

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE )  
WATER SERVICE RATES OF THE CITY OF ) CASE NO. 98-497  
AUGUSTA, KENTUCKY )

SETTLEMENT AGREEMENT

- I. That, based upon proof previously submitted by the City, the amount of water sold to Bracken County Water District during the test period was 204 million gallons, which results in the correct rate for that period being \$1.30 per thousand gallons.
- II. That, based upon documentation prepared and submitted by James Smith, C.P.A., the amount of undercharges owed the City by Bracken County Water District from 7-97 to 9-98 is \$114,383.00 and, also, that, in order to cover these undercharges the City has incurred and will incur interest expense.
- III. That the correct and fair method of dealing with these undercharges is by imposition of a surcharge by the City to the Bracken County Water District of 33 cents per thousand gallons, beginning 1/1/2000 and continuing until 12/31/2001 or until paid in full.
- IV. That the City shall keep an accounting of all surcharges actually paid by the District and shall report the amount already paid and balance due on a semiannual basis, on or before the end of the month following the semiannual period quarter beginning with the period ending 6/30/2000.
- V. In the future, the basis for calculation of rates shall be the fiscal year, beginning July 1st of each year and ending June 30th of the following year, effective with the fiscal year 7/1/98 through 6/30/99.
- VI. Given the requirements of an audit and of submission to and approval by P.S.C. of proposed rate increases in the future, rates charged by the City to Bracken County Water District shall become effective January 1st of the year following the test period fiscal year and shall continue in effect until December 31st of that year.
- VII. Future undercharges or overcharges due either party will be set out separately from the rate calculation and will be paid to the party due the same by virtue of a separate surcharge (if due the City) or setoff (if due Bracken County Water District).

City of Augusta

Bracken County Water District

by: Wendell Hix  
Mayor

By: John E. Zanni  
Chairman

11-5-99  
Date

11-4-99  
Date

Attest: Butcher England  
City Clerk/Treasurer

Attest: Baxter Couets  
Secretary

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