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ATTORNEY AT LAW

March 30, 2007

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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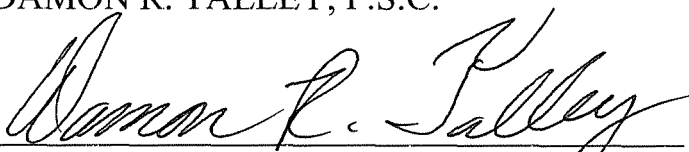
RE: Case No. 2006-00248
Muhlenberg County Water District

Dear Ms. O'Donnell:

Enclosed are the original and ten (10) copies of Revised Exhibit 10 (Billing Analysis for the 2005 calendar year). Please substitute Revised Exhibit 10 for the original Exhibit 10.

Should you need any additional information, please let me know.

Yours truly,
DAMON R. TALLEY, P.S.C.


DAMON R. TALLEY, ATTORNEY FOR
MUHLENBERG COUNTY WATER DISTRICT

DRT/ms

Enclosures

cc: Attorney General, Utility Intervention and Rate Division
Muhlenberg County Water District

**EXHIBIT 10
(REVISED)**

**BILLING ANALYSIS
FOR 2005 CALENDAR YEAR**

Table 101	Combined Usage & Revenue Table for 5/8" x 3/4" Meters
Table 102	Combined Usage & Revenue Table for 1" Meters
Table 103	Combined Usage & Revenue Table for 1 1/2" Meters
Table 104	Combined Usage & Revenue Table for 2" Meters
Table 105	Combined Usage & Revenue Table for 3" Meters
Table 106	Combined Usage & Revenue Table for 4" Meters
Table 107	Combined Usage & Revenue Table for Wholesale Customers
Table 108	Revenue Summary from Billing Analysis
Table 109	Combined Usage & Revenue Table for Retail Customers
Table 110	Revenue Analysis by Volume Usage

TABLE 101

COMBINED USAGE REVENUE TABLE FOR 5/8" x 3/4" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 2,000 GALLONS	(5) NEXT 8,000 GALLONS	(6) NEXT 10,000 GALLONS	(7) NEXT 30,000 GALLONS	(8) OVER 50,000 GALLONS
First 2,000 Gallons	20,648	30,472	30,472	0	0	0	0
Next 8,000	47,762	204,464	95,524	108,940	0	0	0
Next 10,000	2,370	30,817	4,740	18,960	7,117	0	0
Next 30,000	407	11,294	814	3,256	4,070	3,154	0
Over 50,000	85	18,634	170	680	850	2,550	14,384
TOTALS	71,272	295,681	131,720	131,836	12,037	5,704	14,384
CURRENT RATE			\$ 15.02	\$ 4.86	\$ 4.40	\$ 3.95	\$ 3.49
			MINIMUM	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL
REVENUE			\$ 1,070,505	\$ 640,723	\$ 52,963	\$ 22,531	\$ 50,200

TOTAL REVENUE **\$ 1,836,922**

TABLE 102

COMBINED USAGE REVENUE TABLE FOR 1" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 5,000 GALLONS	(5) NEXT 5,000 GALLONS	(6) NEXT 10,000 GALLONS	(7) NEXT 30,000 GALLONS	(8) OVER 50,000 GALLONS
First 5,000 Gallons	179	294	294	0	0	0	0
Next 5,000	51	360	255	105	0	0	0
Next 10,000	41	582	205	205	172	0	0
Next 30,000	44	1,535	220	220	440	655	0
Over 50,000	53	6,277	265	265	530	1,590	3,627
TOTALS	368	9,048	1,239	795	1,142	2,245	3,627
CURRENT RATE			\$ 29.60	\$ 4.86	\$ 4.40	\$ 3.95	\$ 3.49
REVENUE			MINIMUM	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL
			\$ 10,893	\$ 3,864	\$ 5,025	\$ 8,868	\$ 12,658

