

RECEIVED

APR 26 2016

Public Service
Commission

April 20, 2016

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

Case No. 2016-00161

Dear Executive Director:

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 Lancaster that will be effective on May 3, 2016. Exhibit "A" is attached to the application showing this agreed to rate increase.

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



Sean Smith
General Manager

Enclosures

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

Per Lancaster Water Works in providing to the Garrard County Water Association a notice that it filed with the Public Service Commission on March 17, 2016, to increase its wholesale water rates. The Board of Directors of the Garrard County Water Association met on April 5, 2016 and approved proceeding with the Lancaster rate increase.

Bill Coole
Executive Director

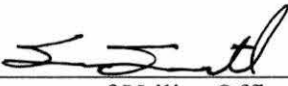

4-5-16
Date

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

APR 26 2016

PUBLIC SERVICE
COMMISSION

Name of Utility	GARRARD COUNTY WATER ASSOCIATION		
Date	APRIL 20, 2016		
Address	P.O. BOX 670		
City, State, Zip	LANCASTER	KY	40444
Telephone Number	859-792-4501		
Email Address	ssmith@garrardwater.com		
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.			
Supplier(s)	Base Rate	Changed Rate	
CITY OF LANCASTER	2.15	2.21	
CITY OF DANVILLE	2.41	2.41	
CITY OF BEREA	2.50	2.50	
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit			
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	MARCH 2015	through	FEBRUARY 2016
	(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
CITY OF LANCASTER	289,320,800
CITY OF DANVILLE	82,607,327
CITY OF BEREA	27,317,110
TOTAL PURCHASES	399,245,237
4. Total gallons sold for the 12 month period	315,844,572
5. Increased water cost	\$17,359.25
<p>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</p>	
6. Purchased water adjustment factor	.06
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	MAY 3, 2016
	
Signature of Utility Officer	
	
Title	

Garrard Co. Water 2016 Comparison of Rates

5/8" x 3/4" Meter

		<u>Old Rate</u>	<u>New Rate</u>
First	1,000 Gallons	\$ 10.56	\$ 10.62 (Minimum Bill)
Next	1,000 Gallons	5.66	5.72 per 1,000 gallons
Next	1,000 Gallons	4.56	4.62 per 1,000 gallons
Next	2,000 Gallons	4.36	4.42 per 1,000 gallons
Over	5,000 Gallons	4.06	4.12 per 1,000 gallons

1" Meter

First	5,000 Gallons	\$ 29.50	\$ 29.80 (Minimum Bill)
All Over	5,000 Gallons	4.06	4.12 per 1,000 gallons

1 & 1/2" Meter

First	10,000 Gallons	\$ 49.80	\$ 50.40 (Minimum Bill)
All Over	10,000 Gallons	4.06	4.12 per 1,000 gallons

2" Meter

First	25,000 Gallons	\$ 110.25	\$ 111.75 (Minimum Bill)
All Over	25,000 Gallons	4.06	4.12 per 1,000 gallons

BULK SALES

\$5.25 per 1,000 Gallons

Garrard County Water 2016

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)	-	<u>OLD RATE</u> (per 1,000)	- -
Lancaster	\$2.2100		\$2.1500	

TWELVE MONTH TEST PERIOD: **March 2015 – February 2016**

<u>SUPPLIER</u>	<u>GALLONS PURCHASED</u> <u>DURING TEST PERIOD</u>	-
Lancaster	289,320,800	
0	0	
TOTAL	289,320,800	

<u>SUPPLIER</u>	<u>COST AT</u> <u>NEW RATE</u>	<u>COST AT</u> <u>OLD RATE</u>	-
Lancaster	\$639,398.97	\$622,039.72	
Total	\$639,398.97-	\$622,039.72	= \$17,359.25

TOTAL GALLONS SOLD FOR THE TEST PERIOD
: **315,844,572**

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$17,359.25 / **315,844,572** /1000 = **.0550**

