

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 10-20-2006
Case No. 2006-00444

ITEM 12: 24 month water use and charges for wholesale customers

Response: 12(a): FEWPB provides wholesale water service to South Anderson Water District, U.S. 60 Water District, North Shelby Water Company, Elkhorn Water District, Peaks Mill Water District, Farmdale Water District and the City of Georgetown.

12(b): Ex. 1 – Spreadsheets for gallons and charges

Customer Name	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	Grand Total
Sum of Water Charge \$	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	Grand Total
ELKHORN WATER DIST	\$14,119.85	\$14,451.61	\$13,840.63	\$14,090.59	\$12,749.98	\$12,045.42	\$11,560.98	\$9,718.90	\$11,761.48	\$13,439.40	\$11,824.80	\$264,320.67
FARMDALE WATER DIST	\$8,302.69	\$8,565.51	\$9,251.23	\$9,891.66	\$8,400.73	\$8,448.73	\$6,903.81	\$5,815.75	\$9,319.17	\$6,794.06	\$6,254.85	\$181,101.58
FARMDALE WATER DIST	\$20,934.28	\$18,476.10	\$19,241.20	\$18,519.79	\$15,253.61	\$16,103.89	\$14,341.04	\$14,355.23	\$17,776.14	\$14,593.39	\$17,727.57	\$402,201.12
FARMDALE WATER DISTRICT	\$12,646.85	\$11,083.27	\$7,539.81	\$9,718.32	\$6,874.57	\$7,859.68	\$7,718.66	\$7,590.56	\$8,410.58	\$6,793.32	\$7,651.39	\$203,325.20
GEORGETOWN PUMP STATION	\$170.02	\$187.98	\$211.14	\$275.98	\$149.37	\$123.43	\$109.15	\$88.96	\$121.25	\$179.68	\$234.74	\$3,634.88
NORTH SHELBY WATER C	\$58,301.62	\$31,113.74	\$35,119.19	\$33,473.91	\$22,495.66	\$12,176.22	\$13,817.01	\$11,922.30	\$11,248.18	\$9,771.89	\$17,703.61	\$552,877.98
PEAKSMILL WATER DIST	\$24,302.17	\$30,191.00	\$26,248.69	\$28,219.05	\$24,898.04	\$21,227.56	\$19,663.67	\$19,065.99	\$22,130.00	\$21,852.65	\$19,105.78	\$575,004.46
PEAKSMILL WATER DIST	\$687.87	\$680.48	\$1,198.43	\$6,695.87	\$3,164.97	\$473.02	\$191.12	\$58.31	\$51.65	\$44.04	\$53.14	\$15,977.24
SOUTH ANDERSON WATER DIST	\$10,022.29	\$9,691.15	\$5,790.47	\$5,244.65	\$7,640.67	\$9,796.85	\$10,730.88	\$6,922.44	\$9,326.00	\$10,966.41	\$9,034.22	\$228,670.27
US 60 WATER DISTRICT	\$4,758.74	\$5,453.46	\$5,683.25	\$5,906.22	\$4,377.50	\$3,165.26	\$2,685.01	\$2,799.98	\$2,952.68	\$3,429.69	\$2,995.31	\$92,485.00
US 60 WATER DISTRICT	\$21,127.19	\$20,697.52	\$19,514.04	\$23,730.76	\$18,705.87	\$17,148.60	\$13,041.07	\$13,979.62	\$16,707.38	\$14,962.17	\$16,829.57	\$416,548.69
US 60 WATER DISTRICT	\$10,740.85	\$8,399.70	\$7,108.01	\$6,756.43	\$6,222.52	\$4,192.52	\$5,284.57	\$4,909.03	\$7,566.82	\$5,491.79	\$5,211.45	\$164,583.58
Grand Total	\$186,114.42	\$156,991.52	\$150,744.09	\$162,525.23	\$132,933.69	\$112,761.17	\$105,816.96	\$97,228.07	\$117,369.31	\$110,308.49	\$114,526.23	\$3,098,728.67

Customer Name	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
Sum of Water Charge \$													
ELKHORN WATER DIST	\$8,763.65	\$8,644.80	\$9,426.10	\$9,240.35	\$10,567.17	\$9,047.45	\$7,911.00	\$8,256.76	\$8,282.19	\$10,121.45	\$12,184.77	\$11,803.03	\$10,658.53
FARMDALE WATER DIST	\$6,744.35	\$7,116.50	\$8,676.74	\$7,488.96	\$6,590.05	\$6,852.89	\$7,102.51	\$5,791.91	\$8,687.70	\$5,419.76	\$8,605.55	\$6,466.62	\$7,598.85
FARMDALE WATER DISTRICT	\$14,858.53	\$16,837.04	\$15,894.77	\$17,686.50	\$23,004.27	\$9,992.90	\$16,120.41	\$15,321.14	\$16,563.74	\$15,171.77	\$19,810.06	\$16,728.99	\$17,108.76
GEORGETOWN PUMP STATION	\$3,819.47	\$5,045.56	\$5,404.19	\$6,014.37	\$6,050.91	\$6,493.17	\$6,238.93	\$12,537.21	\$11,788.79	\$10,989.52	\$11,258.07	\$9,422.77	\$12,475.24
NORTH SHELBY WATER C	\$132.36	\$148.41	\$138.41	\$143.49	\$161.60	\$109.17	\$138.09	\$100.58	\$108.84	\$106.46	\$113.94	\$252.49	\$128.34
PEAKSMILL WATER DIST	\$16,183.29	\$16,839.59	\$22,025.69	\$26,351.16	\$23,638.41	\$34,449.43	\$21,145.13	\$15,774.33	\$15,832.05	\$13,159.02	\$13,142.53	\$18,041.71	\$59,354.31
PEAKSMILL WATER DIST	\$25,192.01	\$21,802.67	\$21,767.71	\$25,206.31	\$24,840.84	\$26,134.28	\$25,652.62	\$20,372.57	\$26,332.91	\$24,669.23	\$27,080.86	\$24,162.33	\$24,865.33
PEAKSMILL WATER DIST	\$5.57	\$18.60	\$34.48	\$1,041.59	\$884.28	\$282.84	\$37.82	\$39.25	\$45.45	\$36.71	\$183.21	\$32.90	\$34.64
SOUTH ANDERSON WATER DIST	\$11,280.78	\$10,356.47	\$11,810.40	\$6,763.74	\$8,817.04	\$8,907.78	\$10,793.76	\$10,159.91	\$11,478.30	\$7,128.25	\$13,270.37	\$10,216.63	\$10,520.61
US 60 WATER DISTRICT	\$3,697.60	\$4,616.68	\$4,456.83	\$4,470.66	\$4,371.81	\$3,852.22	\$3,322.13	\$3,182.43	\$3,037.21	\$2,702.89	\$3,371.70	\$3,263.49	\$3,950.25
Grand Total	\$18,163.86	\$15,567.60	\$16,741.70	\$17,195.52	\$14,318.01	\$18,399.19	\$15,743.49	\$13,808.73	\$17,894.84	\$16,476.34	\$19,789.89	\$17,787.58	\$18,226.15
	\$5,296.14	\$7,263.32	\$8,019.68	\$9,338.55	\$8,094.37	\$7,518.04	\$7,351.83	\$6,532.36	\$6,500.60	\$6,829.52	\$7,563.64	\$6,672.21	\$7,741.61
	\$113,937.61	\$114,257.24	\$124,386.70	\$130,931.20	\$131,338.76	\$131,039.36	\$120,557.62	\$111,857.20	\$126,562.62	\$112,810.92	\$136,384.59	\$124,653.75	\$172,681.62

Customer Name	Sum of Water Consumption	Billing Cycle	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
Customer Name	Sum of Water Consumption	Billing Cycle	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
ELKHORN WATER DIST	5515200	5440400	5932100	5815200	6650200	5693800	4978600	5196200	5218500	6369700	7668200	7302100	6707700	4780900	4780900
FARMDALE WATER DIST	4244400	4478600	5460500	4719300	4147300	4312700	4469800	3645000	5467400	3410800	5415700	4071500	4071500	10767000	10767000
FARMDALE WATER DISTRICT	9225000	10596000	10003000	11118000	14477200	6288800	10145000	9642000	10424000	9548000	12467000	10528000	10528000	7851000	7851000
GEORGETOWN PUMP STATION	2403700	3175300	3401000	3785000	3808000	3457000	3297000	7890000	7419000	6916000	7085000	5930000	5930000	81400	81400
NORTH SHELBY WATER C	83300	93400	87100	90300	101700	68700	86900	63300	68500	67000	71700	158900	158900	38777000	38777000
PEAKSMILL WATER DIST	15854000	13721000	13699000	15863000	15633000	16447000	16144000	12823000	12823000	12821000	16572000	15525000	17049000	15206000	15661000
SOUTH ANDERSON WATER DIST	7099300	11700	21700	655500	556500	178000	23800	24700	28600	23100	115300	20700	21800	6620900	6620900
US 60 WATER DISTRICT	3333000	2905400	2804800	2813500	2751300	2424300	2090700	1990200	1911400	1701000	2121900	2053800	2486000	11470200	11470200
Grand Total	71333400	71519500	77781800	81925000	82113700	82458600	75386100	70033500	79286700	70693600	85529500	78034800	110096900	4872000	4872000

Customer Name	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	Grand Total
ELKHORN WATER DIST	8886000	9102700	8716800	8875200	2769000	7580500	7784300	6680000	7401800	9154900	8054900	161001900
FARMDALE WATER DIST	5225100	5390500	5837300	6240400	4203000	5561600	4658600	4121600	5864800	4628100	4260800	110833000
FARMDALE WATER DIST	13174500	11627500	12109000	11655000	2432500	10648000	9778000	9886000	11187000	9941000	12076000	249743500
FARMDALE WATER DISTRICT	7959000	6975000	4745000	6116000	5585000	5793000	5252000	5180000	5293000	5990000	5144000	130450000
GEORGETOWN PUMP STATION	107000	118300	137000	179000	86000	81600	73400	61800	76300	122400	159900	2324900
NORTH SHELBY WATER C	38054000	19381000	22132000	21002000	13642000	7384000	8487000	7747000	6820000	6412000	10574000	344793000
PEAKSMILL WATER DIST	15294000	19000000	16519000	17759000	15669000	13800000	13363000	13059000	13927000	14886000	12382000	365853000
PEAKSMILL WATER DIST	432900	441900	777600	4249200	391300	301000	123300	39800	32500	30000	36200	8540600
PEAKSMILL WATER DIST	6307300	6098900	3644100	3300600	4808600	6245100	7119000	4803400	5869100	7470300	6154100	144579500
SOUTH ANDERSON WATER DIST	2994800	3435900	3580700	3722400	100300	2083500	1834700	1903600	1858200	2336300	2040400	56272100
US 60 WATER DISTRICT	13295900	13025500	12280700	14934400	11772100	11144100	8938000	9598400	10514400	10185400	10965800	265177600
Grand Total	6759500	4027500	4472000	4252000	3916000	2820000	3576000	3452000	4762000	3741000	3402000	104791000
Grand Total	118490000	98624700	94951200	102285200	59100000	73442400	70987300	66532600	73606100	74897400	75250100	1944360100

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ITEM 13: Payment for water mains to deliver water to wholesale customers.

Response: 13(a): Complete the table below:

Water Main Size	Total Miles of Line	Miles of Lines Used By FEWPB To Serve Its Wholesale Customers
36"	1.02	1.02
24"	7.71	7.71
20"	7.86	7.80
16"	11.73	11.72
14"	2.74	2.69
12"	36.31	30.31
10"	1.18	1.14
8"	53.70	34.86
6"	121.91	57.34
4"	25.59	4.79
2"	N/A	N/A

13(b): In some cases, the wholesale customers shared in the cost to extend a water main from FEWPB's existing system to the customer's master meter pursuant to the terms of the various agreements. However, the majority of the cost for water mains running from FEWPB's water treatment plant that serve wholesale customers were paid for by FEWPB.

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ITEM 14: Maximum capacity of treatment plant, amount reserved for wholesale customers, minimum and maximum purchase limits and changes in treatment capacity reserved.

Response: 14(a): 18 MGD is the maximum treatment capacity of the plant.

14(b)(1): FEWPB has no agreement to reserve plant capacity for any wholesale customer.

14(b)(2): Minimum and Maximum Limits.

The minimum and maximum quantity of water that customers may purchase are contained in the following Agreements:

South Anderson Water District (2000 Agreement ¶ 7, Item 28, Ex. 1.) Min./Max. respectively 50,000 gallons per day/100,000 gallons per day.

U.S. 60 Water District (1992 Agreement ¶ 4, ¶ 11, Item 28, Ex. 2.) Yearly minimum of fifty percent (50%) of the average amount of water purchased by the Company from the Board during the preceding three calendar years.

No maximum, except that upon notification to Company its maximum limit is that purchased by Company during the previous calendar year.

North Shelby Water Company (1992 Agreement ¶ 4, ¶ 11, Item 28, Ex. 3.) Same min./max. as U.S. 60.

Elkhorn Water District (1992 Agreement, Item 28, Ex. 4.) No min./max. specified.

Peaks Mill Water District (1995 Agreement, Item 28, Ex. 5.) No min./max. specified.

Farmdale Water District (1967 Agreement ¶ 1 and 1974 Amendment, Item 28, Ex. 6.) No minimum. 1967 Agreement notes a maximum of 1,000,000 gallons per month. 1974 Amendment eliminates the limitation on the maximum gallonage for supply of water to the extension.

City of Georgetown (1990 Agreement ¶ 7, ¶ 9, Item 28, Ex. 7.) Minimum of 255,000 gallons per day. Maximum of 1,000,000 gallons per day and an additional 1,300,000 gallons of water per day if readily available.

14(c) FEWPB has no agreement to reserve plant capacity and does not plan to maintain a reserve for any wholesale customer.

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ITEM 15: How many master meters serve the wholesale customers
and who owns and maintains them.

Response: 15(a): FEWPB owns the master meters.
 15(b): There are twelve (12) master meters.
 15(c): FEWPB maintains the master meters.

Frankfort Electric and Water Plant Board
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ITEM 16: System Map

Response: Ex. 1 - Map and Table

Water Main Size	Total Miles of Line (P2K)	Miles of Lines Used By FEWPB To Serve Its Wholesale Customers
48	0.59	0.59
42	0.10	0.10
36	1.02	1.02
30	0.65	0.65
24	7.71	7.71
20	7.86	7.80
16	11.73	11.72
14	2.74	2.69
12	36.31	30.31
10	1.18	1.14
8	53.70	34.86
6	121.91	57.34
4	25.59	4.79

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ITEM 17: Gravity fed water mains

Response: There are no gravity fed water mains.

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ITEM 18: 36 Month Sales and Charges

Response: Ex. 1 – 36 month spread sheets showing
gallons and charges

Customer Name	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
Sum of Water Charge \$	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
Customer Name	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05	11/05
ELKHORN WATER DIST	\$8,763.65	\$8,644.80	\$9,426.10	\$9,240.35	\$10,567.17	\$9,047.45	\$7,911.00	\$8,256.76	\$8,292.19	\$10,121.45	\$12,184.77	\$11,603.03	\$10,658.53
FARMDALE WATER DIST	\$6,744.35	\$7,116.50	\$8,676.74	\$7,498.96	\$6,590.05	\$6,852.89	\$7,102.51	\$6,791.91	\$6,687.70	\$5,419.76	\$8,605.55	\$6,489.62	\$7,596.85
FARMDALE WATER DIST	\$14,658.53	\$16,837.04	\$15,894.77	\$17,668.50	\$23,004.27	\$9,992.90	\$16,120.41	\$15,321.14	\$16,563.74	\$15,171.77	\$19,810.06	\$16,728.99	\$17,108.76
FARMDALE WATER DISTRICT	\$3,819.47	\$5,045.56	\$5,404.19	\$6,014.37	\$6,050.91	\$5,493.17	\$5,238.93	\$12,537.21	\$11,788.79	\$10,989.52	\$11,258.07	\$9,422.77	\$12,475.24
GEORGETOWN PUMP STATION	\$132.36	\$148.41	\$138.41	\$143.49	\$161.60	\$109.17	\$138.09	\$100.58	\$108.84	\$106.46	\$113.94	\$252.48	\$129.34
NORTH SHELBY WATER C	\$16,183.29	\$16,839.59	\$22,025.69	\$26,351.16	\$23,636.41	\$34,449.43	\$21,145.13	\$15,774.33	\$15,832.05	\$13,159.02	\$13,142.53	\$18,041.71	\$59,354.31
PEAKSMILL WATER DIST	\$25,192.01	\$21,802.67	\$21,767.71	\$25,206.31	\$24,840.84	\$26,134.28	\$25,652.82	\$20,372.57	\$26,332.91	\$24,689.23	\$27,090.86	\$24,162.33	\$24,885.33
PEAKSMILL WATER DIST	\$5.57	\$18.60	\$34.48	\$1,041.59	\$884.28	\$282.84	\$37.82	\$39.25	\$45.45	\$36.71	\$183.21	\$32.90	\$34.64
SOUTH ANDERSON WATER DIST	\$11,280.78	\$10,356.47	\$11,810.40	\$6,763.74	\$8,817.04	\$8,907.78	\$10,793.76	\$3,322.13	\$3,162.43	\$2,702.89	\$3,371.70	\$3,263.49	\$3,950.25
US 60 WATER DISTRICT	\$18,163.86	\$15,567.60	\$16,741.70	\$17,195.52	\$14,318.01	\$18,399.19	\$15,743.49	\$13,808.73	\$17,894.84	\$16,476.34	\$19,789.89	\$17,787.58	\$18,226.15
Grand Total	\$5,296.14	\$7,283.32	\$8,019.68	\$9,338.55	\$8,094.37	\$7,518.04	\$7,351.83	\$6,532.38	\$6,500.60	\$6,828.52	\$7,563.64	\$6,672.21	\$7,741.61
Grand Total	\$113,937.61	\$114,257.24	\$124,396.70	\$130,931.20	\$131,338.76	\$131,039.36	\$120,557.92	\$111,857.20	\$126,562.62	\$112,810.82	\$136,384.59	\$124,653.75	\$172,681.62

Total Water Charge - Retail \$495,162.01 \$511,951.98 \$561,786.89 \$557,814.85 \$543,282.14 \$522,621.51 \$460,225.14 \$389,317.89 \$396,049.97 \$397,632.99 \$405,790.92 \$373,392.46 \$454,340.10

Customer Name	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	11/04	10/04
Sum of Water Charge \$	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	11/04	10/04
Customer Name	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	11/04	10/04
ELKHORN WATER DIST	\$14,119.85	\$14,451.61	\$13,840.63	\$14,090.59	\$12,749.98	\$12,045.42	\$11,560.98	\$9,718.90	\$11,781.46	\$13,439.40	\$11,824.60	\$10,453.49	\$11,961.42
FARMDALE WATER DIST	\$8,302.89	\$8,585.51	\$9,251.23	\$9,891.66	\$8,400.73	\$8,448.73	\$6,903.81	\$5,815.75	\$9,319.17	\$6,794.06	\$6,254.85	\$6,903.67	\$6,922.36
FARMDALE WATER DISTRICT	\$20,934.28	\$18,476.10	\$19,241.20	\$18,519.79	\$15,253.61	\$16,103.89	\$14,341.04	\$14,355.23	\$17,776.14	\$14,593.39	\$17,727.57	\$15,292.16	\$16,362.33
FARMDALE WATER DISTRICT	\$12,646.85	\$11,083.27	\$7,539.81	\$9,718.32	\$6,874.57	\$7,659.68	\$7,718.65	\$7,580.56	\$8,410.58	\$8,793.32	\$7,551.39	\$8,256.03	\$6,650.04
GEORGETOWN PUMP STATION	\$170.02	\$187.98	\$211.14	\$275.98	\$149.37	\$123.43	\$109.15	\$88.96	\$121.25	\$179.68	\$234.74	\$112.01	\$136.97
NORTH SHELBY WATER C	\$58,301.62	\$31,113.74	\$35,119.19	\$33,473.91	\$22,495.66	\$12,176.22	\$13,617.01	\$11,922.30	\$11,246.18	\$9,771.89	\$17,703.61	\$16,427.20	\$17,925.75
PEAKSMILL WATER DIST	\$24,302.17	\$30,191.00	\$28,248.89	\$28,219.05	\$24,898.04	\$21,227.55	\$19,653.67	\$19,065.99	\$22,130.00	\$21,852.65	\$19,105.78	\$19,235.20	\$41.69
PEAKSMILL WATER DIST	\$687.87	\$680.48	\$1,198.43	\$6,695.87	\$3,164.97	\$473.02	\$191.12	\$59.31	\$51.65	\$44.04	\$53.14	\$59.46	\$8,696.29
SOUTH ANDERSON WATER DIST	\$10,022.29	\$9,691.15	\$5,790.47	\$5,244.65	\$7,640.87	\$9,796.85	\$10,730.88	\$6,922.44	\$9,326.00	\$10,966.41	\$9,034.22	\$8,468.01	\$3,449.95
US 60 WATER DISTRICT	\$4,759.74	\$5,453.46	\$5,683.25	\$5,908.22	\$4,377.50	\$3,165.26	\$2,665.01	\$2,799.98	\$2,952.68	\$3,429.69	\$2,995.31	\$3,292.88	\$3,449.95
Grand Total	\$21,127.19	\$20,697.52	\$19,514.04	\$23,730.76	\$18,705.87	\$17,148.60	\$13,041.07	\$13,979.62	\$16,707.38	\$14,952.17	\$16,829.57	\$15,151.67	\$16,494.60
	\$10,740.85	\$6,399.70	\$7,106.01	\$6,756.43	\$6,222.52	\$4,192.52	\$5,264.57	\$4,908.03	\$7,566.82	\$5,491.79	\$5,211.45	\$4,489.42	\$5,259.84
	\$186,114.42	\$156,991.52	\$150,744.09	\$162,525.23	\$132,933.69	\$112,761.17	\$105,816.96	\$97,228.07	\$117,389.31	\$110,308.49	\$114,526.23	\$111,151.10	\$145,688.13

