</u>

	Cannonsburg WD	City of Kenova	Rattlesnake Ridge WD	Louisa Water Company	Total
Test-Period Purchases	51,200,700	238,178,000	5,129,670	86,804,323	381,312,693
Divided by: Water Produced/Purchased	381,312,693	381,312,693	381,312,693	381,312,693	381,312,693
Percentage of Purchases	<u>13.427%</u>	<u>62.463%</u>	<u>1.345%</u>	<u>22.765%</u>	<u>100.000%</u>
Allowable Purchases/Production	352,982,941	352,982,941	352,982,941	352,982,941	352,982,941
Multiplied by: Percentage of Purchases	13.427%	62.463%	1.345%	22.765%	100.000%
Allowable Purchases	<u>47,395,019</u>	<u>220,483,734</u>	<u>4,747,621</u>	<u>80,356,567</u>	<u>352,982,941</u>

Wholesale Rates per 1,000 Gall	\$ 3 670	\$ 1 790	\$ 2 960	\$ 2 520	\$ 2 224
Multiplied by: Allowable Purchases	x 47,395.019	x 220,483.734	x 4,747.621	x 80,356.567	x 352,982.941
Total Allowable Purchases	<u>\$ 173,940</u>	<u>\$ 394,666</u>	<u>\$ 14,053</u>	<u>\$ 202,499</u>	<u>\$ 785,158</u>
Less: Actual Test-period Expense					x 795,787
Pro Forma Adjustment					<u>\$ (10,629)</u>

(e) Materials & Supplies: This adjustment removes capital items that were incorrectly expensed in the test period

Invoice Date	Vendor	Descriptions	Amount
06/17/10	Consolidated Pip & Supply	Meter Installations	\$ (2,472)
06/01/10	Consolidated Pip & Supply	Meter Installations	(2,110)
08/04/10	Consolidated Pip & Supply	Meter Installations	(3,621)
09/01/10	Consolidated Pip & Supply	Meter Installations	(4,480)
12/21/09	Consolidated Pip & Supply	Meter Installations	(3,121)
03/10/10	Consolidated Pip & Supply	Meter Installations	(2,820)
01/20/10	IT Technologies	Mole for Service Lines	(4,116)
07/19/10	Neptune Equipment Company	Automated Meter Reading Equip	(2,693)
09/23/10	Neptune Equipment Company	Automated Meter Reading Equip	(920)
10/11/10	Neptune Equipment Company	Automated Meter Reading Equip	(5,804)
06/15/10	Cannonsburg Water District	28 Setters	(2,800)
02/09/10	CI Thornburg	Check Valve	(330)
02/15/10	CI Thornburg	4" Meter	(1,319)
02/25/10	CI Thornburg	4" Meter	(1,008)
Total Capital Expenditures			<u>\$ (37,614)</u>

(f) Contractual Services - Other: This adjustment removes capital items that were incorrectly expensed in the test period.

Invoice Date	Vendor	Descriptions	Amount
02/01/10	Neptune Equipment Company	Automated Meter Reading Equip	<u>\$ (3,090)</u>

(g) Insurance: This adjustment reflects the current premiums for all of the insurance coverages

Title	Amount
Premium Total - Annual	\$ 13,704
Less: Reported Expense	19,103
Pro Forma Adjustment	<u>\$ (5,399)</u>

Pro Forma Adjustments

(h) **Depreciation:** This adjustment reflects: (1) a full-year of depreciation for items capitalized in 2010; (2) items fully depreciated as of December 31, 2010; (3) depreciating items that were incorrectly expensed; (4) depreciation for a new river crossing to the City of Kenova; and (5) depreciation for the new main meters that will zone the system to assist in reducing non-revenue water to the allowable limit of 15 percent

Account		Depreciation	UPIS	Accumulated	Pro Forma
No.	Title	Lives	12/31/10	Depreciation	Depreciation
				12/31/10	Expense
303 00	Land		\$ 25,529	\$ 0	\$ 0
304 00	Structures & Improvements	10	64,512	61,397	3,115
311 00	Pumping Equipment	50	292,307	105,120	5,846
330 00	Distribution Reservoir	50	1,223,302	451,488	24,466
331 00	Transmission & Distribution	50	9,077,248	2,634,801	181,545
333 00	Pipe Acces	50	3,855,964	1,053,815	77,119
334 00	Meters/Installations	20	1,171,436	571,667	58,572
335 00	Hydrants	30	227,402	19,910	7,580
340 00	Office Equipment	10	36,077	36,077	0
341 00	Transportation Equipment	5	52,218	5,222	10,444
343 00	Tools/Equipment	5	46,120	46,120	0
345 00	Backhoe/Equipment	5	74,003	74,003	0
346 00	Communication	5	6,014	6,014	0
347 00	Other Equipment	5	11,484	11,484	0
348 00	Telemetry Equipment	20	154,543	154,543	0
349 00	Digital Mapping	5	14,583	14,583	0
304 20	Office Building	10	57,018	53,062	3,956
340 00	Computers	5	81,825	78,538	3,287
345 10	Trencher	5	0	0	0
			<u>\$ 16,471,585</u>	<u>\$ 5,377,844</u>	<u>\$ 375,930</u>
Capital Expenditures Expensed in Test-Period:					
	Meter Installations	20	21,424		1,071
	Check Valve	30	330		11
	Automated Meter Reading Equip	5	9,417		1,883
	Mole for Service Lines	20	4,116		206
	4" Meters	20	2,327		116
Post-Test Period Capital Expenditures:					
	River Crossing - City of Kenova	50	117,000		2,340
	30 Main Meter with Bypass - Zone System	20	225,000		11,250
Pro Forma Depreciation Expense			<u>\$ 16,509,199</u>		<u>\$ 392,807</u>
Less: Reported Depreciation Expense					<u>393,195</u>
Pro Forma Adjustment					<u>\$ (388)</u>

(i) **Payroll Taxes:** This adjustment applies the payroll tax rate to the normalized salaries and wages expense

