



## Richmond Water, Gas & Sewerage Works

P.O. Box 700  
Richmond, Kentucky 40476-0700  
Telephone 1-859-623-2323  
FAX 1-859-624-0805

August 31, 2005

RECEIVED

SFP 0 1 2005

PUBLIC SERVICE  
COMMISSION

Public Service Commission  
Attn: Tariff Review Branch Manager  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602-0615

Case No. 2005-00378

Dear Mr. Kirtley:

In accordance with KRS 278.180 and Public Service Commission Regulation 807 KAR 5:001, Richmond Water, Gas and Sewerage Works formally asks for approval of the wholesale rates that have been enacted by Ordinance No. 05-16 and Ordinance No. 05-28 by the Richmond City Commission. These rates will be effective October 1, 2005 for the following wholesale customers:

1. Madison County Utility District
2. Kirksville Water Association

A copy of the following documentation is attached for your review:

1. PSC required rate schedules
2. Ordinance No. 05-16 & 05-28
3. Public Utility Customer Notification

Thank you in advance for your consideration of our request. If there are any questions, please contact me at (859) 623-2323.

Sincerely,

Chris Whitaker  
Superintendent

Cc: Greg Puckett



## Richmond Water, Gas & Sewerage Works

P.O. Box 700  
Richmond, Kentucky 40476-0700  
Telephone 1-859-623-2323  
FAX 1-859-624-0805

August 31, 2005

Kirksville Water Association  
Attn: Bobby Powell  
155 North Keeneland Drive  
Richmond, KY 40475

Dear Mr. Powell:

On May 10, 2005 the Richmond City Commission passed Ordinance No. 05-16 and on August 16, 2005 the Richmond City Commission passed Ordinance No. 05-28, copies of which are attached, which revised the rates to be charged by the Water System of Richmond for all customers of Richmond Water, Gas and Sewerage Works. As a wholesale customer, the following rate has been established to be effective October 1, 2005:

Wholesale Rates:	Flat Rate	\$1.80/100 cu. ft.
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Rates were increased to accommodate the debt service requirements for approximately \$19,700,000 in future capital improvements for the water system, including the following:

- |    |                                |              |
|----|--------------------------------|--------------|
| 1. | Water Treatment Plant Upgrade  | \$15,700,000 |
| 2. | New Raw Water Intake Structure | \$ 4,000,000 |

As Madison County and the City of Richmond continue to grow, it becomes a necessity to continue to extend, upgrade, and improve our water infrastructure while maintaining a fair and equitable rate for our customers.

If there are any questions, please contact me at (859) 623-2323.

Sincerely,

Chris Whitaker  
Superintendent

Cc: Greg Puckett



## Richmond Water, Gas & Sewerage Works

P.O. Box 700  
Richmond, Kentucky 40476-0700  
Telephone 1-859-623-2323  
FAX 1-859-624-0805

August 31, 2005

Madison County Utility District  
Attn: Farris Maupin  
155 North Keeneland Drive  
Richmond, KY 40475

Dear Mr. Maupin:

On May 10, 2005 the Richmond City Commission passed Ordinance No. 05-16 and on August 16, 2005 the Richmond City Commission passed Ordinance No. 05-28, copies of which are attached, which revised the rates to be charged by the Water System of Richmond for all customers of Richmond Water, Gas and Sewerage Works. As a wholesale customer, the following rate has been established to be effective October 1, 2005:

Wholesale Rates:	Flat Rate	\$1.80/100 cu. ft.
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|----|--------------------------------|--------------|
| 1. | Water Treatment Plant Upgrade  | \$15,700,000 |
| 2. | New Raw Water Intake Structure | \$ 4,000,000 |

As Madison County and the City of Richmond continue to grow, it becomes a necessity to continue to extend, upgrade, and improve our water infrastructure while maintaining a fair and equitable rate for our customers.

If there are any questions, please contact me at (859) 623-2323.

