

Skeeters, Bennett, Wilson, and Pike

Attorneys at Law

550 W. Lincoln Trail Blvd.
Radcliff, Kentucky 40160
www.sbw-law.com

Donald Skeeters
R. Terry Bennett
David T. Wilson II
Michael A. Pike

Tel: (270) 351-4404
Fax: (270) 352-4626

Real Estate Dept:
Tel: (270) 352-4406
Fax: (270) 352-4421

November 9, 2006

Mr. Mike Burford, Director
Division of Filings
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

NOV 13 2006

PUBLIC SERVICE
COMMISSION

RE: Filing Deficiencies
Case No. 2006-00410
Hardin County Water District No. 1

Dear Mr. Burford:

Per your correspondence of November 6, 2006, we have attached the following revisions to this letter to address the filing deficiencies:

- Exhibit 5 – Revised to reflect new effective date of December 14, 2006 and to modify proposed monthly meter charges for private fire service .
- Exhibit 6 – Revision to the proposed monthly meter charge for private fire service.
- Exhibit 7 – Revised the public notice to address 807 KAR 5:001 Section 10(3)(a) and indicate the proposed changes in both dollar amounts and percentage for each customer class. In addition, the new public notice includes the revision to the proposed meter charges for private fire service.

The effective date of the proposed rate and tariff adjustment has been changed to December 14, 2006. Ten (10) copies of this information have been provided. Please feel free to contact me if you have any additional comments.

Sincerely,

SKEETERS, BENNETT, WILSON & PIKE



David T. Wilson II

DTW:dnf
Enclosures

FOR Entire Area Served
Community, Town or City

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NOV 13 2006

P.S.C. KY. NO. 1

Second Revision SHEET NO. 9

CANCELING: First Revision of Sheet 9, 10 and 11
PUBLIC SERVICE
COMMISSION

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

2. Rates and Charges;

- a. **Customer Meter Charge;** Each customer shall pay this charge for each month in which part of the month the account was active. This charge applies to all customer classes including Wholesale accounts. The full charge shall apply regardless of how many days in that month the account was active. The charge is required to recover all costs associated with providing a customer meter and service connection, testing the meter periodically, obtaining a meter reading monthly, preparing a bill and presenting to the customer and collecting payment of the current bill amount. The charge recovers all costs of service including overhead amounts such as payroll taxes, personnel benefits, capital equipment, depreciation on capital equipment and debt service to finance equipment. The charge varies by the meter size and the charges per month are;

	Meter Size	Monthly Charge
(I)	5/8 inch	\$ 5.02
(I)	3/4 inch	\$ 7.53
(I)	1.0 inch	\$ 12.55
(I)	1.5 inch	\$ 25.10
(I)	2.0 inch	\$ 40.16
(I)	3.0 inch	\$ 75.30
(I)	4.0 inch	\$ 125.50
(I)	6.0 inch	\$ 251.00

- i. **Customer Requested Change in Meter Size;** A customer may request a smaller or larger size meter. The customer will be required to pay any additional charges for Meter Connect Fees as shown on Sheet No. 7 (fifth or latest revision) prior to the change in the Customer Meter Charge. The customer requesting a smaller size meter must accept the reduced flow volume at the service address and the District will not be responsible to know or calculate the impact to the customer's plumbing demands or fixture flow rates.
- b. **Private Fire Line or Hydrant;** Customers who require a dedicated fire protection main or fire hydrant for their address for fire protection purposes must pay a monthly charge for this service. This charge recovers the cost to the District to pay for larger facilities than would normally be needed for potable, domestic water use and ensure that higher flow rates are available for those customers that demand stand-by fire protection. The charge also recovers the cost for the District to maintain, test and replace any meters, valves, vaults, hydrants, backflow prevention devices or

DATE OF ISSUE December 14, 2006
Month / Date / Year

ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. 1

Second Revision SHEET NO. 10

CANCELING: First Revision of Sheet 9, 10 and 11

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

other appurtenances which are required by District or state or national plumbing codes to provide a private fire service line or hydrant. The following rules and conditions apply;

- i. The line or hydrant must be installed in a location that only provides fire protection to a private structure or building and is not available to the general public or to the local fire department for general use.
- ii. The District may require certain valves, meters or other devices to be installed in new construction and said facilities shall be paid in entirety by the building owner. Said facilities outside the building shall become the property of the District for maintenance, repairs, testing and replacement.
- iii. The monthly charge shall apply to each private line or hydrant and shall be charged in full for each month an account is active at that service address, regardless of how many days of the month the service is activated. The monthly charge shall be;

