

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

ITEM 23: Who prepared cost study, his CV, list of cases before the Commission and list of all utilities for which the preparer has prepared a study.

Response: 23(a): Mike Lane of R.W. Beck prepared the study.

23(b): CV attached – Ex. 1

23(c): Other cases before the Commission in which Mike Lane prepared a study are Berea, Kentucky (Electric Rate Study) and Millennium Energy Gas Rate Study.

23(d): All utilities for which Mike Lane prepared a study include: Clark County REMC, Indiana; Harrison County REMC, Indiana (2 studies); Buckeye REC, Ohio (2 studies); Lawrenceburg Power System, Tennessee; Frankfort EWPB (Electric), Kentucky; Millennium Energy, Williamstown, Kentucky; WIN Energy REMC, Indiana (2 studies); Hartselle Utilities Board, Alabama; Decatur Gas System, Alabama; Georgetown Municipal Water and Sewer Service, Kentucky; Henderson Municipal Power & Light, Kentucky; Corbin Utilities Commission (Water), Kentucky; Hannibal Board of Public Works (Electric and Water), Missouri.

## Michael G. Lane, ASA

Belmont University – Jack Massey  
Graduate School of Business  
MBA – Finance

Belmont University  
Bachelor of Business Administration

Thomas Edison State College  
A.S. in Nuclear Engineering Technology

Mr. Lane is a valuation analyst/consultant with R. W. Beck. He is a certified Accredited Senior Appraiser (ASA) by the American Society of Appraisers, specializing in Public Utilities Appraisals; this designation is held by less than 30 professionals nationwide. Mr. Lane has provided oral testimony in a civil court of law regarding the appraisal of electric plant property for property tax appraisals. He provides valuation/appraisal services and rate design and cost of service studies for electric, gas, and water utility clients.

Mr. Lane also develops sales/demand forecasts, performs econometric studies of clients' service areas, and prepares economic feasibility studies for clients by making acquisition and project implementation decisions.

In addition, his experience includes management of field condition assessments and valuation analyses of gas/propane peak shaving plants, and the development of life cycle cost studies that include cost sensitivity and discount rate sensitivity analyses.

Before joining R. W. Beck, Mr. Lane worked as a field engineer for The Hartford Steam Boiler Inspection and Insurance Company. He conducted loss prevention and risk management surveys on various types of production facilities, including chemical processing plants, metal stamping facilities, and both cement and concrete production facilities. He was a commissioned member of the National Board of Boiler and Pressure Vessel Inspectors from 1994 to 1999.

Working with clients in the field, he performed engineering inspections of power boilers and pressure vessels, as well as electric motors, transformers, air conditioning and refrigeration units, and electric distribution systems. He consulted in repair/replacement of critical plant equipment and assisted in decisions regarding emergency and contingency planning.

Additionally, he has inspected electric distribution system substations, natural gas system peak shaving plants, as well as chemical, automobile assembly, wire drawing, and food processing plants.

Mr. Lane served in the U.S. Navy as a nuclear power plant supervisor onboard the USS Minneapolis-St. Paul. He ensured the safe operation of all reactor plant and power related systems, which included steam turbines, emergency diesel generators, all engine room lubricating and hydraulic oil systems, seawater and freshwater cooling systems, steam and electric seawater-to-freshwater evaporators, electrical distribution plant, and reactor plant protection, alarm, and control systems. He supervised 60 nuclear power plant operators, and managed the engineering department's quality assurance program.

Additionally, he represented the Minneapolis-St. Paul as a testing and maintenance coordinator between Navy and shipyard personnel during an extensive maintenance and overhaul period. In this role, he contributed to the safe conduct of reactor and power plant related system testing. He also worked for three years as a nuclear power plant operator/instructor, trained officers, and enlisted students in the theory, operation, and maintenance of nuclear power plants at the Knolls Atomic Power Laboratory in West Milton, New York.



Frankfort Electric and Water Plant Board  
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ITEM 25: Board Approval of Rate Increase

Response: Ex. 1 – Board Minutes (9/19/06)

September 19, 2006

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Plant Board's Clubhouse located at 98 Tanglewood Drive on Tuesday, September 19, 2006 at 5 p.m.

**INDIVIDUALS ATTENDING**

Joseph Smith, Chairman  
Sheila Burton, Vice Chairman  
Michael Dudgeon, Secretary/Treasurer  
Ann Wingrove, Board Member  
Bennie Maffet, Board Member  
James Liebman, Board Attorney  
Warner J. Caines, General Manager  
Hance Price, Staff Attorney  
Ann Bohannon, Executive Assistant  
Karl Pitzer, IT Director  
Mike Perry, Assistant Water Superintendent  
David Billings, Water Engineer  
Dianne Schneider, HR Director  
Leigh Ann Disponett, Purchasing Agent  
Mark Redmon, Support Service Superintendent  
David Carpenter, Electric Engineer  
Chris Riddle, Water Plant Superintendent  
Rodney Simpson, Electric Superintendent  
Carl Mitchell, Manager of Cable Engineering/Construction  
Kim Watson, Safety Director  
Dana Goodlett, Manager of Cable Installation  
Ed Hancock, Manager of Telecommunications  
John Higginbotham, Cable Superintendent  
Russ Colwell, Customer Service Director  
Shannon Taylor, Finance Director  
Bob Smallwood, GRW  
Joe Henry, GRW  
Michael Davenport, Developer  
Paul Glasser, State Journal  
Paul Looney, Customer

**AGENDA**

The Agenda for the Regular Board Meeting of September 19, 2006 was received and entered into the Minutes Book as follows:

average of calls per day, with training representatives and 6 calls available for calls. The average calls per representative, per day would be 57. These statistics do not include walk-in customers, direct dialed calls to the representatives two phone lines or any internal calls or after hours and weekend calls. *(Russ Colwell will discuss)*"

Mr. Smith asked for comments. Each Department Head reiterated their department's outages.

4. Approve Proposed 11.4% Water Rate Increase for All Wholesale Water Customers Effective with the Bill Due and Payable December 15, 2006: *(Shannon Taylor will discuss)*

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"A Public Hearing was conducted on August 22<sup>nd</sup> for the purpose of receiving oral or written comments on a proposed 11.4% water rate increase for all wholesale water customers. Mr. Bob Riddle, Manager of the Georgetown Water Company spoke but had no negative comments on the proposed rate increase. There were no written comments received. Therefore, Staff recommends that the Board approve the proposed 11.4% water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006."

Mr. Smith asked for comments. Ms. Taylor reiterated the Executive Digest.

There being no discussion, a motion was made by Mr. Dudgeon to approve the proposed 11.4% water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006. The motion was seconded by Ms. Wingrove and unanimously approved.

5. Presentation of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study by GRW: *(David Billings and GRW will discuss)*

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"GRW will present the results of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study conducted for the Bluegrass Water Supply Commission. *(Detail will be handed out at the Board Meeting)*"

Frankfort Electric and Water Plant Board  
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ITEM 26: Board meeting minutes since 1-1-02 in which  
a rate adjustment to wholesale customers  
was discussed.

Response: Attached – Ex. 1

January 22, 2002

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at their Office at 317 W. Second Street on Tuesday, January 22, 2002.

INDIVIDUALS ATTENDING

Clyde Baldwin, Vice Chairman  
James Liebman, Secretary/Treasurer  
Joe Smith, Board Member  
Bob Bowman, Board Attorney  
Warner J. Caines, General Manager  
David Sandidge, Assistant General Manager/Admin.  
Herbbie Bannister, Assistant General Manager/Opr.  
David Peterworth, Finance Director  
Ann Bohannon, Executive Assistant  
Rodney Simpson, Electric Superintendent  
Chris Riddle, Water Plant Superintendent  
Dianne Schneider, Human Resource Director  
Bill Cheek, Purchasing Agent  
David Carpenter, Chief Electrical Engineer  
Carl Mitchell, Assistant Cable Superintendent  
John Higginbotham, Director of Marketing/Advertising  
Russ Colwell, Customer Service Director  
Adam Hellard, Assistant Director of Security  
Jimmy Allen, Assistant Water Superintendent  
Karl Pitzer, IT Director  
Beth Crace, State Journal

AGENDA

The Agenda for the Regular Board Meeting of January 22, 2002 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of December 18, 2001.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of December, 2001.
3. Informational Item – Departmental Reports.
4. Informational Item – Status of FSN Project.
5. Approve Notice of Public Hearing on (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers having Multiple FPB Cable/ Telecommunications Services.
6. Approve Additional Funds for Completion of the Compensation Plan (JC/PC) Review.
7. Approve Replacement of Downtown Office Main Air Conditioning System (\$16,880).
8. Informational Item – Frankfort Fire Department Sharing Test Channel 99 with FPB.
9. Informational Item – Decrease in the Cost of Cable Modem Purchase, Rental and Lease to Customers.
10. Consider Scott Risinger's Request for a Waiver of a Security Deposit (\$1,800).