Sincerely,

Chris Whitaker  
Superintendent

Cc: Greg Puckett

FOR MADISON COUNTY, RICHMOND, KY  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

RICHMOND WATER, GAS & SEWERAGE WORKS  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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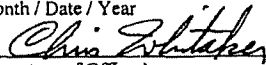
2. Wholesale Rates. The Schedule of water to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewerage Works shall be as follows (Effective October 1, 2005):
- a. Flat Rate \$1.80/100 Cu. Ft.
  - b. If a wholesaler exceeds prescribed monthly allotment by 3 to 10%, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 10% more than the flat rate of \$1.80 per 100 cubic feet.
  - c. If a wholesaler exceeds prescribed monthly allotment by 10% or more, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 30% more than the flat rate of \$1.80 per 100 cubic feet.
  - d. The following monthly maximum volume limits shall be imposed on each of the water districts:

Kirksville	7.8120 mg/mo
Madison County Utility Dis.	52.3668 mg/mo
  - e. The Richmond Utility Board shall establish an allocation of water for each wholesale customer using the above calculations with monthly volumes determined by an average of the most current twelve months from Richmond Water, Gas & Sewerage Works sales records.
  - f. Allocation of volumes in this ordinance are effective only when included as part of a current water sale contract between the wholesaler and the Richmond Water, Gas and Sewerage Works. Otherwise allocations will remain as specified in existing contracts, or in those cases where no allocations is specified in existing contracts, the allocation will be set at current 12 month average.

---

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY CHRIS WHITAKER   
(Signature of Officer)

TITLE SUPERINTENDENT

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

**ORDINANCE NO. 05-16**

**AN ORDINANCE OF THE CITY OF RICHMOND, KENTUCKY, REVISING  
THE RATES TO BE CHARGED BY THE WATER SYSTEM OF RICHMOND**

**WHEREAS**, water rates now charged to the average residential customer of the Richmond Water, Gas and Sewage Works and customers of the former Milford Water District were established by Ordinance No. 97-26, effective June 25, 1997; and

**WHEREAS**, rates were adjusted for institutional users by Ordinance No. 00-16, effective March 14, 2000; and

**WHEREAS**, rates were adjusted for Institutional users, Wholesale users, Milford Water District users, and all other customers by Ordinance No. 02-13; and

**WHEREAS**, penalties for Wholesale users exceeding maximum volume limits were established in Ordinance No. 95-20 and 95-41; and

**WHEREAS**, inflation, increased costs of operation, and costs of capital improvements make it necessary to raise rates charged by the Richmond Water, Gas and Sewage Works; and the Richmond Utilities Board has recommended increased rates.

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS  
OF THE CITY OF RICHMOND, KENTUCKY, THAT:**

(A) **Definitions.** For purposes of this rate ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

1. **Institutional Users.** Institutional users shall mean Eastern Kentucky University, the public school system, Pattie A. Clay Hospital and organizations of a similar nature and purpose.
2. **Wholesale Purchasers.** Wholesale purchasers shall mean Madison County Utility District and Kirksville Water Association, and water districts of a similar nature and purpose.

(B) **Phase I.** The schedule of rates to be charged to customers on bills mailed after July 1, 2005 shall be as follows:

1. **Institutional Rates.** The schedule of rates to be charged to institutional water users within the city limits of the City of Richmond shall be as follows:

Flat Rate

\$1.80/100 Cu Ft

2. Wholesale Rates. The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewerage Works shall be as follows:

- a. Flat Rate \$1.80/100 Cu Ft
- b. If a wholesaler exceeds prescribed monthly allotment by 3 to 10%, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 10% more than the flat rate of \$1.80 per 100 cubic feet.
- c. If a wholesaler exceeds prescribed monthly allotment by 10% or more, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 30% more than the flat rate of \$1.80 per 100 cubic feet.
- d. The following monthly maximum volume limits shall be imposed on each of the water districts:

Kirksville	7.8120 mg/mo
Madison County Utility Dis.	52.3668 mg/mo

- e. The Richmond Utility Board shall establish an allocation of water for each wholesale customer using the above calculations with monthly volumes determined by an average of the most current twelve months from Richmond Water, Gas & Sewerage Works sales records.
- f. Allocation of volumes in this ordinance are effective only when included as part of a current water sale contract between the wholesaler and the Richmond Water, Gas and Sewerage Works. Otherwise allocations will remain as specified in existing contracts, or in those cases where no allocations is specified in existing contracts, the allocation will be set at current 12 month average.

