



Ernie Fletcher
Governor

Lajuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

November 15, 2005

RECEIVED

APR 19 2006

PUBLIC SERVICE
COMMISSION

Mr. John Pierce
Garrison-Quincy Water District
P.O. Box 279, Murphy's Lane
Garrison, KY 41141

Case No. 2006-00161

Dear Mr. Pierce:

Please find enclosed a copy of the proposed rate application which Commission Staff has completed for the Garrison-Quincy Water District. This application reflects Garrison-Quincy's operations using financial information for the year 2004, adjusted to reflect Commission Staff recommendations and any known and measurable changes occurring since then. It is prepared based upon a revenue increase of \$27,252, as shown on page 3 of the application.

If Garrison-Quincy decides to pursue the recommended rate increase, the District needs to properly notify its customers of the proposed rate increase, have an officer of the District sign the application on page 7, and return an original and 10 copies of the application to the Commission. A copy should also be sent to the Office of the Attorney General at P.O. Box 2000, Frankfort, KY 40602-2000. In addition, the District will need to attach a copy of documents related to its outstanding indebtedness as specified on page 3 of the application. If the application is properly filed, the Commission will process it as quickly as possible. However, the District cannot begin charging new rates until the Commission has granted its approval of such rates by a written Order.

If you have any questions about the application, please contact me at (502) 564-3940, ext. 453. Thank you for your cooperation, and it has been a pleasure to work with you on this.

Sincerely

Jack Kaninberg

Jack Kaninberg
Division of Financial Analysis

RECEIVED

APR 19 2006

PUBLIC SERVICE
COMMISSION

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Case No. 2006-00161

Garrison-Quincy-Ky-O-Heights Water District

Name of Utility

P.O. Box 279, Murphy's Lane

Garrison, Kentucky 41141

Business Mailing Address

Telephone Number (606) 757-4898

Area Code

Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: John Pierce, Manager

Address: P.O. Box 279, Murphy's Lane

Garrison, KY 41141

Telephone Number: (606) 757-4898

- | | | | |
|----|---|-----|----|
| 1) | Do you have 500 customers or fewer? | Yes | No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? – Deviation Requested; total normalized revenues are just above the threshold at \$303,663. | Yes | No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | Yes | No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | Yes | No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain

written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2004.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

See Attachment A.

b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Please see the notes to Attachment A for these descriptions.

i. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

See attachments

III. Other Information

a. Please complete the following questions:

1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

2) Total number of Customers
as of the date of filing:

1,056

3) Total amount of increased revenue requested: \$27,252

4) Please circle Yes or No:

a) Does the utility have any outstanding indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

b) Were all revenues and expenses listed in the Annual Report for 2004 incurred and collected from January 1 to December 31 of that year? Yes No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2003 and the amount shown on this schedule. – **Depreciation schedule attached.**

6) If utility is a sewer utility:

a) Attach a copy of the latest State and Federal Income Tax Returns. **Not applicable**

b) How much of the utility plant was recovered through the sale of lots or other contributions? (If unknown, state the reason).

b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Garrison-Quincy's costs have continued to increase since its last rate case, - especially depreciation expense and debt service coverage – and its cash reserves have dwindled from \$92,090 in 2001 to only \$14,645 at the end of 2004.

Step3: Next 10,000 gallons rate level
1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000 gallons –
record in Column 4.
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons –
record in Column 5.
Next 10,000 gallons – remainder of water over 3,000
= 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level
650 Bills
15,275,000 gallons used
1st 2,000 minimum x 650 bills = 1,300,000 gallons –
record in Column 4.
Next 3,000 gallons x 650 bills = 1,950,000 gallons –
record in Column 5.
Next 10,000 gallons x 650 bills = 6,500,000 gallons –
record in Column 6.
Next 25,000 gallons – remainder of water over 10,000
= 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level
153 Bills
9,975,600 gallons used
1st 2,000 minimum x 153 bills = 306,000 gallons –
record in Column 4.
Next 3,000 gallons x 153 bills = 459,000 gallons –
record in Column 5.
Next 10,000 gallons x 153 bills = 1,530,000 gallons –
record in Column 6.
Next 25,000 gallons x 153 bills = 3,825,000 gallons –
record in Column 7.
Over 40,000 gallons – remainder of water over 25,000
= 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

Revenue from Present/Proposed Rates
 Test Period from 01-01-XX to 12-31-XX

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		\$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed

R. J. Christy

Officer of the Company

Title

Chairman

Date

2-13-06.

Garrison-Quincy Attachment A	2004	Adjustments	Ref.	Adjusted
Water Sales Revenue	\$298,599	(\$26,078)		\$272,521
Other Operating Revenue	\$10,407	\$20,735		\$31,142
Water Sales Revenue	\$309,006	(\$5,343)	(a)	\$303,663
Employee Salaries	\$81,129	(\$1,699)	(b)	\$79,430
Officer Salaries	\$6,380	\$220	(c)	\$6,600
Pensions/Benefits CERS	\$8,757	(\$2,022)	(d)	\$6,735
Purchased Water	\$24,793	(\$3,025)	(e)	\$21,768
Purchased Power	\$15,041	(\$1,767)	(f)	\$13,274
Chemicals	\$6,969	(\$819)	(g)	\$6,150
Materials/Supplies	\$21,832	(\$8,763)	(h)	\$13,069
Contractual Services	\$4,224	\$1,422	(i)	\$5,646
Transportation Exp.	\$13,352	(\$8,549)	(j)	\$4,803
Insurance	\$21,511	0		\$21,511
Reg. Com Exp.	\$466	0		\$466
Misc. Exp.	\$35,093	(\$8,806)	(k)	\$26,287
Tot. Water Util. Exp.	\$239,547	(\$33,808)		\$205,739
Depreciation Expense	\$90,974	0		\$90,974
Amortization Expense	0	\$3,320	(l)	\$3,320
Taxes OT Income	\$10,649	(\$4,068)	(m)	\$6,581
Total Op. Expenses	\$341,170	(\$34,556)		\$306,614
<i>Total Operating Income</i>	<i>(\$32,164)</i>	<i>\$29,213</i>		<i>(\$2,951)</i>
Interest Income	684	0		\$684
Interest Expense	(\$45,366)	0		(\$45,366)
Net Income	(\$76,846)	\$29,213		(\$47,633)