Total Water Charge - Retail \$505,550.54 \$508,293.46 \$523,144.52 \$521,025.36 \$449,719.38 \$373,570.88 \$350,796.56 \$304,181.88 \$387,212.20 \$330,193.55 \$324,564.38 \$341,612.89 \$340,309.26

Customer Name	09/04	08/04	07/04	06/04	05/04	04/04	03/04	02/04	01/04	12/03	Grand Total
Sum of Water Charge \$											
Customer Name											
ELKHORN WATER DIST	\$12,911.94	\$12,348.11	\$12,333.11	\$13,198.49	\$10,955.10	\$10,913.41	\$10,344.85	\$13,797.44	\$4,188.18	\$12,191.45	\$398,928.88
FARMDALE WATER DIST	\$7,188.07	\$7,480.38	\$8,668.19	\$10,343.97	\$6,567.89	\$7,567.10	\$8,711.58	\$3,782.74	\$3,283.62	\$3,092.35	\$264,591.18
FARMDALE WATER DIST	\$17,878.77	\$14,947.18	\$11,617.75	\$13,057.27	\$14,008.24	\$11,842.36	\$11,680.32	\$16,430.30	\$15,249.15	\$15,184.09	\$575,731.84
FARMDALE WATER DISTRICT	\$6,287.44	\$6,852.62	\$7,285.68	\$7,175.58	\$7,124.20	\$5,951.27	\$6,218.45	\$6,788.03	\$7,574.88	\$7,084.57	\$288,573.99
GEORGETOWN PUMP STATION	\$128.89	\$98.01	\$127.42	\$187.21	\$188.68	\$89.55	\$89.70	\$102.76	\$95.42	\$103.50	\$5,053.00
NORTH SHELBY WATER C	\$94,679.87	\$28,259.82	\$23,347.25	\$31,097.62	\$21,076.92	\$18,937.22	\$13,962.89	\$27,752.71	\$16,474.44	\$21,656.04	\$918,336.75
PEAKSMILL WATER DIST	\$22,734.92	\$21,498.88	\$23,085.77	\$22,755.47	\$21,327.10	\$19,772.49	\$19,749.00	\$21,399.04	\$20,317.12	\$19,221.99	\$824,027.17
PEAKSMILL WATER DIST	\$45.37	\$38.41	\$45.05	\$55.64	\$47.56	\$49.91	\$407.52	\$572.38	\$104.52	\$74.73	\$17,518.38
SOUTH ANDERSON WATER DIST	\$10,770.28	\$9,583.40	\$9,427.79	\$10,726.38	\$9,477.85	\$9,208.92	\$9,354.68	\$8,589.30	\$9,343.38	\$9,988.86	\$340,285.41
US 60 WATER DISTRICT	\$4,157.08	\$4,320.03	\$3,432.04	\$3,317.09	\$3,231.86	\$2,926.02	\$2,301.24	\$1,977.25	\$2,169.70	\$1,921.47	\$128,981.41
US 60 WATER DISTRICT	\$18,882.30	\$15,553.17	\$16,499.00	\$18,493.14	\$16,426.19	\$14,949.68	\$16,553.17	\$18,387.81	\$18,790.26	\$17,863.07	\$820,570.85
US 60 WATER DISTRICT	\$6,130.37	\$5,758.98	\$5,314.16	\$6,286.89	\$3,859.37	\$3,645.04	\$3,216.39	\$3,670.00	\$3,995.90	\$4,655.03	\$220,854.85
Grand Total	\$201,795.30	\$126,715.95	\$121,182.11	\$138,654.85	\$114,270.56	\$105,852.97	\$102,589.77	\$123,209.88	\$101,596.57	\$113,038.05	\$4,602,453.69

Total Water Charge - Retail \$377,772.89 \$354,702.23 \$347,648.38 \$342,725.48 \$319,780.56 \$297,438.24 \$299,674.56 \$297,867.44 \$199,234.07 \$204,802.10 \$14,351,289.06

Customer Name	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05
Customer Name	11/06	10/06	09/06	08/06	07/06	06/06	05/06	04/06	03/06	02/06	01/06	12/05
ELKHORN WATER DIST	5515200	5440400	5932100	5815200	6650200	5693800	4978600	5196200	5218500	6369700	7668200	7302100
FARMDALE WATER DIST	4244400	4478600	5460500	4719300	4147300	4312700	4469800	3645000	5467400	3410800	5415700	4071500
FARMDALE WATER DISTRICT	9225000	10596000	10003000	11118000	14477200	6288800	10145000	9642000	10424000	9548000	12467000	10528000
GEORGETOWN PUMP STATION	2403700	3175300	3401000	3785000	3808000	3457000	3297000	7890000	7419000	6916000	7085000	5930000
NORTH SHELBY WATER C	83300	93400	87100	90300	101700	68700	86900	63300	68500	67000	71700	158900
PEAKSMILL WATER DIST	7099300	6517600	7432600	4256600	5548800	5605900	6792800	6393900	7223600	4486000	8351400	6429600
PEAKSMILL WATER DIST	2327000	2905400	2804800	2813500	2751300	2424300	2090700	1990200	1911400	1701000	2121900	2053800
SOUTH ANDERSON WATER DIST	11431000	9797100	10536000	10821600	9010700	11579100	9907800	8690200	11261700	10389000	12454300	11194200
US 60 WATER DISTRICT	3333000	4571000	5047000	5877000	5094000	4731300	4626700	4111000	4091000	4298000	4760000	4199000
Grand Total	71333400	71519500	77781800	81922500	82113700	82458600	75386100	70033500	79286700	70693600	85529500	78034800

Total Water Consumption - Retail 123540800 123656127 137018022 147366891 137655231 129278316 111758887 108555827 215081621 100384576 116131327 1080722293

Customer Name	11/05	10/05	09/05	08/05	07/05	06/05	05/05	04/05	03/05	02/05	01/05	12/04	11/04
Sum of Water Consumption	11105	8886000	9102700	8716800	8875200	276900	7580500	7764300	6680000	7401800	9154900	8054900	7120900
ELKHORN WATER DIST	6707700	8886000	9102700	8716800	8875200	276900	7580500	7764300	6680000	7401800	9154900	8054900	7120900
FARMDALE WATER DIST	4780900	5225100	5390500	5837300	6240400	420300	5561600	4658600	4121600	5864800	4628100	4260800	6746300
FARMDALE WATER DIST	10767000	13174500	11627500	12109000	11655000	2432500	10648000	9778000	9886000	11187000	9941000	12076000	10417000
FARMDALE WATER DISTRICT	7851000	7959000	6975000	4745000	6116000	5585000	5793000	5252000	5180000	5293000	5990000	5144000	5624000
GEORGETOWN PUMP STATION	81400	107000	118300	137000	179000	86000	81600	73400	61800	76300	122400	159900	76300
NORTH SHELBY WATER C	38777000	38054000	19381000	22132000	21002000	13642000	7384000	8487000	7747000	6820000	6412000	10574000	10779000
PEAKSMILL WATER DIST	15661000	15294000	19000000	16519000	17759000	15669000	13800000	13363000	13059000	13927000	14886000	12382000	13103000
PEAKSMILL WATER DIST	21800	432900	441900	777600	4249200	391300	301000	123300	39800	32500	30000	36200	40500
PEAKSMILL WATER DIST	6620900	6307300	6098900	3644100	3300600	4808600	6245100	7119000	4803400	5869100	7470300	6154100	5768400
SOUTH ANDERSON WATER DIST	2486000	2994800	3435900	3580700	3722400	100300	2083500	1834700	1903600	1858200	2336300	2040400	2243100
US 60 WATER DISTRICT	11470200	13295900	13025500	12280700	14934400	11772100	11144100	8938000	9598400	10514400	10185400	10965800	10321300
Grand Total	4872000	6759500	4027500	4472000	4252000	3916000	2820000	3576000	3452000	4762000	3741000	3402000	3065000
Grand Total	110096900	118490000	98624700	94951200	102285200	59100000	73442400	70987300	66532600	73606100	74897400	75250100	75304800

Total Water Consumption - Retail 123805225 176142710 159426960 168066478 158420259 156503540 104011417 95589908 100710100 98296600 106737100 105478300 114856500

Customer Name	10/04	09/04	08/04	07/04	06/04	05/04	04/04	03/04	02/04	01/04	12/03	Grand Total
Customer Name	10/04	09/04	08/04	07/04	06/04	05/04	04/04	03/04	02/04	01/04	12/03	Grand Total
ELKHORN WATER DIST	8148100	8795600	8412200	8401300	8990800	7462600	7434200	7046900	9398800	7915200	8304800	258433300
FARMDALE WATER DIST	4715500	4896500	5082000	5903400	7046300	4473900	5154700	5934300	2576800	2236800	2106500	167706000
FARMDALE WATER DISTRICT	11146000	12179000	10182000	7914000	8894600	9542400	8067000	7943000	11192300	10387700	10344000	367952500
GEORGETOWN PUMP STATION	4530000	4283000	4668000	4963000	4888000	4853000	4054000	4236000	4624000	5160000	4826000	187159000
NORTH SHELBY WATER C	93300	87800	65400	86800	113900	114900	61000	61100	70000	65000	70500	3290900
PEAKSMILL WATER DIST	36491000	68358000	18173000	15362000	21120000	13830000	12426000	9162000	18635000	10810000	14210000	594149000
PEAKSMILL WATER DIST	12211000	15487000	14645000	15726000	15501000	14528000	13469000	13453000	14577000	13840000	13094000	535487000
SOUTH ANDERSON WATER DIST	28400	30900	24800	31300	37900	32400	34000	277600	389900	71200	50900	9590400
US 60 WATER DISTRICT	5923900	7336700	6528200	6422200	7306800	6456300	6273100	6372400	5837400	6364700	6804400	221974000
Grand Total	100456400	141324900	85241200	82007000	93025400	77313400	71632900	69520900	83660300	73850500	76459300	2974157100

Total Water Consumption - Retail 114059400 129561200 119092400 123812000 118588800 110667500 103007200 105208700 103556800 103640700 110626400 4468366115

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 10-20-2006
Case No. 2006-00444

ITEM 19: Rate Schedule

Response: Ex. 1 – Rate Schedule

FRANKFORT ELECTRIC & WATER PLANT BOARD REVISED: 6/02/06
CURRENT ELECTRIC & WATER RATES
EFFECTIVE BILL DUE & PAYABLE 6/15/06

ELECTRIC RATES	
I-RESIDENTIAL	
CUSTOMER CHARGE (RATE 10)	\$2.59
ENERGY CHARGE:	
100 KWH	0.05430
1-400 KWH	0.05450
OVER 400 KWH	0.04610
II-GENERAL SERVICE	
CUSTOMER CHARGE (RATE 15)	\$3.77
ENERGY CHARGE:	
500 KWH	0.06810
1-2000 KWH	0.05740
OVER 2000 KWH	0.05290
MINIMUM BILL: EQUALS CUSTOMER CHARGE	
III-GENERAL SERVICE	
CUSTOMER CHARGE (RATE 18)	\$3.77
ENERGY CHARGE:	
500 KWH	0.06810
1-2000 KWH	0.05740
OVER 2000 KWH	0.05290
MINIMUM BILL: EQUALS CUSTOMER CHARGE	
IV-LARGE POWER (RATE 20)	
1-100 KW	\$4.17
ENERGY CHARGE:	
1-500,000 KWH	0.03470
500,001-2,000,000 KWH	0.03220
OVER 2,000,000 KWH	0.03100
POWER FACTOR CLAUSE APPLIES	
MINIMUM BILL: \$4.17 X 25% OF THE HIGHEST	
LOAD IN THE PRECEDING 11 MONTHS BUT NOT	
LESS THAN 2 KW	
FUEL ADJUSTMENT - ALL RATES WILL INCLUDE A	
PROVISION FOR FUEL ADJUSTMENT AT A MONTHLY	
RATE PER KWH AS DETERMINED FROM KU'S BILLING	
INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT	
V-HIGH LOAD FACTOR	
LARGE POWER (RATE 21)	
1-100 KW	\$5.22
ALL KWH	0.02860
POWER FACTOR CLAUSE APPLIES	
MINIMUM BILL: \$5.22 X 25% OF THE HIGHEST	
LOAD IN THE PRECEDING 11 MONTHS BUT NOT	
LESS THAN 2 KW	
INCLUDES TEMPORARY SUPPLEMENTAL MERGER CREDIT	
VI-LOCAL GOVERNMENT/SCHOOL (RATE 2)/	
VII-CITY GOVERNMENT (RATE 19)	
	\$3.75
	ALL KWH .05000 PER KWH
MINIMUM BILL: EQUALS CUSTOMER CHARGE	
VIII-SECURITY LIGHTS (RATE 1)	
75 WATT (MERCURY VAPOR)	\$6.90 PER MTH
100 WATT (MERCURY VAPOR)	\$8.90 PER MTH
150 WATT (MERCURY VAPOR)	\$8.00 PER MTH
200 WATT (MERCURY VAPOR)	\$5.75 PER MTH
250 WATT (METAL HALIDE)	\$6.90 PER MTH

AREA LIGHTING	
DIRECTIONAL FIXTURE ONLY, 250 WATT MH	\$ 7.66
250 WATT, MH WITH 35' WOOD POLE	\$ 9.35
250 WATT, MH WITH 35' METAL POLE	\$11.52
DIRECTIONAL FIXTURE ONLY, 400 WATT MH	\$10.80
400 WATT, MH WITH 35' WOOD POLE	\$12.49
400 WATT, MH WITH 35' METAL POLE	\$14.65
DIRECTIONAL FIXTURE ONLY, 400 WATT HPS	\$10.80
400 WATT, HPS WITH 35' WOOD POLE	\$12.49
400 WATT, HPS WITH 35' METAL POLE	\$14.65
DIRECTIONAL FIXTURE ONLY, 1000 WATT HPS	\$22.17
1,000 WATT, MH WITH 35' WOOD POLE	\$23.86
1,000 WATT, MH WITH 35' METAL POLE	\$26.02
1,000 WATT, MH WITH 45' METAL POLE	\$29.50
M1-MUNICIPAL STREET LIGHTING (RATE 2)/	
SIGNAL LIGHTS (RATES 2)	
CUSTOMER CHARGES:	\$3.75
ALL KWH	.05000 POWER KWH
(SAME AS CITY GOVERNMENT RATE)	
G1-GRATIS (IN-HOUSE)	
(RATE 3) NO DEMAND	
(RATE 17) NO DEMAND	
ALL KWH	.05000 PER KWH
ALL KW	0
WATER RATES	
	CITY W1
	COUNTY W2
MIN. 2,000 GL.	\$8.69 PER MTH
	\$12.60 PER MTH.
NEXT 3,000 GL.	\$4.34 PER 1,000 GL.
	\$6.29 PER 1,000 GL.
NEXT 20,000 GL.	\$3.56 PER 1,000 GL.
	\$3.56 PER 1,000 GL.
NEXT 175,000 GL.	\$2.93 PER 1,000 GL.
	\$2.93 PER 1,000 GL.
NEXT 800,000 GL.	\$2.21 PER 1,000 GL.
	\$2.21 PER 1,000 GL.
OVER 1,000,000 GL.	\$1.74 PER 1,000 GL.
	\$1.74 PER 1,000 GL.
EFFECTIVE BILL DUE AND PAYABLE 6/15/06	
SEWER RATES	
CUSTOMER CHARGE	
	\$4.00 (EFFECTIVE 11/1/04)
RESIDENTIAL	\$6.71 PER 1,000 GL.
COMMERCIAL	\$6.71 PER 1,000 GL.
INDUSTRIAL	\$6.91 PER 1,000 GL.
FIRE SERVICE	
ALL FIRE HYDRANTS	\$11.01 PER HYDRANT
LINE SERVICE	
2" LINE	\$5.51 PER MTH
3" LINE	\$11.01 PER MTH
4" LINE	\$20.60 PER MTH
6" LINE	\$41.19 PER MTH
8" LINE	\$54.91 PER MTH
10" LINE	\$68.65 PER MTH
FIRE HYDRANT SALES	\$4.12
EFFECTIVE BILL DUE & PAYABLE 6/15/06	
RESALES - NON WATER PRODUCERS	\$1.539
WATER SALES & WATER LOADING STATIONS	\$ 3.58
GRATIS (WATER)	\$0.63
RESALE - OTHER WATER PRODUCERS	
0-15,000,000	\$1.599
OVER 15,000,000	\$1.406

Frankfort Electric and Water Plant Board
 Response to PSC Order Dated: 10-20-2006
 Case No. 2006-00444

ITEM 20: Table showing water sales

Response: See completed table

FEWPB	Gallons for Test Period	Gallons for Fiscal Year Ending June 30, 2005
Plant Use • Includes water for flushing	67,21,000	73,355,000
Line Loss (Unaccounted for)	256,473,200	209,697,310
Sales to Retail	1,557,065,690	1,369,779,465
Sales to Elkhorn Water District	88,468,900	87,811,400
Sales to Farmdale Water District	254,486,300	238,022,000
Sales to Peaks Mill Water District	75,578,900	75,559,000
Sales to South Anderson Water District	28,390,200	24,862,700
Sales to US 60 Water District	189,202,300	173,408,100
Sales to North Shelby Water District	184,143,000	168,258,000
Sales to Other Wholesale Customers (Georgetown)	200,779,000	210,229,000
Total Produced and Purchased	3,029,153,000	2,803,874,000
Total Sold	2,705,466,000	2,520,821,000

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 10-20-2006
Case No. 2006-00444

ITEM 21: Unmetered service

Response: 21(a): FEWPB maintains three (3) frost free unmetered hydrants in the downtown area for special events. Fire hydrants for use by the fire department are also unmetered.

21(b): The above referenced hydrants represent 100% of unmetered service.

Frankfort Electric and Water Plant Board
Response to PSC Order Dated: 10-20-2006
Case No. 2006-00444

ITEM 22: Cost of Service Study

Response: Ex. 1 – Cost of Service Study

Final Report

2006 Water Cost-of-Service Study

Frankfort Electric and Water Plant Board
Frankfort, Kentucky

July 2006



FRANKFORT ELECTRIC AND WATER PLANT BOARD 2006 WATER COST-OF-SERVICE STUDY

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This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to R. W. Beck, Inc. (R. W. Beck) constitute the opinions of R. W. Beck. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, R. W. Beck has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. R. W. Beck makes no certification and gives no assurances except as explicitly set forth in this report.

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List of Exhibits

- Exhibit 1 Customer Class Statistics
- Exhibit 2 Cost of Service Study
- Exhibit 3 Weighted Meters Table
- Exhibit 4 Cost-of-Service 40% debt

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

General

The City of Frankfort, Kentucky, (the "City") through the Frankfort Electric and Water Plant Board ("FEWPB"), owns, operates and maintains a municipal water utility that provides retail water service to approximately 14,500 customers located within the City's corporate limits, as well as certain adjacent areas and certain wholesale customers outside the City. Overall responsibility for the operations of the utility is charged to the FEWPB that, among other things, has the authority to review and set the rates for service charged by the utility.