	Meter Size	Monthly Charge
(I)	1.5 inch	0.64
(I)	2.0 inch	1.36
(I)	3.0 inch	3.97
(I)	4.0 inch	8.46
(I)	6.0 inch	24.54
(I)	8.0 inch	52.27

- c. **Volume Charge:** Except for Wholesale customers, a volume charge shall apply for all water used during a billing period. The rate shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The volume rate shall be a declining block rate and shall be split into two rates depending on the volume that applies. The rates are as follows;

- i. **First 15,000 gallons** = (I) \$4.42 per 1,000 gallons
- ii. **All above 15,000 gallons** = (I) \$3.16 per 1,000 gallons

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ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

FOR Entire Area Served
Community, Town or City

P.S.C. KY. NO. 1

Second Revision SHEET NO. 11

CANCELING: First Revision of Sheet 9, 10 and 11

HARDIN COUNTY WATER DISTRICT NO. 1

CLASSIFICATION OF SERVICE: RATES, SURCHARGES AND MONTHLY CHARGES

d. **Wholesale Rate:** The wholesale rate shall apply to all water used and shall be based on each 1,000 gallons used and shall be rounded for amounts smaller than 1,000 gallons depending on the capabilities of the District's billing software. The rates are as follows;

i. **All water used = (I) \$1.92 per 1,000 gallons**

ii. All other terms and conditions for a Wholesale Customer are included in the Wholesale Users Agreement a sample of which is included in this tariff. Each wholesale customer must sign the agreement which shall also include the rate and volume of water that will be provided and what are the responsibilities of both the customer and the District.

e. **Late Penalties:** All customers who do not pay the amount due by the due date will be assessed an additional ten percent (10%) as a late charge to the past due amounts. Said late charge shall apply to all charges and fees, excluding any previous late penalties, included in the outstanding balance on the due date. In order to avoid late penalties being added, the payment must be received at the District office on the due date shown on the customer bill. If the due date falls on a holiday when District offices are closed, the payment must be received on the first business day prior to the due date. The District cannot be responsible for slow mail delivery, lost mail or other causes beyond the District's control which may make the payment arrive after the due date.

3. **Estimated Bills:** If a meter reading cannot be obtained because the meter is not working, or access to the meter has been denied due to weather or customer's causes, the District may determine the customer's water use and prepare a bill using an estimate use. The method of estimating will normally use a three (3) month average; however, the District reserves the right to use other methods or calculations. If a bill is estimated, it will be noted on the bill

DATE OF ISSUE December 14, 2006
Month / Date / Year

ISSUED BY _____, Mr. Jim Bruce, General Manager
Hardin County Water District No. 1, Radcliff, Kentucky

HARDIN COUNTY WATER DISTRICT NO. 1
PSC CASE NO. 2006-00410
EXHIBIT NO. 6 (Revised)
COMPARISON OF PRESENT AND PROPOSED RATES

Customer Meter Charge

Meter Size	Existing Charge	Proposed Charge	% Change
5/8 Inch	\$4.70 /Month	\$5.02 /Month	6.809 %
3/4 Inch	\$7.05 /Month	\$7.53 /Month	6.809 %
1 Inch	\$11.75 /Month	\$12.55 /Month	6.809 %
1.5 Inch	\$23.50 /Month	\$25.10 /Month	6.809 %
2 Inch	\$37.60 /Month	\$40.16 /Month	6.809 %
3 Inch	\$70.50 /Month	\$75.30 /Month	6.809 %
4 Inch	\$117.50 /Month	\$125.50 /Month	6.809 %
6 Inch	\$235.00 /Month	\$251.00 /Month	6.809 %

Private Fire Line/Hydrant Charge

Line Size	Existing Charge	Proposed Charge	% Change
1.5 Inch	\$0.56 /Month	\$0.64 /Month	14.286 %
2 Inch	\$1.20 /Month	\$1.36 /Month	13.333 %
3 Inch	\$3.50 /Month	\$3.97 /Month	13.428 %
4 Inch	\$7.46 /Month	\$8.46 /Month	13.405 %
6 Inch	\$21.64 /Month	\$24.54 /Month	13.401 %
8 Inch	\$46.10 /Month	\$52.27 /Month	13.384 %