TOTAL REVENUE \$ 41,307

TABLE 103

COMBINED USAGE REVENUE TABLE FOR 1 1/2" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 11,000 GALLONS	(5) NEXT 9,000 GALLONS	(6) NEXT 30,000 GALLONS	(7) OVER 50,000 GALLONS
First 11,000 Gallons	33	91	91	0	0	0
Next 9,000	1	18	11	7	0	0
Next 30,000	14	475	154	126	195	0
Over 50,000	0	0	0	0	0	0
TOTALS	48	584	256	133	195	0
CURRENT RATE			\$ 58.30	\$ 4.40	\$ 3.95	\$ 3.49
REVENUE			MINIMUM	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL
			\$ 2,798	\$ 585	\$ 770	0

TOTAL REVENUE \$ 4,154

TABLE 104

COMBINED USAGE REVENUE TABLE FOR 2" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 16,000 GALLONS	(5) NEXT 4,000 GALLONS	(6) NEXT 30,000 GALLONS	(7) OVER 50,000 GALLONS
First 16,000 Gallons	81	383	383	0	0	0
Next 4,000	9	165	144	21	0	0
Next 30,000	70	2,275	1,120	280	875	0
Over 50,000	162	42,518	2,592	648	4,860	34,418
TOTALS	322	45,341	4,239	949	5,735	34,418
CURRENT RATE			\$ 80.30	\$ 4.40	\$ 3.95	\$ 3.49
REVENUE			MINIMUM	PER 1,000 GAL	PER 1,000 GAL	PER 1,000 GAL
			\$ 25,857	\$ 4,176	\$ 22,653	\$ 120,119

TOTAL REVENUE \$ 172,804

TABLE 105
COMBINED USAGE REVENUE TABLE FOR 3" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 26,000 GALLONS	(5) NEXT 24,000 GALLONS	(6) OVER 50,000 GALLONS
First 26,000 Gallons	21	31	31	0	0
Next 24,000	0	0	0	0	0
Over 50,000	12	2,111	312	288	1,511
TOTALS	33	2,142	343	288	1,511
CURRENT RATE			\$ 121.60 MINIMUM	\$ 3.95 PER 1,000 GAL	\$ 3.49 PER 1,000 GAL
REVENUE			\$ 4,013	\$ 1,138	\$ 5,273

TOTAL REVENUE \$ 10,424

TABLE 106
COMBINED USAGE REVENUE TABLE FOR 4" METERS

(1) USAGE BRACKET	(2) BILLS	(3) GALLONS (000)	(4) FIRST 36,000 GALLONS	(5) NEXT 14,000 GALLONS	(6) OVER 50,000 GALLONS
First 36,000 Gallons	1	12	12	0	0
Next 14,000	0	0	0	0	0
Over 50,000	23	7,758	828	322	6,608
TOTALS	24	7,770	840	322	6,608
CURRENT RATE			\$ 161.10 MINIMUM	\$ 3.95 PER 1,000 GAL	\$ 3.49 PER 1,000 GAL
REVENUE			\$ 3,866	\$ 1,272	\$ 23,062

TOTAL REVENUE \$ 28,200

TABLE 107

**COMBINED USAGE REVENUE TABLE
FOR WHOLESale CUSTOMERS**

(1) BILLS	(2) GALLONS (000)	(3) CURRENT RATE	(4) REVENUE
24	38,483	\$ 2.71	\$ 104,289

NOTES: A. THE DISTRICT HAS 2 WHOLESale CUSTOMERS:

- (1) City Of Drakesboro: 21,446,000 Gallons
- (2) TVA: 17,037,000 Gallons

B. Technically, TVA is not a wholesale customer because it does not purchase water for resale. It is treated as a wholesale customer, however, because the contract with TVA provides that the District will charge TVA the same flat rate per 1,000 gallons that it charges Drakesboro.