3 Milford Water District. The schedule of rates to be charged all customers of the former Milford Water District are as follows:

Block 1 - First 2000 gallons	\$13.95 (minimum bill)
Block 2 - Next 2000 gallons	4.61/1000 gallons

Block 3 - Next 2000 gallons	3.92/1000 gallons
Block 4 - Excess (over 6000 gallons)	3.43/1000 gallons

4. Rates for all Other Customers.

- a. The schedule of rates to be charged all other water customers who use water within the city limits of the City of Richmond on all bills mailed after July 1, 2005 shall be as follows:

Block 1 - First 300 Cu Ft	\$8.06 (minimum bill)
Block 2 - Next 400 Cu Ft	2.40/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	2.18/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	1.82/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	1.73/100 Cu Ft

- b. The schedule of rates to be charged to all other water customers who are outside the city limits of the City of Richmond on all bills mailed after July 1, 2005 shall be as follows:

Block 1 - First 300 Cu Ft	\$10.20 (minimum bill)
Block 2 - Next 400 Cu Ft	3.04/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	2.76/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	2.30/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	2.19/100 Cu Ft

- (C) Phase II. The schedule of rates to be charged to customers on bills mailed after July 1, 2006 shall be as follows:

1. Institutional Rates. The schedule of rates to be charged to institutional water users within the city limits of the City of Richmond shall be as follows:

Flat Rate	\$1.92/100 Cu Ft
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2. Wholesale Rates. The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewage Works shall be as follows:

- a. Flat Rate \$1.92/100 Cu Ft
- b. If a wholesaler exceeds prescribed monthly allotment by 3 to 10%, wholesaler will pay Richmond Water, Gas and

Sewerage Works a rate per cubic feet of 10% more than the flat rate of \$1.92 per 100 cubic feet.

- c. If a wholesaler exceeds prescribed monthly allotment by 10% or more, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 30% more than the flat rate of \$1.92 per 100 cubic feet.
- d. The following monthly maximum volume limits shall be imposed on each of the water districts:

Kirksville	7.8120 mg/mo
Madison County Utility Dis.	52.3668 mg/mo

- e. The Richmond Utility Board shall establish an allocation of water for each wholesale customer using the above calculations with monthly volumes determined by an average of the most current twelve months from Richmond Water, Gas & Sewerage Works sales records.
- f. Allocation of volumes in this ordinance are effective only when included as part of a current water sale contract between the wholesaler and the Richmond Water, Gas and Sewerage Works. Otherwise allocations will remain as specified in existing contracts, or in those cases where no allocations is specified in existing contracts, the allocation will be set at current 12 month average.

- 3 Milford Water District. The schedule of rates to be charged all customers of the former Milford Water District are as follows:

Block 1 - First 2000 gallons	\$14.93 (minimum bill)
Block 2 - Next 2000 gallons	4.93/1000 gallons
Block 3 - Next 2000 gallons	4.20/1000 gallons
Block 4 - Excess (over 6000 gallons)	3.67/1000 gallons

4. Rates for all Other Customers.

- a. The schedule of rates to be charged all other water customers who use water within the city limits of the City of Richmond on all bills mailed after July 1, 2006 shall be as follows:



Block 1 - First 300 Cu Ft	\$8.62 (minimum bill)
Block 2 - Next 400 Cu Ft	2.57/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	2.33/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	1.94/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	1.85/100 Cu Ft

- b. The schedule of rates to be charged to all other water customers who are outside the city limits of the City of Richmond on all bills mailed after July 1, 2006 shall be as follows:

Block 1 - First 300 Cu Ft	\$10.91 (minimum bill)
Block 2 - Next 400 Cu Ft	3.25/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	2.95/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	2.46/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	2.35/100 Cu Ft

- (D) Phase III. The schedule of rates to be charged to customers on bills mailed after July 1, 2007 shall be as follows:

1. Institutional Rates. The schedule of rates to be charged to institutional water users within the city limits of the City of Richmond shall be as follows:

Flat Rate	\$2.04/100 Cu Ft
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2. Wholesale Rates. The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewerage Works shall be as follows:

a. Flat Rate	\$2.04/100 Cu Ft
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- b. If a wholesaler exceeds prescribed monthly allotment by 3 to 10%, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 10% more than the flat rate of \$2.04 per 100 cubic feet.