R. W. Beck has performed a study of the allocated cost of serving each of FEWPB's water retail customer classifications. The scope of the study includes:

1. An analysis of estimated revenue requirements for calendar year ended December 31, 2005, ("CY 2005") based on revenues and expenses reported in the CY 2005 budget.
2. The development of allocation factors to allocate the revenue requirements to each of FEWPB's customer classifications.
3. A cost-of-service study based on a test year from 2006 to 2007 and the allocation factors previously developed.
4. The development of proposed new water rates for each customer classification based on cost-of-service guidelines and projected financial results.

This report summarizes the analyses undertaken in our study of FEWPB's water rates and describes the results of our study and our recommendations. The rate design portion of the study includes the development of retail rates for each customer classification.

Customer Class Statistics

A summary of customer class statistics, as derived from available data for the test year, is summarized in Table ES-1. Detailed customer class statistics are shown in Exhibit 1.



Executive Summary

Table ES-1
Customer Class Statistics

Customer Classification	Number of Customers	Consumption (1000 Gal.)
City	11,359	1,123,615
County	3,913	565,831
Fire Services	169	0
Fire Hydrants	949	6,528
Loading Stations	17	280
Wholesale	12	1,045,088
Municipal	23	1,642
TOTAL	16,442	2,742,984

Revenue Requirements

The test year revenue requirements were developed based on system costs as reported by the FEWPB in the general ledger for CY 2005. The revenue requirements developed for the purposes of this study, including margin for anticipated debt service and normal capital additions, indicate that water rates produce a deficit of \$1,571,665. Tables 2-2 and 2-3 in Exhibit 2 show the development and summary of the test year revenue requirements. A detailed comparison of existing rate revenue to revenue requirements is presented in Exhibit 2, and is summarized below in Table ES-2.

Table ES-2
Comparison of Existing Rate Revenue to Total Revenue Requirements

Item	Amount
Estimated Rate Revenue	\$7,223,475
Total Revenue Requirements	\$8,795,140
Dollar Difference (Deficit)	\$(1,571,665)
Percent Difference	(21.8)%

Based strictly on revenue requirements, a 22% increase in water rate revenues is needed to eliminate the current deficit. The adjusted revenues would provide an adequate margin to fund normal capital additions and principal and interest payments on existing debt.

Cost-of-Service Study

The cost-of-service study was performed to determine the appropriate level of revenues that should be recovered from the different customer classes during the test year. Costs are allocated to each customer class and then compared to estimated revenues collected from each class. A summary of findings is presented in Table ES-3. The detailed output from the Allocated Cost-of-Service Study ("ACOS") is in Exhibit 2.

Table ES-3
Comparison of Allocated
Cost-of-Service and Estimated Rate Revenue

Customer Classification	% of Total Allocated Revenue Requirements	% of Total Estimated Revenue
City	50.23%	48.41%
County	24.94%	26.42%
Fire Services	.28%	.96%
Fire Hydrants	2.83%	1.51%
Loading Stations	0.11%	0.01%
Wholesale	20.7%	22.63%
Municipal	.92%	0.06%
TOTAL	100%	100%

The comparison in Table ES-3 above indicates discrepancies between the costs incurred by the FEWPB to serve the customer classes and the revenues collected from the corresponding classes. General trends from cost-of-service results indicate the necessity of an increase in revenue. The relationship between allocated costs and revenues for each class is a consideration in developing recommended rate adjustments.

Cost-Based Rates

Cost-based rates were developed based on the allocated costs per customer class as determined by the cost-of-service study. They represent the average rate per customer class given the test year consumption data. Table ES-4 compares existing average rates to cost-based rates for the city, county, and wholesale classes.

Executive Summary

Table ES-4
Average Rate Summary

Customer Classification	Average Existing Rate	Average Cost-Based Rate
City	\$3.06	\$3.86
County	\$3.37	\$3.88
Wholesale	\$1.56	\$1.74

Note: Rates are expressed in dollars per 1,000 gallons.

As indicated above, an increase in city and county water rates is suggested. Also an increase in wholesale rates is indicated. Note that the average cost-based rate for the county is somewhat higher than the city. A review of customer and consumption data revealed that this is due to several large water users on the county rate (typically commercial customers and farms).

Findings and Recommendations

In the preparation of this Study and Report, we have made certain assumptions and used certain consideration with respect to conditions that may occur in the future. While we believe these considerations and assumptions are reasonable and reasonably attainable based on conditions known to us as of the date of this Study and Report, they are dependent on future events and actual conditions may differ from those assumed. In addition, we have used and relied on certain information provided to us by others. To the extent actual future conditions differ from those assumed herein or from the assumptions provided by others, the actual results will vary from those estimated. Based on our investigation and analyses, the principal findings of this Study include the following.

- An increase in total water rate revenue of approximately 22% is needed to provide adequate debt service coverage and to fund normal system additions and improvements.
- Cost of service results generally indicate rate increases to the city (26%), county (15%) and wholesale (11.4%) customer classes and continuing to move toward a flatter rate structure for city and county rates.
- It is anticipated that the transition to a uniform rate for city and county customers can be accomplished through future rate adjustments. Under this scenario, future rate increases should be reduced or waved for county customers in order to begin the equalization process.

Section 1

REVENUE REQUIREMENTS



Section 1

REVENUE REQUIREMENTS

1.1 General

FEWPB's rates must produce sufficient revenues to cover the cost of providing water service and to permit the continued replacement and expansion of its facilities. Revenue requirements are designed to capture operating and maintenance ("O&M") expenses as well as a margin. The margin is used to fund normal capital additions and debt service (principal and interest payments) on the existing debt. Table 1-1 illustrates the components of the margin.

Table 1-1
Development Of Required Margin

Component	Amount
Estimated Capital Expenditure (1)	\$1,719,765
Plus: Bond Principal (2)	\$627,559
Plus: Interest on New Debt	\$20,000
Plus: Reserve Requirement (3)	\$100,000
Plus: Retirement Plan Principal (4)	\$11,905
Less: New Borrowing	\$400,000
Less: Depreciation (5)	\$946,140
Total Required Margin	\$1,133,089

Notes:

- (1) Based on 5-year average of 2005-2010 budget projections for planned capital expenditures including IT project
- (2) Principal payments are based on outstanding bond issuances 5-year average from data provided by FEWPB plus approximately \$48,000 in principal on Bond Anticipation Note
- (3) Required to meet goal of \$2 million over the next 5 years
- (4) Based on data provided by FEWPB staff
- (5) Depreciation is based on a three year average as reported in audited financial statements by FEWPB

The revenue requirements serve as a basis for determining the level of revenue recovery needed and provide a foundation for the cost-of-service analysis. For purposes of the 2006 Rate Study, revenue requirements were calculated using CY 2005 trial balance and adjustments based on FY 2006 budgets.

Section 1

Table 1-2
Revenue Requirements Summary

Expense Category	Amount
O&M Expense	\$3,808,878
Other Operating Expense	\$2,525,070
Total Operating Expenses	\$8,121,409
Less: Other Income	\$459,225
Plus: Margin	\$1,133,089
Total Revenue Requirements	\$8,795,140

The cost-of-service study allocated the revenue requirements to the customer classes, thus reflecting the portion of cost that should be borne by each class.

Tables 2-1 2-2 in Exhibit 2 illustrate in detail the development of revenue requirements.

Section 2
COST-OF-SERVICE STUDY



Section 2

COST-OF-SERVICE STUDY

2.1 General

In order to determine the manner in which Frankfort's revenues should be recovered from each customer classification, an analysis of the cost to serve each classification based on the CY 2005 test year was performed. The customer classes used in the study are as follows:

- City
- County
- Fire Services
- Fire Hydrants
- Loading Stations
- Wholesale
- Municipal

In a cost-of-service study, the functionalized cost of providing water service is first classified by cost components and then allocated to each class of service based on certain specific service characteristics. The results of the study form a basis for designing new rates to produce an equitable recovery of revenues from each customer classification.

The numbers used in the cost-of-service study are based on the following:

- Actual expenses and revenue requirements for CY 2005, adjusted based on input from FEWPB
- Customer classification consumption for CY 2005 based on a billing database provided by FEWPB
- Plant value and depreciation based on the Detail General Ledger for CY 2005

2.2 Classification of Costs

As a basis for allocating costs to individual customer classifications, test year revenue requirements were classified to specific cost components. These components and the type of costs assigned to each are described below.



2.3 Allocation to Customer Classifications

Based on customer service characteristics, various factors were developed for use in allocating the test year revenue requirements to individual customer classifications. These allocation factors reflect accepted rate making principles and are based on fully distributed, embedded cost allocation procedures. The following summary describes the specific allocation factors used in this cost-of-service analysis.

2.3.1 Revenue and Consumption Distribution

Revenue and consumption for residential and commercial customer classes was determined by calculating a weighting factor based on existing rates, consumption, and number of customers.

2.3.2 Base Capacity Costs

Base capacity costs are allocated to the customer classes based on their average monthly consumption during the test year.

2.3.3 Extra Capacity Costs

Extra capacity costs are allocated to customer classes based on the volume by which their non-coincident peak consumption exceeds their respective average monthly usage.

2.3.4 Customer Billing and Collection Costs

Customer billing and collection costs are allocated to the customer classes based on the annual number of bills in each class during the test year. The number of billing units was determined based on a customer billing database provided by FEWPB.

2.3.5 Weighted Customer Meter and Service Costs

Customer meter and service costs are allocated to customer classes based on the number of equivalent meters in each class. Equivalent meters are determined by multiplying the appropriate equivalent meter and service ratio by the number of meters belonging to each customer class. The ratios are based on the average investment for a standard meter installation as given by the Equivalent Meter-and-Service Ratios listed by the American Water Works Association. Table 2-1 displays these ratios.

Table 2-1
Equivalent Meter Ratios

Meter Sizes (Inches)	Equivalent Meter and Service Ratio
$\frac{5}{8}$	1.0
$\frac{3}{4}$	1.0
1	1.67
$1\frac{1}{2}$	3.3
2	5.33
3	10.0
4	16.67
6	33.33
8 & 10	53.33

Exhibit 3 illustrates the development of weighted customer meters. We have made the following assumptions in that process:

- City and county customers use $\frac{5}{8}$ -inch to 4-inch allocated meters
- Fire services and fire hydrants have no meters
- Loading stations use $1\frac{1}{2}$ -inch meters
- Wholesale customers use 4-inch to 8-inch meters
- Municipal customers use $\frac{5}{8}$ -inch meters

2.4 Cost-of-Service Study Results

Based on cost classification and allocation methods described herein, the cost to serve each customer classification during the test year was developed. Table 2-2 summarizes our findings and lists allocated costs and estimated rate revenues as well as each classification's percentage of the two totals.

Section 2

Table 2-2
Summary of Allocated Costs and Estimated Rate Revenues

Customer Classification	Allocated Costs		Existing Revenues	
	Total	% of Total	Total	% of Total
City	4,417,916	50.23	3,497,111	48.41
County	2,193,330	24.94	1,908,419	26.42
Fire Service	24,200	.28	69,167	.96
Fire Hydrants	248,795	2.83	108,907	1.51
Loading Stations	9,298	.11	872	0.01
Wholesale	1,820,420	20.7	1,634,839	22.63
Municipal	81,182	0.92	4,160	0.06
TOTAL	\$8,795,140	100%	\$7,223,475	100%

Cost-of-service results, along with financial projections and competition, should be used as a guide in making rate adjustments.

2.5 Rate Effects of Increased Borrowing Levels

General

For utility services, there are generally two sources of funding for capital improvements for a utility enterprise. They are:

- Rates (including one-time fees and charges)
- New Borrowing

Decisions regarding the source of funding generally reflect considerations such as the current debt level, the ability to meet debt service, the need to maintain low rates, etc. For example, if there is a perceived need to maintain lower rates, the desire to maintain those lower rates must necessarily be balanced against the ability to borrow funds. Another consideration to consider is the Utility's policy relative to funding growth. Should existing customers pay for the higher cost of providing services for new customer growth (through rates) or should new customer growth pay its own way? Funding growth through rate revenues alone results in necessarily higher rates today, whereas funding growth through new borrowing alone results in lower rates today, higher debt ratios, and higher future rates. Funding growth through some combination of rate revenues, one-time fees, and new borrowing (i.e. borrowing at the target debt ratio) strikes a balance between the utility's needs, including:

- The maintenance of reasonable rates today

- Rates fair to existing customers and new customers
- Maintenance of reasonable debt ratios and credit ratings

Findings

FEWPB's current capital plan calls for capital expenditures of approximately \$8,600,000 over the next five years (\$1,720,000 per year). New borrowing over that period is projected to equal approximately \$2,000,000, for an average of \$400,000 per year. At that borrowing rate, approximately 23% of capital improvements will be funded through new borrowing over the five year forecast period.

FEWPB's debt ratio¹ is currently approximately 40%, increased from approximately 34% in 2002 as shown in Table 2-3 below.

Table 2-3 Analysis of FEWPB Debt Ratio

	2002	2003	2004	2005
Long-term Debt ⁽¹⁾	\$30,389,887	\$32,772,569	\$35,708,895	\$39,756,004
Total Assets	89,851,488	92,779,420	95,689,935	98,894,157
Debt Ratio	33.82%	35.32%	37.32%	40.20%

NOTES:

⁽¹⁾ Long-term debt from audited financial statements 2005-2002

FEWPB's current debt level is in line with the average debt level for other water distribution utilities in the south, as shown in Table 2-4 below.

¹ Total long term liabilities divided by total assets.

Section 2

Table 2-4 Benchmarking of Water Utility Debt Ratios

		25th Percentile	Median	75th Percentile	Sample Size
Region	West	0.2	0.3	0.4	65
	South	0.3	0.4	0.5	69
	Midwest	0.2	0.3	0.4	34
	Northeast	0.3	0.4	0.6	18
Size	>500,000	0.3	0.4	0.6	40
	100,001 - 500,000	0.2	0.4	0.5	68
	50,001 - 100,000	0.2	0.3	0.4	28
	10,000 -50,000	0.3	0.4	0.5	41
	<10,000	0.1	0.4	0.5	14
Type	Combined	0.2	0.4	0.5	111
	Wastewater	0.1	0.3	0.4	15
	Water	0.2	0.4	0.5	65
	All Participants	0.2	0.4	0.5	0

Based on the benchmarking data illustrated in Table 2-4 above, a reasonable goal for FEWPB's future borrowing might be to maintain its current debt ratio of approximately 40% by borrowing approximately 40% of all the funds required for future capital improvements.

As a part of this study, R. W. Beck estimated the Revenue Requirements assuming the stated borrowing goal of approximately 23% and compared it to the Revenue Requirements assuming a borrowing goal of 40% of all new capital additions. The required rate increase assuming 23% borrowing is approximately 22% and approximately 18% assuming 40% borrowing.

2.6 Developer Reimbursements

FEWPB asked R. W. Beck to review its current policy relative to dealing with developers and associated contributed capital. Based on our discussions with FEWPB, if a developer installs on site distribution lines and fire hydrants to serve new customers, the plant is handed over to FEWPB to operate and maintain at FEWPB's expense while FEWPB reimburses the developer for the cost to install 50 ft of line extension per lot, or dollar for dollar less fire protection expenses over a 10-year period after initial development.

Based on our experience and history, this policy is not in accord with general practice throughout the water utility industry in the United States. Typical practice is for the developer to construct infrastructure to the utilities' specifications and at their own expense. Reimbursement for those expenses would come from the end users of the utility plant at the time of purchase of developed lots. The plant would then be handed over to the utility in the form of contributed capital to be owned, operated and maintained into perpetuity by the utility at the utilities' expense.

We are of the opinion that the current reimbursement policy is harmful to the financial stability of FEWPB and should be reviewed and revised as necessary to offset future rate increases.

Exhibit 1

CUSTOMER CLASS STATISTICS



FRANKFORT EWFB
Water Department
2006 Cost of Service Study

Exhibit 1 - Customer Class Statistics (Summary from Monthly Reports)

Line No.	Class (a)	Number of Customers [1] (b)	Annual Usage [2] (c)	Average Monthly Usage [3] (d)	Non-Coincident Peak [2] (e)	Extra Capacity [4] (f)
1	City	11,359	1,123,615	93,635	125,000	31,365
2	County	3,913	565,831	47,153	69,441	22,288
3	Fire Services	169	-	-	-	-
4	Fire Hydrants	949	6,528	544	2,045	1,501
5	Loading Stations	17	280	23	29	6
6	Wholesale	12	1,045,088	87,091	118,490	31,399
7	Municipal	23	1,642	137	2,960	2,823
8	<i>Total</i>	<u>16,442</u>	<u>2,742,984</u>	<u>228,582</u>	<u>317,965</u>	<u>89,383</u>

[1] As of December 31, 2005

[2] Based on monthly reports provided by Frankfort EWFB (000's)

[3] Column (c) divided by 12

[4] Difference between Non-Coincident Peak and Average Monthly Usage

[5] City and County Annual Usage and Non-Coincident Peak were computed based on the number of residential and commercial customers

Exhibit 2

COST-OF-SERVICE STUDY



Table 2-1
Development of Required Margin

Line No.	Item	Total
1	Estimated Capital Improvements ⁽¹⁾	\$ 1,719,765
2	Plus: Bond Principle ⁽²⁾	627,559
3	Plus: Interest on New Debt	20,000
4	Plus: Reserve Requirement ⁽³⁾	100,000
5	Plus: Retirement Plan Principle ⁽⁴⁾	11,905
6	Total Principal	<u>759,464</u>
7	Less: New Borrowing	400,000
8	Less: Depreciation ⁽⁵⁾	<u>96,140</u>
9	Required Margin	\$ 1,133,089

Notes

(1) Based on 5-year average from 05-06 budget projections for planned capital additions including IT project

(2) Principal payments are based on outstanding bond issuances 5-year average from data provided by FEWPB plus approximately \$48,000 in principal on Bond Anticipation Note.

(3) Required to meet goal of \$2 million over the next 5 years

(4) Based on data provided by FEWPB staff

(5) Depreciation is based on a three year average as reported in audited financial statements by FEWPB.