Rounded **.06**

AREA _____

PSC KY NO. _____

20TH REVISED SHEET NO. _____

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

CANCELLING PSC KY NO. _____

19TH REVISED SHEET NO. _____

RATE PER UNIT

RESIDENTIAL, FARM AND SMALL COMMERCIAL

5/8" x 3/4" Meter Schedule

First	1,000 Gallons	10.62 (Minimum Bill)
Next	1,000 Gallons	5.72 per 1,000 Gallons
Next	1,000 Gallons	4.62 per 1,000 Gallons
Next	2,000 Gallons	4.42 per 1,000 Gallons
All Over	5,000 Gallons	4.12 per 1,000 Gallons

LARGE COMMERCIAL, DAIRY FARM AND SCHOOL CONNECTIONS

1" Meter Schedule

First	5,000 Gallons	29.80 (Minimum Bill)
All Over	5,000 Gallons	4.12 per 1,000 Gallons

1 1/2" Meter Schedule

First	10,000 Gallons	50.40 (Minimum Bill)
All Over	10,000 Gallons	4.12 per 1,000 Gallons

2" Meter Schedule

First	25,000 Gallons	111.75 (Minimum Bill)
All Over	25,000 Gallons	4.12 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 04/06/16
MONTH / DATE / YEAR

DATE EFFECTIVE 05/03/16
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE General Manager

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

Water Rate Agreement

This Agreement made and entered into this 1st day of April, 2016, by and between the City of Lancaster, referred to herein as the "City", and the Garrard County Water Association, referred to herein as the "Association".

Witnesseth: That whereas by a contract dated March 25, 1970, an arrangement was made that the rate to be charged for water supplied by the City to the Association would be subject to modification every five years based on a demonstrable increase in the cost of performance, such cost not to include increased capitalization of the Lancaster system.

That whereas this time period was shortened to one year by subsequent agreements and that the latest one year agreement expires at the close of the day on June 30, 2014 and whereas this latest one year agreement introduced the concept of a guaranteed minimum purchase by the Association from the City.

Now, therefore, the parties hereto agree as follows:

1. That the original five year pricing period will continue to be shortened to one year.
2. That the rate charged by the City for water supplied to the Association will increase to \$2.05 per thousand gallons for the next year. There will be a Kentucky River Fee of \$.16 added. If there is an increase in the Kentucky River Fee it will be passed on to the purchaser in the next billing cycle after becoming effective. The increased rate is to take effect on May 3, 2016. This agreement will remain in effect to May 31, 2017.
3. The Association agrees to a minimum purchase amount of 200 million gallons per year or until such time as the City of Lancaster requests an additional rate increase and/or the City of Lancaster no longer controls, owns, or operates the treatment facility, the Garrard Co. Water Association has the first right of refusal on the sale of such said facility.
4. That the costs and methodology used to arrive at the price increase noted above will be reviewed in 2016 by an independent third party to identify any need for an increase or decrease in wholesale rates if needed.
5. All other provisions of the original contract between the parties will remain in full force and effect.


Witness our Signatures to duplicate copies hereof this 1st day of April, 2016.

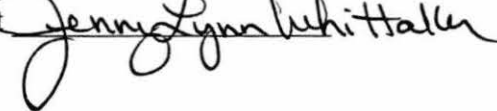
City of Lancaster

By:  _____, Mayor

Attest  _____

Garrard County Water Association

By:  _____, President

Attest  _____

FOR Garrard County, Kentucky
Area Served

P.S.C. KY. NO. 12

SHEET NO.

City of Lancaster
Lancaster Water Works

CANCELLING P.S.C. KY. NO. 11

SHEET NO.

MONTHLY WHOLESALE WATER RATE:

Garrard County Water Association


Water Usage Rate	\$2.05	per 1,000 Gallons	(I)
Kentucky River Authority Withdrawal Fee:			
Tier I Fee	\$0.022	per 1,000 Gallons	
Tier II Fee	<u>\$0.130</u>	per 1,000 Gallons	
Sub-Total	\$0.152	per 1,000 Gallons	
Adjustment to recover the full cost of the KRA Fee	<u>\$0.008</u>	per 1,000 Gallons	
Total KRA Fee	<u>\$0.160</u>	per 1,000 Gallons	
TOTAL WHOLESALE WATER RATE	\$2.21	Per 1,000 Gallons	(I)

NOTES:

- Reflects increased water usage rate of \$0.06 per 1,000 gallons for service rendered on and after May 3, 2016.
- There is no increase in the Kentucky River Authority Withdrawal Fee that became effective on July 1, 2013.

