

HARRISON COUNTY WATER ASSOCIATION
P. O. BOX 215
CYNTHIANA, KENTUCKY 41031
PHONE 234-4284

December 29, 2015

RECEIVED

DEC 29 2015

PUBLIC SERVICE
COMMISSION

Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Re: ARF Application
Case No. 2015-00308
Harrison County Water Association

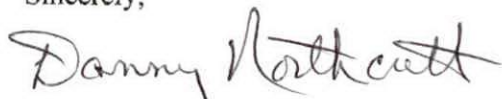
Dear Mr. Derouen:

Harrison County Water Association accepts the findings of the PSC Staff Report dated December 16, 2015, regarding the required revenue increase and hereby waives a hearing or informal conference. The Association also accepts the Staff's recommendation on accounting for its assets and will implement those changes.

Within the next few days the Association will file an application with the Commission for a Purchased Water Adjustment and it is expected that those rates will go into effect prior to the Commission's Order in this Case No. 2015-00308. Therefore, the Association requests that the rates set forth in the Commission's Order in this case include the proposed Purchased Water Adjustment as shown in the enclosed Attachment No. 1. To support this request the Purchased Water Adjustment Form and Worksheet are enclosed as Attachment No. 2.

If there are questions or you need additional information, please contact me.

Sincerely,



Danny Northcutt
General Manager

Enclosures

cc: Office of the Attorney General

ATTACHMENT NO. 1

PROPOSED MONTHLY RATE SCHEDULE - CASE NO. 2015-00308 HARRISON COUNTY WATER ASSOCIATION

PROPOSED RATES

Current Rates

5/8 x 3/4" Meter

First 2,000 Gallons	\$16.81	Minimum Bill
Next 1,000 Gallons	6.28	Per 1,000 Gallons
Next 2,000 Gallons	6.12	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons

3/4" Meter

First 3,000 Gallons	\$23.09	Minimum Bill
Next 2,000 Gallons	6.12	Per 1,000 Gallons
Next 45,000 Gallons	5.62	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons

1" Meter

First 5,000 Gallons	\$35.33	Minimum Bill
Next 45,000 Gallons	5.62	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons

1-1/2" Meter

First 10,000 Gallons	\$63.43	Minimum Bill
Next 40,000 Gallons	5.62	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons

2" Meter

First 15,000 Gallons	\$91.53	Minimum Bill
Next 35,000 Gallons	5.62	Per 1,000 Gallons
Over 50,000 Gallons	4.78	Per 1,000 Gallons

Bulk Loading Sta Rates \$6.83 Per 1,000 Gallons

Rates from PSC Staff Report - Case 2015-00308

5/8 x 3/4" Meter

First 2,000 Gallons	\$18.63	Minimum Bill
Next 1,000 Gallons	6.96	Per 1,000 Gallons
Next 2,000 Gallons	6.78	Per 1,000 Gallons
Next 45,000 Gallons	6.23	Per 1,000 Gallons
Over 50,000 Gallons	5.30	Per 1,000 Gallons

3/4" Meter

First 3,000 Gallons	\$25.59	Minimum Bill
Next 2,000 Gallons	6.78	Per 1,000 Gallons
Next 45,000 Gallons	6.23	Per 1,000 Gallons
Over 50,000 Gallons	5.30	Per 1,000 Gallons

1" Meter

First 5,000 Gallons	\$39.15	Minimum Bill
Next 45,000 Gallons	6.23	Per 1,000 Gallons
Over 50,000 Gallons	5.30	Per 1,000 Gallons

1-1/2" Meter

First 10,000 Gallons	\$70.30	Minimum Bill
Next 40,000 Gallons	6.23	Per 1,000 Gallons
Over 50,000 Gallons	5.30	Per 1,000 Gallons

2" Meter

First 15,000 Gallons	\$101.45	Minimum Bill
Next 35,000 Gallons	6.23	Per 1,000 Gallons
Over 50,000 Gallons	5.30	Per 1,000 Gallons

Bulk Loading Sta Rates \$7.57 Per 1,000 Gallons

Rates with Purchased Water Adjustment

5/8 x 3/4" Meter

First 2,000 Gallons	\$19.13	Minimum Bill
Next 1,000 Gallons	7.21	Per 1,000 Gallons
Next 2,000 Gallons	7.03	Per 1,000 Gallons
Next 45,000 Gallons	6.48	Per 1,000 Gallons
Over 50,000 Gallons	5.55	Per 1,000 Gallons

3/4" Meter

First 3,000 Gallons	\$26.34	Minimum Bill
Next 2,000 Gallons	7.03	Per 1,000 Gallons
Next 45,000 Gallons	6.48	Per 1,000 Gallons
Over 50,000 Gallons	5.55	Per 1,000 Gallons

1" Meter

First 5,000 Gallons	\$40.40	Minimum Bill
Next 45,000 Gallons	6.48	Per 1,000 Gallons
Over 50,000 Gallons	5.55	Per 1,000 Gallons

1-1/2" Meter

First 10,000 Gallons	\$72.80	Minimum Bill
Next 40,000 Gallons	6.48	Per 1,000 Gallons
Over 50,000 Gallons	5.55	Per 1,000 Gallons