Revenue Requirement

\$ 306,614 - Adjusted Op. Expenses

\$ 74,639 - 1.2X Debt Service Coverage of \$62,199

\$ 381,253 - Revenue Requirement

(\$303,663) - Less Normalized Revenues

(\$ 684) - Less Interest Income

\$ 76,906 - **Justified Increase (26.2% increase over normalized sales rev. of \$293,256)**

\$ 27,252 - Increase of 10% on Sales Revenue of \$272,521 requested by Board.

Debt Service:

\$22,900 - 2006 principal

\$13,000 - 2007 principal

\$14,600 - 2008 principal

\$50,500 - Principal payments 2006-2008

\$16,833 - 3 yr. avg. principal

\$45,366 - 2004 Interest Expense

\$62,199 - Debt Service

Explanatory Notes

(a) Revenue normalization based upon Commission Staff's billing analysis, including reclassifying \$20,735 of surcharge revenue from Sales Revenue to Other Operating Revenue.

(b) Employee Salaries were normalized to reflect wage levels as of :

Employee	Total per Year	Weekly Hours	Pay Rate eff. 9/04	Total per Week	Proforma Total per Year
Manager	\$25,733	40	\$13.50	\$540	\$28,080
Operator \$10.50 Replaced by lower wages of \$8.00	\$23,323	40	\$8.00	\$320	\$16,640
Office Worker	\$11,440	25	\$9.50	\$237.50	\$12,350
Operator	\$20,633	40	\$10.75	\$430	\$22,360
Totals	\$81,129			\$1,527.50	\$79,430

(c) Officers' Salaries were based upon a proforma expense of \$110 per month for each of the five Commissioners.

(d) Pensions and Benefits Expense was based upon the District's CERS contribution rate of 8.48% times normalized Salaries Expense of \$79,430.

(e) Normalized Purchased Water Expense was calculated as follows, including an adjustment for excess line loss (the Commission normally allows no more than 15% line loss for ratemaking purposes) :

	2004	Proforma	Purch.	Prod.
<i>Purchased (19.47%)</i>	14,174			
<i>Produced (80.53%)</i>	58,618			
<i>Tot. water purch./prod (100%)</i>	72,792			
Water sold (71.65%)	52,157.0	51,907,887		
Water used by GQ (3.31%)	2,406.5			
Subtotal (74.96%)	54,563.5	54,304,272		
Unacct for loss (25.04%)	18,228.5	18,140,062		
Total (100%)	72,792.0	72,444,334		
Hold to 15% line loss		9,583,106		
Add Sales and Use		54,304,272		
Total if 15% line loss		63,887,378	12,438,873	51,448,505
Actual at 25.04%		18,140,062		
15% line loss		9,583,106		
Excess line loss		8,556,956	1,666,039	6,890,917
			\$1.75/th.	
Line loss Adjustment			\$2,916	

2004 Purchased Water Expense \$24,793 divided by Purchases of 14,174 = \$1.75 average rate.

Proforma purchases of 12,438.873 (including 15% line loss) x \$1.75 = \$21,768
(Remaining \$109 adjustment due to decreased normalized sales)

(f) - Purchased Power Expense was adjusted for excess line loss as follows:

2004 Purchased Power Expense - \$15,041 Divided by 2004 thousand gallons produced and purchased of 72,792 = \$.2066 purchased power cost per thousand x total excess line loss of 8,556.956 thousand gallons = \$1,767 adjustment

(g) Chemicals Expense was adjusted for excess line loss as follows:

2004 Chemicals Expense \$6,969 Divided by 2004 thousand gallons produced of 58,618 = \$.1189 chemicals cost per thousand x Excess proforma production of 6,890.917 thousand gallons = \$819 adjustment

(h) Materials and Supplies Expense was reduced by \$8,763 to remove a nonrecurring expenditure of \$8,763 for replacement of greensand in the filters, an expenditure expected to occur roughly every 10 years.

(i) Contractual Services Expense was increased by \$1,422 to reflect quarterly meter testing by Big Sandy Water District (at \$474 per quarter), which began in the last quarter of 2004.