Position Title	Pro Forma Payroll	FICA 7.65%
Manager	\$ 52,184	\$ 3,992
Assistant Manager	46,566	3,562
Meter Reader/Operator	38,484	2,944
Office Manager	40,027	3,062
Clerk	25,750	1,970
Laborer	26,599	2,035
Meter Reader	32,235	2,466
Meter Reader/Operator	34,136	2,611
Clerk	19,570	1,497
Pro Forma Totals	<u>\$ 315,551</u>	<u>\$ 24,139</u>
Pro Forma Payroll Taxes		\$ 24,139
Less: Test Period Payroll Taxes		28,771
Pro Forma Adjustment		<u>\$ (4,632)</u>

Revenue Requirement

	Average Debt Service		Coverage		Maximum
Debt Service Coverage - RD	\$ 124,227	x	0.2	=	\$ 24,845
Debt Service Coverage - KIA & KRWA	\$ 241,621	x	0.1	=	24,162
Total Coverage					\$ 49,007
Total Average Debt Service					365,848
Add: Pro Forma Operating Expenses					1,558,596
Depreciation					392,807
Taxes Other Than Income					24,139
Total Revenue Requirement					\$ 2,390,397
Less: Other Income & Deductions					3,409
Revenue Requirement from Operations					\$ 2,386,988
Less: Other Operating Revenues					0
Revenue Requirement from Water Sales					\$ 2,386,988
Less: Pro Forma Revenue - Water Sales					2,136,489
Requested Increase					\$ 250,499
Percentage Increase					11.725%

Cash Flow

Total Revenue Requirement	\$ 2,390,397
Less: Operating Expenses	1,975,542
Net Operating Income	\$ 414,855
Add: Depreciation & Amortization	392,807
Sub-total	\$ 807,662
Less: Debt Service	365,848
Net Cash Flow	\$ 441,814

**ARF FORM 1 - ATTACHMENT RR-OR - SEPTEMBER 2011
Summary of Long-Term Debt Amortization Schedules**

	2012	2013	2014	Totals
RD 91-07	\$ 67,093	\$ 67,490	\$ 67,320	\$ 201,903
RD 91-10	27,423	28,040	27,613	83,076
RD 91-11	28,920	29,583	29,200	87,703
Subtotal RD	<u>123,436</u>	<u>125,113</u>	<u>124,133</u>	<u>372,682</u>
KIA C89-16	101,001	70,293	19,824	191,118
KRWA 2001	65,846	64,915	66,776	197,537
KRWA 2004	48,242	48,369	46,422	143,033
KRWA 2007	54,410	69,412	69,354	193,176
Subtotal KIA & KRWA	<u>269,499</u>	<u>252,989</u>	<u>202,376</u>	<u>724,864</u>
Totals	<u><u>\$ 392,935</u></u>	<u><u>\$ 378,102</u></u>	<u><u>\$ 326,509</u></u>	<u><u>\$ 1,097,546</u></u>
RD Average Debt Service				\$ 124,227
KIA & KRWA Average Debt Service				241,621
Average Debt Service				<u><u>\$ 365,848</u></u>

**ARF FORM 1 - ATTACHMENT RR-OR - SEPTEMBER 2011
Long-Term Debt Amortization Schedules**

RD 91-07

Maturity Date	Principal	Interest		Annual	Outstanding Balance
		Rate	Expense		
Balance Outstanding					\$ 992,500
2010	\$ 22,500	4 500%	\$ 44,663	\$ 67,163	\$ 970,000
2011	23,500	4 500%	43,650	67,150	\$ 946,500
2012	24,500	4 500%	42,593	67,093	\$ 922,000
2013	26,000	4 500%	41,490	67,490	\$ 896,000
2014	27,000	4 500%	40,320	67,320	\$ 869,000
2015	28,500	4 500%	39,105	67,605	\$ 840,500
2016	30,000	4.500%	37,823	67,823	\$ 810,500
Totals	\$ 182,000		\$ 289,644	\$ 471,644	

RD 91-10

Maturity Date	Principal	Interest		Annual	Outstanding Balance
		Rate	Expense		
Balance Outstanding					\$ 437,000
2010	\$ 8,000	4 500%	\$ 19,665	\$ 27,665	\$ 429,000
2011	8,500	4.500%	19,305	27,805	\$ 420,500
2012	8,500	4 500%	18,923	27,423	\$ 412,000
2013	9,500	4 500%	18,540	28,040	\$ 402,500
2014	9,500	4 500%	18,113	27,613	\$ 393,000
2015	10,000	4 500%	17,685	27,685	\$ 383,000
2016	10,500	4 500%	17,235	27,735	\$ 372,500
Totals	\$ 64,500		\$ 129,466	\$ 193,966	

RD 91-11

Maturity Date	Principal	Interest		Annual	Outstanding Balance
		Rate	Expense		
Balance Outstanding					\$ 490,500
2010	\$ 7,000	4 500%	\$ 22,073	\$ 29,073	\$ 483,500
2011	7,500	4 500%	21,758	29,258	\$ 476,000
2012	7,500	4 500%	21,420	28,920	\$ 468,500
2013	8,500	4 500%	21,083	29,583	\$ 460,000
2014	8,500	4 500%	20,700	29,200	\$ 451,500
2015	9,000	4 500%	20,318	29,318	\$ 442,500
2016	9,000	4 500%	19,913	28,913	\$ 433,500
Totals	\$ 57,000		\$ 147,265	\$ 204,265	

KIA C89-16

Maturity Date	Principal	Interest		Sinking Fund	Annual	Outstanding Balance
		Rate	Expense			
Balance Outstanding						\$ 760,012
2010	\$ 10,000		\$ 39,638	\$ 51,295	\$ 100,933	\$ 750,012
2011	10,000	5 000%	39,275	51,812	101,087	\$ 740,012
2012	172,506	5 000%	38,838	(110,343)	101,001	\$ 567,506
2013	367,506	5 000%	29,794	(327,007)	70,293	\$ 200,000
2014	200,000	5 000%	10,500	(190,676)	19,824	\$ -
2015	0	5 000%	0	0	0	\$ -
2016	0	5 000%	0	0	0	\$ -
Totals	\$ 760,012		\$ 158,045		\$ 393,138	