Table 2-2
Development of Required Margin

	2005 Report	Adjustments [1]	"Test Year"
TREATMENT OPERATING EXPENSES			
Pumping Power	228,015	189,285	417,300
Pumping Maintenance	262,188	(182,588)	79,600
Water Treatment Chemicals	361,762	75,938	437,700
Water Treatment Labor Payroll	308,595	25,565	334,160
Miscellaneous Treatment Expense	27,516	25,384	52,900
Treatment Lab Expense	44,174	21,166	65,340
Treatment Lab Payroll	32,516	164	32,680
Water Treatment Maintenance	68,345	(15,965)	52,380
Water Treatment Maintenance Payroll	88,004	6,076	94,080
TOTAL TREATMENT EXPENSES	1,421,115	145,025	1,566,140
DISTRIBUTION OPERATING EXPENSES			
Fire Hydrants	9,820	(800)	9,020
Fire Hydrants Payroll	26,159	17,641	43,800
Water Distribution Expense	191,562	114,358	305,920
Water Distribution Payroll	828,786	58,274	887,060
TOTAL DISTRIBUTION EXPENSES	1,056,327	189,473	1,245,800
WATER ENGINEERING EXPENSES			
Engineering Expense	22,228	(16,228)	6,000
Engineering Payroll	153,274	78,466	231,740
TOTAL ENGINEERING EXPENSES	175,502	62,238	237,740
SUPPORT SERVICES EXPENSE			
Support Services Expense	21,614	3,778	25,392
Support Services Payroll	120,656	8,742	129,398
Inventory Adjustments	7,157	-	7,157
Cost of Sales Clearing	2,169	-	2,169
Auto & Truck Repair Expense	44,800	19,847	64,647
Auto & Truck payroll	47,928	14,047	61,975
Auto & Truck Gas & Oil	59,831	27,834	87,665
TOTAL SUPPORT SERVICES EXPENSE	304,155	74,248	378,403

Table 2-2
Development of Required Margin

	2005 Report	Adjustments [1]	"Test Year"
OFFICE OPERATING EXPENSE			
Meter Reading Expense	4,118	3,010	7,128
Meter Reading Payroll	147,659	1,324	148,983
Customer Records and Collection Expense	14,401	2626	17,027
Customer Records and Collection Payroll	186,341	30,121	216,462
Postage and Printing	34,608	14,748	49,356
Cash Over and Short	55	-	55
Office Supplies Expense	9,652	1,002	10,654
Bad Debts Expense	20,012	(6,197)	13,815
Info Tech Payroll	127,831	24,330	152,161
CIS Payroll	1	(1)	-
GIS Expenses	6,681	7,924	14,605
CIS Expenses	37,903	56,527	94,430
Computer Expense	39,365	(4,843)	34,522
TOTAL OFFICE OPERATING EXPENSE	628,627	130,571	759,198
	3,585,726		
ADMINISTRATIVE EXPENSE			
Publishing Expense	4,389	3,896	8,285
Administrative Expense	49,213	(155)	49,058
Dues and Subscriptions	8,438	10,067	18,505
Administrative Payroll	241,420	(19,307)	222,113
Clearing Account	(476)	-	(476)
Safety Expense	8,395	2,121	10,516
Travel and Training Expense	41,230	16,402	57,632
Board Payroll	1,608	(121)	1,487
Board Expense	-	133	133
Social Security Expense	210,987	3,485	214,472
Legal Retainer Fees	8,820	(7,099)	1,721
Other Consulting Fees	1,475	7,203	8,678
Other Legal and Accounting Fees	23,269	(3,809)	19,460
Insurance Expense	298,421	(10,063)	288,358
TOTAL ADMINISTRATIVE EXPENSE	897,189	2,753	899,942

Table 2-2
Development of Required Margin

	2005 Report	Adjustments [1]	"Test Year"
GENERAL EXPENSES			
General Expense	2,565	250	2,815
Maintenance Expense	7,715	(2,930)	4,785
TOTAL GENERAL EXPENSES	10,280	(2,680)	7,600
TOTAL ADMINISTRATIVE & GENERAL	907,469	73	907,542
DEPRECIATION			
Depreciation Expense	946,140	241,500	1,187,640
TOTAL DEPRECIATION	946,140	241,500	1,187,640
TAX EXPENSES			
In Lieu of Tax City	28,240	6,215	34,455
In Lieu of Tax County	17,880	(3,339)	14,541
TOTAL TAX EXPENSES	46,120	2,876	48,996
DEBT SERVICE			
Interest on Bonds	591,682	(97,982)	493,700
Interest on BAN	22,057	48,923	70,980
Interest on Customer Deposits	11,796	3,260	15,056
Interest on New Borrowing	-	-	-
Other Interest expense	9,561	(5,520)	4,041
Amortization Bond Dis/Exp	16,044	-	16,044
TOTAL DEBT SERVICE	651,140	(45,799)	599,821
CITY EXPENSES			
Contributions to City	3,348	-	3,348
Contributions to City Payroll	-	-	-
TOTAL CITY EXPENSES	3,348	-	3,348

Table 2-2
Development of Required Margin

	2005 Report	Adjustments [1]	"Test Year"
EMPLOYEE BENEFITS			
Unemployment Insurance Expense	12,568	(8,620)	3,948
Vacation Benefits Expense	150,652	4,415	155,067
Sick Benefit Expense	138,518	(68,538)	69,980
Employee Welfare Expense	422,264	117,777	540,041
Clubhouse Expense	7,421	(5,679)	1,742
Employee Activity Expense	6,159	5,611	11,770
Employee Assistance Expense	736	599	1,335
Company Contributions to Pension	265,662	137,236	402,898
TOTAL EMPLOYEE BENEFITS	1,003,980	182,801	1,186,781
NET INCOME (MARGIN)			
Total Revenue	7,682,700	1,608,784	9,291,290
Total Expense	7,143,923	983,006	8,121,409
TOTAL NET INCOME	538,777	625,778	1,164,555

Table 2-3
Development of Required Margin

	2005 Report	Adjustments ⁽¹⁾	"Test Year"
O & M Expenses			
Treatment	1,421,115	145,025	1,566,140
Distribution	1,056,327	189,473	1,245,800
Engineering	175,502	62,238	237,740
Office Operating	628,627	130,571	759,198
Total O & M Expenses	<u>3,281,571</u>	<u>527,307</u>	<u>3,808,878</u>
Other Operating Expenses			
Support	304,155	74,248	378,403
Administrative and General	907,469	73	907,542
Employee Benefits	1,003,980	-182,801	1,186,781
Tax Expense	46,120	2,876	48,996
City Expense	3,348	-	3,348
Total Other Operating Expenses	<u>2,265,072</u>	<u>259,998</u>	<u>2,525,070</u>
Interest Expense	651,140	(45,799)	599,821
Depreciation Expense	946,140	241,500	1,187,640
TOTAL OPERATING EXPENSES	<u>7,143,923</u>	<u>983,006</u>	<u>8,121,409</u>
LESS OTHER INCOME			
Sales of Material	(2,618)	-	(2,618)
Water Collections Charges	(41,782)	-	(41,782)
Mapping Income	(807)	-	(807)
Rental Clubhouse	(2,916)	-	(2,916)
Interest Revenue Cash Working Fund	-	-	-
Interest Revenue Contract Fund	-	-	-
Interest Revenue Bond Sinking Fund	(16,524)	-	(16,524)
Interest Revenue Depreciation Fund	(6,129)	-	(6,129)
Interest Revenue Bond Int and RED Fund	-	-	-
Interest Revenue Operations and Main Fund	(1,193)	-	(1,193)
Interest Revenue Farmers Bank Revenue	(1,708)	-	(1,708)
Interest Revenue State National Revenue	(1,585)	-	(1,585)
Interest Revenue Clubhouse Fund	(464)	-	(464)
Interest Revenue Public Bank Revenue	-	-	-
Miscellaneous Income	(185,082)	-	(185,082)
Capital Contributions	(198,417)	-	(198,417)
Total Other Income	<u>(459,225)</u>	<u>-</u>	<u>(459,225)</u>
MARGIN ⁽²⁾	<u>538,777</u>	<u>594,312</u>	<u>\$ 1,133,089</u>
TOTAL REVENUE REQUIREMENTS	<u>7,223,475</u>	<u>1,577,318</u>	<u>8,795,273</u>

Notes

- (1) All adjustments to expenses and income were provided by FEWPB.
(2) Margin will be used to fund normal capital additions and principal payment on existing debt.

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
	ANNUAL USAGE (1000 Gal)		2,781,047	1,143,615	565,831	-	6,528	280	1,045,088	19,706
	100% ANNUAL SYSTEM USAGE		100%	41%	20%	0%	0%	0%	38%	1%
1.01	TOTAL ANNUAL SYSTEM USAGE		1,143,615,444	1,143,615,444	565,830,948	-	-	-	-	-
1.02	City		-	-	-	-	-	-	-	-
1.03	County		-	-	-	-	-	-	-	-
1.04	Fire Services		6,528,000	-	-	-	6,528,000	279,588	1,045,087,600	-
1.05	Fire Hydrants		279,588	-	-	-	-	-	-	-
1.06	Loading Station		1,045,087,600	-	-	-	-	-	-	-
1.07	Wholesale		19,705,818	-	-	-	-	-	-	19,705,818
1.08	Municipal		-	-	-	-	6,528,000	279,588	1,045,087,600	19,705,818
1.09	TOTAL ANNUAL SYSTEM USAGE	0.99	2,781,047,398	1,143,615,444	565,830,948	-	6,528,000	279,588	1,045,087,600	19,705,818
	AVERAGE USAGE (1000 Gal/Mo)		95,301	95,301	47,153	-	-	-	-	-
2.01	City		47,153	-	-	-	-	-	-	-
2.02	County		-	-	-	-	-	-	-	-
2.03	Fire Services		544	-	-	-	544	-	-	-
2.04	Fire Hydrants		23	-	-	-	-	23	-	-
2.05	Loading Station		87,091	-	-	-	-	-	87,091	-
2.06	Wholesale		1,642	-	-	-	-	-	-	1,642
2.07	Municipal		231,754	95,301	47,153	-	544	23	87,091	1,642
	100% AVERAGE USAGE		100%	41%	20%	0%	0%	0%	38%	1%
2.08	TOTAL BASE CAPACITY		125,000	125,000	69,441	-	-	-	-	-
	NON-COINCIDENT PEAK(1000 Gal/Mo)		69,441	-	-	-	-	-	-	-
3.01	City		-	-	-	-	-	-	-	-
3.02	County		-	-	-	-	-	-	-	-
3.03	Fire Services		1,501	-	-	-	1,501	-	-	-
3.04	Fire Hydrants		29	-	-	-	-	29	-	-
3.05	Loading Station		118,490	-	-	-	-	-	118,490	-
3.06	Wholesale		2,960	-	-	-	-	-	-	2,960
3.07	Municipal		317,421	125,000	69,441	-	1,501	29	118,490	2,960
	100% TOTAL NON-COINCIDENT PEAK		100%	39%	22%	0%	0%	0%	37%	1%

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
EXTRA CAPACITY (1000 Gal/Mo)										
4.01	City	0.02	29,699	29,699						
4.02	County	0.02	22,288		22,288					
4.03	Fire Services	0.02	957			957	6		31,399	1,318
4.04	Fire Hydrants	0.02	6							
4.05	Loading Station	0.02	31,399							1,318
4.06	Wholesale	0.02	1,318							2%
4.07	Municipal	0.99	85,667	29,699	22,288	0%	957	1%	31,399	37%
			100%	35%	26%					
4.08	TOTAL EXTRA CAPACITY									
NUMBER OF CUSTOMERS										
5.01	City	0.03	11,359	11,359						
5.02	County	0.03	3,913		3,913	169				
5.03	Fire Services	0.03	169			949	17		12	23
5.04	Fire Hydrants	0.03	17							
5.05	Loading Station	0.03	12							23
5.06	Wholesale	0.03	23							23
5.07	Municipal	0.99	16,442	11,359	3,913	169	949	6%	12	0%
			100%	69%	24%	1%				
5.08	TOTAL CUSTOMERS									
WEIGHTED METERS										
6.01	City	0.03	18,939	18,939						
6.02	County	0.03	3,092		3,092	1,290				
6.03	Fire Services	0.03	1,290			235	740		16	
6.04	Fire Hydrants	0.03	235							
6.05	Loading Station	0.03	740							33
6.06	Wholesale	0.03	16							33
6.07	Municipal	0.99	33							0%
			24,345	18,939	3,092	1,290	235	1%	740	3%
			100%	78%	13%	5%				
6.08	TOTAL WEIGHTED METERS									
SERVICE METER ALLOCATOR										
7.01	City	0.01	18,939	18,939						
7.02	County	0.01	3,092		3,092					
7.03	Loading Station	0.01	740							
7.04	Municipal	0.99	33							
			22,804	18,939	3,092	0%		0%		0%
			100%	83%	14%					
7.05	TOTAL SERVICE METER ALLOCATOR									

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ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
9.01	BASE & EXTRA CAPACITY	2.08	231,754	95,301	47,153	-	544	23	87,091	1,642
	Base Capacity	0.73	100%	41,12%	20.35%	0.00%	0.23%	0.01%	37.58%	0.71%
	Extra Capacity	4.08	85,667	29,699	22,288	-	957	6	31,399	1,318
		0.27	100%	35%	25%	0%	1%	0%	37%	2%
9.02	TOTAL BASE & EXTRA CAPACITY	0.99	317,421	125,000	69,441	-	1,501	29	118,490	2,960
	INCREASED WEIGHT, FOR EXTRA CAP.		100%	39.38%	21.88%	0.00%	0.47%	0.01%	37.33%	0.93%
10.01	10% Base Capacity	2.08	24,621	10,734	5,080	-	34	30	8,678	86
10.02	90% Extra Capacity	4.08	189,172	84,999	42,442	-	7,637	257	53,439	399
10.03	TOTAL WEIGHTED BASE AND EXTRA CAPAC	0.99	213,793	95,733	47,502	-	7,670	287	62,117	485
	WEIGHTED BASE/CAPACITY									
11.01	11.01 City	2.01	95,301	95,301	-	-	-	-	-	-
11.02	11.02 County	2.02	47,153	-	47,153	-	-	-	-	-
11.03	11.03 Fire Services	2.03	-	-	-	-	-	-	-	-
11.04	11.04 Fire Hydrants	2.04	544	-	-	-	544	-	-	-
11.05	11.05 Loading Station	2.05	23	-	-	-	-	23	-	-
11.06	11.06 Wholesale	2.06	1,642	-	-	-	-	-	-	1,642
11.07	11.07 Municipal	2.07	144,663	95,301	47,153	-	544	23	-	1,642
	TOTAL WEIGHTED BASE CAP.	0.99	144,663	95,301	47,153	-	544	23	-	1,642
	WEIGHTED EXTRA CAPACITY									
12.01	12.01 City	4.01	29,699	29,699	-	-	-	-	-	-
12.02	12.02 County	4.02	22,288	-	22,288	-	-	-	-	-
12.03	12.03 Fire Services	4.03	-	-	-	-	-	-	-	-
12.04	12.04 Fire Hydrants	4.04	957	-	-	-	957	-	-	-
12.05	12.05 Loading Station	4.05	6	-	-	-	-	6	-	-
12.06	12.06 Wholesale	4.06	1,318	-	-	-	-	-	-	1,318
12.07	12.07 Municipal	4.07	54,268	29,699	22,288	-	957	6	-	1,318
12.08	TOTAL WEIGHTED EXTRA CAP	0.99	54,268	29,699	22,288	-	957	6	-	1,318

City of Frankfort Kentucky
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Water Rate Study
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ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
13.01	WEIGHTED BASE & EXTRA CAPACITY	11.08	144,663	95,301	47,153	-	544	23	-	1,642
	Weighted Base Capacity	12.08	54,268	29,899	22,288	-	957	6	-	1,318
13.02	Weighted Extra Capacity	0.99	198,931	125,000	69,441	0%	1,501	29	0%	2,960
			100%	63%	35%		1%	0%		1%
13.03	TOTAL WEIGHTED BASE & EXTRA	0.97	39,875,521	20,854,898	10,630,573	157,461	969,838	93,788	6,731,435	437,527
			100%	52%	27%	0%	2%	0%	17%	1%
28	TOTAL GROSS PLANT	0	35,699,609	18,670,896	9,517,300	140,971	868,273	83,966	6,026,495	391,708
			100%	52%	27%	0%	2%	0%	17%	1%
27	Total Utility Plant	0.97	22,474,044	11,535,281	5,911,617	71,282	559,594	48,378	4,104,301	243,590
			100%	51%	26%	0%	2%	0%	18%	1%
35	TOTAL ACCUMULATED DEPRECIATION	0.35	17,401,477	9,319,617	4,718,957	86,178	410,244	45,410	2,627,134	193,937
			100%	54%	27%	0%	2%	0%	15%	1%
36	Total Net Plant	0.99	2,556,099	1,328,051	648,934	5,830	91,344	805	458,824	22,311
			100%	52%	25%	0%	4%	0%	18%	1%
47.15	TOTAL PAYROLL EXPENSE	0	1,854,782	838,846	429,637	1,359	25,217	341	542,295	16,086
			100%	45%	23%	0%	1%	0%	29%	1%
46	TOTAL OPERATING EXPENSES	0.97	4,410,881	2,166,897	1,078,571	7,190	117,561	1,146	1,001,119	38,397
			100%	49%	24%	0%	3%	0%	23%	1%
48	TOTAL OPERATING AND PAYROLL EXPE	0	3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845
			100%	52%	26%	0%	3%	0%	18%	1%
63	TOTAL ADMINISTRATIVE AND GENERAL	0.99	7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160
			100%	48%	26%	1%	2%	0%	23%	0%
73.08	TOTAL REVENUE FROM RATES	0.99	459,225	284,791	157,372	122	4,063	132	6,057	6,689
			100%	62%	34%	0%	1%	0%	1%	1%
74.06	TOTAL OTHER OPERATING REVENUE									

City of Frankfort Kentucky
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 Schedule 3- Gross Utility Plant

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
										7	8		
21.01	101310	SOURCE OF SUPPLY & PUMPING PLANT	1.08	21,925	9,016	4,461	-	51	2	8,239	155	TOTAL ANNUAL SYSTEM USAGE	
21.02	101311	Source Of Supply Struct & Imp.	1.08	285,610	117,448	56,110	-	670	29	107,329	2,024	TOTAL ANNUAL SYSTEM USAGE	
21.03	101312	Source Of Supply River Intakes	1.08	1,143,129	470,075	232,581	-	2,693	115	429,576	8,100	TOTAL ANNUAL SYSTEM USAGE	
21.04	101313	Source Of Supply Galleries & T	1.08	125,854	51,754	25,606	-	295	13	47,295	892	TOTAL ANNUAL SYSTEM USAGE	
21.05	101314	Source Of Supply Supply Mains	1.08	27,322	11,235	5,559	-	64	3	10,267	194	TOTAL ANNUAL SYSTEM USAGE	
21.06	101315	Source Of Supply Plant Land	9.03	2,436	959	31,924	-	368	0	58,964	1,112	TOTAL BASE & EXTRA CAPACITY	
21.07	101320	Pumping Plant Land	2.08	156,906	64,522	246,858	-	5,336	103	421,224	10,523	TOTAL BASE & EXTRA CAPACITY	
21.08	101321	Structures & Improvements	9.03	1,128,410	444,367	605,632	-	9,481	280	1,083,803	23,022	TOTAL BASE & EXTRA CAPACITY	
21.09	101325	Pumping Equipment	0.99	2,891,593	1,169,376	605,632	-	-	-	-	-	TOTAL BASE & EXTRA CAPACITY	
21.10	101330	Total Production Plant	2.08	14,077	5,789	2,864	-	33	1	5,290	100	TOTAL BASE CAPACITY	
21.11	101331	Water Treatment Plant	9.03	2,637,407	1,038,608	576,976	-	12,472	241	984,517	24,594	TOTAL BASE & EXTRA CAPACITY	
21.12	101332	Treatment Structures & Improvements	9.03	4,851,987	1,910,474	1,061,322	-	22,941	443	1,810,977	45,240	TOTAL BASE & EXTRA CAPACITY	
21.13	101332	Treatment Equipment	0.99	7,502,880	2,964,870	1,641,161	-	35,446	686	2,800,783	69,934	TOTAL BASE & EXTRA CAPACITY	
25.01	101340	TRANSMISSION & DISTRIBUTION PLANT	11.08	188,082	110,729	54,786	-	632	27	-	1,908	TOTAL WEIGHTED BASE CAP	
25.02	101341	Distribution Plant Land	13.03	137,544	86,427	48,012	-	1,038	20	-	2,047	TOTAL WEIGHTED BASE & EXTRA	
25.03	101342	Distribution Structures and Improvements	13.03	6,122,784	3,847,304	2,137,285	-	46,198	893	-	91,104	TOTAL WEIGHTED BASE & EXTRA CAPACITY	
25.04	101343	Distribution Reservoir & Stan	9.03	2,207,534	869,324	482,934	-	10,439	202	824,050	20,586	TOTAL WEIGHTED BASE & EXTRA CAPACITY	
25.05	101344	Transmission Reservoir & Stan	9.03	3,527,818	1,389,250	771,767	-	16,662	322	1,316,898	32,897	TOTAL WEIGHTED BASE & EXTRA CAPACITY	
25.06	101345	Transmission Mains	13.03	9,784,702	6,148,302	3,415,554	-	73,829	1,426	-	145,592	TOTAL WEIGHTED BASE & EXTRA CAPACITY	
25.07	101346	Distribution Mains	Direct	64,930	64,930	64,930	-	-	-	-	-	DIRECT	
25.08	101347	Distribution Fire Mains	7.05	1,122,562	932,405	152,206	-	13,631	36,448	943	1,604	TOTAL SERVICE METER ALLOCATOR	
25.09	101348	Distribution Meter Installations	6.08	1,405,560	1,096,563	179,003	-	250	42,865	17	1,886	TOTAL WEIGHTED METERS	
25.10	101349	Distribution Hydrants	13.03	25,305,136	14,546,650	7,270,507	-	660,093	787	-	35	TOTAL WEIGHTED METERS	
25.11	101349	Other Distribution Plant	0.99	25,305,136	14,546,650	7,270,507	-	555	-	-	1,094	TOTAL WEIGHTED BASE & EXTRA	
25.12	101349	Total Distribution Plant	0.99	25,305,136	14,546,650	7,270,507	-	823,347	83,000	2,141,908	298,752	TOTAL WEIGHTED BASE & EXTRA	