(j) Transportation Expense was adjusted to remove several items which were capital or nonrecurring in nature, as follows:

Date	Vendor and Item Description	Amount	Annual Amount	Adjustment
2/18/04	Engineered Fluid, Inc. - pump	\$800.00	0	\$800.00
5/10/04	Reynolds, Inc. - Well pump	\$4,036.64	0	\$4,036.64
7/8/04	Dewey Lewis Garage - Dump Truck Repairs	\$954.79	0	\$954.79
9/29/04	Pressure Tech - Tank and Dry Bed Cleaning	\$2,523.65	\$400	\$2,123.65
11/8/04	South Town Specialties - Gas Tank	\$634.18	0	\$634.18
	Adjustment to Transportation Exp.	\$8,949.26	\$400	\$8,549.26

(k) Miscellaneous Expense was adjusted to remove several items which were capital or nonrecurring in nature, as follows:

Item or Vendor Description	Test Year Amount	Proforma Amount	Adjustment
Continuing Education Expenses	\$4,037.28	\$2,500.00	\$1,537.28
Lowes - Camera, Vacuum, A/C	\$676.11	0	\$676.11
Ohio Pest Control - Nonrecurring charge	\$332.50	0	\$332.50
Machine Runner - Bill Burster	\$1,599.00	0	\$1,599.00
Quality Outdoor Products - Building	\$2,866.50	0	\$2,866.50
Rick Kamer - Nonrecurring Charge	\$216.00	0	\$216.00
Rusty Dunigan - NRC	\$80.00	0	\$80.00
Lowes - Pressure Washer	\$999.00	0	\$999.00
Christmas Bonuses	\$500.00	0	\$500.00
Adjustment to Miscellaneous Exp.	\$11,306.39	\$2,500.00	\$8,806.39

(l) Amortization Expense was adjusted to allow recovery over several years for nonrecurring items charged to Materials and Supplies, Transportation, and Miscellaneous Expenses, as follows:

Expense Account	Vendor and Item Description	Amount	Years Amort.	Amount per Year
Materials	CEI Filters – Greensand replacement	\$8,763.00	10	\$876.30
Transportation	Engineered Fluid, Inc.	\$800.00	5	\$160.00
Transportation	Reynolds, Inc	\$4,036.64	5	\$807.33
Transportation	Dewey Lewis Garage	\$954.79	3	\$318.26
Transportation	South Town Specialties	\$634.18	5	\$126.84
Miscellaneous	Lowes – Camera, Vacuum, A/C	\$676.11	3	\$225.37
Miscellaneous	Machine Runner Bill Burster	\$1,599.00	5	\$319.80
Miscellaneous	Quality Outdoor Products Building	\$2,866.50	10	\$286.65
Miscellaneous	Lowes Pressure Washer	\$999.00	5	\$199.80
	Adjustment to Amortization Expense			\$3,320.35

(m) Taxes Other Than Income Expense was adjusted to allow for FICA taxes of \$6,581 based upon normalized Employees’ and Commissioners’ wages of \$86,030 at a rate of 7.65%.

GARRISON-QUINCY WATER DISTRICT

FIXED ASSETS & DEPRECIATION

DECEMBER 31, 200~~2~~³ and 200~~3~~⁴

	COST					Life	ALLOWANCE FOR DEPRECIATION					Book Value
	Balance 12-31-02	2003 ADDITIONS	BALANCE 12/31/03	2004 ADDITIONS	BALANCE 12/31/04		Balance 12-31-02	2003 PROVISION	BALANCE 12/31/03	2004 PROVISION	BALANCE 12/31/04	
Land and Land Rights	\$ 3,576		\$ 3,576		\$ 3,576							3,576
Structures & Improvements	48,666		48,666		48,666	37.5	14,465	1,298	15,763	1,298	17,061	31,605
Collecting Reservoirs	42,579		42,579		42,579	45	11,835	946	12,781	947	13,728	28,851
Wells & Springs	42,622		42,622		42,622	45	8,393	947	9,340	947	10,287	32,335
Pumping Equipment	167,282		167,282		167,282	20	42,896	8,364	51,260	8,364	59,624	107,658
Water Treatment	542,810		542,810		542,810	20	298,642	27,140	325,782	27,141	352,923	189,888
Trans Distr & Mains	1,185,017	894,850	2,079,867	81,952	2,161,819	50	226,100	32,649	258,749	42,417	301,166	1,860,653
Services	7,875		7,875		7,875	40	3,387	197	3,584	197	3,781	4,094
Meters & Meter Installations	54,632	14,000	68,632	30,914	99,546	40	11,288	1,541	12,829	2,102	14,931	84,615
Hydrants	2,076		2,076		2,076	45	857	45	902	46	948	1,128
Office Furniture & Equipment	15,071	3,549	18,620		18,620	10	6,904	1,684	8,588	1,862	10,450	8,170
Transportation Equipment	37,823	17,756	55,579		55,579	5	37,823	1,776	39,599	3,551	43,150	12,429
Tools, Shop Equipment	20,064		20,064	21,037	41,101	5	20,064	-	20,064	2,104	22,168	18,933
TOTALS	\$2,170,093	930,155	3,100,248	133,903	3,234,151		\$682,654	\$ 76,587	759,241	90,975	850,216	2,383,935
Construction in Progress												
Sewer Project	-	-	-	170,459	170,459							
Red Brush	-	-	-	-	-							
McDowell	894,850	(894,850)	-	-	-							
TOTAL CONSTRUCTION	894,850	(894,850)	-	170,459	170,459							
TOTAL PLANT	2,076,526	988,417	3,064,943	304,362	3,404,610							