KRWA 2001

Maturity Date	Principal	Interest Expense	Debt Service Annual	Outstanding Balance
2010	\$ 32,000	\$ 32,220	\$ 64,220	\$ 234,000
2011	31,000	31,497	62,497	\$ 203,000
2012	37,000	28,846	65,846	\$ 166,000
2013	38,000	26,915	64,915	\$ 128,000
2014	42,000	24,776	66,776	\$ 86,000
2015	43,000	22,428	65,428	\$ 43,000
2016	43,000	20,052	63,052	\$ -
Totals	\$ 266,000	\$ 186,734	\$ 452,734	

KRWA 2004

Maturity Date	Principal	Interest Expense	Debt Service Annual	Outstanding Balance
2010	\$ 23,000	\$ 25,824	\$ 48,824	\$ 149,000
2011	23,000	25,049	48,049	\$ 126,000
2012	24,000	24,242	48,242	\$ 102,000
2013	25,000	23,369	48,369	\$ 77,000
2014	24,000	22,422	46,422	\$ 53,000
2015	26,000	21,392	47,392	\$ 27,000
2016	27,000	20,300	47,300	\$ -
Totals	\$ 172,000	\$ 162,598	\$ 334,598	

ARF FORM 1 - ATTACHMENT RR-OR - SEPTEMBER 2011
 Long-Term Debt Amortization Schedules

KRWA 2007

Maturity Date	Principal	Interest Expense	Debt Service Annual	Outstanding Balance
Balance Outstanding				\$ 241,990
2010	\$ 34,494	\$ 34,947	\$ 69,441	\$ 207,496
2011	20,496	33,849	54,345	\$ 187,000
2012	22,000	32,410	54,410	\$ 165,000
2013	38,500	30,912	69,412	\$ 126,500
2014	40,000	29,354	69,354	\$ 86,500
2015	42,500	27,734	70,234	\$ 44,000
2016	44,000	26,013	70,013	\$ -
Totals	<u>\$ 241,990</u>	<u>\$ 215,219</u>	<u>\$ 457,209</u>	

5/8X3/4 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 8,000	NEXT 20,000	NEXT 20,000	ALL OVER 50,000	TOTAL
FIRST	2,000	15,053	14,635,400	14,635,400					14,635,400
NEXT	8,000	36,273	159,110,300	72,546,000	86,564,300				159,110,300
NEXT	20,000	1,913	27,175,100	3,826,000	15,304,000	8,045,100			27,175,100
NEXT	20,000	98	3,472,800	196,000	784,000	1,960,000	532,800		3,472,800
ALL OVER	50,000	30	3,210,600	60,000	240,000	600,000	600,000	1,710,600	3,210,600
		53,367	207,604,200	91,263,400	102,892,300	10,605,100	1,132,800	1,710,600	207,604,200

		EXISTING RATES				REQUESTED RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	53,367	91,263,400	\$ 17.38	\$ 927,518.46	53,367	91,263,400	\$ 20.86	\$ 1,113,235.62
NEXT	8,000		102,892,300	\$ 6.79	698,638.72		102,892,300	\$ 6.58	677,031.33
NEXT	20,000		10,605,100	\$ 5.66	60,024.87		10,605,100	\$ 6.17	65,433.47
NEXT	20,000		1,132,800	\$ 4.90	5,550.72		1,132,800	\$ 5.78	6,547.58
ALL OVER	50,000		1,710,600	\$ 4.14	7,081.88		1,710,600	\$ 4.90	8,381.94
TOTAL		53,367	207,604,200		\$ 1,698,814.65	53,367	207,604,200		\$ 1,870,629.95

1 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 10,000	NEXT 20,000	NEXT 20,000	NEXT 50,000	TOTAL
FIRST	10,000	70	171,700	171,700				171,700
NEXT	20,000	41	716,900	410,000	306,900			716,900
NEXT	20,000	17	628,600	170,000	340,000	118,600		628,600
OVER	50,000	10	660,600	100,000	200,000	200,000	160,600	660,600
		138	2,177,800	851,700	846,900	318,600	160,600	2,177,800

		EXISTING RATES				REQUESTED RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	138	851,700	\$ 71.70	\$ 9,894.60	138	851,700	\$ 73.50	\$ 10,143.00
NEXT	20,000		846,900	\$ 5.66	4,793.45		846,900	\$ 6.17	5,225.37
NEXT	20,000		318,600	\$ 4.90	1,561.14		318,600	\$ 5.78	1,841.51
OVER	50,000		160,600	\$ 4.14	664.88		160,600	\$ 4.90	786.94
TOTAL		138	2,177,800		\$ 16,914.08	138	2,177,800		\$ 17,996.82

1 1/2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 20,000	NEXT 30,000	OVER 50,000	TOTAL
FIRST	30,000	12	110,500	110,500			110,500
NEXT	20,000	0	0	0	0		0
OVER	50,000	0	0	0	0	0	0
		<u>12</u>	<u>110,500</u>	<u>110,500</u>	<u>0</u>	<u>0</u>	<u>110,500</u>

	USAGE	EXISTING RATES				REQUESTED RATES			
		BILLS	GALLONS	RATE	REVENUE	BILLS	GALLONS	RATE	REVENUE
FIRST	30,000	12	110,500	\$ 184.90	\$ 2,218.80	12	110,500	\$ 196.90	\$ 2,362.80
NEXT	20,000		0	\$ 4.90	0.00		0	\$ 5.78	0.00
OVER	50,000		0	\$ 4.14	0.00		0	\$ 4.90	0.00
TOTAL		<u>12</u>	<u>110,500</u>		<u>\$ 2,218.80</u>	<u>12</u>	<u>110,500</u>		<u>\$ 2,362.80</u>