DATE OF ISSUE March 17, 2016

DATE EFFECTIVE May 3, 2016

ISSUED BY 
(Signature)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

NOTICE

Lancaster Water Works ("Lancaster") is providing notice that it plans to file with the Public Service Commission on or before April 3, 2016, to increase its wholesale rate to Garrard County Water Association effective for water service rendered on and after May 3, 2016. The proposed rate is as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Increase</u>	<u>% Increase</u>
Lancaster's Water Rate per 1,000 gallons	\$1.99	\$2.05	\$0.06	3.0%
Kentucky River Authority Fee per 1,000 gallons	\$0.16	\$0.16	No Change	No Change
TOTAL RATE	\$2.15	\$2.21		

The proposed effective date is May 3, 2016. Water flowing through the meter(s) before the effective date will be charged at the current rate of \$2.15 per thousand gallons, while water flowing through the meter(s) on and after the effective date shall be charged at the proposed rate of \$2.21 per thousand gallons.

This filing may be examined at the offices of the Lancaster City Clerk located at 308 West Maple Avenue in Lancaster; telephone 859-792-2241.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Monday – Friday from 8:00 am to 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.kygov>.

The proposed rate is the rate proposed by Lancaster in its filing but the Public Service Commission may order a rate that differs from the proposed rate.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

PUBLIC NOTICE

Due to a rate increase from the City of Lancaster, notice is hereby given that the Garrard County Water Association has filed an Application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by six (6) cents per 1,000 gallons used. The proposed change will be effective for service rendered on and after May 3, 2016.

5/8" x 3/4" Meter

		<u>Old Rate</u>	<u>New Rate</u>
First	1,000 Gallons	\$ 10.56	\$ 10.62 (Minimum Bill)
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BULK SALES

\$5.25 per 1,000 Gallons

Based on a monthly usage of 5,000 gallons, the average bill of a Garrard County customer would increase \$0.30 from \$29.50 to \$29.80 or less than 1 percent.

The rates contained in this notice are the rates proposed by The Garrard County Water Association. The Public Service Commission may order rates to be changed that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

The Garrard County Water Association has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 315 Lexington Road, Lancaster, Kentucky.

NOTARIZED PROOF OF PUBLICATION

STATE OF KENTUCKY

COUNTY OF GARRARD

Before me, a Notary Public, in and for said County and State, this 14th day of April, 2016, came Patricia Cox personally known to me, who duly sworn, states as follows:

That he/she is Business Mgr. of The Garrard Central Record and that said publication of April 14, 2016 carried advertising of Garrard Water Assoc. concerning Adjusting water rates due to rate increase from city of Lancaster, occupying the following space: 2 col wide x 6.5 inches at \$7.50 per column inch for a total of \$ 97.50.

Patricia M Cox
Signature

Oneida W. Black
Oneida Black, Notary Public

My commission expired February 5, 2018.

LEGAL NOTICE

PUBLIC NOTICE

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The Garrard County Water Association has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 315 Lexington Road, Lancaster, Kentucky.

(4-14-11c)

THE GARRARD CENTRAL RECORD, INC.

Established 1889
USPS 098-160

106 Richmond Street • P.O. Box 800
Lancaster, Kentucky 40444-0800
Phone: (859) 792-2831 • Fax (859) 792-3448
Web Address: garrardcentralrecord.com

E-Mail: Addresses:

news@garrardcentralrecord.com
obits@garrardcentralrecord.com
letterstoeditor@garrardcentralrecord.com
ads@garrardcentralrecord.com
sports@garrardcentralrecord.com
subscriptions@garrardcentralrecord.com

Jim Cox.....Publisher

Ted Cox.....Editor

Pattie Cox.....Business Manager

Published Weekly

Periodical Postage paid at Lancaster, KY 40444

Member of:

Kentucky Press Association



YEARLY SUBSCRIPTION RATES

In County: \$29.26

Out of County in KY: \$39.86

Out of State: \$46.00*

All subscriptions must be paid in advance.