**EXISTING AND PROPOSED WATER RATES**

	<u>EXISTING*</u>	<u>PROPOSED*</u>
<b>CITY RATES</b>		
MIN. 2,000 GAL.	\$ 6.27	\$ 7.02
NEXT 3,000 GAL	\$ 3.14	\$ 3.51
NEXT 20,000 GAL	\$ 2.58	\$ 2.88
NEXT 175,000 GAL	\$ 2.12	\$ 2.37
NEXT 800,000 GAL	\$ 1.60	\$ 1.79
OVER 1,000,000 GAL	\$ 1.26	\$ 1.41
<b>COUNTY RATES</b>		
MIN. 2,000 GAL.	\$ 9.52	\$ 10.18
NEXT 3,000 GAL	\$ 4.76	\$ 5.09
NEXT 20,000 GAL	\$ 2.58	\$ 2.88
NEXT 175,000 GAL	\$ 2.12	\$ 2.37
NEXT 800,000 GAL	\$ 1.60	\$ 1.79
OVER 1,000,000 GAL	\$ 1.26	\$ 1.41
<b>ALL FIRE HYDRANTS PER HYDRANT</b>	\$ 8.00	\$ 8.90
<b>FIRE SERVICES</b>		
2" LINE	\$ 4.00	\$ 4.45
3" LINE	\$ 8.00	\$ 8.90
4" LINE	\$ 15.00	\$ 16.65
6" LINE	\$ 30.00	\$ 33.30
8" LINE	\$ 40.00	\$ 44.40
10" LINE	\$ 50.00	\$ 55.50
<b>METERED FIRE HYDRANT SALES</b>	\$ 3.00	\$ 3.33
<b>WHOLESALE WATER NON PRODUCERS</b>	\$ 1.313	\$ 1.418
<b>WHOLESALE WATER PRODUCERS</b>		
0-15,000,000 GAL	\$ 1.365	\$ 1.474
OVER 15,000,000	\$ 1.200	\$ 1.296
<b>WATER LOADING STATION</b>	\$ 2.60	\$ 2.89
<b>COMPANY USE (INTERNAL)</b>	\$ 0.46	\$ 0.51

\*All monthly rates are per 1,000 gallons except Fire Services which are per service.

**EXISTING AND PROPOSED SECURITY AND AREA LIGHTING RATES**

	<u>Existing</u>	<u>Proposed</u>
<b><u>Security Lighting Service:</u></b>		
250 Watt High Pressure Sodium	\$ 9.15 per month	\$ 8.00 per month
<b><u>Area Lighting Service:</u></b>		
250 Watt High Pressure Sodium	\$ 9.15 per month	\$ 8.00 per month
175 Watt Metal Halide	\$ 5.90 per month	\$ 6.90 per month

Staff will provide the Board a copy of the informational Public Hearing Package at the Board Meeting if not prior to the Board Meeting.”

Mr. Baldwin asked for comments. Mr. Higginbotham explained the philosophy in putting this information together for the Public Hearing next month. Any rate that is going to change, we showed the existing and proposed (i.e. water and security and area lighting). The remainder of the other items are shown in the Public Hearing Document. These items are either establishing rates for the first time or changing policy in some way. The policy changes were are talking about will benefit the customer. The majority of the rates are associated with the International Rates. Copies of the Public Hearing Document can be picked up at the Office during office hours if anyone wants to see the specific changes. Staff will discuss these items in detail during the Public Hearing in February.

There being no further discussion, a motion was made by Mr. Smith to approve the Notice of a Public Hearing on (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for (a) Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers having Multiple FPB Cable/Telecommunications Services. The motion was seconded by Mr. Liebman and unanimously approved.

6. Approve Additional Funds for Completion of the Compensation Plan (JC/PC/ Review

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

“In March, 2001, the Board approved the proposal submitted by Personnel Consultant, Paul Combs, for a comprehensive review of the Job Classification/Pay Compensation Plan (see C-6/1-3).

Mr. Combs’ original proposal contained a cost estimate of \$8,964 and a provision for the Board to approve, in advance, any amounts excess of \$9,000. Due to an excessive amount of time required for Mr. Combs to assist in the update of class specifications (job descriptions) and the additional time spent in compiling, analyzing, and evaluating labor market compensation data, an additional \$2,180.40 is being requested to complete this project. The additional time spent in both areas has been essential to the project.

Two members of the H.R. Staff have also devoted considerable time to this project. These staff members had not been involved in the previous review and/or the initial development of the plan and Mr. Combs’ involvement has been critical.

Staff has not spent \$2,500 which was approved for purchasing salary survey data. This amount will offset the additional expenses requested.

With the Board’s approval, Staff plans to complete the review of the compensation Plan and present recommendations to the Board in February.”

Mr. Baldwin asked for comments. Mrs. Schneider reiterated the Executive Digest. There being no further discussion, the motion as recommended by Staff was made by Mr. Smith, seconded by Mr. Liebman and unanimously approved.

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board Of The City of Frankfort, Kentucky was held at their Office at 317 West Second Street on Tuesday, February 19, 2002 at noon.

#### INDIVIDUALS ATTENDING

Clyde Baldwin, Vice Chairman  
 Joe Smith, Board Member  
 Sheila Burton, Board Member  
 Bob Bowman, Board Attorney  
 Warner J. Caines, General Manager  
 David M. Sandidge, Assistant General Manager/Admin.  
 David Peterworth, Finance Director  
 Ann Bohannon, Executive Assistant  
 Herbbie Bannister, Assistant General Manager/Opr.  
 Russ Colwell, Customer Service Director  
 Chris Riddle, Water Plant Superintendent  
 Karl Pitzer, IT Director  
 David Carpenter, Electric Engineer  
 Vent Foster, Engineering  
 Rodney Simpson, Electric Superintendent  
 John Higginbotham, Director of Marketing/Advertising  
 Bill Cheek, Purchasing Director  
 Jimmy Allen, Assistant Water Superintendent  
 Dianne Schneider, Human Resource Director  
 Kim Watson, Safety Director  
 Ellis Bryant, Cable Superintendent  
 Carl Mitchell, Assistant Cable Superintendent  
 Bob Riddle, General Manager/Georgetown Water Co.  
 John McDonald, KEMA Consultant  
 Peter Merchant, KEMA Consultant  
 Fred Lucus, State Journal

#### AGENDA

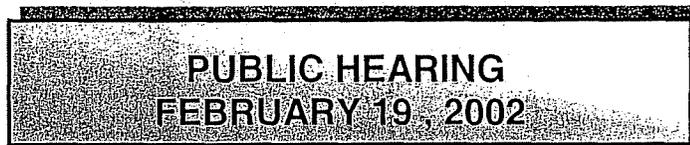
The Agenda for the Regular Board Meeting of February 19, 2002 was received and entered into the Minute Book as follows:

Conduct Public Hearing Covering (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for 9a) Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services

1. Approve Minutes of Regular Board Meeting of January 22, 2001.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of January, 2002.
3. Informational Item -- Departmental Reports.
4. Informational Item -- Status of FSN Project.
5. Approve Award of Bid Invitation #1288 for SCADA and Substation Automation Project (\$1,189,099) Contingent Upon Language Being Acceptable to Board Attorney.
6. Approve Emergency Purchase of Router and Card for Modem Service (\$20,000).
7. Approve Purchase of Sole Source Handheld Meter Reading System (\$46,875).
8. Approve Agreement (Related to GIS Project) for Professional Services With GRW Aerial Surveys, Inc. Contingent Upon Language Being Acceptable to Board Attorney (\$19,442).
9. Approve Contingent Upon Language Being Acceptable to Board Attorney a Payphone Compensation Surcharge Amendment to FPB's Wholesale Long Distance Contract.