2 INCH METERS

	USAGE	BILLS	GALLONS	FIRST 50,000	OVER 50,000	TOTAL
FIRST	50,000	48	112,500	112,500		112,500
OVER	50,000	0	0	0	0	0
		<u>48</u>	<u>112,500</u>	<u>112,500</u>	<u>0</u>	<u>112,500</u>

	USAGE	EXISTING RATES				REQUESTED RATES			
		BILLS	GALLONS	RATE	REVENUE	BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	48	112,500	\$ 282.90	\$ 13,579.20	48	112,500	\$ 312.50	\$ 15,000.00
OVER	50,000		0	\$ 4.14	0.00		0	\$ 4.90	0.00
TOTAL		<u>48</u>	<u>112,500</u>		<u>\$ 13,579.20</u>	<u>48</u>	<u>112,500</u>		<u>\$ 15,000.00</u>

3 INCH METERS							
	USAGE	BILLS	GALLONS	FIRST 100,000	OVER 100,000		TOTAL
FIRST	100,000	37	718,500	718,500			718,500
OVER	100,000	24	8,325,200	2,400,000	5,925,200		8,325,200
							0
		61	9,043,700	3,118,500	5,925,200	0	0
							9,043,700
				EXISTING RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE		
FIRST	100,000	61	3,118,500	\$ 489.90	\$ 29,883.90		
OVER	100,000		5,925,200	\$ 4.14	24,530.33		
TOTAL		61	9,043,700		\$ 54,414.23		
				REQUESTED RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE		
		61	3,118,500	\$557.50	\$ 34,007.50		
			5,925,200	4.90	29,033.48		
		61	9,043,700		\$ 63,040.98		
4 INCH METERS							
	USAGE	BILLS	GALLONS	FIRST 200,000	OVER 200,000		TOTAL
FIRST	200,000	42	2,427,300	2,427,300			2,427,300
OVER	200,000	18	66,988,000	3,600,000	63,388,000		66,988,000
							0
		60	69,415,300	6,027,300	63,388,000	0	0
							69,415,300
				EXISTING RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE		
FIRST	200,000	60	6,027,300	\$ 903.90	\$ 54,234.00		
OVER	200,000		63,388,000	\$ 4.14	262,426.32		
			0		0.00		
TOTAL		60	69,415,300		\$ 316,660.32		
				REQUESTED RATES			
	USAGE	BILLS	GALLONS	RATE	REVENUE		
		60	6,027,300	\$1,047.50	\$ 62,850.00		
			63,388,000	\$ 4.90	310,601.20		
			0		0.00		
		60	69,415,300		\$ 373,451.20		
WHOLESALE							
				EXISTING RATES			
	BILLS	GALLONS	RATE	REVENUE			
OVERLAND DEVELOPMENT: MONTHLY SERVICE FEE	24	0	\$ 545.75	\$ 13,098.00			
RATE PER 1,000 GALLONS		7,273,000	\$ 1.87	13,600.51			
		7,273,000		26,698.51			
				REQUESTED RATES			
	BILLS	GALLONS	RATE	REVENUE			
		7,273,000	\$ 4.41	32,073.93			
		7,273,000		32,073.93			
CANNONSBURG WATER DISTRICT: RATE PER 1,000 GALLONS		2,841,500	\$ 2.53	7,189.00	2,841,500	\$ 4.41	12,531.02

CALCULATION OF WATER RATES

	TOTAL	FIRST 2,000	NEXT 8,000	NEXT 20,000	NEXT 20,000	OVER 50,000
FROM BILLING ANALYSIS:						
COMMODITY PERCENTS	100.00%	31.80%	36.19%	4.50%	0.96%	26.55%
ACTUAL COMMODITY SALES	288,464,000	91,736,700	104,401,700	12,981,600	2,768,300	76,575,700
PEAK DEMAND WEIGHTED FACTOR		2	1.75	1.5	1.25	1
PEAK DEMAND WEIGHTED SALES	465,684,850	183,473,400	182,702,975	19,472,400	3,460,375	76,575,700
DEMAND PERCENTS	100.00%	39.40%	39.23%	4.18%	0.74%	16.44%
COMMODITY COSTS	\$820,826	\$261,037	\$297,076	\$36,939	\$7,877	\$217,897
DEMAND COSTS	\$813,599	\$320,547	\$319,201	\$34,020	\$6,046	\$133,786
CUSTOMER COSTS	\$707,930	\$707,930				
TOTAL COSTS	\$2,342,355	\$1,289,514	\$616,276	\$70,959	\$13,923	\$351,682
DIVIDE BY BILLS/GALLONS		53,686	104,401,700	12,981,600	2,768,300	76,575,700
CALCULATED RATES		\$24.02	\$5.90	\$5.47	\$5.03	\$4.59
		FIRST 2,000	NEXT 8,000	NEXT 20,000	NEXT 20,000	OVER 50,000

BIG SANDY WATER DISTRICT		
WATER PURCHASED AND SOLD		
Total Produced	381,312,693	
Fire Department and Sewer	245,000	0.0006
System Use	1,232,000	0.0032
Line Loss	101,767,193	0.2669
Bulk Sales	-	0.0000
Retail Sales	267,954,000	0.7027
Wholesale Sales	10,114,500	0.0265
Total	381,312,693	1.00

BIG SANDY WATER DISTRICT						
INCH MILE RATIO						
	Total System			Jointly Used		
Size	Feet	Miles	Inch Miles	Feet	Miles	Inch Miles
12		2.09	25.08	-	2.09	25.08
8		27.58	220.64	-	6.50	52.00
6		118.20	709.20	-	-	0.00
4		71.20	284.80	-	-	0.00
3		189.00	567.00	-	-	0.00
2		9.50	19.00	-	-	0.00
1		2.20	2.20	-	-	0.00
3/4"		3.75	2.81	-	-	0.00
Total	-	423.52	1830.73	-	-	77.08
Inch Mile Ratio		0.0421				