Postmaster: Send address changes to:

THE GARRARD CENTRAL RECORD

106 Richmond Street • P.O. Box 800
Lancaster, Kentucky 40444

Advertising Policy

The Garrard Central Record reserves the right to accept or reject any and all advertisements. It is the responsibility of all advertisers to proof and sign off on all their advertisements before publication. Once the advertisement has been published, it is the responsibility of the advertiser to make sure the advertisement is correct. The Garrard Central Record will accept responsibility for errors found after proofing and adjustments will be made. However errors in ads scheduled for more than one week **must be rectified before the next run** or the advertiser will be held responsible for payment of each additional run.

New advertisers **must pay in advance** until the account is established.

All political advertisements must be paid in advance.

Advertising rates provided on request.

Deadline for all advertising, (including classified) is no later than 4 p.m. Monday, week of publication.

Obituary Notice Policy

All obituary information will be published once free of charge with the information provided from the funeral home. If there is an error in the obituary and it is determined The Garrard Central Record made the mistake, the obituary will be published again free of charge. If it is determined the mistake is from the information provided by the funeral home, there will be a charge for the obituary to be published again.

Letter To The Editor Policy

The Garrard Central Record welcomes Letters to the Editor on subjects of general interest. Letters should be no more than 500 words. Exceptions will be made at the discretion of the editor. All letters are subject to be edited. Letters should deal with issues. They must not personally attack individuals. Fair and polite criticism of public officials and public figures is allowed. The deadline for letters to the editor is noon Tuesday, the week they are to be published. Letters must be written to the editor, not directed to a third person.

The Garrard Central Record will not publish anonymous letters. All letters must be signed. Telephone numbers and home address must be included for verification, but will not be published.

NOTICE TO TAXPAYERS

Inspection Period For the 2016 Property Tax Assessment Roll

The Garrard County real property tax roll will be opened for inspection from May 2 thru May 16, 2016. Under the supervision of the property valuation administrator or one of the deputies, any person may inspect the tax roll.

This is the January 1, 2016 assessment on which state, county and school taxes for 2016 will be due about Oct. 1, 2016.

The tax roll is in the office of the Property Valuation Administrator in the Garrard County Annex Building and may be inspected between the hours of 8:00 A.M. to 4:00 P.M. Monday thru Friday and Saturday 8:00 A.M. to 12:00 from May 2 thru May 16, 2016.

Any taxpayer desiring to appeal an assessment on real property made by the PVA must first request a conference with the PVA or a designated deputy. The conference must be held within 30 days of the date of the assessment.

RECEIVED

APR 26 2016

Public Service
Commission

April 11, 2016

The Central Record
P.O. Box 800
Lancaster, KY 40444-0800

Dear Madam or Sir:

Please find enclosed a public notice advertisement the Association wishes to place in the April 13, 2016 edition of your newspaper. The ad should be placed in the classified section under Public Notice. We wish for the ad to be two (2) columns wide with depth as is required.

Please supply the Association with four (4) tear sheets of this ad, an affidavit of publication and your invoice as soon as possible after publication.

Sincerely,



Sean Smith
Garrard County Water Association

Enclosure

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STATE OF KENTUCKY

COUNTY OF GARRARD

Before me, a Notary Public, in and for said County and State, this 14th day of April, 2014, came Patricia Cox personally known to me, who duly sworn, states as follows:

That he/~~she~~ is Business Mgr. of The Garrard Central Record and that said publication of

April 14, 2014 carried advertising of

Darrows Water Assoc. concerning Adjusting water rates due

to rate increase from city of Lancaster, occupying the following space:

2 col wide x 6.5 inches at \$7.50 per column inch for a

total of \$ 97.50.

Patricia M Cox
Signature

Oneida W. Black
Oneida Black, Notary Public

My commission expired February 5, 2018.