GARRISON-QUINCY WATER DISTRICT

FIXED ASSETS & DEPRECIATION

DECEMBER 31, 200~~2~~³ and 200~~2~~⁴

	COST					Life	ALLOWANCE FOR DEPRECIATION					Book Value
	Balance 12-31-02	2003 ADDITIONS	BALANCE 12/31/03	2004 ADDITIONS	BALANCE 12/31/04		Balance 12-31-02	2003 PROVISION	BALANCE 12/31/03	2004 PROVISION	BALANCE 12/31/04	
Land and Land Rights	\$ 3,576		\$ 3,576		\$ 3,576							3,576
Structures & Improvements	48,666		48,666		48,666	37.5	14,465	1,298	15,763	1,298	17,061	31,605
Collecting Reservoirs	42,579		42,579		42,579	45	11,835	946	12,781	947	13,728	28,851
Wells & Springs	42,622		42,622		42,622	45	8,393	947	9,340	947	10,287	32,335
Pumping Equipment	167,282		167,282		167,282	20	42,896	8,364	51,260	8,364	59,624	107,658
Water Treatment	542,810		542,810		542,810	20	298,642	27,140	325,782	27,141	352,923	189,888
Trans Distr & Mains	1,185,017	894,850	2,079,867	81,952	2,161,819	50	226,100	32,649	258,749	42,417	301,166	1,860,653
Services	7,875		7,875		7,875	40	3,387	197	3,584	197	3,781	4,094
Meters & Meter Installations	54,632	14,000	68,632	30,914	99,546	40	11,288	1,541	12,829	2,102	14,931	84,615
Hydrants	2,076		2,076		2,076	45	857	45	902	46	948	1,128
Office Furniture & Equipment	15,071	3,549	18,620		18,620	10	6,904	1,684	8,588	1,862	10,450	8,170
Transportation Equipment	37,823	17,756	55,579		55,579	5	37,823	1,776	39,599	3,551	43,150	12,429
Tools, Shop Equipment	20,064		20,064	21,037	41,101	5	20,064	-	20,064	2,104	22,168	18,933
TOTALS	\$2,170,093	930,155	3,100,248	133,903	3,234,151		\$682,654	\$ 76,587	759,241	90,975	850,216	2,383,935
Construction in Progress												
Sewer Project	-	-	-	170,459	170,459							
Red Brush	-	-	-	-	-							
McDowell	894,850	(894,850)	-	-	-							
TOTAL CONSTRUCTION	894,850	(894,850)	-	170,459	170,459							
TOTAL PLANT	2,076,526	988,417	3,064,943	304,362	3,404,610							

Garrison-Quincy-KY-O Heights Water District

Proposed Tariff

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Garrison-Quincy-KY-O Heights Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

Monthly Water Rates

5/8 x 3/4 Inch Meter

First 2,000 Gallons	\$12.18 Minimum Bill
Next 3,000 Gallons	5.45 per 1,000 Gallons
Next 5,000 Gallons	4.13 per 1,000 Gallons
Over 10,000 Gallons	3.47 per 1,000 Gallons

1 Inch Meter

First 10,000 Gallons	\$49.18 Minimum Bill
Over 10,000 Gallons	3.47 per 1,000 Gallons

2 Inch Meter

First 10,000 Gallons	\$187.98 Minimum Bill
Over 10,000 Gallons	3.47 per 1,000 Gallons

Surcharge

A monthly surcharge of \$5.00 will be added to each phase II and III customers.

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

Garrison-Quincy-KY-O Heights Water District

Comparison of Current & Proposed Tariff

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Garrison-Quincy-KY-O Heights Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	2,000	Gallons	\$12.00	Minimum Bill
Next	3,000	Gallons	4.60	per 1,000 Gallons
Next	5,000	Gallons	3.50	per 1,000 Gallons
Next	10,000	Gallons	2.40	per 1,000 Gallons
Over	20,000	Gallons	1.90	per 1,000 Gallons

First	2,000	Gallons	\$12.18	Minimum Bill
Next	3,000	Gallons	5.45	per 1,000 Gallons
Next	5,000	Gallons	4.13	per 1,000 Gallons
Over	10,000	Gallons	3.47	per 1,000 Gallons

1 Inch Meter

First	10,000	Gallons	\$43.30	Minimum Bill
Next	10,000	Gallons	2.40	per 1,000 Gallons
Over	20,000	Gallons	1.90	per 1,000 Gallons

First	10,000	Gallons	\$49.18	Minimum Bill
Over	10,000	Gallons	3.47	per 1,000 Gallons

2 Inch Meter

First	50,000	Gallons	\$124.30	Minimum Bill
Over	50,000	Gallons	1.90	per 1,000 Gallons

First	10,000	Gallons	\$187.98	Minimum Bill
Over	10,000	Gallons	3.47	per 1,000 Gallons

Surcharge

A monthly surcharge of \$5.00 will be added to each phase II and III customers.

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

Garrison-Quincy-KY-O Heights Water District

Billing Analysis

CURRENT RATES

BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE
 METER SIZE: 5/8" x 3/4"

	CLASS: USAGE	BILLS	GALLONS	2,000	3,000	5,000	10,000	20,000
FIRST	2,000	3,613	3,328,916	3,328,916				
NEXT	3,000	5,808	19,674,311	11,616,000	8,058,311			
NEXT	5,000	2,574	17,221,428	5,148,000	7,722,000	4,351,428		
NEXT	10,000	467	6,097,670	934,000	1,401,000	2,335,000	1,427,670	
OVER	20,000	120	4,022,370	240,000	360,000	600,000	1,200,000	1,622,370

TOTAL		12,582	50,344,695	21,266,916	17,541,311	7,286,428	2,627,670	1,622,370
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	12,582	21,266,916	\$12.00	\$150,984.00
NEXT	3,000		17,541,311	4.60	80,690.03
NEXT	5,000		7,286,428	3.50	25,502.50
NEXT	10,000		2,627,670	2.40	6,306.41
OVER	20,000		1,622,370	1.90	3,082.50
TOTAL		12,582	50,344,695		\$266,565.44

BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE
 METER SIZE: 1"

	CLASS USAGE	BILLS	GALLONS	FIRST 10,000	NEXT 10,000	OVER 20,000
FIRST	10,000	61	257,490	257,490		
NEXT	10,000	8	134,040	80,000	54,040	
OVER	20,000	8	257,950	80,000	80,000	97,950