10. Approve PanAmSat Antenna Program Agreement.
11. Approve Ethernet Contract with Commonwealth Credit Union (CCU).
12. Approve Renewal of (1) Starz/Encore/WAM/Digital Super Pak (SEG) Master Agreements and (2) The Outdoor Channel Contract.
13. Approve Additions to the Guidelines Governing Employment Regarding Workplace Violence Prevention and Employee Conduct and Work Rules.
14. Consider Thomas & King, Inc. (Applebee's Restaurant) Request for a Release of an Existing Security Deposit/Surety Bond (\$2,500).
15. Approve Award of Bid Invitation #1290 (Concrete Culvert & Bridge at Cable Lot - \$31,610.75).
16. Other New and Old Business.
17. Request Permission to have Chairman Call an Emergency Closed Door Session in Accordance with KRS 61.810(1)(F) Prior to the Next Regularly Scheduled Board Meeting in the Event it's Necessary to Discuss Pending Litigation.
18. Closed Door Session.

**BOARD ACTION**



Conduct a Public Hearing Covering a : (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for (a) Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services

This Hearing will come to order. My name is Clyde P. Baldwin, Vice Chairman. I have been directed by the Chairman to conduct this Hearing. With me tonight are the Board Members and Staff of the Frankfort Electric and Water Plant Board. We are here to receive comments on a: (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for (a) Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services.

This Public Hearing was advertised in accordance with the Regulations for Public Notification and printed on January 24th by the State Journal, January 31<sup>st</sup> by the Woodford Sun and January 25<sup>th</sup> by the Sentinel News. The Radio Media was advised of the Public Hearing on January 23<sup>rd</sup>.

We have asked that you register if you request to speak. If you have not already done so, please register with the Secretary so that we will have a record of those in attendance and wishing to speak tonight.

A brief further statement about the conduct of this Public Hearing is in order. This Hearing will be conducted informally. This Hearing is being conducted voluntarily by the Frankfort Electric & Water Plant Board in order to accept comments on the above items. Formal rules of evidence will not apply. Both oral and written comments will be accepted. Any and all persons present who wish to make a statement will be afforded an opportunity to do so. If you have a written statement to accompany your oral presentation, a copy of the written statement should be provided to me prior to your presentation. If you have a lengthy statement, I ask that you summarize your comments. Oral presentations should be limited to no more than 10 minutes. If necessary, I will interrupt and request the presentation to be completed due to this time limit. I may ask questions of any person presenting oral comments where it is necessary to clarify the nature or substance of the comments.

The reasons for conducting the Hearing by these rules is so that we can collect information, especially information that the Board has not previously considered, and take it under review.

The Board may not answer questions because we do not want to make hasty judgements on specific issues that are brought out if technical in nature. This is especially true since different points of view may come up during the course of the evening from different speakers. It is the job of the Board to fairly consider these points of view and information as part of the setting. We do want public input and involvement and I hope you do not find our standard procedures restrictive.

The oral comment period for this Hearing will end at the close of business on February 19, 2002. Written comments received on or before February 19<sup>th</sup> will be accepted and considered.

Before we open the floor to those wishing to comment for the record, John Higginbotham will comment on the proposed items.

EXISTING AND PROPOSED WATER RATES

<u>CITY RATES</u>	<u>EXISTING*</u>	<u>PROPOSED*</u>
MIN. 2,000 GAL.	\$ 6.27	\$ 7.02
NEXT 3,000 GAL	\$ 3.14	\$ 3.51
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0-15,000,000 GAL	\$ 1.365	\$ 1.474
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WATER LOADING STATION	\$ 2.60	\$ 2.89
COMPANY USE (INTERNAL)	\$ 0.46	\$ 0.51

\*All monthly rates are per 1,000 gallons except Fire Services which are per service.

EXISTING AND PROPOSED SECURITY AND AREA LIGHTING RATES

	<u>Existing</u>	<u>Proposed</u>
<u>Security Lighting Service:</u>		
250 Watt High Pressure Sodium	\$ 9.15 per month	\$ 8.00 per month
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175 Watt Metal Halide	\$ 5.90 per month	\$ 6.90 per month

Mr. Higginbotham commented that the items covered in this Public Hearing pertain to nearly every department within our Company (Electric, Water & Cable). Three customers came in to pick up copies of the Public Hearing document and one customer called in with comments on the proposed rates/changes. Her comments are as follows:

“Ms. Jody Gershman called to voice an opinion regarding the proposed rate increase for water. She suggested that the Plant Board consider excluding customers using the minimum (or less) amount of water. She stated that most of those customers would be elderly individuals that live on fixed incomes and usually have medicine to pay for each month. Ms. Gershman understands that this would need to pertain to customers who have been on the Plant Board’s lines for a given period of time in order to get a history of usage. Ms. Gershman felt this would be very good public relations on the part of the Plant Board.”

Mr. Higginbotham further commented that there are a couple of items that we need to make clarifications on. These few pen and ink changes are on pages 3, 7, 11 and 16 in the Public Hearing document. Mr. Higginbotham briefly went over these changes. The changes are as follows: On page 3, under “Voice Mail Products”, it should read “Voice Mail with Message Waiting Indicator Audio/Visual - \$4.50”. (Fifty cent charge taken out). On page 7, under “Caller ID Products”, “Caller ID with Name and Number Delivery” and Caller ID with Number Delivery” should be switched. On page 11, under “Voice Mail Products”, the charge for “Message Waiting Indicator Audio/Visual” should be changed to \$.75. On page 16, add “H. Surcharge for Pay Phone Originated 800 Calls - \$.30 per call”.

Mr. Baldwin asked if anyone had registered to comment on the proposed rates/changes? Staff indicated no one had registered to speak.

Mr. Higginbotham commented that the Public Hearing document was handed out at the January Board Meeting for the Board to review. If the Board has any questions at this time, Staff will answer.

Mr. Sandidge commented that Bob Riddle, General Manager of the Georgetown Water Co. is here tonight and suggested Staff explain the water increase to the Wholesale customers.

Mr. Peterworth explained that the wholesale customers’ rates are proposed to be raised by 8% based on the Cost-of-Service Study by R. W. Beck & Associates. Eight percent sounds like a lot but if you look at it on an individual customer basis, it’s not a big increase. It’s less than \$12 a year for an individual customer. Mr. Sandidge stated that the percentage for wholesale is less than the percentage proposed for the City and County. Mr. Sandidge further commented that based on the Cost-of-Service Study, there probably will not be another water rate increase for at least another 3-4 years.

Mr. Smith asked if Staff goes through a process of responding to comments like Ms. Gershman? Staff indicated yes.

There being no further comments, Mr. Baldwin closed the Public Hearing.

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at their Office at 317 West Second Street on Tuesday, March 19, 2002.

INDIVIDUALS ATTENDING

E. Bruce Dungan, Chairman  
 Clyde P. Baldwin, Vice Chairman  
 James D. Liebman, Secretary/Treasurer  
 Joseph Smith, Board Member  
 Robert Bowman, Board Attorney  
 Warner J. Caines, General Manager  
 David M. Sandidge, Assistant General Manager/Admin.  
 David Peterworth, Finance Director  
 Ann Bohannon, Executive Assistant  
 Herbbie Bannister, Assistant General Manager/Opr.  
 Russ Colwell, Customer Service Director  
 Roger McDonald, Assistant Water Plant Superintendent  
 Karl Pitzer, IT Director  
 David Carpenter, Chief Electrical Engineer  
 Rodney Simpson, Electric Superintendent  
 John Higginbotham, Director of Marketing/Advertising  
 Bill Cheek, Purchasing Director  
 Mike Perry, Service Supervisor, Water Department  
 Dianne Schneider, Human Resource Director  
 Kim Watson, Safety Director  
 Ellis Bryant, Cable Superintendent  
 Carl Mitchell, Assistant Cable Superintendent  
 Paul Combs, Consultant Job Classification/Pay Compensation  
 Charlie Hamilton, Powell-Walton-Milward Insurance Company  
 Beth Crace, State Journal

AGENDA

The Agenda for the Regular Board Meeting of March 19, 2002 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of February 19, 2001.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of February, 2002.
3. Informational Item – Departmental Reports.
4. Informational Item – Status of FSN Project.
5. Approve (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for HICAP Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives (a) Service Extensions having all Electric Homes or Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services.
6. Approve Proposed Revisions to Job Classification/Pay Compensation (JC/PC) Plan as Recommended by Consultant and Staff Effective July 1, 2002 (Implementation Cost FY 2002/2003 \$159,826).
7. Informational Item – Increase in General Business Insurance.
8. Approve Tariff Language Covering Land-Locked Property.
9. Approve Amendment No. #1 to Contract A Relating to Installing, Commissioning, and Testing the Switched VoIP Equipment (Extending Completion Date).