TABLE 108¹

**REVENUE SUMMARY FROM BILLING ANALYSIS
JANUARY 1, 2005 THROUGH DECEMBER 31, 2005**

(1) METER SIZE	(2) BILLS	(3) USAGE GALLONS (000)	(4) USAGE %	(5) ANNUAL REVENUE	(6) % REVENUE
5/8" x 3/4"	71,272	295,681	74.1%	\$ 1,836,922	83.6%
1"	368	9,048	2.3%	\$ 41,307	1.9%
1 1/2"	48	584	0.1%	\$ 4,154	0.2%
2"	322	45,341	11.4%	\$ 172,804	7.9%
3"	33	2,142	0.5%	\$ 10,424	0.5%
4"	24	7,770	1.9%	\$ 28,200	1.3%
SUBTOTALS	72,067	360,566	90.4%	\$ 2,093,812	95.3%
WHOLESALE	24	38,483	9.6%	\$ 104,289	4.7%
TOTALS	72,091	399,049	100.0%	\$ 2,198,101	100.0%

CONFIRMATION OF BILLING ANALYSIS

The Billing Analysis produces a usage of 156,000 gallons more than that shown in the PSC Annual Report. This is a difference of 0.04%. It produces revenue of \$11,584 more than that shown in the PSC Annual Report. This is a difference of 0.5%. Both are well within an acceptable range of error. Therefore, the Billing Analysis is appropriate for predicting future revenues generated through adjusted rates.

¹ Source: Tables 101 through 107 of *Billing Analysis*

TABLE 109¹

COMBINED USAGE AND REVENUE TABLE FOR RETAIL CUSTOMERS

(1) METER SIZE	(2) BILLS	(3) REVENUES	(4) GALLONS (000)	(5) FIRST 2,000 GALLONS	(6) NEXT 8,000 GALLONS	(7) NEXT 10,000 GALLONS	(8) NEXT 30,000 GALLONS	(9) OVER 50,000 GALLONS
5/8" x 3/4"	71,272	\$ 1,836,922	295,681	131,720	131,836	12,037	5,704	14,384
1"	368	\$ 41,307	9,048	736	1,298	1,142	2,245	3,627
1 1/2"	48	\$ 4,154	584	96	145	148	195	0
2"	322	\$ 172,804	45,341	644	2,576	1,968	5,735	34,418
3"	33	\$ 10,424	2,142	55	96	120	360	1,511
4"	24	\$ 28,200	7,770	48	192	231	691	6,608
TOTALS	72,067	\$ 2,093,812	360,566	133,299	136,143	15,646	14,930	60,548
CURRENT RATE				\$ 15.02 MINIMUM	\$ 4.86 PER 1,000 GAL	\$ 4.40 PER 1,000 GAL	\$ 3.95 PER 1,000 GAL	\$ 3.49 PER 1,000 GAL
REVENUE				\$1,082,446	\$661,655	\$68,842	\$58,974	\$211,313
TOTAL REVENUE²			\$2,083,230					
DIFFERENCE			\$ 10,582					
			0.5%					

¹ Source: Tables 101 through 106 of Billing Analysis

² Total Revenue calculated from Billing Analysis disregarding minimum bill amounts for all meter sizes except 5/8 x 3/4 meters

TABLE 110

**REVENUE ANALYSIS BY VOLUME USAGE
(BASED ON 2005 BILLING ANALYSIS)**

MUHLENBERG COUNTY WATER DISTRICT

(1) USAGE BRACKET	(2) GALLONS (000)	(3) % USAGE	(4) CURRENT RATE	(5) ANNUAL REVENUE	(6) % REVENUE
0 to 2,000	133,299	33.4%	Min. \$15.02	\$1,082,446 *	49.5%
2,001 to 10,000	136,143	34.1%	4.86	661,655	30.2%
10,001 to 20,000	15,646	3.9%	4.40	68,842	3.1%
20,001 to 50,000	14,930	3.7%	3.95	58,974	2.7%
OVER 50,000	60,548	15.2%	3.49	211,313	9.7%
SUBTOTALS	360,566	90.4%	N/A	\$2,083,229	95.2%
WHOLESALE	38,483	9.6%	2.71	104,289	4.8%
TOTALS	399,049	100.0%	N/A	\$2,187,518	100.0%

*Based upon 72,067 total monthly bills during 2005 calendar year (6,006 retail customers)

SOURCE: TABLES 107 & 109 OF BILLING ANALYSIS