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ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
										FIRE	FIRE		
		GENERAL PLANT											
26.01	101389	General Land	27.00	22,525	11,781	6,005	89	548	53	3,802	247	Total Utility Plant	
26.02	101390	General Structures And Improve	27.00	613,988	321,121	163,688	2,425	14,933	1,444	103,650	6,737	Total Utility Plant	
26.03	101391	General Office Equipment	27.00	1,690,911	884,346	450,787	6,677	41,126	3,977	285,445	18,553	Total Utility Plant	
26.04	101392	General Transport Equipment	27.00	1,001,189	523,622	266,911	3,954	24,351	2,355	169,012	10,985	Total Utility Plant	
26.05	101393	General Stores Equipment	27.00	11,895	6,221	3,171	47	289	28	2,008	131	Total Utility Plant	
26.06	101394	General Tools Shop & Garage Eq	27.00	97,266	50,870	25,930	384	2,366	229	16,420	1,067	Total Utility Plant	
26.07	101395	General Laboratory Equipment	27.00	13,831	7,234	3,687	55	336	33	2,335	152	Total Utility Plant	
26.08	101396	General Power Operated Equipme	27.00	476,342	249,127	126,990	1,881	11,585	1,120	80,412	5,227	Total Utility Plant	
26.09	101397	General Communications Equipme	27.00	60,506	47,334	24,128	357	2,201	213	15,278	993	Total Utility Plant	
26.10	101398	General Miscellaneous Equipment	27.00	157,451	82,347	41,975	622	3,829	370	26,579	1,728	Total Utility Plant	
26.11		Total General Plant	0.99	4,175,912	2,184,002	1,113,273	18,490	101,565	9,822	704,941	45,819		
27.00		Total Utility Plant		35,699,609	18,670,896	9,517,300	140,971	868,273	89,966	6,026,495	391,708		
28.00		TOTAL GROSS PLANT	0.97	39,875,521	20,854,898	10,630,573	157,461	969,838	93,788	6,731,435	437,527		

SCHEDULE IV - ACCUMULATED DEPRECIATION

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
										FIRE	FIRE		
		DEPRECIATION - PRODUCTION											
32.01	108313	River Intakes	1.08	605,645	249,052	123,224	-	1,422	61	227,595	4,291	TOTAL ANNUAL SYSTEM USAGE	
32.02	108315	Galleries and Tunnels	1.08	76,884	31,616	15,643	-	180	8	28,892	545	TOTAL ANNUAL SYSTEM USAGE	
32.03	108316	Source of Supply Mains	1.08	1,247	513	254	-	3	0	469	9	TOTAL ANNUAL SYSTEM USAGE	
32.04	108321	Structures and Improvements	2.08	95,722	39,363	19,476	-	225	10	35,971	678	TOTAL BASE CAPACITY	
32.05	108325	Pumping Equipment	9.03	604,288	237,968	132,198	-	2,658	55	225,575	5,635	TOTAL BASE & EXTRA CAPACITY	
32.06		Total Production Depreciation	0.96	1,383,787	558,511	290,794	-	4,687	134	518,502	11,158		
		DEPRECIATION - TREATMENT											
33.01	108331	Structures and Improvements	9.03	1,524,267	600,255	333,458	-	7,208	139	568,993	14,214	TOTAL BASE & EXTRA CAPACITY	
33.02	108332	332 Station Equipment	9.03	1,729,610	681,197	378,424	-	8,180	158	645,720	16,131	TOTAL BASE & EXTRA CAPACITY	
33.03		Total Treatment Depreciation	0.96	3,254,077	1,281,451	711,882	-	15,388	297	1,214,713	30,345		

City of Frankfort Kentucky
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 Water Rate Study
 Schedule 3 - Gross Utility Plant

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	CITY				COUNTY				FIRE SERVICES				FIRE HYDRANTS				LOADING STATIONS				WHOLESALE MUNICIPAL				ALLOCATION METHOD
				TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE MUNICIPAL	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE MUNICIPAL	TOTAL BASE CAPACITY	TOTAL WEIGHTED BASE & EXTRA	TOTAL BASE CAPACITY	TOTAL WEIGHTED BASE & EXTRA	TOTAL SERVICE METER ALLOCATOR	TOTAL WEIGHTED METERS	TOTAL WEIGHTED BASE & EXTRA	TOTAL WEIGHTED METERS	TOTAL WEIGHTED BASE & EXTRA		
34.01	108341	DEPRECIATION - DISTRIBUTION	2.08	51,805	21,303	10,540	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	387	19,468	TOTAL BASE CAPACITY	
34.02	108342	Structures and Improvements	13.03	1,311,811	824,288	457,915	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED BASE & EXTRA
34.03	108343	Distribution Reservoirs and Stand.	9.03	472,966	186,253	103,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED BASE & EXTRA
35.02	108343	Transmission Reservoirs and Stand.	9.03	1,247,988	491,299	272,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED BASE & EXTRA
34.03	108343	Transmission Main	13.03	3,460,291	2,174,304	1,207,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL SERVICE METER ALLOCATOR
34.04	108343	Distribution Main	13.03	91,098	57,242	31,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.05	108344	Dial Mains	7.05	162,678	135,109	22,055	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.06	108345	Fire Mains	6.08	579,059	450,477	73,536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.07	108346	Fire Meters	6.08	11,923	9,276	1,514	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.08	108347	Meter Installation	Direct	242,018	9,276	1,514	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.09	108348	Hydrants	13.03	81,459	51,185	28,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.10	108349	Other Trans. and Dist. Plan	27.00	1,178,530	616,371	314,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.11	108350	Depreciation General Plant Stru	27.00	4,095,756	2,142,061	1,091,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.12	108391	Depreciation General Office Eq	27.00	2,924,942	1,215,892	619,789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.13	108392	Depreciation General Transport	27.00	39,890	20,862	10,634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.14	108393	Depreciation General Stores Eq	27.00	323,319	169,096	86,185	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.15	108394	Depreciation General Shop & Laborator	27.00	49,020	25,637	13,068	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.16	108395	Depreciation General Power Ops	27.00	1,482,415	775,303	395,203	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.17	108396	Depreciation General Comm Equi	27.00	179,913	94,094	47,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.18	108397	Depreciation General Miscellan	27.00	449,800	235,249	119,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
34.19	108398	Depreciation General Miscellan	27.00	17,836,180	9,895,318	4,908,940	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
35.00		TOTAL ACCUMULATED DEPRECIATION	0.97	22,474,044	11,535,281	5,911,617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS
36.01		Total Net Plant	35.00	17,401,477	9,319,617	4,718,957	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL WEIGHTED METERS

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Schedule 4- Operating Expenses

ITEM NO.	DESCRIPTION	ALOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
				5	6	7	8	9	10	11	
TREATMENT OPERATING EXPENSES											
39.01	Pumping Power	9.03	417,300	164,332	91,291	-	1,973	38	155,774	3,891	TOTAL BASE & EXTRA CAPACITY
39.02	Pumping Maintenance	9.03	79,600	31,346	17,414	-	376	7	29,714	742	TOTAL BASE & EXTRA CAPACITY
39.03	Water Treatment Chemicals	2.08	437,700	179,990	89,054	-	1,027	44	164,483	3,101	TOTAL BASE & EXTRA CAPACITY
39.04	Miscellaneous Treatment Expense	9.03	52,900	20,832	11,573	-	250	5	19,747	493	TOTAL BASE & EXTRA CAPACITY
39.05	Treatment Lab Expense	2.08	65,340	26,669	13,294	-	153	7	24,554	463	TOTAL BASE & EXTRA CAPACITY
39.06	Water Treatment Maintenance	9.03	52,380	20,627	11,459	-	248	5	19,553	488	TOTAL BASE & EXTRA CAPACITY
39.07	TOTAL TREATMENT OPERATING EXPEN	0.99	1,105,220	443,997	234,085	-	4,028	106	413,825	9,180	
DISTRIBUTION OPERATING EXPENSES											
40.01	Transmission Expense	9.03	81,069	31,925	17,735	-	383	7	30,262	756	TOTAL BASE & EXTRA CAPACITY
40.02	Distribution Expense	13.03	224,851	141,287	78,489	-	1,697	33	-	3,346	TOTAL WEIGHTED BASE & EXTRA
40.03	Hydrant Distribution Expense	Direct	9,020	-	-	-	9,020	-	-	-	Direct
40.04	TOTAL DISTRIBUTION OPERATING EX	0.99	314,940	173,212	96,224	-	11,100	40	30,262	4,102	
WATER ENGINEERING EXPENSES											
41.01	Engineering Expense	9.03	6,000	2,363	1,313	-	28	1	2,240	56	TOTAL BASE & EXTRA CAPACITY
41.02	TOTAL WATER ENGINEERING EXPENSE	0.99	6,000	2,363	1,313	-	28	1	2,240	56	
42 SUBTOTAL OPERATING EXPENSES											
		0.97	1,426,160	619,571	331,622	-	15,157	146	446,327	13,337	
SUPPORT SERVICES EXPENSE											
44.01	Support Services Expense	2.08	25,392	10,442	5,166	-	60	3	9,542	180	TOTAL BASE CAPACITY
44.02	Inventory Adjustments	2.08	7,157	2,943	1,456	-	17	1	2,690	51	TOTAL BASE CAPACITY
44.03	Cost of Sales Clearing	2.08	2,169	892	441	-	5	0	815	15	TOTAL BASE CAPACITY
44.04	Auto & Truck Repair Expense	2.08	64,647	26,584	13,153	-	152	6	24,294	458	TOTAL BASE CAPACITY
44.05	Auto & Truck Gas & Oil	2.08	87,665	36,049	17,836	-	206	9	32,944	621	TOTAL BASE CAPACITY
44.06	TOTAL SUPPORT SERVICES EXPENSES		187,030	76,910	38,053	-	439	19	70,284	1,325	
OFFICE OPERATING EXPENSE											
45.01	Meter Reading Expense	5.08	7,128	4,924	1,696	-	73	7	5	10	TOTAL CUSTOMERS
45.02	Customer Records and Collection Expense	5.08	17,027	11,763	4,052	-	175	18	12	24	TOTAL CUSTOMERS
45.03	Postage and Printing	5.08	49,356	34,098	11,746	-	507	51	36	69	TOTAL CUSTOMERS
45.04	Cash Over and Short	5.08	55	38	13	-	1	0	0	0	TOTAL CUSTOMERS
45.05	Office Supplies Expense	5.08	10,654	7,360	2,536	-	110	11	8	15	TOTAL CUSTOMERS
45.06	Bad Debts Expense	5.08	13,815	9,544	3,288	-	142	14	10	19	TOTAL CUSTOMERS
45.07	GIS Expenses	28.00	14,605	7,638	3,894	-	58	34	2,465	160	TOTAL GROSS PLANT
45.08	CIS Expenses	47.15	94,430	49,062	23,974	-	3,375	30	16,960	824	TOTAL PAYROLL EXPENSE
45.09	Computer Expense	47.15	34,522	17,936	8,764	-	79	11	6,197	301	TOTAL PAYROLL EXPENSE
45.10	TOTAL OFFICE OPERATING EXPENSE	0.89	241,592	142,365	59,963	-	1,359	176	25,684	1,423	
46 TOTAL OPERATING EXPENSES											
			1,854,782	838,846	429,637	-	1,359	341	542,295	16,086	

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Schedule 4 - Operating Expenses

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
									WHOLESALE	MUNICIPAL		
	PAYROLL EXPENSE											
47.01	Treatment Lab Payroll	2.08	32,680	13,439	6,648	-	77	3	12,281	232	232	TOTAL BASE CAPACITY
47.02	Water Treatment Maintenance Payroll	9.03	94,080	37,049	20,582	-	445	9	35,119	877	877	TOTAL BASE & EXTRA CAPACITY DIRECT
47.03	Hydrant Payroll	Direct	43,800	-	-	-	43,800	-	-	-	-	TOTAL BASE & EXTRA CAPACITY
47.04	Water Transmission Payroll	9.03	235,071	92,571	51,425	-	1,112	21	87,750	2,192	2,192	TOTAL WEIGHTED BASE & EXTRA CAPACITY
47.05	Water Distribution Payroll	13.03	651,989	409,693	227,590	-	4,919	95	86,506	9,701	9,701	TOTAL BASE & EXTRA CAPACITY
47.06	Engineering Payroll	9.03	231,740	91,259	50,697	-	1,096	13	48,626	2,161	2,161	TOTAL BASE CAPACITY
47.07	Support Services Payroll	2.08	129,398	53,211	26,327	-	304	6	23,290	439	439	TOTAL CUSTOMERS
47.08	Auto & Truck Maintenance Payroll	2.08	61,975	25,465	12,609	1,531	8,599	154	109	208	208	TOTAL CUSTOMERS
47.09	Meter Reading Payroll	5.08	148,983	102,925	35,456	2,225	12,494	224	158	303	303	TOTAL PAYROLL EXPENSE
47.10	Customer Records and Collection	5.08	216,462	149,543	51,515	507	7,937	70	39,870	1,989	1,989	TOTAL PAYROLL EXPENSE
47.11	Administrative Payroll	47.15	222,113	115,401	56,389	3	53	0	267	13	13	TOTAL CUSTOMERS
47.12	Board Payroll	47.15	1,487	773	378	1,564	8,782	157	111	-	-	TOTAL CUSTOMERS
47.13	Information Technologies Payroll	5.08	152,161	105,121	36,213	-	-	31	124,738	3,115	3,115	TOTAL BASE & EXTRA CAPACITY
47.14	CIS Payroll	5.08	334,150	131,592	73,103	-	1,580	805	456,824	22,311	22,311	
47.15	Water Treatment Labor Payroll	9.03	648,934	1,328,051	648,934	5,830	91,344	805	1,001,119	38,397	38,397	
47.16	TOTAL PAYROLL EXPENSE	0.99	2,556,099	1,328,051	648,934	7,190	117,561	1,146				
48	TOTAL OPERATING AND PAYROLL EXPE	0.97	4,410,881	2,166,897	1,078,571							

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
									WHOLESALE	MUNICIPAL		
	ADMINISTRATIVE EXPENSE											
50.01	Publishing Expense	5.08	8,285	5,724	1,972	85	478	9	8,806	6	6	TOTAL CUSTOMERS
50.02	Administrative Expense	47.15	49,058	25,489	12,455	112	1,753	15	3,322	162	162	TOTAL PAYROLL EXPENSE
50.03	Dues and Subscriptions	47.15	18,505	9,614	4,698	42	661	6	(80)	(5)	(5)	TOTAL GROSS PLANT
50.04	Clearing Account	28.00	(476)	(249)	(127)	(2)	(376)	3	1,888	92	92	TOTAL PAYROLL EXPENSE
50.05	Safety Expense	47.15	10,516	5,464	2,670	24	2,060	18	10,345	503	503	TOTAL PAYROLL EXPENSE
50.06	Travel and Training Expense	47.15	57,632	29,943	14,631	131	7,664	66	38,498	1,872	1,872	TOTAL OPERATING EXPENSES
50.07	Social Security Expense	47.15	214,472	111,431	54,449	489	7,664	24	503	75	75	TOTAL OPERATING EXPENSES
50.08	Legal Retainer Fees	46.00	1,721	778	399	1	123	2	2,537	169	169	TOTAL OPERATING EXPENSES
50.09	Other Consulting Fees	46.00	8,678	3,925	2,010	6	275	4	5,690	3,214	3,214	Total Net Plant
50.10	Other Legal and Accounting Fees	46.00	19,460	8,801	4,508	14	6,798	752	43,534	6,536	6,536	
50.11	Insurance Expense	36.00	288,358	154,434	78,197	1,428	6,798	876	115,048			
50.12	TOTAL ADMINISTRATIVE EXPENSE	0.99	676,209	355,355	175,862	2,332	20,201	876				
	GENERAL EXPENSES											
51.01	General Expense	46.00	2,815	1,273	652	2	40	1	823	24	24	TOTAL OPERATING EXPENSES
51.02	Maintenance Expense	46.00	4,785	2,154	1,108	4	68	1	1,399	41	41	TOTAL OPERATING EXPENSES
51.03	TOTAL GENERAL EXPENSES	0.99	7,600	3,437	1,760	6	107	1	2,222	66	66	
53.01	Depreciation Expense	35.00	1,187,640	609,581	312,399	3,767	29,572	2,557	216,892	12,873	12,873	TOTAL ACCUMULATED DEPRECIATION
53.02	TOTAL DEPRECIATION EXPENSE	0.99	1,187,640	609,581	312,399	3,767	29,572	2,557	216,892	12,873	12,873	

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 4 - Operating Expenses

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE			LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
						SERVICES	HYDRANTS	STATIONS		WHOLESALE	MUNICIPAL		
56.01	TAX EXPENSE	36.00	34,455	18,453	9,344	171	812	90	5,202	384	Total Net Plant	384	Total Net Plant
56.02	In Lieu of Tax City	36.00	14,541	7,788	3,943	72	343	38	2,195	162	Total Net Plant	162	Total Net Plant
56.03	TOTAL TAX EXPENSE	0.99	48,996	26,241	13,287	243	1,155	128	7,397	546		546	
57.01	DEBT SERVICE	28.00	493,700	258,205	131,617	1,950	12,008	1,161	83,342	5,417	TOTAL GROSS PLANT	5,417	TOTAL GROSS PLANT
57.02	Interest on Bonds	28.00	70,980	37,123	18,923	280	1,726	167	11,982	779	TOTAL GROSS PLANT	779	TOTAL GROSS PLANT
57.03	Interest on BAN	5.08	15,056	10,401	3,583	155	869	16	11	21	TOTAL CUSTOMERS	21	TOTAL CUSTOMERS
57.04	Interest on Customer Deposits	28.00	4,041	2,113	1,077	16	98	10	662	44	TOTAL GROSS PLANT	44	TOTAL GROSS PLANT
57.05	Interest on New Borrowing	28.00	4,041	2,113	1,077	16	98	10	662	44	TOTAL GROSS PLANT	44	TOTAL GROSS PLANT
57.06	Other Interest Expense	28.00	16,044	8,391	4,277	63	390	38	2,708	175	TOTAL GROSS PLANT	175	TOTAL GROSS PLANT
57.07	Amortization Bond Dis/Exp	0.99	598,821	316,234	159,478	2,464	15,091	1,391	98,726	6,437		6,437	
57.07	TOTAL DEBT SERVICE EXPENSE												
60.01	CITY EXPENSES	46.00	3,348	1,514	776	2	47	1	979	29	TOTAL OPERATING EXPENSES	29	TOTAL OPERATING EXPENSES
60.02	Contributions to City	46.00											
60.02	Contributions to City Payroll	0.99	3,348	1,514	776	2	47	1	979	29		29	
60.03	TOTAL CITY EXPENSES												
61.01	EMPLOYEE BENEFITS EXPENSES	47.15	3,948	2,051	1,002	9	141	1	709	34	TOTAL PAYROLL EXPENSE	34	TOTAL PAYROLL EXPENSE
61.01	Unemployment Insurance Expense	47.15	155,067	80,567	39,368	354	5,541	49	27,835	1,354	TOTAL PAYROLL EXPENSE	1,354	TOTAL PAYROLL EXPENSE
61.02	Vacation Benefits Expense	47.15	69,980	36,359	17,766	160	2,501	22	12,562	611	TOTAL PAYROLL EXPENSE	611	TOTAL PAYROLL EXPENSE
61.03	Sick Benefit Expense	47.15	540,041	280,565	137,104	1,232	19,299	170	96,938	4,714	TOTAL PAYROLL EXPENSE	4,714	TOTAL PAYROLL EXPENSE
61.04	Employee Welfare Expense	47.15	1,742	905	442	4	62	1	313	15	TOTAL PAYROLL EXPENSE	15	TOTAL PAYROLL EXPENSE
61.05	Clubhouse Expense	47.15	11,770	6,115	2,988	27	421	4	2,113	103	TOTAL PAYROLL EXPENSE	103	TOTAL PAYROLL EXPENSE
61.06	Employee Assistance Expense	47.15	1,335	694	339	3	48	0	240	12	TOTAL PAYROLL EXPENSE	12	TOTAL PAYROLL EXPENSE
61.07	Company Contributions to Pension	47.15	402,898	209,330	102,286	919	14,398	127	72,321	3,517	TOTAL PAYROLL EXPENSE	3,517	TOTAL PAYROLL EXPENSE
61.08	Company Contributions to Pension	47.15	1,186,781	616,506	301,296	2,707	42,410	374	213,029	10,359		10,359	
61.09	TOTAL EMPLOYEE BENEFITS EXPENSE												
63	TOTAL ADMINISTRATIVE AND GENERAL	3,710,395	1,928,968	964,858	11,520	108,584	5,327	38,397	1,001,119	38,397	TOTAL OPERATING AND PAYROLL EXPE	38,397	TOTAL OPERATING AND PAYROLL EXPE
65.01	TOTAL EXPENSES	48.00	4,410,881	2,166,897	1,078,571	7,190	117,561	1,146	654,293	36,845	TOTAL ADMINISTRATIVE AND GENERAL	36,845	TOTAL ADMINISTRATIVE AND GENERAL
65.02	Total Operating and Payroll Exp	63.00	3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845		36,845	
65.02	Total Administrative and General	0.99	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242		75,242	
65.03	TOTAL EXPENSES												

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-	
										CITY	COUNTY
	CAPACITY SUMMARY (1000 Gal/Mo)										
79.01	System Average Usage	2.08	231,754	95,301	47,153	-	544	23	87,091	1,642	
79.02	System Extra Usage	4.08	85,667	29,699	22,288	-	957	6	31,399	1,318	
79.03	System Non-Coincident Peak	0.99	317,421	125,000	69,441	-	1,501	29	118,490	2,960	