4. Informational Item – Status of FSN Project

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

“Ellis Bryant and John Higginbotham will discuss.”

Mr. Dungan asked for comments. Mr. Bryant commented that two nodes have been Completed. Nodes 20 and 28 which are the Bon Air-Cardinal Hills-Sunset-Brighton Park and Governor’s Place-Scruggs Lane and Stoneleigh areas respectively. A brief discussion ensued on completing the Ridgeview area which has been affected by the weather. This area should be completed by the next Board Meeting. Mr. Bryant stated on the “Current-Month-to-Month Schedule,” the Cable Modem calls have been separated from the regular Trouble Call as requested at the last Board Meeting. However, we will continue to track these calls. We recently added another Point-to-Point Dark Fiber customer. We also added 61 basic cable customers making us within 8 customers of reaching our yearly high. On the “Budgeted and Actual Customer/Service Penetration Schedule,” we are 474 services above budget. Mr. Dungan asked if Staff was still working on the Plant Board’s security? Mr. Bryant stated we are still working very heavily on the Plant Board’s security issues. Mr. Smith asked if there was a backlog of cable service orders? Mr. Colwell commented that we are scheduling appointments each day and are still doing residential and commercial installations daily. Calls for home and business inspections are starting to pick up again.

5. Approve (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for (a) Service Extensions having all Electric Homes or Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

“A Public Hearing was conducted on February 19, 2002 to receive public input on the above referenced items. Only one comment was received regarding the proposed water rate. Ms. Jody Gershman asked the Board to consider excluding those customers from the water rate increase who only use the minimum amount of water. Staff looked into this request and felt it was not feasible at this time because the rates would have to be restructured and the financial impact would either be to great or increase the burden on others. No other comments were received on the other items. Therefore, Staff recommends that the Board approve the above referenced items as presented at the February Board Meeting.”

Mr. Dungan asked for comments. There being no discussion, a motion was made by Mr. Smith to approve the rates as presented. The motion was seconded by Mr. Baldwin and unanimously approved.

6. Approve Proposed Revisions to Job Classification/Pay Compensation Plan (JC/PC) as Recommended by Consultant and Staff effective July 1, 2002 (Implementation Cost FY 2002/2003 \$159,826)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse, at 98 Tanglewood Drive, Frankfort, Kentucky on Tuesday, November 16, 2004.

#### INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
 Sheila Burton, Vice Chairman  
 Michael Dudgeon, Secretary/Treasurer  
 Ann Wingrove, Board Member  
 Bennie Maffet, Board Member  
 James Liebman, Board Attorney  
 Warner J. Caines, General Manager  
 David M. Sandidge, Assistant General Manager/Admin.  
 Herbbie Bannister, Assistant General Manager/Opr.  
 Ann Bohannon, Executive Assistant  
 David Billings, Chief Water Engineer  
 David Peterworth, Finance Director  
 Adam Hellard, Security Manager  
 Karl Pitzer, IT Director  
 Russ Colwell, Customer Service Director  
 Kim Watson, Safety Director  
 Dianne Schneider, Human Resource Director  
 David Carpenter, Chief Electric Engineer  
 Adam Ashley, Engineering Technician  
 Frank Goin, Purchasing Agent  
 John Higginbotham, Cable Superintendent  
 Gary Grider, Media Services Director  
 Carl Mitchell, Cable Engineering Manager  
 Rodney Simpson, Electric Superintendent  
 Bunk Sullivan, Water Superintendent  
 Anthony Massey, City Manager  
 Erik Carlson, State Journal

#### AGENDA

The Agenda for the Regular Board Meeting of November 16, 2004 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of October 19, 2004.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of October, 2004.
3. Informational Item – Departmental Reports.
4. Approve Notice of Public Hearing RE: Proposed Water Rate Increase.
5. Approve Resolution for Financing Certain Water System Improvements (\$1.8 Million).
6. Approve Amendment to the Job Classification/Pay Compensation Plan.
7. Approve Hiring Network Administrator Due to Military Leave of Absence.
8. Consider Request for Release of a Security Bond for Home Depot (\$16,000).
9. Consider Request for a Waiver of a Security Deposit for Poe Rentals Located At 300 Reilly Road (\$10,000).
10. Informational Item – Status Report on GIS Implementation Plan.
11. Approve License Agreement with Commonwealth of Kentucky-Department of Military Affairs for the Use of a Temporary Substation Site.
12. Other New and Old Business:
  - A. Approve Renewal of Excess Loss Coverage with Symetra Life Insurance Company (formerly Safeco) for the Frankfort Electric and Water Plant Board's Employee Health Plan.
  - B. Approve Award of Bid Invitation #1352 (Montaplast Switchgear-\$155,270).
  - C. Informational Item – Comparison of FPB Rates & Service for Security And Basic Cable with ADT, Direct TV and Dish TV (Satellite).
  - D. Approve Award of Bid Invitation #1353 (Medium Power Substation Transformer-\$303,170).

Water Treatment Plant - During the Month of October, the Water Treatment Plant withdrew approximately 270 million gallons of raw water with an average daily withdrawal rate of 8.72 million gallons. During this same time frame last year, this system averaged 8.02 million gallons. The maximum daily demand occurred on October 23, 2004 with 10.63 mgd being produced on this date (peak demand). Compliance with all Federal and State Water Quality Standards were maintained.

Safety – There was 0 OSHA Recordable Accidents during the Month of October.

There were 2 vehicle accidents in October:

- A distracted driver (non-employee) struck the bumper of an electric Employee's vehicle which was at a stop. The accident caused minor Damage to both vehicles.
- A water vehicle sustained minor damage when it struck a deer.

Customer Service – During the Month of October, approximately 13,207 incoming calls were received on our main number 352-4372. The daily average of calls was 629, with 4 billing representatives and 5 CSRs available for calls. The average calls per representative, per day would be 70. These statistics do not include walk-in customers, direct dialed calls to the representatives' two phone lines or any internal calls."

Mr. Smith asked for comments. Each Department Head reiterated their department's outages.

Mr. Smith asked about a Boil Water Advisory that occurred downtown. Mr. Sullivan stated this was a result of the Sewer Department hitting a service line.

Mr. Smith asked if Georgetown Water Plant still down? Mr. McDonald yes. They have been down several times over the past few months. They are refurbishing almost the whole plant. Mr. McDonald further commented that Georgetown is almost completed with the refurbishing.

Ms. Wingrove asked Mr. Colwell how long the average call was for a Customer Service Representative? Mr. Colwell stated that Staff is presently looking at a piece of equipment that could measure this. Our calls could average 4 1/2 to as long as 30 minutes due to the number of services we offer. A brief discussion ensued on marketing our services when talking to customers which we are not focusing on at this time. Staff plans to market the services once the call volume levels off. Mr. Colwell also commented that we are still in the process of staffing the Customer Service area which will help in the volume of calls and walk-ins. Also, once the backlog is caught up, we plan to start sending out new marketing mailers advertising our new services in a conservative manner.

Ms. Wingrove asked when a customer is put on hold, what are they listening to? Mr. Colwell stated that when the receptionist puts them on hold, they are listening to the Easy Listening Music. Ms. Wingrove asked if it would be feasible to advertise our services instead of music? Mr. Colwell stated that at this time, we can only listen to music. We are looking at a piece of equipment that is compatible with our existing telephone system that would allow us to do this. Mr. Colwell further commented that Mr. Higginbotham's staff is setting up an information center in the front office that will show customers all the new services as they wait for a Customer Service Representative.

#### 4. Approve Notice of Public Hearing RE: Proposed Water Rate Increase

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"The Notice of Public Hearing proposes that all water rates will increase 8.5% with the bill due and payable March 15, 2005 (See C-4, Pages 1 and 2 for Public Notice).