Retail Rates

Usage	Existing Charge	Proposed Charge	% Change
First 15,000 Gallons	\$3.90 /1,000 Gal	\$4.42 /1,000 Gal	13.333 %
All Above 15,000 Gallons	\$2.79 /1,000 Gal	\$3.16 /1,000 Gal	13.262 %

Wholesale Rates

Line Size	Existing Charge	Proposed Charge	% Change
All Wholesale Sales	\$1.39 /1,000 Gal	\$1.92 /1,000 Gal	38.130 %

PUBLIC NOTICE
PROPOSED INCREASE IN RATES AND TARIFF CHANGE

HARDIN COUNTY WATER DISTRICT No. 1
 1400 Rogersville Road
 Radcliff, KY. 40160
 Phone: 270-351-3222

Notice is hereby given that the Hardin County Water District No. 1 (District) by resolution of its Board of Commissioners has filed an Application with the Kentucky Public Service Commission (PSC) seeking approval to increase rates in order to produce water revenues sufficient for the proper operation and maintenance of the water system including debt service on recent system improvement projects. This Public Notice is provided in conformance with KAR 5:001, Section 10, and comparisons of proposed changes for certain water users are provided below,

ITEM NO.	FEE/CHARGE	CURRENT BILL	PROPOSED BILL	DOLLAR & PERCENT CHANGE	ESTIMATED ACCOUNTS AFFECTED
1	Meter Charges - 5/8 Inch - 3/4 Inch - 1 Inch - 1.5 Inch - 2 Inch - 3 inch - 4 inch - 6 Inch	\$4.70/month \$7.05/month \$11.75/month \$23.50/month \$37.60/month \$70.50/month \$117.50/month \$235.00/month	\$5.02/month \$7.53/month \$12.55/month \$25.10/month \$40.16/month \$75.30/month \$125.50/month \$251.00/month	\$0.32/6.809% \$0.48/6.809% \$0.80/6.809% \$1.60/6.809% \$2.56/6.809% \$4.80/6.809% \$8.00/6.809% \$16.00/6.809%	Effects all accounts
2	Fire Service Charge - 1.5 Inch - 2 Inch - 3 Inch - 4 Inch - 6 Inch - 8 Inch	\$0.56/month \$1.20/month \$3.50/month \$7.46/month \$21.64/month \$46.10/month	\$0.64/month \$1.36/month \$3.97/month \$8.46/month \$24.54/month \$52.27/month	\$0.08/14.286% \$0.16/13.333% \$0.47/13.428% \$1.00/13.405% \$2.90/13.401% \$6.17/13.384%	Effects 50 private fire service customers
3	Rate per thousand gallons for use between 1,000 and 15,000 gallons	\$3.90 / kgal (per thousand gallons of use)	\$4.42 / kgal	+ \$0.52 / kgal + 13.333%	Approximately 9,150 of the District's customers or 97.5% fall in this monthly use range
4	Rate per thousand gallons for use over 15,000 gallons	\$2.79 / kgal	\$3.16 / kgal	+ \$0.37 / kgal + 13.262%	Approximately 250 of the District's customers or 2.5% fall in this monthly use range
5	Wholesale Rate per thousand gallons (Sales to Meade Co. WD, Vine Grove, HCWD2, Hardinsburg, etc.)	\$1.39 / kgal	\$1.92 / kgal	+ \$0.53 / kgal + 38.130%	Effects all wholesale accounts

The proposed rates have been included in an application filed with the Public Service Commission (PSC) on November 10, 2006 and has been assigned Case No 2006-00410 by the PSC. The rates and charges contained in this Notice are those proposed by the District. However, the PSC may order rates to be charged that differ from the proposed rates. Such action by the PSC may result in rates other than those included in the Notice.

Notice of Right to Intervene: District customers are advised that any corporation, association, body politic or person may by motion within thirty (30) days after publication of this notice request leave to intervene. Motions to intervene shall be submitted to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, KY. 40602; ATTN: Ms. Beth O'Donnell, Executive Director, and set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the Application by contacting the District at the address or phone listed above and said Application shall be available for public inspection at the District offices. For any questions or additional information contact, Mr. Jim Bruce, General Manager. Submitted by: Mr. William Rissel, Chairman, on behalf of the Hardin County Water District No. 1, Board of Commissioners.