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-	
										CITY	COUNTY
	REVENUE										
81.01	Operating Revenue From Rates	73.08	7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160	
81.02	Other Operating Revenue	74.06	459,225	284,791	157,372	122	4,063	132	6,057	6,689	
81.03	TOTAL REVENUE	0.99	7,682,700	3,781,902	2,065,791	69,289	112,970	1,004	1,640,896	10,849	
	ACCUMULATED DEPRECIATION										
83.01	Production	32.06	1,383,787	558,511	290,794	-	4,687	134	518,502	11,158	
83.02	Treatment	33.03	3,254,077	1,281,451	711,882	-	15,388	297	1,214,713	30,345	
83.03	Distribution	34.11	17,836,180	9,695,318	4,908,940	71,282	539,519	47,947	2,371,086	202,087	
83.04	TOTAL ACCUMULATED DEPRECIATION	0.99	22,474,044	11,535,281	5,911,617	71,282	559,594	48,378	4,104,301	243,590	

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	FIRE STATIONS	LOADING STATIONS	WHOLESALE	MUNI-MUNICIPAL
	OPERATING EXPENSE										
85.01	Treatment	39.07	1,105,220	443,997	234,085	-	4,028	106	413,825	9,180	
85.02	Distribution	40.03	314,940	173,212	96,224	-	11,100	40	30,262	4,102	
85.03	Water Engineering	41.02	6,000	2,363	1,313	-	28	1	2,240	56	
85.04	Support Services	44.06	187,030	76,910	38,053	-	439	19	70,284	1,325	
85.05	Office Operating	45.12	241,592	142,365	59,963	1,359	10,622	176	25,684	1,423	
85.06	Payroll	47.15	2,556,099	1,328,051	648,934	5,830	91,344	805	458,824	22,311	
85.07	TOTAL OPERATING EXPENSES	0.99	4,410,881	2,166,897	1,078,571	7,190	117,561	1,146	1,001,119	38,397	
	ADMINISTRATIVE AND GENERAL EXPEN										
86.01	Administrative	50.14	676,209	355,355	175,862	2,332	20,201	876	115,048	6,536	
86.02	General	51.03	7,600	3,437	1,760	6	107	1	2,222	66	
86.03	Depreciation	53.01	1,187,640	609,581	312,399	3,767	29,572	2,557	216,892	12,873	
86.04	Tax	56.03	48,996	26,241	13,287	243	1,155	128	7,397	546	
86.05	Debt Service	57.07	599,821	316,234	159,478	2,464	15,091	1,391	98,726	6,437	
86.06	City	60.03	3,348	1,514	776	2	47	1	979	29	
86.07	Employee Benefits	61.09	1,186,781	616,606	301,296	2,707	42,410	374	213,029	10,359	
86.08	TOTAL A & G EXPENSE	0.99	3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845	
	NET INCOME										
90.01	TOTAL REVENUE	82.00	7,682,700	3,781,902	2,065,791	69,289	112,970	1,004	1,640,896	10,849	
90.02	TOTAL EXPENSE	87.00	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242	
90.03	NET INCOME (MARGIN)	0.99	(438,576)	(313,962)	22,361	50,579	(113,175)	(5,469)	(14,516)	(64,394)	
	REVENUE REQUIREMENTS										
92.01	Total Expense	87.00	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242	
92.02	Other Operating Revenue	74.06	459,225	284,791	157,372	122	4,063	132	6,057	6,689	
92.03	Required Margin	36.00	1,133,089	606,842	307,273	5,611	26,713	2,957	171,065	12,628	
92.04	REVENUE REQUIREMENT	0.99	8,795,140	4,417,916	2,193,330	24,200	248,795	9,298	1,820,420	81,182	

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI- MUNICIPAL
93	TOTAL REVENUE REQUIREMENT	0.97	8,795,140	4,417,916	2,193,330	24,200	248,795	9,298	1,820,420	81,182
	AVERAGE RATE PER 1000 GAL.									
94.01	Average Rate per 1000 Gal.	93.00	3.16	3.86	3.88		38.11	33.25	1.74	4.12
	AVERAGE INVESTMENT PER CUSTOMER									
95.01	Average Investment per Customer	28.00	1,058	820	1,206	510	432	2,671	218,928	8,432
	RETURN ON NET PLANT									
97.01	Return on Plant	90.03	-2.52%	-3.37%	0.47%	58.69%	-27.59%	-12.04%	-0.55%	-33.20%
	Existing Avg. Rates		2.60	3.06	3.37		16.68	3.12	1.56	0.21
	Cost Based Rates		3.16	3.86	3.88		38.11	33.25	1.74	4.12
	Total Average Rate (\$/1000 Gallon)		22%	26%	15%		128%	967%	11.4%	1851%
	Allocated Rate Increase		21.8%	26%	15%		128%	967%	11.4%	1851%
	Revenue Requirements (% of Total)		8,795,140	4,417,916	2,193,330	24,200	248,795	9,298	1,820,420	81,182
	Revenue (% of Total)		100%	50.23%	24.94%	0.28%	2.83%	0.11%	20.70%	0.92%
			7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160
			100%	48.41%	26.42%	0.96%	1.51%	0.01%	22.63%	0.06%
			22%	26%	15%	-65%	128%	967%	11%	1851%

Exhibit 3

WEIGHTED METERS TABLE



City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Cost of Service Study - 2006
 Exhibit 2 - Weighted Meters Table

Meter Size	Ratio (2)	City	County	Fire Services	Fire Hydrants	Loading Stations	Wholesale	Municipal	Total
5/8 x 3/4	1	8837	1443	602	110	345	8	15	11359
1	2	5074	828	345	63	198	4	9	6522
1 1/2	3	438	72	30	5	17	0	1	563
2	5	3937	643	268	49	154	3	7	5061
3	10	132	22	9	2	5	0	0	170
4	17	402	66	27	5	16	0	1	517
6	33	78	13	5	1	3	0	0	100
8	53	0	0	0	0	0	0	0	0
10	53	41	7	3	1	2	0	0	53
Total		18,939	3,092	1,290	235	740	16	33	24,345

Exhibit 4

COST-OF-SERVICE 40% DEBT



Table 4-1
Development of Required Margin

Line No.	Item	Total
1	Estimated Capital Improvements ⁽¹⁾	\$ 1,719,765.
2	Plus: Bond Principle ⁽²⁾	627,559
3	Plus: Interest on New Debt	34,395
4	Plus: Reserve Requirement ⁽³⁾	100,000
5	Plus: Retirement Plan Principle ⁽⁴⁾	11,905
6	Total Principal	<u>773,859</u>
7	Less : New Borrowing	687,906
8	Less : Depreciation ⁽⁵⁾	<u>946,140</u>
9	Required Margin	\$ 859,578

Notes

- (1) Based on 5-year average from 05-06 budget projections for planned capital additions including IT project payments are based on
- (3) Required to meet goal of \$2 million over the next 5 years
- (4) Based on data provided by FEWPB staff
- (5) Depreciation is based on a three year average as reported in audited financial statements by FEWPB.

Table 4-2
Revenue Requirements for Test Year Ending December 31, 2005

	2005 Report	Adjustments [1]	"Test Year"
TREATMENT OPERATING EXPENSES			
Pumping Power	228,015	189,285	417,300
Pumping Maintenance	262,188	(182,588)	79,600
Water Treatment Chemicals	361,762	75,938	437,700
Water Treatment Labor Payroll	308,595	25,565	334,160
Miscellaneous Treatment Expense	27,516	25,384	52,900
Treatment Lab Expense	44,174	21,166	65,340
Treatment Lab Payroll	32,516	164	32,680
Water Treatment Maintenance	68,345	(15,965)	52,380
Water Treatment Maintenance Payroll	88,004	6,076	94,080
TOTAL TREATMENT EXPENSES	1,421,115	145,025	1,566,140
DISTRIBUTION OPERATING EXPENSES			
Fire Hydrants	9,820	(800)	9,020
Fire Hydrants Payroll	26,159	17,641	43,800
Water Distribution Expense	191,562	114,358	305,920
Water Distribution Payroll	828,786	58,274	887,060
TOTAL DISTRIBUTION EXPENSES	1,056,327	189,473	1,245,800
WATER ENGINEERING EXPENSES			
Engineering Expense	22,228	(16,228)	6,000
Engineering Payroll	153,274	78,466	231,740
TOTAL ENGINEERING EXPENSES	175,502	62,238	237,740
SUPPORT SERVICES EXPENSE			
Support Services Expense	21,614	3,778	25,392
Support Services Payroll	120,656	8,742	129,398
Inventory Adjustments	7,157	-	7,157
Cost of Sales Clearing	2,169	-	2,169
Auto & Truck Repair Expense	44,800	19,847	64,647
Auto & Truck payroll	47,928	14,047	61,975
Auto & Truck Gas & Oil	59,831	27,834	87,665
TOTAL SUPPORT SERVICES EXPENSE	304,155	74,248	378,403
OFFICE OPERATING EXPENSE			

Table 4-2
Revenue Requirements for Test Year Ending December 31, 2005

	2005 Report	Adjustments [1]	"Test Year"
	4,118	3,010	7,128
Meter Reading Payroll	147,659	1,324	148,983
Customer Records and Collection Expense	14,401	2,626	17,027
Customer Records and Collection Payroll	186,341	30,121	216,462
Postage and Printing	34,608	14,748	49,356
Cash Over and Short	55	-	55
Office Supplies Expense	9,652	1,002	10,654
Bad Debts Expense	20,012	(6,197)	13,815
Info Tech Payroll	127,831	24,330	152,161
CIS Payroll	1	(1)	-
GIS Expenses	6,681	7,924	14,605
CIS Expenses	37,903	56,527	94,430
Computer Expense	39,365	(4,843)	34,522
TOTAL OFFICE OPERATING EXPENSE	628,627	130,571	759,198
	3,585,726		
ADMINISTRATIVE EXPENSE			
Publishing Expense	4,389	3,896	8,285
Administrative Expense	49,213	(155)	49,058
Dues and Subscriptions	8,438	10,067	18,505
Administrative Payroll	241,420	(19,307)	222,113
Clearing Account	(476)	-	(476)
Safety Expense	8,395	2,121	10,516
Travel and Training Expense	41,230	16,402	57,632
Board Payroll	1,608	(121)	1,487
Board Expense	-	133	133
Social Security Expense	210,987	3,485	214,472
Legal Retainer Fees	8,820	(7,099)	1,721
Other Consulting Fees	1,475	7,203	8,678
Other Legal and Accounting Fees	23,269	(3,809)	19,460
Insurance Expense	298,421	(10,063)	288,358
TOTAL ADMINISTRATIVE EXPENSE	897,189	2,753	899,942

Table 4-2
Revenue Requirements for Test Year Ending December 31, 2005

	2005 Report	Adjustments [1]	"Test Year"
GENERAL EXPENSES			
General Expense	2,565	250	2,815
Maintenance Expense	7,715	(2,930)	4,785
TOTAL GENERAL EXPENSES	10,280	(2,680)	7,600
TOTAL ADMINISTRATIVE & GENERAL	907,469	73	907,542
DEPRECIATION			
Depreciation Expense	946,140	241,500	1,187,640
TOTAL DEPRECIATION	946,140	241,500	1,187,640
TAX EXPENSES			
In Lieu of Tax City	28,240	6,215	34,455
In Lieu of Tax County	17,880	(3,339)	14,541
TOTAL TAX EXPENSES	46,120	2,876	48,996
DEBT SERVICE			
Interest on Bonds	591,682	(97,982)	493,700
Interest on BAN	22,057	48,923	70,980
Interest on Customer Deposits	11,796	3,260	15,056
Interest on New Borrowing	-	-	-
Other Interest expense	9,561	(5,520)	4,041
Amortization Bond Dis/Exp	16,044	-	16,044
TOTAL DEBT SERVICE	651,140	(45,799)	599,821
CITY EXPENSES			
Contributions to City	3,348	-	3,348
Contributions to City Payroll	-	-	-
TOTAL CITY EXPENSES	3,348	-	3,348

Table 4-2
Revenue Requirements for Test Year Ending December 31, 2005

	2005 Report	Adjustments [1]	"Test Year"
EMPLOYEE BENEFITS			
Unemployment Insurance Expense	12,568	(8,620)	3,948
Vacation Benefits Expense	150,652	4,415	155,067
Sick Benefit Expense	138,518	(68,538)	69,980
Employee Welfare Expense	422,264	117,777	540,041
Clubhouse Expense	7,421	(5,679)	1,742
Employee Activity Expense	6,159	5,611	11,770
Employee Assistance Expense	736	599	1,335
Company Contributions to Pension	265,662	137,236	402,898
TOTAL EMPLOYEE BENEFITS	1,003,980	182,801	1,186,781
NET INCOME (MARGIN)			
Total Revenue	7,682,700	1,608,784	9,291,290
Total Expense	7,143,923	983,006	8,121,409
TOTAL NET INCOME	538,777	625,778	1,164,555

**Table 4-3
Summary of Revenue Requirements for Test Year**

	2005 Report	Adjustments ⁽¹⁾	"Test Year"
O & M Expenses			
Treatment	1,421,115	145,025	1,566,140
Distribution	1,056,327	189,473	1,245,800
Engineering	175,502	62,238	237,740
Office Operating	628,627	130,571	759,198
Total O & M Expenses	<u>3,281,571</u>	<u>527,307</u>	<u>3,808,878</u>
Other Operating Expenses			
Support	304,155	74,248	378,403
Administrative and General	907,469	73	907,542
Employee Benefits	1,003,980	182,801	1,186,781
Tax Expense	46,120	2,876	48,996
City Expense	3,348	-	3,348
Total Other Operating Expenses	<u>2,265,072</u>	<u>259,998</u>	<u>2,525,070</u>
Interest Expense	651,140	(45,799)	599,821
Depreciation Expense	946,140	241,500	1,187,640
TOTAL OPERATING EXPENSES	<u><u>7,143,923</u></u>	<u><u>983,006</u></u>	<u><u>8,121,409</u></u>
LESS OTHER INCOME			
Sales of Material	(2,618)	-	(2,618)
Water Collections Charges	(41,782)	-	(41,782)
Mapping Income	(807)	-	(807)
Rental Clubhouse	(2,916)	-	(2,916)
Interest Revenue Cash Working Fund	-	-	-
Interest Revenue Contract Fund	-	-	-
Interest Revenue Bond Sinking Fund	(16,524)	-	(16,524)
Interest Revenue Depreciation Fund	(6,129)	-	(6,129)
Interest Revenue Bond Int and RED Fund	-	-	-
Interest Revenue Operations and Main Fund	(1,193)	-	(1,193)
Interest Revenue Farmers Bank Revenue	(1,708)	-	(1,708)
Interest Revenue State National Revenue	(1,585)	-	(1,585)
Interest Revenue Clubhouse Fund	(464)	-	(464)
Interest Revenue Public Bank Revenue	-	-	-
Miscellaneous Income	(185,082)	-	(185,082)
Capital Contributions	(198,417)	-	(198,417)
Total Other Income	<u>(459,225)</u>	<u>-</u>	<u>(459,225)</u>
MARGIN ⁽²⁾	<u>538,777</u>	<u>320,801</u>	<u>\$ 859,578</u>
TOTAL REVENUE REQUIREMENTS	<u><u>7,223,475</u></u>	<u><u>1,303,807</u></u>	<u><u>8,521,762</u></u>

Notes

(1) All adjustments to expenses and income were provided by FEWPB

(2) Margin will be used to fund normal capital additions and principal payment on existing debt

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study

Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
	ANNUAL USAGE (1000 Gal)		2,781,047	1,143,615	565,831	-	6,528	280	1,045,088	19,706
	100%		100%	41%	20%	0%	0%	0%	38%	1%
1.01	TOTAL ANNUAL SYSTEM USAGE		1,143,615,444	1,143,615,444	-	-	-	-	-	-
1.02	City		565,830,948	-	-	-	-	-	-	-
1.03	County		-	-	565,830,948	-	-	-	-	-
1.04	Fire Services		6,528,000	-	-	6,528,000	-	-	-	-
1.05	Fire Hydrants		279,588	-	-	-	279,588	-	-	-
1.06	Loading Station		1,045,087,600	-	-	-	-	279,588	-	-
1.07	Wholesale		19,705,818	-	-	-	-	-	1,045,087,600	-
1.08	Municipal		19,705,818	-	-	-	-	-	-	19,705,818
1.09	TOTAL ANNUAL SYSTEM USAGE	0.99	2,781,047,398	1,143,615,444	565,830,948	-	6,528,000	279,588	1,045,087,600	19,705,818
	AVERAGE USAGE (1000 Gal/Mo)		95,301	95,301	-	-	-	-	-	-
2.01	City		47,153	-	47,153	-	-	-	-	-
2.02	County		-	-	-	-	-	-	-	-
2.03	Fire Services		544	-	-	544	-	-	-	-
2.04	Fire Hydrants		23	-	-	-	23	-	-	-
2.05	Loading Station		87,091	-	-	-	-	23	87,091	-
2.06	Wholesale		1,642	-	-	-	-	-	-	1,642
2.07	Municipal		231,754	95,301	47,153	-	544	23	87,091	1,642
	100%		100%	41%	20%	0%	0%	0%	38%	1%
2.08	TOTAL BASE CAPACITY		125,000	125,000	-	-	-	-	-	-
	NON-COINCIDENT PEAK(1000 Gal/Mo)		69,441	-	69,441	-	-	-	-	-
3.01	City		-	-	-	-	-	-	-	-
3.02	County		1,501	-	-	1,501	-	-	-	-
3.03	Fire Services		29	-	-	-	29	-	-	-
3.04	Fire Hydrants		118,490	-	-	-	-	29	118,490	-
3.05	Loading Station		2,960	-	-	-	-	-	-	2,960
3.06	Wholesale		317,421	125,000	69,441	-	1,501	29	118,490	2,960
3.07	Municipal		100%	39%	22%	0%	0%	0%	37%	1%
3.08	TOTAL NON-COINCIDENT PEAK									

City of Frankfort, Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
EXTRA CAPACITY (1000 Gal/Mo)										
4.01	City	0.02	29,699	29,699	-	-	-	-	-	-
4.02	County	0.02	22,288	-	22,288	-	-	-	-	-
4.03	Fire Services	0.02	-	-	-	957	-	-	-	-
4.04	Fire Hydrants	0.02	957	-	-	-	957	6	-	-
4.05	Loading Station	0.02	6	-	-	-	-	-	31,399	-
4.06	Wholesale	0.02	31,399	-	-	-	-	-	-	1,318
4.07	Municipal	0.02	1,318	-	-	-	-	-	-	1,318
		0.99	85,667	29,699	22,288	0%	957	6	31,399	1,318
4.08	TOTAL EXTRA CAPACITY		100%	35%	26%	0%	1%	0%	37%	2%
NUMBER OF CUSTOMERS										
5.01	City	0.03	11,359	11,359	-	-	-	-	-	-
5.02	County	0.03	3,913	-	3,913	-	-	-	-	-
5.03	Fire Services	0.03	169	-	-	169	-	-	-	-
5.04	Fire Hydrants	0.03	949	-	-	-	949	-	-	-
5.05	Loading Station	0.03	17	-	-	-	-	17	-	-
5.06	Wholesale	0.03	12	-	-	-	-	-	12	-
5.07	Municipal	0.03	23	-	-	-	-	-	-	23
		0.99	16,442	11,359	3,913	1%	949	17	12	23
5.08	TOTAL CUSTOMERS		100%	69%	24%	1%	6%	0%	0%	0%
WEIGHTED METERS										
6.01	City	0.03	18,939	18,939	-	-	-	-	-	-
6.02	County	0.03	3,092	-	3,092	-	-	-	-	-
6.03	Fire Services	0.03	1,290	-	-	1,290	-	-	-	-
6.04	Fire Hydrants	0.03	235	-	-	-	235	-	-	-
6.05	Loading Station	0.03	740	-	-	-	-	740	-	-
6.06	Wholesale	0.03	16	-	-	-	-	-	16	-
6.07	Municipal	0.03	33	-	-	-	-	-	-	33
		0.99	24,345	18,939	3,092	5%	235	740	16	33
6.08	TOTAL WEIGHTED METERS		100%	78%	13%	1%	1%	3%	0%	0%
SERVICE METER ALLOCATOR										
7.01	City	0.01	18,939	18,939	-	-	-	-	-	-
7.02	County	0.01	3,092	-	3,092	-	-	-	-	-
7.03	Loading Station	0.01	740	-	-	-	-	740	-	-
7.04	Municipal	0.01	33	-	-	-	-	-	-	33
		0.99	22,804	18,939	3,092	0%	0%	740	0%	33
7.05	TOTAL SERVICE METER ALLOCATOR		100%	83%	14%	0%	0%	3%	0%	0%