The approved Budget and Five Year Plan provided for this increase (See C-4, Page 4 and Page 6). The increase will mean the average City customer using 4,000 gallons per month, will see an increase of \$1.20 per month. The increase will mean the average County customer using 4,000 gallons per month, will see an increase of \$1.73 per month.

This increase will result in FPB being slightly above the BGADD average for five of the six consumption categories measured by BGADD. (See C-4, Page 7)"

Mr. Smith asked for comments. Mr. Peterworth reiterated the Executive Digest.

There being no further discussion, a motion was made by Mr. Dudgeon to approve the Notice of a Public Hearing regarding a Proposed Water Rate Increase. The motion was seconded by Ms. Wingrove and unanimously approved.

5. Approve Resolution for Financing Certain Water System Improvements (\$1.8 Million)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"The budget (See C-5, Pages 5 and 6) provided for the borrowing of \$1.8 million for capital improvements to the water system.

The borrowing is for Capital Projects in this and next year's Capital Addition budget or any substitutes (See C-5, Pages 1 thru 8 for Projects in Capital Additions Budget). The borrowing will be by Bond Anticipation Note (BAN) for probably two years and then turned into permanent financing. The borrowing RFP will be prepared by Bond Counsel and must be submitted to at least three banks for response. The Board may designate the banks to which an RFP/letter is sent (such as the local banks). Bond Counsel would join Staff in evaluating responses from the Banks. Staff would at a subsequent Board Meeting include the recommended award for the Board's formal action.

Mr. Bill Davis, our Bond Counsel, has provided us with the Resolution on Pages C-5/9-10 which will enable us to qualify these borrowings as tax exempt. David Peterworth will discuss further."

Mr. Smith asked for comments. Mr. Peterworth explained that we are trying to strike a balance between borrowing and rate increases that will allow water to meet all capital requirements, all expenses and build a reserve sufficient to cover the sinking fund requirement of the bond issues. Borrowing is done on capital projects. We have identified the capital projects for the next two years and the rate increases to where we will meet the objectives for the next five years.

Mr. Sandidge commented that in discussions with Bill Davis, our Bond Counsel, he would like to restrict the number of banks that will get involved with the RFPs. Mr. Sandidge asked Mr. Davis if it was acceptable to restrict the RFPs to local banks. Mr. Davis stated it didn't matter, just so we have at least three responses. Mr. Smith stated that he felt the RFPs should be sent to as many as we can for comparative purposes. Mr. Peterworth stated that there are at least 6 or 7 banks in town. We have to have at least 3. Ms. Wingrove commented that she didn't know how competitive banks were at this level? Mr. Sandidge stated that when we had the FSN borrowing, there was a difference. Mr. Peterworth stated that we will have options, ie. fixed rate or variable rate but we need to talk to Bond Counsel. Mr. Peterworth stated that this Bond Anticipation Note will be for two years. At the end of two years, we will have the option to extend the note for an additional two years. Mr. Dudgeon stated that with the banks here in town, we have a pretty broad representation. If we go to one of the larger banks, we may be dealing with someone in another State. This might not present a huge problem. Mr. Peterworth stated that several of the larger banks, have offices either in Lexington/Louisville. Mr. Sandidge stated that maybe we could state on the RFP, any bank that has a local presence. The Board agreed.

Therefore, there being no further discussion, a motion was made by Mr. Dudgeon to approve the resolution for financing certain water system improvements of \$1.8 million and limit RFPs to any bank that has a local presence. The motion was seconded by Ms. Wingrove and unanimously approved.

6. Approve Amendment to the Job Classification/Pay Compensation (JC/PC) Plan

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"Staff recommends that the Board approve the following amendment to the Job Classification/Pay Compensation (JC/PC) Plan:

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse at 98 Tanglewood Drive, Frankfort, Kentucky on Tuesday, January 18, 2005.

#### INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
 Sheila Burton, Vice Chairman  
 Michael Dudgeon, Secretary/Treasurer  
 Bennie Maffet, Board Member  
 Ann Wingrove, Board Member  
 James Liebman, Board Attorney  
 Warner J. Caines, General Manager  
 David M. Sandidge, Assistant General Manager/Admin.  
 Herb Bannister, Assistant General Manager/Opr.  
 Ann Bohannon, Executive Assistant  
 David Peterworth, Finance Director  
 Shannon Taylor, New Finance Director  
 David Billings, Chief Water Engineer  
 Ray Willard, Support Service Superintendent  
 Rodney Simpson, Electric Superintendent  
 Dianne Schneider, Human Resource Director  
 Kim Watson, Safety Director  
 Russ Colwell, Customer Service Director  
 Karl Pitzer, IT Director  
 Gary Grider, Media Services Manager  
 John Higginbotham, Cable Superintendent  
 Ed Hancock, Telecommunications Manager  
 Chris Riddle, Water Plant Superintendent  
 David Carpenter, Chief Electric Engineer  
 Frank Goin, Purchasing Agent  
 Bunk Sullivan, Water Superintendent  
 Adam Hellard, Security Manager  
 Carl Mitchell, Cable Engineering/Construction Manager

#### AGENDA

The Agenda for the Regular Board Meeting of January 18, 2005 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of December 21, 2004.
  - 1.1 Approve Minutes of Special Board Meeting of December 15, 2004 Regarding FSN Borrowing.
  - 1.2 Approve Minutes of Special Board Meeting of the Municipal Projects Corporation of December 15, 2004 Regarding FSN Borrowing.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of December, 2004.
3. Informational Item – Departmental Reports.
4. Conduct Public Hearing Covering a Proposed Water Rate Increase for Resale Customers.
5. Approve Proposed Water Rate Increase for Residential, Commercial and Industrial Customers (Excluding Resale Customers).
6. Consider Addition of National Geographic Channel to the Basic Cable Lineup.
7. Approve Addendum to Cornerstone Communications Group Contract Labor Agreement.
8. Informational Item – Dish Network to Raise Monthly Fee.
9. Consider Rick's City Café's Request for a Release of a Security Deposit.
10. Informational Item – Pictures Related to the December Ice Storm.

4. Conduct Public Hearing Covering a Proposed Water Rate Increase Resale Customers

This Hearing will come to order. My name is Sheila Burton, Vice Chairman. I have been requested by the Chairman to conduct this Hearing. With me today are the Board Members and Staff of the Frankfort Electric and Water Plant Board. We are here to receive comments regarding a Proposed Water Rate Increase for resale customers (Water Districts and the Georgetown Water Company).

Proper Notice of a Public Hearing was given last month to all resalers except South Anderson Water District and Georgetown Water Company. Notice of this Public Hearing was advertised in accordance with the Regulations for public notification and printed on January 2, 2005 by the Georgetown News Graphic and January 5, 2005 by the Anderson News. We also sent certified letters (See copy of letters on pages C-4/1-16) to each water district and the Georgetown Water Company (all resalers of FPB's water).

We have asked that you register if you request to speak. If you have not already done so, please register with the Secretary so that we will have a record of those in attendance and wishing to speak today.

A brief further statement about the conduct of this Public Hearing is in order. This Hearing will be conducted informally. This Hearing is being conducted voluntarily by the Frankfort Electric & Water Plant Board in order to accept comments on the above item. Formal rules of evidence will not apply. Both oral and written comments will be accepted. Any and all persons present who wish to make a statement will be afforded an opportunity to do so. If you have a written statement to accompany your oral presentation, a copy of the written statement should be provided to me prior to your presentation. If you have a lengthy statement, I ask that you summarize your comments. Oral presentations should be limited to no more than 10 minutes. If necessary, I will interrupt and request the presentation to be completed due to this time limit. I may ask questions of any person presenting oral comments where it is necessary to clarify the nature or substance of the comments.

The reasons for conducting the Hearing by these rules are so that we can collect information, especially information that the Board has not previously considered, and take it under review.

The Board may not answer questions because we do not want to make hasty judgements on specific issues that are brought out if technical in nature. This is especially true since different points of view may come up during the course of the day from different speakers. It is the job of the Board to fairly consider these points of view and information as part of the setting. We do want public input and involvement and I hope you do not find our standard procedures restrictive.

The oral comment period for this Hearing will end at the close of business on January 18, 2005. Written comments received on or before January 18, 2005 will be accepted and considered.

Before we open the floor to those wishing to comment for the record, David Peterworth will comment on the proposed item.