- c. If a wholesaler exceeds prescribed monthly allotment by 10% or more, wholesaler will pay Richmond Water, Gas and Sewerage Works a rate per cubic feet of 30% more than the flat rate of \$2.04 per 100 cubic feet.

- d. The following monthly maximum volume limits shall be imposed on each of the water districts:

Kirksville 7.8120 mg/mo  
Madison County Utility Dis. 52.3668 mg/mo

- e. The Richmond Utility Board shall establish an allocation of water for each wholesale customer using the above calculations with monthly volumes determined by an average of the most current twelve months from Richmond Water, Gas & Sewerage Works sales records.
- f. Allocation of volumes in this ordinance are effective only when included as part of a current water sale contract between the wholesaler and the Richmond Water, Gas and Sewerage Works. Otherwise allocations will remain as specified in existing contracts, or in those cases where no allocations is specified in existing contracts, the allocation will be set at current 12 month average.

3 Milford Water District. The schedule of rates to be charged all customers of the former Milford Water District are as follows:

Block 1 - First 2000 gallons	\$15.82 (minimum bill)
Block 2 - Next 2000 gallons	5.23/1000 gallons
Block 3 - Next 2000 gallons	4.45/1000 gallons
Block 4 - Excess (over 6000 gallons)	3.89/1000 gallons

4. Rates for all Other Customers.

- a. The schedule of rates to be charged all other water customers who use water within the city limits of the City of Richmond on all bills mailed after July 1, 2007 shall be as follows:

Block 1 - First 300 Cu Ft	\$9.14 (minimum bill)
Block 2 - Next 400 Cu Ft	2.72/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	2.47/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	2.06/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	1.96/100 Cu Ft

- b. The schedule of rates to be charged to all other water customers who are outside the city limits of the City of Richmond on all bills mailed after July 1, 2007 shall be as follows:

Block 1 - First 300 Cu Ft	\$11.56 (minimum bill)
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Block 2 - Next 400 Cu Ft	3.44/100 Cu Ft
Block 3 - Next 5,000 Cu Ft	3.13/100 Cu Ft
Block 4 - Next 5,000 Cu Ft	2.61/100 Cu Ft
Block 5 - Excess (over 10,700 Cu Ft)	2.49/100 Cu Ft

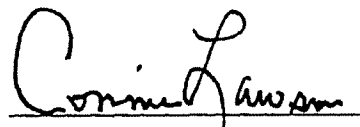
- (E) Phase IV. Beginning on July 1, 2008, all rates shall be adjusted annually on bills mailed after July 1 of each year to reflect Richmond Water, Gas & Sewerage Works increase in costs for operation water treatment. The annual adjustment shall be equal to average percentage change in the Consumer Price Index for all Urban Consumers (U.S. City Average) published by the U. S. Department of Labor, Bureau of Labor Statistics, however the annual adjustment shall never be less than zero.
- (F) This Ordinance shall be effective upon its second reading and its legal publication by the Richmond City Commission.

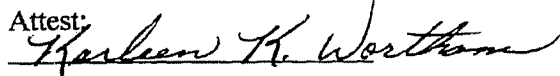
Date of First Reading: April 26, 2005  
 Motion By: Commissioner Barnes  
 Seconded By: Commissioner Brewer

Vote:	Yes	No
Commissioner Barnes	x	
Commissioner Blythe	x	
Commissioner Brewer	x	
Commissioner Jones	x	
Mayor Lawson	x	

Date of Second Reading: May 10, 2005  
 Motion By: Commissioner Barnes  
 Seconded By: Commissioner Brewer