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study

Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
BASE & EXTRA CAPACITY										
9.01	Base Capacity	2.08	231,754	95,301	47,153	-	544	23	87,091	1,642
		0.73	100%	41.12%	20.35%	0.00%	0.23%	0.01%	37.58%	0.71%
9.02	Extra Capacity	4.08	85,667	29,699	22,288	-	957	6	31,399	1,318
		0.27	100%	35%	26%	0%	1%	0%	37%	2%
9.03	TOTAL BASE & EXTRA CAPACITY	0.99	317,421	125,000	69,441	-	1,501	29	118,490	2,960
			100%	39.38%	21.88%	0.00%	0.47%	0.01%	37.33%	0.93%
INCREASED WEIGHT FOR EXTRA CAP.										
10.01	10% Base Capacity	2.08	24,621	10,734	5,060	-	34	30	8,678	86
10.02	90% Extra Capacity	4.08	189,172	84,999	42,442	-	7,637	257	53,439	399
10.03	TOTAL WEIGHTED BASE AND EXTRA CAPAC	0.99	213,793	95,733	47,502	-	7,670	287	62,117	485
WEIGHTED BASE CAPACITY										
11.01	City	2.01	95,301	95,301	-	-	-	-	-	-
11.02	County	2.02	47,153	-	47,153	-	-	-	-	-
11.03	Fire Services	2.03	-	-	-	-	-	-	-	-
11.04	Fire Hydrants	2.04	544	-	-	544	-	-	-	-
11.05	Loading Station	2.05	23	-	-	-	-	23	-	-
11.06	Wholesale	2.06	-	-	-	-	-	-	-	-
11.07	Municipal	2.07	1,642	-	-	-	-	-	-	1,642
11.08	TOTAL WEIGHTED BASE CAP.	0.99	144,663	95,301	47,153	-	544	23	-	1,642
			100%	65.47%	32.60%	0%	0.37%	0.16%	0%	0.10%
WEIGHTED EXTRA CAPACITY										
12.01	City	4.01	29,699	29,699	-	-	-	-	-	-
12.02	County	4.02	22,288	-	22,288	-	-	-	-	-
12.03	Fire Services	4.03	-	-	-	-	-	-	-	-
12.04	Fire Hydrants	4.04	957	-	-	-	957	-	-	-
12.05	Loading Station	4.05	6	-	-	-	-	6	-	-
12.06	Wholesale	4.06	-	-	-	-	-	-	-	-
12.07	Municipal	4.07	1,318	-	-	-	-	-	-	1,318
12.08	TOTAL WEIGHTED EXTRA CAP	0.99	54,268	29,699	22,288	-	957	6	-	1,318
			100%	54.73%	41.07%	0%	1.76%	0.11%	0%	0.10%

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Section 1- Allocation References

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL
11.08	WEIGHTED BASE & EXTRA CAPACITY		144,663	95,301	47,153	-	544	23	-	1,642
13.01	Weighted Base Capacity	12.08	54,268	29,689	22,288	-	957	6	-	1,318
13.02	Weighted Extra Capacity	0.99	199,931	125,000	69,441	0%	1,501	29	-	2,960
			100%	63%	35%		1%	0%	0%	1%
13.03	TOTAL WEIGHTED BASE & EXTRA	0.97	39,875,521	20,854,898	10,630,573	157,461	969,838	93,788	6,731,435	437,527
			100%	52%	27%	0%	2%	0%	17%	1%
28	TOTAL GROSS PLANT	0	35,699,609	18,670,896	9,517,300	140,971	868,273	83,966	6,025,495	391,708
			100%	52%	27%	0%	2%	0%	17%	1%
27	Total Utility Plant	0.97	22,474,044	11,535,281	5,911,617	71,282	559,594	48,378	4,104,301	243,590
			100%	51%	26%	0%	2%	0%	18%	1%
35	TOTAL ACCUMULATED DEPRECIATION	35	17,401,477	9,319,617	4,718,957	86,178	410,244	45,410	2,627,134	193,937
			100%	54%	27%	0%	2%	0%	15%	1%
36	Total Net Plant	0.99	2,556,099	1,328,051	648,934	5,830	91,344	805	458,824	22,311
			100%	52%	25%	0%	4%	0%	18%	1%
47.15	TOTAL PAYROLL EXPENSE	0	1,854,782	838,846	429,637	1,359	26,217	341	542,295	16,086
			100%	45%	23%	0%	1%	0%	29%	1%
46	TOTAL OPERATING EXPENSES	0.97	4,410,881	2,166,897	1,078,571	7,180	117,561	1,146	1,001,119	38,397
			100%	49%	24%	0%	3%	0%	23%	1%
48	TOTAL OPERATING AND PAYROLL EXPE	0	3,710,395	1,928,968	864,858	11,520	108,584	5,327	654,293	36,845
			100%	52%	26%	0%	3%	0%	18%	1%
63	TOTAL ADMINISTRATIVE AND GENERAL	0.99	7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160
			100%	48%	26%	1%	2%	0%	23%	0%
73.08	TOTAL REVENUE FROM RATES	0.99	459,225	284,784	157,367	121	4,064	132	6,068	6,688
			100%	62%	34%	0%	1%	0%	1%	1%
74.06	TOTAL OTHER OPERATING REVENUE									

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 3 - Gross Utility Plant

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
					5	6	7	8	9	10	11	
		SOURCE OF SUPPLY & PUMPING PLANT										
21.01	101310	Source Of Supply Land	1.08	21,925	9,016	4,461	-	51	2	8,239	155	TOTAL ANNUAL SYSTEM USAGE
21.02	101311	Source Of Supply Struct & Imp.	1.08	285,610	117,448	58,110	-	670	29	107,329	2,024	TOTAL ANNUAL SYSTEM USAGE
21.03	101313	Source Of Supply River Intakes	1.08	1,143,129	470,075	232,591	-	2,683	115	429,576	8,100	TOTAL ANNUAL SYSTEM USAGE
21.04	101315	Source Of Supply Galleries & T.	1.08	125,854	51,754	25,606	-	295	13	47,295	892	TOTAL ANNUAL SYSTEM USAGE
21.05	101316	Source Of Supply Supply Mains	1.08	27,322	11,235	5,589	-	64	3	10,267	194	TOTAL ANNUAL SYSTEM USAGE
21.06	101320	Pumping Plant Land	9.03	2,436	959	533	-	12	0	909	23	TOTAL BASE & EXTRA CAPACITY
21.07	101321	Structures & Improvements	2.08	158,905	64,522	31,924	-	368	16	56,964	1,112	TOTAL BASE CAPACITY
21.08	101325	Pumping Equipment	9.03	1,129,410	444,367	246,858	-	5,336	103	421,224	10,523	TOTAL BASE & EXTRA CAPACITY
21.09	101325	Total Production Plant	0.99	2,897,593	1,169,376	605,632	-	9,481	280	1,083,803	23,022	
		WATER TREATMENT PLANT										
21.10	101330	Treatment Plant Land	2.08	14,077	5,789	2,864	-	33	1	5,290	100	TOTAL BASE CAPACITY
21.11	101331	Treatment Structures & Improvements	9.03	2,637,407	1,038,608	576,976	-	12,472	241	984,517	24,694	TOTAL BASE & EXTRA CAPACITY
21.12	101332	Treatment Equipment	9.03	4,851,937	1,910,474	1,061,322	-	22,941	443	1,810,977	45,240	TOTAL BASE & EXTRA CAPACITY
21.13		Total Treatment Plant	0.99	7,502,880	2,954,870	1,641,161	-	35,446	686	2,800,783	69,934	
		TRANSMISSION & DISTRIBUTION PLANT										
25.01	101340	Distribution Plant Land	11.08	168,082.36	110,729	54,786	-	632	27	-	1,908	TOTAL WEIGHTED BASE CAP
25.02	101341	Distribution Structures and Improvements	13.03	137,543.71	86,427	48,012	-	1,038	20	-	2,047	TOTAL WEIGHTED BASE & EXTRA
25.03	101342	Distribution Reservoir & Stan	13.03	6,122,783.98	3,847,304	2,137,285	-	46,198	893	-	91,104	TOTAL WEIGHTED BASE & EXTRA
25.04	101344	Transmission Reservoir & Stan	9.03	2,207,534.36	869,324	482,934	-	10,439	202	824,050	20,586	TOTAL BASE & EXTRA CAPACITY
25.05	101343	Transmission Mains	9.03	3,527,817.82	1,389,250	771,767	-	16,682	322	1,316,898	32,897	TOTAL BASE & EXTRA CAPACITY
25.06	101343	Distribution Mains	13.03	9,784,702.25	6,148,302	3,415,554	-	73,829	1,426	-	145,592	TOTAL WEIGHTED BASE & EXTRA
25.07	101344	Distribution Fire Mains	Direct	64,929.92	-	-	64,930	-	-	-	1,604	TOTAL SERVICE METER ALLOCATOR
25.08	101345	Distribution Services	7.05	1,122,662.27	932,405	152,206	-	13,631	36,448	943	1,886	TOTAL WEIGHTED METERS
25.09	101346	Distribution Meters	6.08	1,409,559.94	1,096,563	179,003	74,670	250	42,865	17	35	TOTAL WEIGHTED METERS
25.10	101347	Distribution Meter Installations	6.08	25,876.29	20,130	3,286	1,371	660,093	-	-	-	DIRECT
25.11	101348	Distribution Hydrants	Direct	660,092.65	-	-	-	555	-	-	1,094	TOTAL WEIGHTED BASE & EXTRA
25.12	101349	Other Distribution Plant	13.03	73,550.24	46,216	25,674	-	823,347	83,000	-	298,752	
25.13		Total Distribution Plant	0.99	25,305,136	14,546,650	7,270,507	140,971	823,347	83,000	2,141,908	298,752	

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 3 - Gross Utility Plant

ALLOCATION METHOD

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	FIRE SERVICES			FIRE HYDRANTS			LOADING STATIONS			WHOLESALE			MUNICIPAL	ALLOCATION METHOD
					CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	STATIONS	STATIONS	WHOLESALE	WHOLESALE	MUNICIPAL					
26.01	101389	General Land	27.00	22,525	11,781	6,005	89	548	53	3,802	247	Total Utility Plant	3,802	247	Total Utility Plant			
26.02	101390	General Structures And Improve	27.00	613,998	321,121	163,888	2,425	14,933	1,444	103,650	6,737	Total Utility Plant	103,650	6,737	Total Utility Plant			
26.04	101391	General Office Equipment	27.00	1,690,911	864,346	450,787	6,677	41,126	3,977	285,445	18,553	Total Utility Plant	285,445	18,553	Total Utility Plant			
26.04	101392	General Transport Equipment	27.00	1,001,189	523,622	266,911	3,954	24,351	2,355	169,012	10,985	Total Utility Plant	169,012	10,985	Total Utility Plant			
26.04	101393	General Stores Equipment	27.00	11,895	6,221	3,171	47	289	28	2,008	131	Total Utility Plant	2,008	131	Total Utility Plant			
26.05	101394	General Tools Shop & Garage Eq	27.00	97,286	50,870	25,930	384	2,368	229	16,420	1,067	Total Utility Plant	16,420	1,067	Total Utility Plant			
26.06	101395	General Laboratory Equipment	27.00	13,831	7,234	3,687	55	336	33	2,335	152	Total Utility Plant	2,335	152	Total Utility Plant			
26.07	101396	General Power Operated Equipme	27.00	476,342	249,127	126,990	1,881	11,585	1,120	80,412	5,227	Total Utility Plant	80,412	5,227	Total Utility Plant			
26.08	101397	General Communications Equipme	27.00	90,505	47,334	24,128	357	2,201	213	15,278	993	Total Utility Plant	15,278	993	Total Utility Plant			
26.10	101398	General Miscellaneous Equipment	27.00	157,451	82,347	41,975	622	3,629	370	26,579	1,728	Total Utility Plant	26,579	1,728	Total Utility Plant			
26.11		Total General Plant	0.99	4,175,912	2,184,002	1,113,273	16,490	101,565	9,822	704,941	45,819		704,941	45,819				
27.00		Total Utility Plant	0.97	35,699,609	18,670,896	9,517,300	140,971	888,273	83,966	6,025,495	391,708		6,025,495	391,708				
28.00		TOTAL GROSS PLANT		39,875,521	20,854,898	10,630,573	157,461	969,838	93,788	6,731,435	437,527		6,731,435	437,527				

SCHEDULE IV - ACCUMULATED DEPRECIATION

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	FIRE SERVICES			FIRE HYDRANTS			LOADING STATIONS			WHOLESALE			MUNICIPAL	ALLOCATION METHOD
					CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	STATIONS	STATIONS	WHOLESALE	WHOLESALE	MUNICIPAL					
32.01	108313	River Intakes	1.08	605,645	249,052	123,224	-	1,422	61	227,595	4,291	TOTAL ANNUAL SYSTEM USAGE	227,595	4,291	TOTAL ANNUAL SYSTEM USAGE			
32.02	108315	Galleries and Tunnels	1.08	76,884	31,616	15,643	-	180	8	28,892	545	TOTAL ANNUAL SYSTEM USAGE	28,892	545	TOTAL ANNUAL SYSTEM USAGE			
32.03	108316	Source of Supply Mains	1.08	1,247	513	254	-	3	0	469	9	TOTAL ANNUAL SYSTEM USAGE	469	9	TOTAL ANNUAL SYSTEM USAGE			
32.04	108321	Structures and Improvements	2.08	95,722	39,363	19,476	-	225	10	35,971	678	TOTAL BASE CAPACITY	35,971	678	TOTAL BASE CAPACITY			
32.05	108325	Pumping Equipment	9.03	604,288	237,968	132,198	-	2,858	55	225,575	5,635	TOTAL BASE & EXTRA CAPACITY	225,575	5,635	TOTAL BASE & EXTRA CAPACITY			
32.06		Total Production Depreciation	0.96	1,383,787	558,511	290,794	-	4,687	134	518,502	11,158		518,502	11,158				
33.01	108331	Structures and Improvements	9.03	1,524,267	600,255	333,458	-	7,208	139	568,993	14,214	TOTAL BASE & EXTRA CAPACITY	568,993	14,214	TOTAL BASE & EXTRA CAPACITY			
33.02	108332	332 Station Equipment	9.03	1,729,810	681,197	378,424	-	8,180	158	645,720	16,131	TOTAL BASE & EXTRA CAPACITY	645,720	16,131	TOTAL BASE & EXTRA CAPACITY			
33.03		Total Treatment Depreciation	0.96	3,254,077	1,281,451	711,882	-	15,368	297	1,214,713	30,345		1,214,713	30,345				

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 3- Gross Utility Plant

ITEM NO.	ACT #	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
		DEPRECIATION - DISTRIBUTION										
34.01	108341	Structures and Improvements	2.08	51,805	21,303	10,540	-	122	5	19,466	367	TOTAL BASE CAPACITY
34.02	108342	Distribution Reservoirs and Stand.	13.03	1,311,811	824,288	457,915	-	9,898	191	-	19,519	TOTAL WEIGHTED BASE & EXTRA
34.03	108343	Transmission Reservoirs and Stand.	9.03	472,966	186,253	103,469	-	2,237	43	176,553	4,410	TOTAL BASE & EXTRA CAPACITY
34.04	108343	Transmission Main	9.03	1,247,588	491,299	272,930	-	5,900	114	465,712	11,634	TOTAL BASE & EXTRA CAPACITY
34.05	108343	Distribution Main	13.03	3,460,291	2,174,304	1,207,887	-	26,109	504	-	51,488	TOTAL WEIGHTED BASE & EXTRA
34.06	108344	Fire Mains	13.03	91,098	57,242	31,800	-	687	13	-	1,355	TOTAL WEIGHTED BASE & EXTRA
34.07	108345	Fire Hydrants	7.05	182,678	135,109	22,055	-	5,281	5,281	-	232	TOTAL SERVICE METER ALLOCATOR
34.08	108346	Meters	6.08	579,059	450,477	73,536	30,675	5,600	17,609	387	775	TOTAL WEIGHTED METERS
34.09	108347	Meter Installation	6.08	11,923	9,276	1,514	632	115	363	8	16	TOTAL WEIGHTED METERS
34.10	108348	Hydrants	Direct	242,018	-	-	-	242,018	-	-	-	DIRECT
34.11	108349	Other Trans. and Dist. Plan	13.03	81,459	51,185	28,435	-	615	12	-	1,212	TOTAL WEIGHTED BASE & EXTRA
34.12	108390	Depreciation General Plant Stru	27.00	1,178,530	616,371	314,189	4,654	28,664	2,772	198,949	12,931	Total Utility Plant
34.13	108391	Depreciation General Office Eq	27.00	4,095,756	2,142,081	1,091,904	16,173	99,616	9,633	691,410	44,940	Total Utility Plant
34.14	108392	Depreciation General Transport	27.00	2,324,842	1,215,882	619,789	9,180	56,544	5,468	392,459	25,509	Total Utility Plant
34.15	108393	Depreciation General Stores Eq	27.00	39,890	20,862	10,634	158	970	94	6,734	438	Total Utility Plant
34.16	108394	Depreciation Gen Tools Shop &	27.00	323,319	169,096	86,195	1,277	7,864	760	54,580	3,548	Total Utility Plant
34.17	108395	Depreciation General Laborator	27.00	49,020	25,637	13,068	194	1,192	115	8,275	538	Total Utility Plant
34.18	108396	Depreciation General Power Ope	27.00	1,482,415	775,303	395,203	5,854	36,055	3,487	250,248	16,266	Total Utility Plant
34.19	108397	Depreciation General Comm Equ	27.00	179,913	94,094	47,964	710	4,376	423	30,371	1,974	Total Utility Plant
34.20	108398	Depreciation General Miscellan	27.00	449,800	235,245	119,914	1,778	10,940	1,058	79,931	4,935	Total Utility Plant
34.21		Total Distribution Depreciation	0.96	17,836,180	9,695,318	4,908,940	71,282	539,519	47,947	2,371,086	202,087	
35.00		TOTAL ACCUMULATED DEPRECIATION	0.97	22,474,044	11,535,281	5,911,617	71,282	559,594	48,378	4,104,301	243,590	
36.01		Total Net Plant	35.00	17,401,477	9,319,617	4,718,957	86,178	410,244	45,410	2,827,134	193,937	

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study
Schedule 4- Operating Expenses