Mr. Peterworth's introductory comments:

The Notice of Public Hearing proposes that all water rates for resale producers will increase 8.5% with the bill due and payable April 15, 2005 as provided below:

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
1. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal.	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal.	\$1,406 per 1,000 gal

Mr. Peterworth stated that the proposed water rate increase is the same rate as recommended for the residential customers that was discussed at the Public Hearing last month. The purpose of this rate increase is to (1) pay for our operation and maintenance, and (2) establish our reserves and some capital additions.

Mrs. Burton asked Ms. Bohannon if anyone had registered to speak or any written comments received. Ms. Bohannon stated there were none.

There being no further comments, Mrs. Burton closed the Public Hearing.

5. Approve Proposed Water Rate Increase for Residential, Commercial and Industrial Customers (Excluding Resale Customers)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"A Public Hearing was conducted on December 21, 2004 for the purpose of receiving oral or written comments on a proposed water rate increase.

Mr. Steve Mims, a customer, attended the Public Hearing and presented written and oral Comments (see C-5/1) expressing the following:

1. Sewer Rates being raised as a result of our proposed water rate increase.
2. Obtaining Federal Grants, etc. to use in the upgrade of our water system.
3. Charging higher rates to the County due to delivery costs being higher.

Staff Response:

1. Mr. Mims stated that raising our water cost will raise our sewer cost. FPB is responsible for only setting water rates. The City of Frankfort sets sewer rates. The water rates do not have any impact on sewer rates, just water consumption. The two are completely independent of each other. There have been water rate increases without sewer rate increases and sewer rate increases without water rate increases. Mr. Mims indicated that some water consumption does not end up in the sewer system. Both the Board and the City are aware of this and the Board has provisions for "agricultural" meters on which no sewer is charged. There is a cost to install these meters since they involve a tap to the distribution line and a separate meter; however, if the consumption is sufficient the savings in sewer charges may justify the up-front expense.
2. Mr. Mims indicated that FPB should be more creative in raising money to keep our system modernized". Historically the Board has limited funding to rate increases and or borrowing. Grants and aid from various governmental agencies are sometime available. However, these sources generally contain rather restrictive provisions and quite often subject the recipient to outside interference with its operations. The Board has traditionally not felt that the benefits of such funding outweigh the burdens involved. However, we will consider exploring grant opportunities in the future. The Board is not just raising rates, there is also a bond issue for \$1.8 million to cover some anticipated construction costs for extensions and upgrades and spread that cost over the next 20 years. Without that bond issue we would be unable to extend and upgrade the system unless we raised rates an additional 30%.

Mr. Mims stated that the State Journal gave "the reason for the shortfall in revenues and the lost of reserve to a wet year". The State Journal article was very short and did not contain all the points that were discussed. Staff has in each of the last (3) three Fiscal Year Budgets indicated to the Board that a combination of borrowing and rate increase would be necessary if there was no substantial favorable change in revenues. The shortfalls over the last (2) two fiscal years indicated that no such favorable change in revenues had occurred. The prevailing weather conditions last year and into this year did not create the problem but far from helping, exacerbated the pre-existing problem. The Boards reserves do rise and fall with each year's revenues. We do not reduce rates in years where surpluses exist because we know that years will follow where shortfalls will exist. However the trend over the past several years has been one of insufficient in growth of sales to offset continuing cost increases and the continuing cost of maintaining, upgrading, and extending the plant.

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Clubhouse at 98 Tanglewood Drive, Frankfort, Kentucky on Tuesday, February 15, 2005.

#### INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
 Sheila Burton, Vice Chairman  
 Michael Dudgeon, Secretary/Treasurer  
 Ann Wingrove, Board Member  
 Jennie Maffet, Board Member  
 James Liebman, Board Attorney  
 Warner J. Caines, General Manager  
 David M. Sandidge, Assistant General Manager/Admin.  
 Herbbie Bannister, Assistant General Manager/Opr.  
 Ann Bohannon, Executive Assistant  
 David Billings, Chief Water Engineer  
 Rodney Simpson, Electric Superintendent  
 Scott Hudson, Assistant Electric Superintendent  
 Bunk Sullivan, Water Superintendent  
 Shannon Taylor, Finance Director in Training  
 David Peterworth, Finance Director  
 John Higginbotham, Cable Superintendent  
 Chris Riddle, Water Plant Superintendent  
 David Carpenter, Chief Electric Engineer  
 Russ Colwell, Customer Service Director  
 Karl Pitzer, IT Director  
 Adam Hellard, Manager of Security  
 Frank Goin, Purchasing Agent  
 Ray Williard, Support Services Superintendent  
 Dianne Schneider, Human Resource Director  
 Tim Watson, Safety Director  
 Mary Grider, Manager of Media Services  
 Carl Mitchell, Manager of Engineering  
 Ed Hancock, Manager of Telecommunications

#### AGENDA

The Agenda for the Regular Board Meeting of February 15, 2005 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of January 18, 2005.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of January, 2005.
3. Informational Item – Departmental Reports.
4. Approve Proposed Water Rate Increase for Resale Customers.
5. Informational Item – A New Way of Viewing Rates, Savings and Retention of Basic Cable Customers.
6. Approve Amendment to Job Classification/Pay Compensation Plan.
7. Approve Routine Water Extension Agreement for Arnold Ridge Sub-Division, Section 3 Associated with W.O. 9425C (\$92,944.43).
8. Other New and Old Business:
  - A. Approve Resolution for Borrowing of \$1.85 Million from Republic Bank For Two Years at 3.59%.
  - B. Approve Execution of Contract between Commonwealth of Kentucky Transportation Cabinet and FPB for Reconstruction of US 421.
  - C. Approve Execution of Contract between PVA Office and FPB.
  - D. Approve Amendment to City Network Agreement.
  - E. Informational Item – Schedule for Upcoming Board Meetings.
9. Request Permission to have Chairman Call an Emergency Closed Door Session in Accordance with KRS 61.810(F) Prior to the Next Regularly Scheduled Board Meeting in the Event it's Necessary to Discuss Pending Litigation.
10. Closed Door Session.

calls. Mr. Colwell further stated that with the enormous volume of calls we get, Mrs. Burton's call could have just fell through the cracks but would check into this further. Mr. Colwell advised that in the next few months, Staff plans to let the customers know about the after hour dispatch numbers which will hopefully relieve the backlog of calls. We plan to advertise this on our system, as well as, through messages on the customers bills.

4. Approve Proposed Water Rate Increase for Resale Customers

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"A Public Hearing was conducted on January 18, 2005 for the purpose of receiving oral or written comments on a proposed water rate increase for Resale Customers. A Public Hearing was originally held on December 21, 2004 but because no comments were provided on behalf of the Water Districts, Staff extended their opportunity to comment until the January Board Meeting. Each Water District and the Georgetown Water Company was sent a "Certified" Letter concerning the proposed water rate increase and the Public Hearing held on January 18, 2005. As a result of the Public Hearing, no oral or written comments were received. Therefore, Staff recommends that the Board approve the proposed water rate increase for Resale Customers effective with the bill due and payable April 15, 2005. The same rate increase for non-resale customers was approved at the last Board Meeting."

Mr. Smith asked for comments. Mr. Peterworth reiterated the Executive Digest. The Elkhorn Water District has asked to meet with Staff next month to see how we came up with the numbers. They just want some additional information. Mr. Peterworth further stated that even with Elkhorn's request, Staff recommends that the Board approve the water rate increase for Resale Customers effective with the bill due and payable April 15, 2005.

There being no further discussion, a motion was made by Mrs. Burton to approve the water rate increase for Resale Customers effective with the bill due and payable April 15, 2005. The motion was seconded by Mr. Dudgeon and unanimously approved.

5. Informational Item – A New Way of Viewing Rates, Savings and Retention of Basic Cable Customers

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"See C-5/1-15 for Summary and Detail of this Item. David Sandidge will explain further."

Mr. Smith asked for comments. Mr. Sandidge proceeded to highlight the detail section which demonstrates the savings of an FPB cable customer who kept FPB's cable and switched to FPB Local and Long Distance Phone Services. Mr. Sandidge also provided the Board with a hand out on the FSN Project which included some of the obstacles and challenges of the FSN Project, and how the FSN has benefited this community.