2" Meter

First 15,000 Gallons	\$105.20	Minimum Bill
Next 35,000 Gallons	6.48	Per 1,000 Gallons
Over 50,000 Gallons	5.55	Per 1,000 Gallons

Bulk Loading Sta Rates \$7.82 Per 1,000 Gallons

Attachment No. 2
PURCHASED WATER ADJUSTMENT WORKSHEET
HARRISON COUNTY WATER ASSOCIATION

Month	Purchased Water (gallons)						Water Sold (gallons)
	Cynthiana	Paris	KY American	Millersburg*	Nicholas Co.	Totals	
Dec 2014	30,166,520	186,500	3,067,500	410,652	490,300	34,321,472	24,262,372
Jan 2015	33,331,580	262,400	2,745,160	587,928	1,879,200	38,806,268	29,668,828
Feb	32,265,220	264,000	2,702,524	936,496	1,485,500	37,653,740	25,711,281
Mar	31,156,560	362,600	2,428,700	1,152,668	1,763,700	36,864,228	24,471,084
Apr	31,527,760	222,700	2,835,600	964,920	1,857,100	37,408,080	26,706,109
May	30,998,230	302,600	3,516,300	1,162,392	1,601,600	37,781,122	26,301,838
June	30,619,930	302,800	3,122,900	742,764	2,077,200	36,865,594	34,057,073
July	30,327,090	394,400	3,612,800	561,000	1,696,800	36,792,090	28,034,555
Aug	26,831,150	286,000	2,987,500	618,800	1,714,000	32,437,450	25,374,942
Sept	27,243,650	388,400	3,220,800	0	329,500	31,182,350	28,536,089
Oct	28,395,470	258,900	2,624,700	591,600	1,340,700	33,211,370	25,797,138
Nov	26,525,980	227,400	2,338,996	462,200	2,332,300	31,886,876	25,885,519
Totals	359,389,140	3,458,700	35,203,480	8,191,420	18,967,900	425,210,640	324,806,828

Twelve Month Purchased Water Cost					
	Gals. Purch.	Existing Rate	Existing Cost	New Rate	New Cost
Cynthiana	359,389,140	\$2.63	\$945,193	\$2.85	\$1,024,259
Paris	3,458,700	2.25	7,782	2.25	7,782
KY American	35,203,480	4.49	158,064	4.49	158,064
Millersburg*	8,191,420	2.25	18,431	2.25	18,431
Nicholas Co.	18,967,900	2.10	39,833	2.10	39,833
Totals	425,210,640		\$1,169,302		\$1,248,368
Increased Cost					\$79,066
PWA Factor					\$0.2434
rounded to					\$0.25

* Millersburg source now operated by Kentucky American

ATTACHMENT NO. 2

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

Name of Utility	Harrison County Water Association																														
Date	January 1, 2016																														
Address	PO Box 215																														
City, State, Zip	Cynthiana, KY 41031																														
Telephone Number	859-234-4284																														
Email Address	dianalukins@yahoo.com																														
<p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Supplier(s)</th> <th style="width: 30%;">Base Rate</th> <th style="width: 30%;">Changed Rate</th> <th style="width: 10%;"></th> </tr> </thead> <tbody> <tr> <td>Cynthiana</td> <td>\$2.63</td> <td>\$2.85</td> <td></td> </tr> <tr> <td>Paris</td> <td>\$2.25</td> <td>\$2.25</td> <td></td> </tr> <tr> <td>KY American</td> <td>\$4.49</td> <td>\$4.49</td> <td></td> </tr> <tr> <td>Millersburg (KyAm)</td> <td>\$2.25</td> <td>\$2.25</td> <td></td> </tr> <tr> <td>Nicholas Co Water Dist</td> <td>\$2.10</td> <td>\$2.10</td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Supplier(s)	Base Rate	Changed Rate		Cynthiana	\$2.63	\$2.85		Paris	\$2.25	\$2.25		KY American	\$4.49	\$4.49		Millersburg (KyAm)	\$2.25	\$2.25		Nicholas Co Water Dist	\$2.10	\$2.10					
Supplier(s)	Base Rate	Changed Rate																													
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Millersburg (KyAm)	\$2.25	\$2.25																													
Nicholas Co Water Dist	\$2.10	\$2.10																													
<p>1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A</p>																															
<p>2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">From</td> <td style="width: 35%;">December 2014</td> <td style="width: 15%;">through</td> <td style="width: 35%;">November 2015</td> </tr> <tr> <td></td> <td>(month and year)</td> <td></td> <td>(month and year)</td> </tr> </table>				From	December 2014	through	November 2015		(month and year)		(month and year)																				
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<p>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. See Exhibit B.</p>																															

Supplier(s)	Gallons Purchased during 12 month period
Cynthiana	359,389,140
Paris	3,458,700
KY American	35,203,480
Millerburg (KY American)	8,191,420
Nicholas Co Water District	18,967,900
TOTAL PURCHASES	425,210,640
4. Total gallons sold for the 12 month period	324,806,828
5. Increased water cost	\$79,066
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit B.	
6. Purchased water adjustment factor	\$0.25
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit C.	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D.	
9. Proposed effective date	January 1, 2016
Signature of Utility Officer	
Title	