TOTAL		77	649,480	417,490	134,040	97,950
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	77	417,490	\$43.30	\$3,334.10
NEXT	10,000		134,040	2.40	321.70
OVER	20,000		97,950	1.90	186.11

TOTAL		77	649,480		\$3,841.90
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BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE
 METER SIZE: 2"

CLASS:				FIRST	OVER
USAGE		BILLS	GALLONS	50,000	50,000
FIRST	50,000	3	136,500	136,500	
OVER	50,000	9	777,212	450,000	327,212

TOTAL		12	913,712	586,500	327,212
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	12	586,500	\$124.30	\$1,491.60
OVER	50,000		327,212	1.90	621.70

TOTAL		12	913,712		\$2,113.30
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NORMALIZED BILLING ANALYSIS SUMMARY FOR: GARRISON QUINCY-KY-O HEIGHTS WD
TEST PERIOD FROM 01/01/2004 to 12/31/2004

CURRENT RATES

	Bills	Gallons	Revenue
5/8 x 3/4 Inch	12,582	50,344,695	\$266,565
1 Inch	77	649,480	\$3,842
2 Inch	12	913,712	\$2,113
TOTAL	12,671	51,907,887	\$272,521

Garrison-Quincy-KY-O Heights Water District

Billing Analysis

PROPOSED RATES

BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT

TEST PERIOD FROM 1/1/2004

USAGE TABLE

METER SIZE: 5/8" x 3/4"

	CLASS: USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	OVER 10,000
FIRST	2,000	3,613	3,328,916	3,328,916			
NEXT	3,000	5,808	19,674,311	11,616,000	8,058,311		
NEXT	5,000	2,574	17,221,428	5,148,000	7,722,000	4,351,428	
OVER	10,000	587	10,120,040	1,174,000	1,761,000	2,935,000	4,250,040

TOTAL		12,582	50,344,695	21,266,916	17,541,311	7,286,428	4,250,040
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	12,582	21,266,916	\$12.18	\$153,248.76
NEXT	3,000		17,541,311	5.45	95,600.14
NEXT	5,000		7,286,428	4.13	30,092.95
OVER	10,000		4,250,040	3.47	14,747.64

TOTAL		12,582	50,344,695		\$293,689.49
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BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE
 METER SIZE: 1"

CLASS:				FIRST	OVER
USAGE		BILLS	GALLONS	10,000	10,000
FIRST	10,000	61	257,490	257,490	
OVER	10,000	16	391,990	160,000	231,990

TOTAL		77	649,480	417,490	231,990
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	77	417,490	\$49.18	\$3,786.86
OVER	10,000		231,990	3.47	805.01

TOTAL		77	649,480		\$4,591.87
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BILLING ANALYSIS FOR: GARRISON-QUINCY-KY-O HEIGHTS WATER DISTRICT
 TEST PERIOD FROM 1/1/2004
 USAGE TABLE
 METER SIZE: 2"

CLASS:				FIRST	OVER
USAGE		BILLS	GALLONS	50,000	50,000
FIRST	50,000	3	136,500	136,500	
OVER	50,000	9	777,212	450,000	327,212

TOTAL		12	913,712	586,500	327,212
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REVENUE TABLE

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	50,000	12	586,500	\$187.98	\$2,255.76
OVER	50,000		327,212	3.47	1,135.43

TOTAL		12	913,712		\$3,391.19
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NORMALIZED BILLING ANALYSIS SUMMARY FOR: GARRISON QUINCY-KY-O HEIGHTS WD
TEST PERIOD FROM 01/01/2004 to 12/31/2004

PROPOSED RATES

	Bills	Gallons	Revenue
5/8 x 3/4 Inch	12,582	50,344,695	\$293,689
1 Inch	77	649,480	\$4,592
2 Inch	12	913,712	\$3,391
TOTAL	12,671	51,907,887	\$301,673

Garrison-Quincy-KY-O Heights Water District

Cost of Service Study

Allocation of Plant Value	Sheet 1
Allocation of Depreciation	Sheet 2
Allocation of O/M Expenses	Sheet 3
Allocation of Cost of Service	Sheet 4
Calculation of Water Rates	Sheet 5
Verification of Rates	Sheet 6
Proposed Rates	Sheet 7
Comparison of Rates – 5/8 x 3/4 Inch Meter	Sheet 8
Comparison of Rates – 1 Inch Meter	Sheet 9
Comparison of Rates – 2 Inch Meter	Sheet 10

Allocation of Plant Value				
Garrison-Quincy-KY-O Heights Water District				
	Total	Commodity	Demand	Customer
Land & Land Rights	\$3,576		\$3,576	
Structures and Improvements	48,666		48,666	
Collecting & Impounding Reservoirs	47,943		47,943	
Wells & Springs	42,622		42,622	
Pumping Equipment	167,282		167,282	
Water Treatment Equipment	542,810		542,810	
Transmission & Distribution Mains	2,146,555		2,146,555	
Services	7,875			\$7,875
Meters & Meter Installations	109,446			109,446
Subtotal	\$3,116,775		\$2,999,454	\$117,321
Hydrants	\$2,076		\$1,997	\$79
Office Furniture & Equipment	18,620		17,912	708
Transportation Equipment	55,579		53,467	2,112
Power Operated Equipment	41,101		39,539	1,562
Subtotal	\$117,376		\$112,915	\$4,461
Total	\$3,234,151		\$3,112,369	\$121,782
Allocation Percentages	100%		96.2%	3.8%