Vote:	Yes	No
Commissioner Barnes	x	
Commissioner Blythe	x	
Commissioner Brewer	x	
Commissioner Jones	x	
Mayor Lawson	x	

  
 \_\_\_\_\_  
 Mayor

Attest:  
  
 \_\_\_\_\_  
 City Clerk

**ORDINANCE NO. 05-28**

**AN ORDINANCE OF THE CITY OF RICHMOND, KENTUCKY AMENDING  
ORDINANCE NO. 05-16 WHICH CHANGED THE RATES TO BE CHARGED  
BY THE WATER SYSTEM OF RICHMOND.**

**WHEREAS**, the City of Richmond altered the rates to be charged to users in Ordinance No. 05-16 on bills mailed after July 1, 2005; and

**WHEREAS**, Madison County Utilities District and Kirksville Water Association requested additional time to notify their customers of the change in rates.

**NOW THEREFORE, BE IT ORDAINED** by the Board of Commissioners of the City of Richmond, Kentucky that:

1. Ordinance 05-16 Part B (2) is hereby amended as follows so that the rates for wholesale customers in Phase I shall be changed for bills mailed after October 1, 2005.

(B) Phase I

2. Wholesale Rates. The schedule of rates to be charged for wholesale customers who are customers of the Richmond Water, Gas and Sewage Works on bills mailed after October 1, 2005 and all other class of water users on bills mailed after July 1, 2005 shall be as follows: [~~The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewage works shall be as follows:~~]

2. All other parts of Ordinance 05-16 shall be in full force and effect as if set out in full herewith.

3. This Ordinance shall be effective upon its second reading, adoption and its legal publication.

**Date of First Reading: July 26, 2005**

**Motion By: Commissioner Brewer**

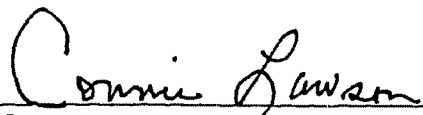
**Seconded By: Commissioner Barnes**

<b>Vote:</b>	<b>Yes</b>	<b>No</b>
Commissioner Barnes	x	
Commissioner Blythe	x	
Commissioner Brewer	x	
Commissioner Jones	x	
Mayor Lawson	x	

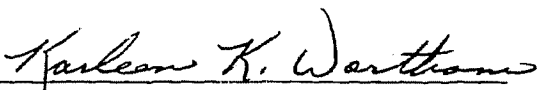
**Date of Second Reading: August 16, 2005**

**Motion By: Commissioner Barnes**  
**Seconded By: Commissioner Brewer**

<b>Vote:</b>	<b>Yes</b>	<b>No</b>
Commissioner Barnes	x	
Commissioner Blythe	x	
Commissioner Brewer	x	
Commissioner Jones	x	
Mayor Lawson	Absent	

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

**LUXON, PATTERSON & WICKERSHAM, PLLC**  
**ATTORNEYS AT LAW**  
1001 GIBSON BAY DRIVE, SUITE 203  
P.O. BOX 825  
RICHMOND, KENTUCKY 40476-0825  
Telephone: (859) 623-6233  
Fax: (859) 623-6977

Susan Dabney Luxon  
J. Judson Patterson  
David Wickersham

September 15, 2005

Public Service Commission  
Attn: Hon. Jerry Wuetcher  
Office of General Counsel  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40602

SEP 20 2005  
GENERAL COUNSEL

RECEIVED

SEP 19 2005

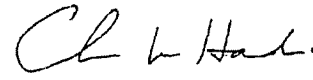
RE: City of Richmond water rate increase

Dear Mr. Wuetcher:

The City of Richmond is moving forward with their proposed rate increase and has resubmitted their application with the PSC. The Boards of the Kirksville Water Association and Madison County Utilities met in a special session on September 14 to discuss contesting the rate increase. Both Boards voted unanimously to contest the rate increase. Please allow this letter to be notice that Madison County Utilities and Kirksville Water Association contest the rate increase and formally request the intervention of the PSC in this matter. If you need any additional documentation, please advise.

Very truly yours,

  
Jud Patterson  
Attorney for Kirksville Water Association

  
Charles Hardin  
Attorney for Madison County