

Grayson County Water District

P.O. Box 217 Leitchfield, Kentucky 42755-0217

270-259-2917

July 26, 2004

RECEIVED

JUL 22 2004

PUBLIC SERVICE
COMMISSION

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

Case 2004-00291

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Grayson County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely,



Kevin Shaw
Manager

enclosure

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

Grayson County Water District
(Name of Utility)

July 26, 2004
(Date)

Case 2004-00291

P.O. Box 217
(Address)

Leitchfield, KY 42755-0217
(City, State)

270-259-2917
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Leitchfield Utilities Commission</u>	<u>\$1.274 Per 1000 Gal.</u>	<u>\$1.439 Per 1,000 Gallons.</u>

- 1.b. Attached is the notice from the Leitchfield Utilities Commission which has been filed with the Public Service Commission.

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 July 2003 through June 2004
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>Leitchfield Utilities Commission</u>	<u>144,478,500</u>
<u>Produced by Grayson County</u>	<u>206,482,178</u>
 TOTAL	 <u>350,424,103</u>

4. Total sales for the 12 month period 311,424,103

5. Increased water cost \$23,838.95

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

6. Purchased water adjustment factor \$.08

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date August 11, 2004.



Kevin Shaw, Manager

FOR Grayson County
Community, Town or City

P.S.C. KY. NO. _____

Revised _____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

Original _____ SHEET NO. _____

Grayson County Water District
(Name of Utility)

CONTENTS

Rates: Monthly
5/8" x 3/4" Meter

First	1,500 gallons	\$12.87	Minimum Bill
Next	8,500 gallons	5.72	per 1,000 gallons
Next	40,000 gallons	4.73	per 1,000 gallons
Next	100,000 gallons	3.96	per 1,000 gallons
Over	150,000 gallons	3.19	per 1,000 gallons

\$12.87 minimum applicable to 5/8 x 3/4 inch meter. The following minimums apply to other meter sizes.

<u>Meter Size</u>	<u>Usage Allowance</u>	<u>Minimum Bill</u>
3/4	3,000 gallons	\$21.90
1	5,000 gallons	33.81
1 1/2	10,000 gallons	67.98
2	16,000 gallons	97.74
3	30,000 gallons	189.09
4	50,000 gallons	289.20
6	100,000 gallons	537.41
8	160,000 gallons	813.75
10	550,000 gallons	2,084.79

The rates to be charged after the minimum rate and usage is the same regardless of meter size.

DATE OF ISSUE July 26, 2004
Month / Date / Year

DATE EFFECTIVE August 11, 2004
Month / Date / Year

ISSUED BY Edmund Nichols
(Signature of Officer)

TITLE Chairman

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

NOTICE

Due to a rate increase from the City of Leitchfield, the Grayson County Water District has filed an application with the Public Service Commission to implement the following rate schedule. The proposed change will affect all bills issued on and after August 11, 2004.

<u>Monthly Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>5/8" x 3/4" Meter</u>		
First 1,500 gallons	\$12.75 Minimum Bill	\$12.87 Minimum Bill
Next 8,500 gallons	5.64 per 1,000 gallons	5.72 per 1,000 gallons
Next 40,000 gallons	4.65 per 1,000 gallons	4.73 per 1,000 gallons
Next 100,000 gallons	3.88 per 1,000 gallons	3.96 per 1,000 gallons
Over 150,000 gallons	3.11 per 1,000 gallons	3.19 per 1,000 gallons

Minimum Bills for Other Meter Sizes

<u>Meter Size</u>	<u>Usage Allowance</u>	<u>Current Rate</u>	<u>Revised Rate</u>
3/4	3,000	21.66	21.90
1	5,000	33.41	33.81
1 1/2	10,000	67.18	67.98
2	16,000	96.46	97.74
3	30,000	186.69	189.09
4	50,000	285.20	289.20
6	100,000	529.41	537.41
8	160,000	800.95	813.75
10	550,000	2,040.79	2,084.79

The bill for an average customer using 5,000 gallons each month would go from \$33.41 to \$33.81, a monthly increase of \$.40. or .01 percent.

The rates contained in this notice are the rates proposed by the Grayson County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Grayson County Water District has available for inspection at its office the application submitted to the Public Service Commission. You may contact the office at (270) 259-2917

Grayson County Water District

David B. Vickery
Attorney at Law

101 North Main Street
Leitchfield, Kentucky 42754

July 12, 2004

Beth O'Donnell, Exec. Director
Public Service Commission
State of Kentucky
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

Dear Ms. O'Donnell:

Please be advised that I represent the City of Leitchfield/City of Leitchfield Utilities Commission. Leitchfield provides a portion of the water used by the Grayson County Water District for its customers. The rate charged the Grayson County Water District by the City has been predetermined by a series of agreements and by a Court decision.

The Grayson County Water District has now constructed its own water treatment plant and is providing the majority of the water it needs from its own facility. This has resulted in the Grayson County Water District purchasing less water than originally anticipated from the City of Leitchfield. Pursuant to the aforementioned agreements and the Court decision which affects these bodies, the Grayson County Water District is required to bear its fair share of the debt service relating to the providing of additional capacity to provide water as requested by the Grayson County Water District. Our engineers have recently calculated the new amount to be charged the Grayson County Water District by the City of Leitchfield. The new rate computes to \$1.439 per thousand gallons of water purchased. The old rate was \$1.274 per thousand gallons of water purchased. As I previously explained this increase was made necessary in order for the Grayson County Water District to bear its fair share of the debt service needed for facility construction.

For your reference I enclose a copy of the engineering report from both the City of Leitchfield and the Grayson County Water District demonstrating exactly how this rate was computed.

Also for your reference I have enclosed a copy of the applicable agreements between the parties.

I called and spoke with Dale Wright of the Public Service Commission. Mr. Wright explained to me that since the City of Leitchfield was just adjusting its rate

C. Lee @ krwa.org

to accurately reflect the agreement between the parties relating to debt service and less water purchased there was no need for the City of Leitchfield to file anything other than this letter of explanation.

In accordance with Mr. Wright's instruction I am providing to you this explanation.

It is my understanding that the Grayson County Water District will be filing with your Commission the appropriate request necessitated by our increase in wholesale rate.

If there is any further information or additional filings that are needed from the City of Leitchfield please do not hesitate to call or write.

Thank you for your kind help and attention herein.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. B. Vickery', written in a cursive style.

DAVID B. VICKERY
Attorney at Law

DBV/dm

Enclosures

cc: Kevin Shaw
Bob Crawford
Kerry White
Eddie Miller