Source: PSC Annual Report 2004

Allocation of Depreciation				
Garrison-Quincy-KY-O Heights Water District				
	Total	Commodity	Demand	Customer
Structures and Improvements	\$17,061		\$17,061	
Collecting & Impounding Reservoirs	13,956		13,956	
Wells & Springs	10,287		10,287	
Pumping Equipment	59,624		59,624	
Water Treatment Equipment	351,923		351,923	
Transmission & Distribution Mains	301,669		301,669	
Services	3,781			\$3,781
Meters	15,199			15,199
Subtotal	\$773,500		\$754,520	\$18,980
Allocation Percentages	100%		97.5%	2.5%
Office Furniture & Equipment	\$10,450		\$10,189	\$261
Hydrants	948		924	24
Transportation Equipment	43,150		42,071	1,079
Tools, Shop and Garage Equipment	22,167		21,613	554
Subtotal	\$76,715		\$74,797	\$1,918
Total	\$850,215		\$829,317	\$20,898
Allocation Percentages	100%		97.5%	2.5%

Source: PSC Annual Report 2004

Allocation of Operation & Maintenance Expense				
Garrison-Quincy-KY-O Heights Water District				
	Total	Commodity	Demand	Customer
Purchased Water	\$21,768	\$21,768		
Purchased Power	\$13,274	\$13,274		
Materials & Supplies	13,069		\$13,069	
Chemicals	6,150	6,150		
Contractual Services - Other	5,646		5,646	
Salaries & Wages - Operators	39,000		39,000	
Payroll Taxes - Operators	2,984		2,984	
Pensions/Benefits CERS - Operators	3,307		3,307	
Salaries & Wages - Office	12,350			12,350
Payroll Taxes - Office	945			945
Pensions/Benefits CERS - Office	1,047			1,047
Subtotal	\$119,540	\$41,192	\$64,006	\$14,342
Less Commodity	\$41,192			
Total	\$78,348		\$64,006	\$14,342
Allocation Percentages	100%		82%	18%
Transportation	\$4,803		\$3,938	\$865
Insurance Expense	21,511		17,639	3,872
Miscellaneous	26,287		21,555	4,732
Reg. Com. Exp.	466		382	84
Salaries & Wages - Manager	28,080		23,026	5,054
Payroll Taxes - Manager	2,148		1,761	387
Pensions/Benefits CERS - Manager	2,381		1,952	429
Payroll Taxes - Officers	505		414	91
Salaries & Wages - Officers	6,600		5,412	1,188
Amortization Expense	3,320		2,722	598
Subtotal	\$96,101		\$78,801	\$17,300
Total Operating Expenses	\$215,641	\$41,192	\$142,807	\$31,642

Allocation of Cost of Service				
Garrison-Quincy-KY-O Heights Water District				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$215,641	\$41,192	\$142,807	\$31,642
Debt Service ¹	74,639		71,803	2,836
Depreciation ²	41,320		40,287	1,033
General Water Service Cost	\$331,600	\$41,192	\$254,897	\$35,511
Less:				
Interest Income	(\$684)			(\$684)
Other Operating Revenue	(\$10,407)			(\$10,407)
Surcharged Debt Income ¹	(\$20,735)		(19,947)	(788)
Revenue Required from Rates	\$299,774	\$41,192	\$234,950	\$23,632

NOTES:

¹Debt Service and Surcharged Debt Income have been allocated on a percentage of Plant Value from the Allocation of Plant Value Sheet.

²Depreciation has been allocated on a percentage of Depreciation from the Allocation of Depreciation Sheet.

Calculation of Water Rates					
Garrison-Quincy-KY-O Heights Water District					
	Total	First 2,000 gallons	Next 3,000 gallons	Next 5,000 gallons	Over 10,000 gallons
Actual Water Sales:					
Thousand Gallons	51,907,887	21,432,546	17,728,671	7,470,928	5,275,742
Percent	100%	41.3%	34.2%	14.4%	10.2%
Weighted Sales for Demand:					
Thousand Gallons	88,504,668	42,865,092	31,025,174	9,338,660	5,275,742
Percent	100%	48.4%	35.1%	10.6%	6.0%
Allocation of Volumetric Costs:					
Commodity	\$41,192	\$17,012	\$14,088	\$5,932	\$4,202
Demand	234,950	113,716	82,467	24,905	14,097
Customer	23,632	23,632			
Total	\$ 299,774	\$154,360	\$96,555	\$30,837	\$18,299
Number of Bills	12,671				
Proposed Rates		\$12.18	\$5.45	\$4.13	\$3.47

Verification of Rates				
Garrison-Quincy-KY-O Heights Water District				
	Bills	Gallons	Rate	Revenue
5/8 x 3/4 Inch Meter				
First 2,000 gallons	12,582	21,266,916	\$12.18	\$153,249
Next 3,000 gallons		17,541,311	5.45	95,600
Next 5,000 gallons		7,286,428	4.13	30,093
Over 10,000 gallons		4,250,040	3.47	14,748
1 Inch Meter				
First 10,000 gallons	77	417,490	\$49.18	\$3,787
Over 10,000 gallons		231,990	3.47	805
2 Inch Meter				
First 50,000 gallons	12	586,500	\$187.98	\$2,256
Over 50,000 gallons		327,212	3.47	1,135
Total Revenue from Rates	12,671	51,907,887		\$301,673