BIG SANDY WATER DISTRICT		
WHOLESALE ALLOCATION FACTORS		
		Factor
Line Loss Percentage *		0.1500
Plant Use Percentage		0.0032
Allowable Line Loss & Plant Use	$0.1500 + 0.0032$	0.1532
Production Multiplier	$1/1-0.0032$	1.0032
Inch Mile Ratio	$77.08 / 1830.73$	0.0421
Wholesale Share of Line Loss	$0.0421 * 0.1500$	0.0063
Joint Share Line Loss / Plant Use	$0.0063 + 0.0032$	0.0095
Wholesale Production Multiplier	$1/1-0.0095$	1.0096
Production Allocation Factor	$10,114,500/278,068,500 * (1.0096/1.0032)$	0.0366
Pipeline Transmission Factor	$10,114,500/278,068,500 * 0.0421$	0.0015
Use Factor	$10,114,500/278,068,500$	0.0364

BIG SANDY WATER DISTRICT

WHOLESALE ALLOCATION FACTORS

			Factor
Line Loss Percentage		Amount Allowable by PSC	0.1500
Plant Use Percentage			0.0032
Allowable Line Loss & Plant Use	$0.1500 + 0.0032$	= Line Loss % + Plant Use %	0.1532
Production Multiplier	$1/1-0.0032$	= $1/(1 - \text{Plant Use \%})$	1.0032
Inch Mile Ratio	$77.08 / 1830.73$	= Total Jointly Used Inch Miles / Total Inch Miles	0.0421
Wholesale Share of Line Loss	$0.0421 * 0.1500$	= Inch Mile Ratio X Line Loss %	0.0063
Joint Share Line Loss / Plant Use	$0.0063 + 0.0032$	= Wholesale Share of Line Loss + Plant Use %	0.0095
Wholesale Production Multiplier	$1/1-0.0095$	= $1/1 - \text{Joint Share Line Loss / Plant Use}$	1.0096
Production Allocation Factor	$10,114,500/278,068,500 * (1.0096/1.0032)$	= $(\text{Sales to Wholesale customers} / \text{Total Water Sold}) * (\text{Wholesale Production Multiplier} / \text{Production Multiplier})$	0.0366
Pipeline Transmission Factor	$10,114,500/278,068,500 * 0.0421$	= $(\text{Sales to Wholesale customers} / \text{Total Water Sold}) * \text{Inch Mile Ratio}$	0.0015
Use Factor	$10,114,500/278,068,500$	= Sales to Wholesale Customers / Total Water Sold	0.0364

BIG SANDY WATER DISTRICT

ALLOCATION OF EXPENSES

Expense	Total	Pumping and Treatment	Transmission and Distribution	Customer
Purchased Power *	\$ 61,674	\$ 61,674		
Purchased Water *	785,158	785,158		
Employee Salaries	315,551	87,382	59,516	168,654
Employee Pension & Benefits	148,991	48,368	28,210	72,413
Materials & Supplies (Meters)	78,132			78,132
Advertising	190			190
Bad Debts Expense	8,680			8,680
Contractual Services - Other	23,490			23,490
Contractual Services - Water Testing *	4,978	4,978		
Subtotal Less Commodity*	\$ 575,034	\$ 135,750	\$ 87,726	\$ 351,558
Percentage		0.2361	0.1526	0.6114
<i>Administrative and General</i>				
Commissioners Salaries	30,000	7,082	4,577	18,341
Contractual Services - Accounting	4,620	1,091	705	2,825
Contractual Services - Legal	4,188	989	639	2,560
Insurance	13,704	3,235	2,091	8,378
Miscellaneous	52,568	12,410	8,020	32,138
Transportation Expense	26,673	6,297	4,069	16,307
Payroll Taxes	24,139	5,699	3,683	14,758
Subtotal	\$ 1,582,736	\$ 1,024,362	\$ 111,508	\$ 446,866
Depreciation	\$ 392,807	\$ 92,731	\$ 59,926	\$ 240,150
Debt Service plus Coverage	\$ 414,855	\$ 97,936	\$ 63,289	\$ 253,630
Total Expenses	\$ 2,390,398	\$ 1,215,029	\$ 234,723	\$ 940,647
Commodity Costs designated by ()				

BIG SANDY WATER DISTRICT				
WHOLESALE RATE				
Expense	Total	Allocation Factor	Amount to Wholesale	Rate to Wholesale
Commodity				
Purchased Power & Water	\$ 846,832	0.0364	\$ 30,803	3.0454
Water Testing	\$ 4,978	0.0364	\$ 181	0.0179
Operation and Maintenance				
Pumping and Treatment	172,552	0.0366	6,316	0.6245
Transmission and Distribution	111,508	0.0015	171	0.0169
Customer	446,866			
Depreciation				
Pumping and Treatment	92,731	0.0366	3,395	0.3356
Transmission and Distribution	59,926	0.0015	92	0.0091
Customer	240,150			
Debt Service				
Pumping and Treatment	97,936	0.0366	3,585	0.3544
Transmission and Distribution	63,289	0.0015	97	0.0096
Customer	253,630			
Total Expenses	\$ 2,390,398		\$ 44,639	
Less: Interest Income	3,409	0.0015	\$ 5	0.0005
Wholesale Rate	2,386,989		\$ 44,634	\$ 4.41

Outstanding Debt Instruments

Listed below are the outstanding debt issuances of the Big Sandy Water District. See the listed cases for loan agreements. Amortization schedules are attached.

RD Loan 91-07 in the principal amount of \$1,214,000, Interest Rate 4.5 percent per annum, Term of 40 Years. Case No. 93-332, In the Matter of the Application of Big Sandy Water District of Boyd, Carter and Lawrence Counties, Kentucky, for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to the Provisions of Section 278.023 of the Kentucky Revised Statutes (Ky. PSC Sep. 4, 1993).

