

East Clark County Water District

P.O. Box 112 Winchester, Kentucky 40392

859-745-1458

November 29, 2004

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

Case 2004-00455

RECEIVED

NOV 29 2004

PUBLIC SERVICE
COMMISSION

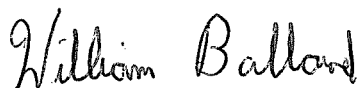
RE: Formal Application for a Purchased Water Adjustment

Enclosed please find an application for a purchased water adjustment. This application is necessary due to an increase from our supplier, Winchester Municipal Utilities.

In the application please note that the city of Winchester will not longer sell water to the district at a wholesale rate. Therefore, the district can no longer resell water to the city at a wholesale rate. The purchased water adjustment reflects that water resold to the city will be sold at retail rates. The district has met with the city regarding this issue and the city does not object to the change in billing.

Winchester has notified the District that it will not place its increased rates into effect until 30 days from the date the District files with the Commission. A copy of the notice to be published is enclosed. The District will publish the notice in accordance with Commission regulations and will provide verification that such notice has been given

Sincerely,



William Ballard
Manager

enclosure

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

East Clark County Water District
(Name of Utility)

Case 2004-00455

November 29, 2004
(Date)

P.O. Box 112
(Address)

Winchester, KY 40392
(City, State)

859-745-1458
(Telephone Number)

RECEIVED

NOV 23 2004

**PUBLIC SERVICE
COMMISSION**

- 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>Winchester Municipal Utilities</u>	<u>\$1.18 Per 100 cu ft.</u>	<u>See attachment.</u>

- 1.b. Attached is the notice from the Winchester Municipal Utilities 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 November 2003 through October 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)	Cubic Feet Purchased during 12 month period
<u>Winchester Municipal Utilities</u>	<u>16,994,500</u>

4. Total cubic feet sold for the 12 month period 15,583,960

5. Increased water cost \$143,893

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

6. Purchased water adjustment factor \$.47 per 1,000 gallons.
See attached worksheet for PWA calculations.

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 [for service rendered on & after 11-18-04]



William Ballard, Manager

EAST CLARK COUNTY WATER DISTRICT										
COST OF PURCHASED WATER										
CURRENT RATES										
USAGE SHOWN IN CUBIC FEET										
	Elkin	Paris	Ky-AM	Flanagan	Two Mile	Ecton	Hughes	Ford		
Nov 03	22,000			250,800	7,900	861,600	414,800			
Dec 03	20,400			177,900	1,000	683,400	506,500			
Jan 04	24,600	19,200		320,800	500	889,100	458,100			
Feb 04	28,600	40,100	1,500	201,800	500	738,800	450,300			
Mar 04	26,800	44,700	300	155,000	1,400	690,000	393,300			
Apr 04	25,200	52,700	400	240,500	300	673,200	511,700			
May 04	23,200	49,300	400	174,300	900	819,700	504,400			
June 04	30,000	29,100		213,400	1,200	786,100	620,400	200		
July 04	16,800	43,100		133,500	300	579,700	458,100	600		
Aug. 04	16,200	70,100		167,300	7,600	572,600	437,000	400		
Sept. 04	19,800	59,700		307,400	14,200	563,800	235,000	400		
Oct 04	17,700	55,000		322,700	20,500	484,000	202,000	700		
Total	271,300	463,000	2,600	2,665,400	56,300	8,342,000	5,191,600	2,300		
Total Purchased	16,994,500									
Rate per 100 cubic feet	\$ 1.18									
Cost	\$ 200,535									