Garrison-Quincy-KY-O Heights Water District			
Proposed Cost of Service Monthly Water Rates			
5/8 x 3/4 Inch Meter			
First 2,000 gallons		\$12.18	Minimum bill
Next 3,000 gallons		5.45	per 1,000 gallons
Next 5,000 gallons		4.13	per 1,000 gallons
Over 10,000 gallons		3.47	per 1,000 gallons
1 Inch Meter			
First 10,000 gallons		\$49.18	Minimum bill
Over 10,000 gallons		3.47	per 1,000 gallons
2 Inch Meter			
First 50,000 gallons		\$187.98	Minimum bill
Over 50,000 gallons		3.47	per 1,000 gallons

Comparison of Rates 5/8 x 3/4 Inch				
Garrison-Quincy-KY-O Heights Water District				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
2,000	\$12.00	\$12.18	0.18	1.5%
3,000	16.60	17.63	1.03	6.2%
4,000	21.20	23.08	1.88	8.9%
5,000	25.80	28.53	2.73	10.6%
6,000	29.30	32.66	3.36	11.5%
7,000	32.80	36.79	3.99	12.2%
8,000	36.30	40.92	4.62	12.7%
9,000	39.80	45.05	5.25	13.2%
10,000	43.30	49.18	5.88	13.6%
15,000	55.30	66.53	11.23	20.3%
20,000	67.30	83.88	16.58	24.6%
25,000	76.80	101.23	24.43	31.8%
30,000	86.30	118.58	32.28	37.4%
35,000	95.80	135.93	40.13	41.9%
40,000	105.30	153.28	47.98	45.6%
50,000	124.30	187.98	63.68	51.2%
75,000	199.30	274.73	75.43	37.8%
100,000	219.30	361.48	142.18	64.8%
150,000	314.30	534.98	220.68	70.2%

Comparison of Rates			
Current Rates		Cost of Service Study Rates	
Block Usage	Rate	Block Usage	Rate
First 2,000 gallons	\$12.00	First 2,000 gallons	\$12.18
Next 3,000 gallons	4.60	Next 3,000 gallons	5.45
Next 5,000 gallons	3.50	Next 5,000 gallons	4.13
Next 10,000 gallons	2.40	Over 10,000 gallons	3.47
Over 20,000 gallons	1.90		

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Proposed Rates	Amount Increase	% Increase
\$25.80	\$28.53	\$2.73	10.60%

Comparison of Rates - 1 Inch Meter				
Garrison-Quincy-KY-O Heights Water District				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
10,000	\$43.30	\$49.18	5.88	13.6%
15,000	55.30	66.53	11.23	20.3%
20,000	67.30	83.88	16.58	24.6%
25,000	76.80	101.23	24.43	31.8%
30,000	86.30	118.58	32.28	37.4%
35,000	95.80	135.93	40.13	41.9%
40,000	105.30	153.28	47.98	45.6%
50,000	124.30	187.98	63.68	51.2%
75,000	171.80	274.73	102.93	59.9%
100,000	219.30	361.48	142.18	64.8%
150,000	314.30	534.98	220.68	70.2%

Comparison of Rates			
Current Rates		Cost of Service Study Rates	
Block Usage	Rate	Block Usage	Rate
First 10,000 gallons	\$43.30	First 10,000 gallons	\$49.18
Next 10,000 gallons	2.40	Over 10,000 gallons	3.47
Over 20,000 gallons	1.90		

Comparison of Rates - 2 Inch Meter				
Garrison-Quincy-KY-O Heights Water District				
		Cost of Service Rates		
Gallon Usage	Current Rates		Increase	Percentage
50,000	\$124.30	\$187.98	63.68	51.2%
75,000	171.80	274.73	102.93	59.9%
100,000	219.30	361.48	142.18	64.8%
150,000	314.30	534.98	220.68	70.2%

Comparison of Rates		
Block Usage	Current Rates	Cost of Service Rates
First 50,000 gallons	\$124.30	\$187.98
Over 50,000 gallons	1.90	3.47

Garrison-Quincy-KY-O Heights Water District

Customer Notice

NOTICE

Garrison-Quincy-KY-O Heights Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is _____, 2005.

5/8 x 3/4 Inch Meter

Current Rates

First	2,000 Gallons	\$12.00 Minimum Bill
Next	3,000 Gallons	4.60 Per 1,000 Gallons
Next	5,000 Gallons	3.50 Per 1,000 Gallons
Next	10,000 Gallons	2.40 Per 1,000 Gallons
Over	20,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

		<u>% Increase</u>	
First	2,000 Gallons	\$12.18 Minimum Bill	1.5%
Next	3,000 Gallons	5.45 Per 1,000 Gallons	18.5%
Next	5,000 Gallons	4.13 Per 1,000 Gallons	18.0%
Over	10,000 Gallons	3.47 Per 1,000 Gallons	44.6%

1 Inch Meter

Current Rates

First	10,000 Gallons	\$43.30 Minimum Bill
Next	10,000 Gallons	2.40 Per 1,000 Gallons
Over	20,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

		<u>% Increase</u>	
First	10,000 Gallons	\$49.18 Minimum Bill	13.6%
Over	10,000 Gallons	3.47 Per 1,000 Gallons	44.6%

2 Inch Meter

Current Rates

First	50,000 Gallons	\$124.30 Minimum Bill
Over	50,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

		<u>% Increase</u>	
First	50,000 Gallons	\$187.98 Minimum Bill	51.2%
Over	50,000 Gallons	3.47 Per 1,000 Gallons	44.6%

The rates contained in this notice are the rates proposed by the Garrison-Quincy-KY-O Heights Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office. Upon request from an intervenor, the Company shall furnish to the intervenor a copy of the application and supporting documents.