RD Loan 91-10 in in the principal amount of \$495,000, Interest Rate 4.5 percent per annum, Term of 40 Years. Case No. 2000-191, In the Matter of the Application of the Big Sandy Water District to Issue Securities in the Approximate Principal Amount of \$495,000 for the Purpose of Replacing Certain Outstanding Revenue Bonds of the Lawrence County Water District Being Assumed by the Big Sandy Water District Pursuant to the Provisions of KRS 278.3000 and 807 KAR 5:001 (Ky. PSC June 20, 2000).

RD Loan 91-11 in in the principal amount of \$527,000, Interest Rate 4.5 percent per annum, Term of 40 Years. Case No. 2001-00232, The Application of Big Sandy Water District for A Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to the Provisions Of KRS 278.023 (Ky. PSC Aug. 22, 2001).

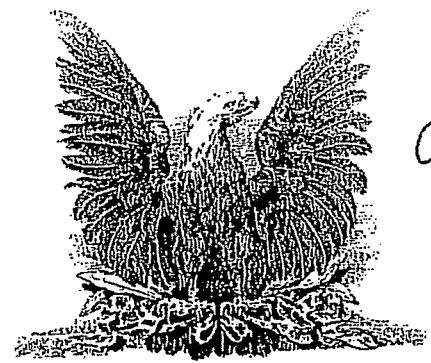
KIA C89-16 The Kentucky Infrastructure Authority on behalf of 27 water utilities applied for retroactive authority to issue evidences of indebtedness, which the Commission denied. Case No. 2005-00058, Kentucky Infrastructure Authority's Joint Application on Behalf of Certain Water Districts for Authority to Borrow Funds to Refinance Certain Indebtedness to the Kentucky Infrastructure Authority (Ky. PSC Aug. 26, 2005).

KRWA 2001 in in the principal amount of \$793,000, Interest Rate between 4.15 percent and 5.525 percent per annum. Case No. 2001-00178, The Application of the Big Sandy Water District for A Certificate of Public Convenience and Necessity to Construct an Improvements Project and to Issue Securities in the Approximate Principal Amount of \$822,000 for the Purpose of Financing Said Project and Refunding Certain Outstanding Revenue Bonds of the District Pursuant to the Provisions of KRS 278.020, 278.300 and 807 KAR 5:001

KRWA 2004 in the principal amount of \$732,000, Interest Rates varying from 3.12 percent to 4.62 percent. Case No. 2005-00230, Application of the Big Sandy Water District for A Certificate of Public Convenience and Necessity to Construct and Finance an Improvements Project Pursuant to KRS 278.020 and 278.300 (Ky. PSC Aug. 11, 2005).

KRWA 2007 in the principal amount of \$931,000, Interest Rates varying from 3.85 percent to 4.3 percent. Case No. 2007-00014, Application of the Big Sandy Water District for an Order Approving the Issuance of Securities Pursuant to KRS 278.300 (Ky. PSC April 3, 2007).

NUMBER
R-1



91-07
2322
427-1

DOLLARS
\$1,214,000

UNITED STATES OF AMERICA - COMMONWEALTH OF KENTUCKY - COUNTIES OF BOYD, CARTER AND LAWRENCE
BIG SANDY WATER DISTRICT
 WATERWORKS REVENUE BONDS OF 1993
 INTEREST RATE: 4.50%

KNOW ALL MEN BY THESE PRESENTS. That the Big Sandy Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Boyd, Carter and Lawrence Counties, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA - FARMERS HOME ADMINISTRATION, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477; the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

ONE MILLION TWO HUNDRED FOURTEEN THOUSAND DOLLARS (\$1,214,000),

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal
1996	\$11,500	2009	\$21,000
1997	11,500	2010	22,500
1998	12,500	2011	23,500
1999	13,000	2012	24,500
2000	13,500	2013	26,000
2001	14,500	2014	27,000
2002	15,000	2015	28,500
2003	16,000	2016	30,000
2004	16,500	2017	31,500
2005	17,500	2018	33,000
2006	18,500	2019	34,500
2007	19,000	2020	36,500
2008	20,500	2021	38,000
		2022	540,000
		2023	42,000
		2024	44,000
		2025	46,500
		2026	48,500
		2027	51,000
		2028	53,500
		2029	56,500
		2030	59,000
		2031	62,000
		2032	65,500
		2033	69,500

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the interest rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58, 74 and 106 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties

Attest:

Secretary

of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to its existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the outstanding loan from the Kentucky Infrastructure Authority (the "KIA Loan") to the District.

This Bond ranks on a parity as to security and source of payment with the outstanding Big Sandy Water District Waterworks Revenue Bonds 1989, dated March 6, 1991 (the "Prior Bonds"), authorized by a Resolution adopted by the Commission of the District on December 11, 1989 (the "Prior Bond Resolution").

This Bond has been issued in full compliance with the Current Bond Ordinance and the Prior Bond Resolution; and this Bond, together with said Prior Bonds, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Resolution and Prior Bond Resolution, are and will continue to be payable from and secured by a pledge of the gross revenues to be derived from the operation of said System, which revenues shall be sufficient to pay the principal of and interest on the Prior Bonds, this Bond and any additional bonds ranking on a parity therewith, as may be issued and outstanding under the conditions and restrictions set out in said Current Bond Resolution and the Prior Bond Resolution, as and when the same become due and payable, and a sufficient portion of which revenues shall be set aside in a fund for that purpose and identified as the "Big Sandy Water District Waterworks Bond and Interest Sinking Fund", created in said Prior Bond Resolution.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the full amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Big Sandy Water District, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

BIG SANDY WATER DISTRICT
Boyd, Carter and Lawrence Counties, Kentucky

By _____
Chairman

Lawrence Co Phase I

232.5
427.5

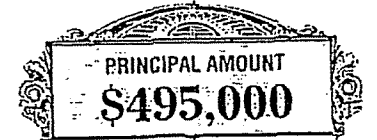
UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