EAST CLARK COUNTY WATER DISTRICT									
COST OF PURCHASED WATER									
REVISED PURCHASED WATER RATES									
USAGE SHOWN IN CUBIC FEET									
	Bills	Cu. Ft.	200	400	1,400	15,000	333,000	350,000	
First 200	1	200	200						
Next 400	6	1,500	1,200	300					
Next 1,400	6	6,700	1,200	2,400	3,100				
Next 15,000	6	65,300	1,200	2,400	8,400	53,300			
Next 333,000	35	3,824,200	7,000	14,000	49,000	525,000	3,229,200		
Over 350,000	22	13,096,600	4,400	8,800	30,800	330,000	7,326,000	5,396,600	
Total	76	16,994,500	15,200	27,900	91,300	908,300	10,555,200	5,396,600	
NEW COST OF PURCHASED WATER									
	Bills	Cu. Ft.	Rate	Revenue					
First 200	76	15,200	\$ 4.37	\$ 332					
Next 400		27,900	3.24	904					
Next 1,400		91,300	3.03	2,766					
Next 15,000		908,300	2.88	26,159					
Next 333,000		10,555,200	2.19	231,159					
Over 350,000		5,396,600	1.54	83,108					
Total		16,994,500		\$ 344,428					
Cost at Current Rate				200,535					
Increased Cost				\$ 143,893					
Sales in cubic feet		16,994,500							

EAST CLARK COUNTY WATER DISTRICT						
CALCULATION OF PURCHASED WATER ADJUSTMENT						
REVISED WATER RATES						
RETAIL CUSTOMERS						
	Bills	Gallons	2,000	8,000	40,000	50,000
First 2,000	5,685	6,937.1	6,937.1			
Next 8,000	18,417	80,447.8	36,834.0	43,613.8		
Next 40,000	955	15,095.5	1,910.0	7,640.0	5,545.5	
Over 50,000	37	3,107.8	74.0	296.0	1,480.0	1,257.8
Total	25,094	105,588.2	45,755.1	51,549.8	7,025.5	1,257.8
	Bills	Gallons	Rate	Revenue		
First 2,000	25,094	45,755.1	\$ 24.56	\$ 616,309		
Next 8,000		51,549.8	10.03	517,044		
Next 40,000		7,025.5	8.81	61,895		
Over 50,000		1,257.8	7.59	9,547		
Total		105,588.2		\$ 1,204,794		
SALES TO WINCHESTER						
	Bills	Gallons	2,000	8,000	40,000	50,000
First 2,000						
Next 8,000						
Next 40,000						
Over 50,000	24	17,338,000	48,000	192,000	960,000	16,138,000
	Bills	Gallons	Rate	Revenue		
First 2,000	24	48,000	\$ 24.56	589		
Next 8,000		192,000	10.03	1,926		
Next 40,000		960,000	8.81	8,458		
Over 50,000		16,138,000	7.59	122,487		
Total		17,338,000		\$ 133,460		
Loading Stations		4,532.6	\$6.25	28,329		
Total Revenue				\$ 1,366,583		
Revenue Before Increase in Cost				1,222,903		
Purchased Water Cost				\$ 143,680		
Purchased Water Adjustment = \$0.47 per 1,000 gallons						

NOTICE

Due to a rate increase from the Winchester Municipal Utilities, the East Clark 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 _____.

<u>Monthly Rates</u>	<u>Current Rates</u>		<u>Proposed Rates</u>		
<u>5/8" x 3/4" Meter</u>					
First	2,000 gallons	\$23.62	Minimum Bill	\$24.56	Minimum Bill
Next	8,000 gallons	9.56	per 1,000 gallons	10.03	per 1,000 gallons
Next	40,000 gallons	8.34	per 1,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons
<u>1" Meter</u>					
First	5,000 gallons	\$52.30	Minimum Bill	\$54.65	Minimum Bill
Next	5,000 gallons	9.56	per 1,000 gallons	10.03	per 1,000 gallons
Next	40,000 gallons	8.34	per 1,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons
<u>1 1/2" Meter</u>					
First	10,000 gallons	\$100.10	Minimum Bill	\$104.80	Minimum Bill
Next	40,000 gallons	8.34	per 1,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons
<u>2" Meter</u>					
First	20,000 gallons	\$183.50	Minimum Bill	\$1922.90	Minimum Bill
Next	30,000 gallons	8.34	per 1,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons
<u>3" Meter</u>					
First	30,000 gallons	\$275.00	Minimum Bill	\$289.10	Minimum Bill
Next	20,000 gallons	8.34	per 1,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons
<u>4" Meter</u>					
First	50,000 gallons	\$441.80	Minimum Bill	\$465.30	Minimum Bill
Over	50,000 gallons	7.12	per 1,000 gallons	7.59	per 1,000 gallons