In the near future, we may need to make basic cable more attractive in combination (bundling) with other services. The customer will get the great overall savings when taking services in combination (bundled). However, when customers cherry pick services, they will be paying more. Staff is beginning to research service bundling and how to best rollout and market this service. Bundling may begin sometime next fiscal year. Staff will come back to the Board with additional information. A brief discussion ensued on installation fees charged to the customer and by bundling services together, the savings that the customer could see.

6. Approve Amendment to Job Classification/Pay Compensation (JC/PC) Plan

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"In September 2004, the Board approved the Staff Attorney position with the provision that Staff recommend the grade classification for the position once the selection process and review of candidate's salary requirements was completed. Staff has completed the selection process and is prepared to make a job offer.

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Plant Board's Clubhouse located at 98 Tanglewood Drive on Tuesday, July 18, 2006 at 5 p.m.

INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
Sheila Burton, Vice Chairman  
Michael Dudgeon, Secretary/Treasurer  
Ann Wingrove, Board Member  
Bennie Maffet, Board Member  
James Liebman, Board Attorney  
Hance Price, Staff Attorney  
Warner J. Caines, General Manager  
Herbbie Bannister, Assistant General Manager/Oprs.  
Ann Bohannon, Executive Assistant  
Russ Colwell, Customer Service Director  
Dianne Schneider, Human Resource Director  
Rodney Simpson, Electric Superintendent  
Leigh Ann Disponett, Purchasing Agent  
Mark Redmon, Support Service Superintendent  
Adam Hellard, Manager of Security  
Dana Goodlett, Manager of Cable Installation  
John Higginbotham, Cable Superintendent  
Kim Watson, Safety Director  
Jimmy Allen, Water Superintendent  
David Billings, Chief Water Engineer  
Chris Riddle, Water Plant Superintendent  
Karl Pitzer, IT Director  
Shannon Taylor, Finance Director  
Mike Lane, R. W. Beck  
Tom Marshall  
Paul Glasser, State Journal

AGENDA

The Agenda for the Regular Board Meeting of July 18, 2006 was received and entered into the Minute Book as follows:

1. Approve Minutes of Regular Board Meeting of June 20, 2006.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of June, 2006.
3. Informational Item – Departmental Reports.
4. Presentation of Revised Cost-of-Service Study by R. W. Beck & Associates.
5. Approve Notice of a Public Hearing Covering a Proposed Water Rate Increase for All Wholesale Water Customers.
6. Informational Item - Study on Net Metering, Smart Metering and Interconnection Standards.
7. Approve Routine Cable/Telecommunications Line Extension Agreement for The Maples-Phase 3 Associated with Work Order 9954C (\$25,723.38).
8. Other New and Old Business:
  1. Approve Award of Bid Invitation #1390 (Annual Wood Poles - \$91,225)
  2. Approve Award of Bid Invitation #1391 (Annual Transformers - \$77,516)
  3. Approve Award of Bid Invitation #1392 (Annual Pipe & Fittings)
  4. Approve Award of Bid Invitation #1386 (Tree Trimming)
9. Request Permission to have Chairman Call an Emergency Closed Door Session in Accordance With KRS 61.810(1)(F) Prior to the Next Regularly Scheduled Board Meeting in the Event it's Necessary to Discuss Pending Litigation.
10. Closed Door Session.

Mr. Bannister asked Mr. Billings to brief the Board on the Bluegrass Water Consortium project. Mr. Billings stated that the Bluegrass Water Supply Commission met today and plans are still underway to get a water treatment plant on pool 3. The options include Versailles, FPB and the Louisville Water Company. The Commission also purchased an option for a piece of property on pool 3 and have obtained a financial advisor to help develop business and financial plans for this project. One of the downsides to this project has been Kentucky American's inability to commit to the Bluegrass Water Supply Commission. Kentucky American recently came out with a statement stating they are going to build a water plant on their own. However, this has not slowed down the efforts of the Water Supply Commission. The Commission has requested an estimate from the Plant Board on a 5 and 10 delivery system which we are currently working on. GRW is finalizing their study on the Water Treatment Plant and will be making a presentation to the Board hopefully next month. Mr. Billings stated he will keep the Board advised on this endeavor.

Mr. Smith asked if the aerial crossing project had been completed? Mr. Billings stated yes.

Mr. Smith asked about the insurance collection on the pumps. Mr. Liebman stated that he and Mr. Price were working on this and it appears legal action will have to be taken. The Board will be kept advised.

4. Presentation of Revised Cost-of-Service Study by R. W. Beck & Associates  
(Shannon Taylor and R. W. Beck Representatives will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"Mr. Mike Lane with R. W. Beck & Associates, will be at the Board Meeting to present a revised Cost-of-Service Study to the Board. Copies of the revised Cost-of-Service were handed out to the Board at the July 11<sup>th</sup> Budget Meeting."

Mr. Smith asked for comments. Mr. Mike Lane explained to the Board that the reason for the revised Cost-of-Service Study was due to the expenses that were used in this year's budget to arrive at the revenue requirements were not the same expenses used in the first Cost-of-Service Study. We felt the numbers were different enough to warrant a revision in the Cost-of-Service Study.

Mr. Lane proceeded to highlight the Goals, the Study Overview, Customer Usage, Comparison of Average Rates for City, County and Wholesale Customers and the Rate Option Scenarios. Mr. Lane stated that instead of the three rate option scenarios that were presented last month, there are now four scenarios. Mr. Lane briefly highlighted each scenario and the rate amount needed for each scenario to meet the necessary revenue requirement.

One area that the Plant Board needs to look at is how the developers are reimbursed. Ms. Wingrove asked Mr. Lane to explain what an impact fee was. Mr. Billings briefly explained that the Plant Board's policy has been to reimburse the developers the same as if we were a private company ruled by the Public Service Commission. There is only one other utility that reimburses the developers Louisville Water Company. They average about \$200 per lot whereas we average about \$1500 per lot. Mr. Caines stated that if an impact fee was adopted, you would collect from the new customer for new growth. As is it now, all customers are subsidizing the developers. After a brief discussion ensued on the timeline to implement a impact fee, Mr. Smith suggested that this matter be discussed further at next month's Board Meeting. Mr. Billings advised that Staff will prepare information on this matter for the Board's consideration for next month.

5. Approve Notice of a Public Hearing Covering a Proposed Water Rate Increase for All Wholesale Water Customers: (See C-5/1): (Shannon Taylor will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

Staff is recommending that the Board approve a Notice of a Public Hearing covering a proposed water rate increase for all Wholesale Water Customers. Based on the results of

the Cost-of-Service Study, Staff is recommending an 11.4% water rate increase effective with the bill due and payable October 15, 2006.

The proposed water rate increases are as follows:

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale-Non Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale-Other Water Producers (Georgetown Water Company)		
0 – 15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

Mr. Smith asked for comments. Ms. Taylor reiterated the Executive Digest.

At the request of Ms. Burton, the August Board Meeting will be changed to August 22<sup>nd</sup> at 5 p.m. at the clubhouse. The notice of the public hearing will be changed to reflect this revised schedule.

A brief discussion ensued on which option covered under the Cost-of-Service Study the Plant Board will choose. Further discussion will occur at the August Board Meeting.

There being no further discussion, a motion was made by Mr. Dudgeon to approve the Notice of a Public Hearing covering a proposed water rate increase for all wholesale water customers. The motion was seconded by Ms. Burton, and unanimously approved.

6. Informational Item - Study on Net Metering, Smart Metering and Interconnection Standards: (Hance Price and David Carpenter will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

“Pursuant to the Energy Policy Act of 2005, FPB has an obligation as a self-regulated utility selling in excess of 500 million kwh annually to consider and decide on several national energy policy issues. These include net metering, smart metering and interconnection standards. While the Board must consider the standards, it is not required to implement them.

The Board must consider these standards, hold a public hearing and issue a written decision determining whether to implement these standards. Consideration of smart metering and Interconnection standards must be commenced by August 8, 2006 and a determination made by August 8, 2007. Consideration of net metering standards must be commenced by August 8, 2007 and a determination made by August 8, 2008.

The Electric Department will complete a study discussing the three standards. The study is expected to be completed by April, 2007 and contain a review of all three standards. The Board must hold a public hearing and then decide whether to adopt the standards in a written decision on or before the July 2007 Board Meeting.”

Mr. Smith asked for comments. Mr. Price reiterated the Executive Digest.