REGISTERED



BIG SANDY WATER DISTRICT
WATERWORKS REVENUE BOND, SERIES 2000
INTEREST RATE: 4.50%

REGISTERED



KNOW ALL MEN BY THESE PRESENTS: That the Big Sandy Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a water district created pursuant to Chapter 74 of the Kentucky Revised Statutes, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

FOUR HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$495,000)

on the first day of January, in years and installments as follows:

Payment Due January 1	Principal Payment	Payment Due January 1	Principal Payment	Payment Due January 1	Principal Payment
2001	5,500	2014	\$ 9,500	2027	\$17,000
2002	5,500	2015	10,000	2028	18,000
2003	6,000	2016	10,500	2029	18,500
2004	6,000	2017	11,000	2030	19,500
2005	6,500	2018	11,500	2031	20,500
2006	6,500	2019	12,000	2032	21,000
2007	7,000	2020	12,500	2033	23,000
2008	7,500	2021	13,000	2034	23,500
2009	7,600	2022	13,500	2035	25,000
2010	8,000	2023	14,500	2036	25,500
2011	8,500	2024	15,000	2037	26,000
2012	8,500	2025	15,500		
2013	9,500	2026	16,500		

and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the Registered Owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Bond Resolution"), to which Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the Registered Owner of this Bond, and the rights, obligations and duties of the District, for the purpose of replacing and substituting this Bond for the outstanding Lawrence County Water District Waterworks Revenue Bonds, Series 1997, dated September 18, 1997 (the "LCWD Bonds") in connection with the purchase by the District of the waterworks system of Lawrence County Water District (the "LCWD System").

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions, and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Big Sandy Water District, by its Commission, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal

BIG SANDY WATER DISTRICT

Attest: _____
Secretary

By: _____
Chairman



232-5
427-07

Lawrence Co
Phase II

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTIES OF BOYD, CARTER AND LAWRENCE

REGISTERED



BIG SANDY WATER DISTRICT WATERWORKS REVENUE BOND, SERIES 2001

Interest Rate: 4.50%

REGISTERED



KNOW ALL PERSONS BY THESE PRESENTS: That the Big Sandy Water District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Boyd, Carter and Lawrence Counties, Kentucky, for value received, hereby promises to pay to the UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington Kentucky 40503-5477, the Registered Owner hereof, or to its registered assigns, as hereinafter provided, solely from the fund hereinafter identified, the sum of **FIVE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS (\$527,000)**

on the first day of January, in years and installments as follows:

Payment Due January 1	Principal Payment	Payment Due January 1	Principal Payment	Payment Due January 1	Principal Payment
2004	5,500	2017	10,000	2030	17,000
2005	5,500	2018	10,000	2031	18,000
2006	6,000	2019	10,500	2032	18,500
2007	6,000	2020	11,000	2033	19,500
2008	6,300	2021	11,500	2034	20,500
2009	7,300	2022	12,000	2035	21,500
2010	7,000	2023	12,500	2036	22,500
2011	7,500	2024	13,000	2037	24,000
2012	7,500	2025	14,000	2038	25,000
2013	8,500	2026	14,500	2039	26,000
2014	8,500	2027	15,000	2040	27,000
2015	9,000	2028	15,500	2041	28,000
2016	9,000				

and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the Registered Owner shown on the registration book of the District.

This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the Registered Owner of this Bond and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed in connection with the issue and sale of this Bond, together with all other acts, conditions and things required by law, and that in fact all of the provisions of this Bond, together with all other acts, conditions and things required by law, have been performed in accordance with the Constitution and Statutes of the Commonwealth of Kentucky, and that the Board of Commissioners of the District, by its Board of Commissioners, has caused this Bond to be executed by its Secretary, its corporate seal to be hereunto affixed, and attested by its Secretary, the date of this Bond, which is:

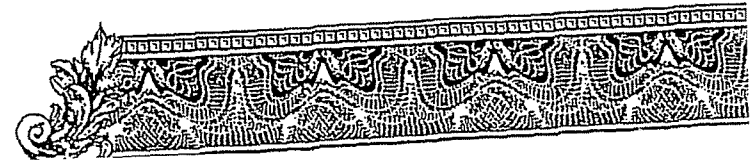
SEAL

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the interest rate specified above, semi-annually on the 1st day of January and July in each year, beginning with the first January or July after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal

BIG SANDY WATER DISTRICT
Boyd, Carter and Lawrence Counties, Kentucky

By: _____
Chairman

Attest: _____
Secretary



Kentucky Infrastructure Authority

MONTHLY PAYMENT SCHEDULE

Big Sandy Water District

C89-18

Loan Amount

790,000.00

Payment Date	Principal	Coupon	Interest	Debt Service	Service Fee	Sinking Fund	Net Total Payment	Principal Balance Remaining
1/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	787,083.33
2/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	766,666.67
3/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	766,250.00
4/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	765,833.33
5/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	765,416.67
6/1/2008	416.67	3.000%	3,330.21	3,746.88	128.33	4,683.17	8,558.38	765,000.00
7/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	764,166.67
8/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	763,333.33
9/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	762,500.00
10/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	761,666.67
11/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	760,833.33
12/1/2008	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	760,000.00
1/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	759,166.67
2/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	758,333.33
3/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	757,500.00
4/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	756,666.67
5/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	755,833.33
6/1/2010	833.33	3.500%	3,317.71	4,151.04	127.50	4,245.36	8,523.90	755,000.00
7/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	754,166.67
8/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	753,333.33
9/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	752,500.00
10/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	751,666.67
11/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	750,833.33
12/1/2010	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	750,000.00
1/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	749,166.67
2/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	748,333.33
3/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	747,500.00
4/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	746,666.67
5/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	745,833.33
6/1/2011	833.33	3.750%	3,288.54	4,121.88	125.83	4,303.84	8,551.55	745,000.00
7/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	744,166.67
8/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	743,333.33
9/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	742,500.00
10/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	741,666.67
11/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	740,833.33
12/1/2011	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	740,000.00
1/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	739,166.67
2/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	738,333.33
3/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	737,500.00
4/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	736,666.67
5/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	735,833.33
6/1/2012	833.33	5.000%	3,257.29	4,090.63	124.17	4,331.44	8,546.23	735,000.00
7/1/2012	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	707,083.33
8/1/2012	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	679,166.67
9/1/2012	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	651,250.00
10/1/2012	27,916.87	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	623,333.33
11/1/2012	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	595,416.67
12/1/2012	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	567,500.00
1/1/2013	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	539,583.33
2/1/2013	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	511,666.67
3/1/2013	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	483,750.00
4/1/2013	27,916.87	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	455,833.33
5/1/2013	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	427,916.67