The bill for an average customer using 5,000 gallons each month would increase from \$52.30 to \$54.65, a monthly increase of \$2.35 or 4 percent.

The rates contained in this notice are the rates proposed by the East Clark 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.

East Clark County Water District has available for inspection at its office the application submitted to the Public Service Commission. You may contact the office at (859) 745-1458

FOR Clark County
Community, Town or City

P.S.C. KY. NO. _____

Revised _____ SHEET NO. _____

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

Original _____ SHEET NO. _____

East Clark County Water District
(Name of Utility)

RATES – ALL USERS

Rates: Monthly

5/8" x 3/4" Meter

First	2,000 gallons	\$24.56	Minimum Bill
Next	8,000 gallons	10.03	per 1,000 gallons
Next	40,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.59	per 1,000 gallons

1" Meter

First	5,000 gallons	\$54.65	Minimum Bill
Next	5,000 gallons	10.03	per 1,000 gallons
Next	40,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.59	per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$104.80	Minimum Bill
Next	40,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.59	per 1,000 gallons

2" Meter

First	20,000 gallons	\$192.90	Minimum Bill
Next	30,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.59	per 1,000 gallons

3" Meter

First	30,000 gallons	\$289.10	Minimum Bill
Next	20,000 gallons	8.81	per 1,000 gallons
Over	50,000 gallons	7.59	per 1,000 gallons

4" Meter

First	50,000 gallons	\$465.30	Minimum Bill
Over	50,000 gallons	7.59	per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY Fred Faris
Month / Date / Year
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____



**Winchester
Municipal
Utilities**

P.O. Box 4177, 150 N. Main Street
Winchester, KY 40392-4177
Phone: 859 744-5434
Fax: 859 745-4146

July 9, 2004

William Ballard
East Clark County Water District
118 Hopkins Lane
P.O. Box 112
Winchester, KY 40392

Re: Rate Change

Dear Mr. Ballard:

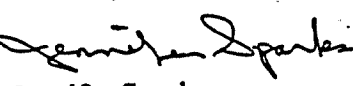
Per Vernon Azevedo's request, this letter is in regard to the agreement entered into on July 15, 1999 between Winchester Municipal Utilities and East Clark County Water District. The Agreement directs that after five years the rate will be adjusted to the current cost of service volumetric rate. The ordained rate is a schedule based upon the amount of water used as follows:

Block 1 – Usage 0-100	\$4.37
Block 2 – Usage 200-500	3.24
Block 3 – Usage 600-2000	3.03
Block 4 – Usage 2100-17000	2.88
Block 5 – Usage 17100-350000	2.19
Block 6 – Usage greater than 350000	1.54

Cubic Feet

This rate schedule when applied to East Clark Water District's usage should result in approximately \$150,000 increase on East Clark Water District's yearly total bill. For your reference, this is the same schedule by which Kentucky American is presently being charged.

Should you have any questions, please call.

Sincerely,

Jennifer Sparks
Supervisor of Accounting and Finance

cc: V. Azevedo
File

JUL 1 2004



EAST CLARK COUNTY WATER DISTRICT
P. O. BOX 112
WINCHESTER, KY 40392

U.S. POSTAGE
WINCHESTER, KY
40391
NOV 23 2004
00056166-03
40602

AMOUNT
\$1.98



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PUBLIC SERVICE
COMMISSION

TO

KENTUCKY PUBLIC SERVICE COMMISSION
P. O. BOX 615
FRANKFORT, KY 40602