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE		MUNICIPAL	ALLOCATION METHOD
									9	10		
	TREATMENT OPERATING EXPENSES											
39.01	Pumping Power	9.03	417,300	164,332	91,291	-	1,973	38	155,774	3,891	3,891	TOTAL BASE & EXTRA CAPACITY
39.02	Pumping Maintenance	9.03	79,600	31,346	17,414	-	376	7	29,714	742	742	TOTAL BASE & EXTRA CAPACITY
39.03	Water Treatment Chemicals	2.08	437,700	179,990	89,054	-	1,027	44	164,483	3,101	3,101	TOTAL BASE CAPACITY
39.04	Miscellaneous Treatment Expense	9.03	52,900	20,832	11,573	-	250	5	19,747	493	493	TOTAL BASE & EXTRA CAPACITY
39.05	Treatment Lab Expense	2.08	65,340	26,869	13,294	-	153	7	24,554	463	463	TOTAL BASE CAPACITY
39.06	Water Treatment Maintenance	9.03	52,380	20,627	11,459	-	248	5	19,553	488	488	TOTAL BASE & EXTRA CAPACITY
39.07	TOTAL TREATMENT OPERATING EXPEN	0.99	1,105,220	443,997	234,085	-	4,028	106	413,825	9,180	9,180	
	DISTRIBUTION OPERATING EXPENSES											
40.01	Transmission Expense	9.03	81,089	31,925	17,735	-	383	7	30,262	756	756	TOTAL BASE & EXTRA CAPACITY
40.01	Distribution Expense	13.03	224,851	141,287	78,489	-	1,697	33	-	3,346	3,346	TOTAL WEIGHTED BASE & EXTRA
40.02	Hydrant Distribution Expense	Direct	9,020	-	-	-	9,020	-	-	-	-	Direct
40.03	TOTAL DISTRIBUTION OPERATING EX	0.99	314,940	173,212	96,224	-	11,100	40	30,262	4,102	4,102	
	WATER ENGINEERING EXPENSES											
41.01	Engineering Expense	9.03	6,000	2,363	1,313	-	28	1	2,240	56	56	TOTAL BASE & EXTRA CAPACITY
41.02	TOTAL WATER ENGINEERING EXPENSE	0.99	6,000	2,363	1,313	-	28	1	2,240	56	56	
42	SUBTOTAL OPERATING EXPENSES	0.97	1,426,160	619,571	331,622	-	15,157	146	446,327	13,337	13,337	
	SUPPORT SERVICES EXPENSE											
44.01	Support Services Expense	2.08	25,392	10,442	5,166	-	60	3	9,542	180	180	TOTAL BASE CAPACITY
44.02	Inventory Adjustments	2.08	7,157	2,943	1,456	-	17	1	2,690	51	51	TOTAL BASE CAPACITY
44.03	Cost of Sales Cleaning	2.08	2,169	892	441	-	5	0	815	15	15	TOTAL BASE CAPACITY
44.04	Auto & Truck Repair Expense	2.08	84,647	26,584	13,153	-	152	6	24,294	458	458	TOTAL BASE CAPACITY
44.05	Auto & Truck Gas & Oil	2.08	87,865	36,049	17,836	-	206	9	32,944	621	621	TOTAL BASE CAPACITY
44.06	TOTAL SUPPORT SERVICES EXPENSES	0.99	187,030	76,910	38,053	-	439	19	70,284	1,325	1,325	
	OFFICE OPERATING EXPENSE											
45.01	Meter Reading Expense	5.08	7,128	4,924	1,696	73	411	7	5	10	10	TOTAL CUSTOMERS
45.02	Customer Records and Collection Expense	5.08	17,027	11,763	4,052	175	983	18	12	24	24	TOTAL CUSTOMERS
45.03	Postage and Printing	5.08	49,356	34,098	11,746	507	2,849	51	36	69	69	TOTAL CUSTOMERS
45.04	Cash Over and Short	5.08	55	38	13	1	3	0	0	0	0	TOTAL CUSTOMERS
45.05	Office Supplies Expense	5.08	10,654	7,360	2,536	110	615	11	8	15	15	TOTAL CUSTOMERS
45.06	Bad Debts Expense	5.08	13,815	9,544	3,288	142	797	14	10	19	19	TOTAL CUSTOMERS
45.07	GIS Expenses	28.00	14,605	7,638	3,894	58	355	34	2,465	180	180	TOTAL GROSS PLANT
45.08	CIS Expenses	47.15	94,430	49,062	23,974	215	3,375	30	16,850	824	824	TOTAL PAYROLL EXPENSE
45.09	Computer Expense	47.15	34,522	17,936	8,764	79	1,234	11	6,197	301	301	TOTAL PAYROLL EXPENSE
45.10	TOTAL OFFICE OPERATING EXPENSE	0.99	241,592	142,365	59,963	1,359	10,622	176	25,684	1,423	1,423	
46	TOTAL OPERATING EXPENSES		1,854,782	838,846	429,637	1,359	26,217	341	542,295	16,086	16,086	

City of Frankfort Kentucky
Frankfort Electric and Water Plant Board
Water Rate Study

Schedule 4- Operating Expenses

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
	PAYROLL EXPENSE										
47.01	Treatment Lab Payroll	2.08	32,660	13,439	6,649	-	77	3	12,281	232	TOTAL BASE CAPACITY
47.02	Water Treatment Maintenance Payroll	9.03	94,080	37,049	20,582	-	445	9	35,119	877	TOTAL BASE & EXTRA CAPACITY
47.03	Hydrant Payroll	Direct	43,800	-	-	-	43,800	-	-	-	DIRECT
47.04	Water Transmission Payroll	9.03	235,071	92,571	51,426	-	1,112	21	87,750	2,192	TOTAL BASE & EXTRA CAPACITY
47.05	Water Distribution Payroll	13.03	651,989	409,683	227,590	-	4,919	95	86,506	9,701	TOTAL BASE & EXTRA CAPACITY
47.06	Engineering Payroll	9.03	231,740	91,259	50,697	-	1,096	21	48,626	2,161	TOTAL BASE CAPACITY
47.07	Support Services Payroll	2.08	129,398	53,211	26,327	-	145	6	23,290	917	TOTAL BASE CAPACITY
47.08	Auto & Truck Maintenance Payroll	2.08	61,975	25,485	12,609	-	153	154	109	439	TOTAL CUSTOMERS
47.09	Meter Reading Payroll	5.08	148,983	102,925	35,456	-	8,599	224	158	303	TOTAL CUSTOMERS
47.10	Customer Records and Collection	5.08	216,462	149,543	51,515	-	2,225	70	39,870	1,939	TOTAL PAYROLL EXPENSE
47.11	Administrative Payroll	47.15	222,113	115,401	56,389	-	7,937	0	267	13	TOTAL CUSTOMERS
47.12	Board Payroll	47.15	1,487	773	378	-	3	0	111	213	TOTAL CUSTOMERS
47.13	Information Technologies Payroll	5.08	152,181	105,121	36,213	-	1,564	157	111	-	TOTAL CUSTOMERS
47.14	C/S Payroll	5.08	334,160	131,592	73,103	-	1,580	31	124,738	3,116	TOTAL BASE & EXTRA CAPACITY
47.15	Water Treatment Labor Payroll	9.03	1,328,051	648,934	5,830	-	91,344	805	458,824	22,311	TOTAL BASE & EXTRA CAPACITY
47.16	TOTAL PAYROLL EXPENSE	0.99	4,410,881	2,166,897	1,078,571	-	117,561	1,146	1,001,119	38,397	TOTAL BASE & EXTRA CAPACITY
48	TOTAL OPERATING AND PAYROLL EXPE	0.97	4,410,881	2,166,897	1,078,571	-	117,561	1,146	1,001,119	38,397	TOTAL BASE & EXTRA CAPACITY

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
	ADMINISTRATIVE EXPENSE										
50.01	Publishing Expense	5.08	8,285	5,724	1,972	-	85	9	-	6	TOTAL CUSTOMERS
50.02	Administrative Expense	47.15	49,058	25,489	12,455	-	112	15	8,806	428	TOTAL PAYROLL EXPENSE
50.03	Dues and Subscriptions	47.15	18,505	9,614	4,698	-	42	6	3,322	162	TOTAL PAYROLL EXPENSE
50.04	Cleaning Account	28.00	(476)	(249)	(127)	-	(2)	(1)	(60)	(5)	TOTAL GROSS PLANT
50.05	Safety Expense	47.15	10,516	5,464	2,670	-	24	3	1,888	92	TOTAL PAYROLL EXPENSE
50.06	Travel and Training Expense	47.15	57,632	29,943	14,631	-	131	18	10,345	503	TOTAL PAYROLL EXPENSE
50.07	Social Security Expense	47.15	214,472	111,431	54,449	-	489	68	38,498	1,872	TOTAL PAYROLL EXPENSE
50.08	Legal Retainer Fees	46.00	1,721	778	399	-	1	24	503	15	TOTAL OPERATING EXPENSES
50.09	Other Consulting Fees	46.00	8,678	3,925	2,010	-	6	2	2,537	75	TOTAL OPERATING EXPENSES
50.10	Other Legal and Accounting Fees	46.00	19,460	8,801	4,508	-	14	4	5,690	169	TOTAL OPERATING EXPENSES
50.11	Insurance Expense	36.00	298,358	154,434	78,197	-	1,428	752	43,534	3,214	Total Net Plant
50.12	TOTAL ADMINISTRATIVE EXPENSE	0.99	676,209	355,355	175,862	-	2,332	876	115,048	6,536	Total Net Plant
	GENERAL EXPENSES										
51.01	General Expense	46.00	2,815	1,273	652	-	2	1	823	24	TOTAL OPERATING EXPENSES
51.02	Maintenance Expense	46.00	4,785	2,164	1,108	-	4	1	1,399	41	TOTAL OPERATING EXPENSES
51.03	TOTAL GENERAL EXPENSES	0.99	7,600	3,437	1,760	-	6	1	2,222	66	TOTAL OPERATING EXPENSES
53.01	Depreciation Expense	35.00	1,187,640	609,581	312,399	-	3,767	2,557	216,892	12,873	TOTAL ACCUMULATED DEPRECIATION
53.02	TOTAL DEPRECIATION EXPENSE	0.99	1,187,640	609,581	312,399	-	3,767	2,557	216,892	12,873	TOTAL ACCUMULATED DEPRECIATION

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 4- Operating Expenses

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNICIPAL	ALLOCATION METHOD
TAX EXPENSE											
56.01	In Lieu of Tax City	36.00	34,455	18,453	9,344	171	812	90	5,202	384	Total Net Plant
56.02	In Lieu of Tax County	36.00	14,541	7,788	3,943	72	343	38	2,195	162	Total Net Plant
56.03	TOTAL TAX EXPENSE	0.99	48,996	26,241	13,287	243	1,155	128	7,397	546	
DEBT SERVICE											
57.01	Interest on Bonds	28.00	493,700	256,205	131,617	1,950	12,008	1,161	83,342	5,417	TOTAL GROSS PLANT
57.02	Interest on BAN	28.00	70,980	37,123	18,923	280	1,726	167	11,982	779	TOTAL GROSS PLANT
57.03	Interest on Customer Deposits	5.08	15,056	10,401	3,563	155	869	16	11	21	TOTAL CUSTOMERS
57.04	Interest on New Borrowing	28.00	4,041	2,113	1,077	16	98	10	682	44	TOTAL GROSS PLANT
57.05	Other Interest expense	28.00	16,044	8,391	4,277	63	390	38	2,708	176	TOTAL GROSS PLANT
57.06	Amortization Bond Dis/Exp	0.99	599,821	316,234	159,478	2,464	15,091	1,391	98,726	6,437	
57.07	TOTAL DEBT SERVICE EXPENSE										
CITY EXPENSES											
60.01	Contributions to City	46.00	3,348	1,514	776	2	47	1	979	29	TOTAL OPERATING EXPENSES
60.02	Contributions to City Payroll	46.00									TOTAL OPERATING EXPENSES
60.03	TOTAL CITY EXPENSES	0.99	3,348	1,514	776	2	47	1	979	29	
EMPLOYEE BENEFITS EXPENSES											
61.01	Unemployment Insurance Expense	47.15	3,948	2,051	1,002	9	141	1	709	34	TOTAL PAYROLL EXPENSE
61.02	Vacation Benefits Expense	47.15	155,067	80,567	39,368	354	5,541	49	27,835	1,354	TOTAL PAYROLL EXPENSE
61.03	Sick Benefit Expense	47.15	69,980	36,359	17,766	160	2,501	22	12,562	611	TOTAL PAYROLL EXPENSE
61.04	Employee Welfare Expense	47.15	540,041	280,585	137,104	1,232	19,299	170	96,938	4,714	TOTAL PAYROLL EXPENSE
61.05	Clubhouse Expense	47.15	1,742	905	442	4	62	1	313	15	TOTAL PAYROLL EXPENSE
61.06	Employee Activity Expense	47.15	11,770	6,115	2,988	27	421	4	2,113	103	TOTAL PAYROLL EXPENSE
61.07	Employee Assistance Expense	47.15	1,335	694	339	3	48	0	240	12	TOTAL PAYROLL EXPENSE
61.08	Company Contributions to Pension	47.15	402,898	209,330	102,286	919	14,398	127	72,321	3,517	TOTAL PAYROLL EXPENSE
61.09	TOTAL EMPLOYEE BENEFITS EXPENSE		1,186,781	616,606	301,296	2,707	42,410	374	213,029	10,359	
63	TOTAL ADMINISTRATIVE AND GENERAL		3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845	
TOTAL EXPENSES											
65.01	Total Operating and Payroll Exp	48.00	4,410,881	2,166,897	1,078,571	7,190	117,561	1,146	1,001,119	36,397	TOTAL OPERATING AND PAYROLL EXPE
65.02	Total Administrative and General	63.00	3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845	TOTAL ADMINISTRATIVE AND GENERAL
65.03	TOTAL EXPENSES	0.99	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242	

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 5- Revenue

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-MUNICIPAL
				5	6	7	8	9	10	11
73.01	Residential City Water	0.99	1,906,349	1,906,349						
73.02	Residential County Water		1,123,443	1,123,443						
73.03	Commercial City Water		1,590,762	1,590,762						
73.04	Commercial County Water		784,976	784,976	69,167					
73.05	Fire Sprinkler Service		69,167							
73.06	Private Fire Hydrants		25,875			25,875				
73.07	City Fire Hydrants		83,032			83,032				
73.08	Water Sales Resale		1,321,125						1,321,125	
73.09	Water Sales Resale- Prod (Georgetown)		313,714					872	313,714	
73.10	Loading Stations		872							335
73.11	Water Used By Electric Department		335							3,825
73.12	Water Used By Water Department		3,825							4,160
73.13	TOTAL REVENUE FROM RATES		7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160
73.14	Weighted Revenue from Rates		5,588,636	3,497,111	1,908,419	69,167	108,907	872		4,160
			100%	63%	34%	1%	2%	0%	0%	0%
OTHER OPERATING REVENUE										
74.01	Sales of Material	93.00	2,618	1,312	651	7	74	3	547	24
74.02	Mapping Income	93.00	807	405	201	2	23	1	168	7
74.03	Rental Clubhouse	93.00	2,916	1,462	725	8	83	3	609	27
74.04	Interest Revenue Cash Working Fund	28.00	-	-	-	-	-	-	-	-
74.05	Interest Revenue Contract Fund	28.00	-	-	-	-	-	-	-	-
74.06	Interest Revenue Bond Sinking Fund	28.00	16,524	8,642	4,405	65	402	39	2,789	181
74.07	Interest Revenue Depreciation Fund	35.00	6,129	3,146	1,612	19	153	13	1,119	66
74.08	Interest Revenue Bond Int and RED Fund	28.00	-	-	-	-	-	-	-	-
74.09	Interest Revenue Operations and Main Fund	28.00	1,193	624	318	5	29	3	201	13
74.10	Interest Revenue Farmers Bank Revenue	28.00	1,708	893	455	7	42	4	288	19
74.11	Interest Revenue State National Revenue	28.00	1,585	829	423	6	39	4	268	17
74.12	Interest Revenue Clubhouse Fund	28.00	464	243	124	2	11	1	78	5
74.13	Interest Revenue Public Bank Revenue	28.00	-	-	-	-	-	-	-	-
74.14	Miscellaneous Income	13.03	185,082	116,298	64,607	-	1,397	27	-	2,754
74.15	Capital Contributions	13.03	198,417	124,677	69,262	-	1,497	29	-	2,952
74.16	Water Collections Charges	13.03	41,782	26,254	14,585	-	315	6	-	622
	TOTAL OTHER REVENUE		459,225	284,784	157,367	121	4,064	132	6,068	6,688
76	TOTAL REVENUE	0.97	7,682,700	3,781,896	2,065,786	69,288	112,971	1,004	1,640,907	10,848

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-	
										4	5
CAPACITY SUMMARY (1000 Gal/Mo)											
79.01	System Average Usage	2.08	231,754	95,301	47,153	-	544	23	87,091	1,642	
79.02	System Extra Usage	4.08	85,667	29,699	22,288	-	957	6	31,399	1,318	
79.03	System Non-Coincident Peak	0.99	317,421	125,000	69,441	-	1,501	29	118,490	2,960	

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-	
										4	5
REVENUE											
81.01	Operating Revenue From Rates	73.08	7,223,475	3,497,111	1,908,419	69,167	108,907	872	1,634,839	4,160	
81.02	Other Operating Revenue	74.06	459,225	284,784	157,367	121	4,064	132	6,068	6,688	
81.03	TOTAL REVENUE	0.99	7,682,700	3,781,896	2,065,786	69,288	112,971	1,004	1,640,907	10,848	
ACCUMULATED DEPRECIATION											
83.01	Production	32.06	1,383,787	568,511	290,794	-	4,687	134	518,502	11,158	
83.02	Treatment	33.03	3,254,077	1,281,451	711,882	-	15,388	297	1,214,713	30,345	
83.03	Distribution	34.11	17,836,180	9,695,318	4,908,940	71,282	539,519	47,947	2,371,086	202,087	
83.04	TOTAL ACCUMULATED DEPRECIATION	0.99	22,474,044	11,535,281	5,911,617	71,282	559,594	48,378	4,104,301	243,590	

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-MUNICIPAL
OPERATING EXPENSE										
85.01	Treatment	39.07	1,105,220	443,997	234,085	-	4,028	106	413,825	9,180
85.02	Distribution	40.03	314,940	173,212	96,224	-	11,100	40	30,262	4,102
85.03	Water Engineering	41.02	6,000	2,363	1,313	-	28	1	2,240	56
85.04	Support Services	44.06	187,030	76,910	38,053	-	439	19	70,284	1,325
85.05	Office Operating	45.12	241,592	142,365	59,963	1,359	10,622	176	25,684	1,423
85.06	Payroll	47.15	2,556,099	1,328,051	648,934	5,830	91,344	805	458,824	22,311
85.07	TOTAL OPERATING EXPENSES	0.99	4,410,881	2,166,897	1,078,571	7,190	117,561	1,146	1,001,119	38,397
ADMINISTRATIVE AND GENERAL EXPEN										
86.01	Administrative	50.14	676,209	355,355	175,862	2,332	20,201	876	115,048	6,536
86.02	General	51.03	7,600	3,437	1,760	6	107	1	2,222	66
86.03	Depreciation	53.01	1,187,640	609,581	312,399	3,767	29,572	2,557	216,892	12,873
86.04	Tax	56.03	48,996	26,241	13,287	243	1,155	128	7,397	546
86.05	Debt Service	57.07	599,821	316,234	159,478	2,464	15,091	1,391	98,726	6,437
86.06	City	60.03	3,348	1,514	776	2	47	1	979	29
86.07	Employee Benefits	61.09	1,186,781	616,606	301,296	2,707	42,410	374	213,029	10,359
86.08	TOTAL A & G EXPENSE	0.99	3,710,395	1,928,968	964,858	11,520	108,584	5,327	654,293	36,845
NET INCOME										
90.01	TOTAL REVENUE	82.00	7,682,700	3,781,896	2,065,786	69,288	112,971	1,004	1,640,907	10,848
90.02	TOTAL EXPENSE	87.00	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242
90.03	NET INCOME (MARGIN)	0.99	(438,576)	(313,969)	22,357	50,578	(113,174)	(5,469)	(14,505)	(64,394)
REVENUE REQUIREMENTS										
92.01	Total Expense	87.00	8,121,276	4,095,865	2,043,429	18,710	226,145	6,473	1,655,412	75,242
92.02	Other Operating Revenue	74.06	459,225	284,784	157,367	121	4,064	132	6,068	6,688
92.03	Required Margin	36.00	859,578	460,360	233,102	4,257	20,265	2,243	129,772	9,580
92.04	REVENUE REQUIREMENT	0.99	8,521,629	4,271,440	2,119,164	22,846	242,346	8,584	1,779,116	78,134

City of Frankfort Kentucky
 Frankfort Electric and Water Plant Board
 Water Rate Study
 Schedule 6- Summary

ITEM NO.	DESCRIPTION	ALLOC. REF.	TOTAL SYSTEM	CITY	COUNTY	FIRE SERVICES	FIRE HYDRANTS	LOADING STATIONS	WHOLESALE	MUNI-MUNICIPAL
93	TOTAL REVENUE REQUIREMENT	0.97	8,521,629	4,271,440	2,119,164	22,846	242,346	8,584	1,779,116	78,134
94.01	AVERAGE RATE PER 1000 GAL. Average Rate per 1000 Gal.	93.00	3.06	3.74	3.75	37.12	30.70	1.70	3.97	
95.01	AVERAGE INVESTMENT PER CUSTOMER Average Investment per Customer	28.00	1,058	820	1,206	432	2,671	218,928	8,432	
97.01	RETURN ON NET PLANT Return on Plant	90.03	-2.52%	-3.37%	0.47%	58.69%	-27.59%	-12.04%	-0.55%	-33.20%
	Existing Avg. Rates		2.60	3.06	3.37	16.68	3.12	1.56	0.21	
	Cost Based Rates		3.06	3.74	3.75	37.12	30.70	1.70	3.97	
	Total Average Rate (\$/1000 Gallon)		18%	22%	11%	123%	885%	8.8%	1778%	
	Allocated Rate Increase		18.0%	22%	11%	123%	885%	8.8%	1778%	
	Revenue Requirements (% of Total)		8,521,629 100%	4,271,440 50.12%	2,119,164 24.87%	22,846 0.27%	242,346 2.84%	8,584 0.10%	1,779,116 20.88%	78,134 0.92%
	Revenue (% of Total)		7,223,475 100%	3,497,111 48.41%	1,908,419 26.42%	69,167 0.96%	108,907 1.51%	872 0.01%	1,634,839 22.63%	4,160 0.06%
			18%	22%	11%	-67%	123%	885%	9%	1778%