Kentucky Infrastructure Authority

MONTHLY PAYMENT SCHEDULE

Big Sandy Water District

C89-16

Loan Amount

790,000.00

Payment Date	Principal	Coupon	Interest	Debt Service	Service Fee	Sinking Fund	Net Total Payment	Principal Balance Remaining
6/1/2013	27,916.67	5.250%	3,215.63	31,132.29	122.50	-22,721.93	8,532.87	400,000.00
7/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	366,666.67
8/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	333,333.33
9/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	300,000.00
10/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	266,666.67
11/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	233,333.33
12/1/2013	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	200,000.00
1/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	166,666.67
2/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	133,333.33
3/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	100,000.00
4/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	66,666.67
5/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	33,333.33
6/1/2014	33,333.33	5.250%	1,750.00	35,083.33	66.67	-31,779.26	3,370.74	0.00
TOTAL	790,000.00		379,337.50	1,169,337.50	14,600.00	-220,364.46	963,573.04	

KRWFC Flexible Term Program Series 2007 A
Sinking Fund Payment Schedule

Borrower: Big Sandy Water District
Closing Date: 01/30/07

133-4

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
3/7-7/7	2,480 00	3,870.06	6,350.06
8/7-1/8	3,100 00	3,207 23	6,307 23
2/8-7/8	2,666 67	3,102 61	5,769 27
8/8-1/9	2,666 67	3,102 61	5,769 27
2/9-7/9	2,833 33	2,994.61	5,827 94
8/9-1/10	2,833 33	2,994 61	5,827.94
2/10-7/10	2,916 67	2,879 86	5,796 52
8/10-1/11	2,916 67	2,879 86	5,796 52
2/11-7/11	3,000 00	2,761.73	5,761 73
8/11-1/12	3,000 00	2,761 73	5,761 73
2/12-7/12	3,166 67	2,640 23	5,806 90
8/12-1/13	3,166 67	2,640 23	5,806 90
2/13-7/13	3,250 00	2,511 98	5,761 98
8/13-1/14	3,250 00	2,511 98	5,761 98
2/14-7/14	3,416 67	2,380 36	5,797.02
8/14-1/15	3,416 67	2,380 36	5,797 02
2/15-7/15	3,666 67	2,241 98	5,908 65
8/15-1/16	3,666.67	2,241 98	5,908 65
2/16-7/16	3,666 67	2,093 48	5,760 15
8/16-1/17	3,666.67	2,093 48	5,760 15
2/17-7/17	3,833 33	1,944.98	5,778 31
8/17-1/18	3,833 33	1,944 98	5,778 31
2/18-7/18	4,000 00	1,789 73	5,789 73
8/18-1/19	4,000 00	1,789 73	5,789.73
2/19-7/19	4,166 67	1,627 73	5,794 40
8/19-1-20	4,166 67	1,627 73	5,794 40
2/20-7/20	4,333 33	1,458 98	5,792.31
8/20-1/21	4,333.33	1,458 98	5,792 31
2/21-7/21	4,500 00	1,283 48	5,783 48
8/21-1/22	4,500 00	1,283 48	5,783 48
2/22-7/22	4,666 67	1,101 23	5,767 90
8/22-1/23	4,666 67	1,101 23	5,767 90
2/23-7/23	4,916 67	906 40	5,823 06
8/23-1/24	4,916 67	906 40	5,823 06
2/24-7/24	5,083 33	694 98	5,778 31
8/24-1/25	5,083 33	694 98	5,778 31
2/25-7/25	5,333 33	476 40	5,809 73
8/25-1/26	5,333 33	476 40	5,809 73
2/26-7/26	5,583 33	247 06	5,830 40
8/26-1/27	5,583 33	247.06	5,830 40
	<u>931,000.00</u>	<u>460,247.10</u>	<u>1,391,247.10</u>

**BIG SANDY WATER DISTRICT
MEMORANDUM**

TO: Mark Frost, KY Public Service Commission-Rates & Tariffs

FROM: Jimmy Blanton

SUBJECT: Surcharge for Water Losses/Leak Detection

DATE: March 9, 2012

SME NO: 12007

The Big Sandy Water District Board of Directors at their March 1, 2012 Regular Meeting directed the Manager and Sisler-Maggard Engineering, PLLC to prepare contract documents (bids) to install 30-35 mainline meters.

The meters (with bypasses) will allow the District staff to isolate their 356 mile system into manageable segments to allow them to find and eliminate system leaks. Of course their goal is to achieve less then 12% water loss.

As the Public Service Commission is aware, the BSWD purchases water from the City of Kenova, West Virginia, the City of Louisa, Cannonsburg Water District and Rattlesnake Ridge Water District. As the Commission is also aware, the purchase price for water from the entities continues to go up unabated. Subsequently the economic impact on BSWD continues to grow.

The BSWD has obtained a short term "line of credit" for \$250,000 from Town Square Bank for this project. This project is estimated to cost in the \$225,000 range. We intend to bid material and bid labor in separate contracts.

Your acknowledgement and acquiescence will be appreciated.

James H. Blanton

James H. Blanton
Manager