Garrison-Quincy-KY-O Heights Water District

In Direct Line
Since 1872

Telephone
(606) 796-2331
(606) 796-6182

LEWIS COUNTY HERALD

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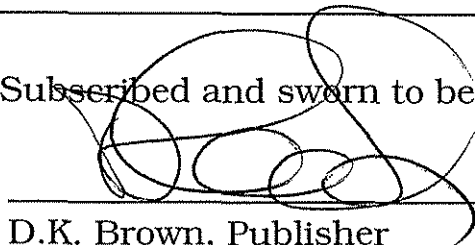
APR 19 2006

PUBLIC SERVICE
COMMISSION

To Whom It May Concern:

This is to certify that the legal notice(s) shown on the attached tear sheet(s) appeared in the Lewis County Herald newspaper on the date(s) of 3-7-06, 3-14-06 and 3-21-06

Subscribed and sworn to before me this 4-4-06


D.K. Brown, Publisher

Patricia Bloomfield
Notary Public

My commission expires 1-4-2007

and Court upon the Estate of Halbert Elroy McCann Jr., deceased, whose address was HC 73 Box 1150, Vanceburg, KY 41179 and Sharon Ann McCann whose address is HC 73 Box 1150, Vanceburg, KY 41179 was appointed Executrix. Dated 2-28-06.

All creditors having claims against said Estate are notified to present them to said Sharon Ann McCann, at the address shown verified according to law, not later than six months after the last publication of this notice. Any person owing said Estate should make payments to said Sharon Ann McCann.

**Kathy Hardy, Clerk
Lewis Circuit & District
Courts**

Shelby G. Osborne



171 E. Second St.
Maysville
606-564-5504



The one to see.

Jr.; thence with said Smith's line South 57° 16' 43" East 53.44 feet to an iron pin set at a corner of said Smith; thence continuing with said Smith's line North 39° 50' 40" East 46.90 feet to an existing iron pin a corner to Val Harris; thence new line and dissecting the property of Val Edward Harris acquired from Fred Smith the following two calls; thence North 44° 37' 22" East 18.04 feet to a metal stake; thence North 12° 45' 37" West 22.19 feet; thence North 53° 41' 47" East 31.87 feet to the place of beginning, containing 0.232 acres of land but property is subject to all legal rights of way and easements of record.

Being the same property conveyed to Thomas J. Evans, single, by Quitclaim Deed from Melissa K. Evans, single, dated September 18, 1997, recorded on April 8, 2003 at in Deed Book 198, Page 461 of the Lewis County Clerk's Records.

The above-described real estate is being sold to satisfy a judgment granted to the plaintiff against the defendants, THOMAS J. EVANS and MELISSA K. EVANS, in the total amount of \$75,471.82, interest thereon, for indivisibility, advanced costs, attorney's fees and court costs.

Terms of Sale

The purchaser(s) shall pay cash or may make a cash deposit of ten per cent (10%) and execute purchase money bond for the balance of the purchase price with approved personal surety due in thirty (30) days, payable to me as Master Commissioner and bearing interest at the rate of twelve per cent (12%) per annum from date of said bond until paid. A lien securing the payment of said bond shall be retained upon the property as additional security. The purchaser(s) shall have the privilege of paying said bond before maturity, with interest accrued thereon. In the event of default in the payment of said bond with interest, payment thereof may be enforced by action against the surety of said bond or by resale of the property, or both.

The above-described real estate will be conveyed to the successful bidder(s) subject to: (1) easements, restrictions, stipulations and agreements of record, and (2) any right of redemption which may exist and (3) any facts which an inspection and accurate survey of the property may disclose.

The purchaser(s) shall assume and pay all taxes against the real estate purchased for the year 2006 and all subsequent years.

E. V. HOLDER, JR.
MASTER COMMISSIONER
LEWIS CIRCUIT COURT
407-409 SECOND STREET
P. O. BOX 160
VANCEBURG, KY 41179-0160
TELEPHONE: 606/796-2531

10-12c

NOTICE

Garrison-Quincy-KY-O Heights Water District has filed an application with the Public Service Commission to increase its rates for water service.

5/8 x 3/4 Inch Meter

Current Rates

First 2,000 Gallons	\$12.00 Minimum Bill
Next 3,000 Gallons	4.60 Per 1,000 Gallons
Next 5,000 Gallons	3.50 Per 1,000 Gallons
Next 10,000 Gallons	2.40 Per 1,000 Gallons
Over 20,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

First 2,000 Gallons	\$12.18 Minimum Bill	<u>% Increase</u>
Next 3,000 Gallons	5.45 Per 1,000 Gallons	18.5%
Next 5,000 Gallons	4.13 Per 1,000 Gallons	18.0%
Over 10,000 Gallons	3.47 Per 1,000 Gallons	44.6%

1 Inch Meter

Current Rates

First 10,000 Gallons	\$43.30 Minimum Bill
Next 10,000 Gallons	2.40 Per 1,000 Gallons
Over 20,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

First 10,000 Gallons	\$49.18 Minimum Bill	<u>% Increase</u>
Over 10,000 Gallons	3.47 Per 1,000 Gallons	44.6%

2 Inch Meter

Current Rates

First 50,000 Gallons	\$124.30 Minimum Bill
Over 50,000 Gallons	1.90 Per 1,000 Gallons

Proposed Rates

First 50,000 Gallons	\$187.98 Minimum Bill	<u>% Increase</u>
Over 50,000 Gallons	3.47 Per 1,000 Gallons	44.6%

The rates contained in this notice are the rates proposed by the Garrison-Quincy-KY-O Heights Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office. Upon request from an intervenor, the Company shall furnish to the intervenor a copy of the application and supporting documents.

Handwritten signature: E. V. Holder, Jr.