There being no further discussion, Mr. Smith asked Staff to submit a timeline associated with this study. Staff will provide the Board with this information.

7. Approve Routine Cable/Telecommunications Line Extension Agreement for The Maples Phase 3 – Associated with W.O. 9954C (\$25,723.38): (See C-7/1-9): (Carl Mitchell will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

“Staff recommends that the Board approve the Routine Cable/Telecommunications Line Extension Agreement for The Maples associated with W.O. 9954C in the amount of

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Plant Board's Clubhouse located at 98 Tanglewood Drive on Tuesday, August 22, 2006 at 5 p.m.

#### INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
 Sheila Burton, Vice Chairman  
 Michael Dudgeon, Secretary/Treasurer  
 Ann Wingrove, Board Member  
 Bennie Maffet, Board Member  
 Warner J. Caines, General Manager  
 David Sandidge, Consultant  
 Hance Price, Staff Attorney  
 Herbbie Bannister, Assistant General Manager  
 Ann Bohannon, Executive Assistant  
 Karl Pitzer, IT Director  
 Jimmy Allen, Water Superintendent  
 David Billings, Water Engineer  
 Dianne Schneider, HR Director  
 Leigh Ann Disponett, Purchasing Agent  
 Mark Redmon, Support Service Superintendent  
 David Carpenter, Electric Engineer  
 Chris Riddle, Water Plant Superintendent  
 Rodney Simpson, Electric Superintendent  
 Carl Mitchell, Manager of Cable Engineering/Construction  
 Dana Goodlett, Manager of Cable Installation  
 Ed Hancock, Manager of Telecommunications  
 John Higginbotham, Cable Superintendent  
 Russ Colwell, Customer Service Director  
 Shannon Taylor, Finance Director  
 Paul Glasser, State Journal  
 Bob Riddle, Manager –Georgetown Water Co.  
 Paul & Diane Looney, Customers

#### AGENDA

The Agenda for the Regular Board Meeting of August 22, 2006 was received and entered into the Minutes Book as follows:

1. Approve Minutes of Regular Board Meeting of July 18, 2006.
2. Approve Minutes of Special Board Meeting of July 11, 2006 covering the FY 2006-07 Budget and Five Year Plan.
3. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of July, 2006.
4. Informational Item – Departmental Reports.
5. Conduct a Public Hearing Covering a Proposed 11.4% Water Rate Increase for All Wholesale Water Customers Effective with the Bill Due and Payable December 15, 2006.
6. Informational Item – Presentation of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study by GRW.
7. Informational Item – Review of Existing FPB Refund Policies and Proposed Implementation of Impact Fees to Recover Refunds.
8. Informational Item – Discuss Employee Suggestion Program.
9. Approve Routine Water Line Extension Agreement for Whiskey Ridge Estates Associated with Work Order 10005C (\$56,650.35).
10. Approve Routine Electric Line Extension Agreement for Whiskey Ridge Estates Associated with Work Order 10021C (\$34,002.85).
11. Approve Routine Water Line Extension Agreement for The Vineyards Associated with Work Order 9942C (\$58,104.09).
12. Approve Routine Water Line Extension Agreement for Sycamore Crossings Associated with Work Order 9559C (\$84,038).

13. Other New and Old Business:
  - A. Approve Award of Bid Invitation #1395 (Fort Hill Booster Station-\$80,400).
  - B. Informational Item – Discuss FSN Notes (a) Extending Principal Retirement Periods and (b) Restricting Variable Interest Rate Ranges.
14. Request Permission to have Chairman Call an Emergency Closed Door Session in Accordance With KRS 61.810(1)(F) Prior to the Next Regularly Scheduled Board Meeting in the Event it's Necessary to Discuss Pending Litigation.
15. Closed Door Session.

**BOARD ACTION**

**1. Approve Minutes of Regular Board Meeting of July 18, 2006**

Mr. Smith called for a motion to approve the Minutes of the Regular Board Meeting of July 18, 2006. There being no discussion, a motion was made by Mr. Dudgeon, seconded by Ms. Wingrove and unanimously approved.

**2. Approve Minutes of Special Board Meeting of July 11, 2006 covering the FY 2006-07 Budget and Five Year Plan**

Mr. Smith called for a motion to approve the Minutes of the Special Board Meeting of July 11, 2006 covering the FY 2006-07 Budget and Five Year Plan. There being no discussion, a motion was made by Ms. Wingrove, seconded by Mr. Dudgeon and unanimously approved.

**3. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of July, 2006**

Mr. Smith asked for comments. Ms. Taylor highlighted the financial and statistical data as well as the financial notes for all lines-of-business.

There being no further discussion, a motion was made by Mr. Dudgeon, seconded by Ms. Wingrove and unanimously approved.

**IMPREST FUND DISBURSEMENTS**

DATE	CK #	PAYEE	AMOUNT	DESCRIPTION
7/21/2006	2	FARMERS	\$1,822.42	RET DRAFTS
7/11/2006	3	FARMERS	\$247.55	ACH FEE MAY 06
7/26/2006	4	FARMERS	\$43.35	RET BANK DRAFTS
7/5/2006	76590	POSTMASTER	\$1,000.00	POSTAGE - SECOND NOTICES
7/5/2006	76591	ESRI	\$2,250.00	REGISTRATION
7/5/2006	76592	HANCOCK, ED	\$557.91	TRAVEL
7/5/2006	76593	WHITAKER BANK	\$2,527.09	RET CKS
7/5/2006	76594	BROWN, DAVID	\$139.98	REIMBURSE INTERNET
7/5/2006	76595	R & R ELECTRIC	\$375.00	ELECTRICAL SERV -WC SERV BLDG
7/5/2006	76596	CARPENTER, DAVID	\$24.52	REIMBURSE
7/5/2006	76597	HARROD, MARK	\$31.00	CDL REIMBURSE
7/5/2006	76598	HANCOCK, ED	\$69.36	REIMBURSE
7/5/2006	76599	FPB	\$1,006.34	IMPREST REFUND
7/7/2006	76600	WHITAKER BANK	\$1,689.20	RET CKS
7/7/2006	76601	UPS	\$60.96	SHIPPING
7/7/2006	76602	BELLSOUTH	\$1,495.76	TELEPHONE
7/7/2006	76603	COLUMBIA GAS	\$20.48	UTILITIES - ELE
7/7/2006	76604	VERIZON	\$227.15	PAGERS
7/7/2006	76605	KU	\$426.94	UTILITIES - CABLE
7/7/2006	76606	MWWAK	\$3,000.00	DUES - ONE YEAR
7/7/2006	76607	AICPA	\$245.00	DUES
7/7/2006	76608	AICPA	\$169.00	CONTINUING EDUCATION
7/7/2006	76609	EVILSIZOR'S FRAMING	\$26.00	CUSTOM FRAMING
7/7/2006	76610	FARMERS BANK	\$479.80	PAYMENTS - TELLERS - TWO MOS
7/7/2006	76611	PROACTIVE THERAPY	\$45.00	NEW EMP PHYSICALS
7/7/2006	76612	CAPITAL FAMILY PHYSICIANS	\$190.00	NEW EMP PHYSICALS
7/7/2006	76613	CAPITAL EXPO INC	\$1,250.00	SPONSORSHIP FEE - CAP EXPO
7/7/2006	76614	COLONIAL LIFE	\$49.10	EMP SUPPLEMENTAL INS
7/7/2006	76615	WHITAKER BANK	\$21.60	216 PAYMENTS - TELLERS
7/7/2006	76616	GEORGE LAFRANA	\$19.95	LEX HERALD-LEADER
7/7/2006	76617	AFLAC	\$134.44	EMP SUPP INS
7/7/2006	76618	CREDIT CLEARING HOUSE	\$940.65	BAD DEBT COLLECTIONS
7/7/2006	76619	TINGLE'S RIVERVIEW	\$365.00	OFFICE FLOWERS

Cable/Telecommunications – There were 13 Cable/Telecommunications Outages during the Month of July. *(John Higginbotham will discuss)*

Water Treatment Plant - During the Month of July, the Water Treatment Plant withdrew approximately 287 million gallons of raw water with an average daily withdrawal rate of 9.30 million gallons. During this same time frame last year, this system averaged 11.0 million gallons. The maximum daily demand occurred on July 3<sup>rd</sup> with 11.2 mgd being produced on this date. Compliance with all Federal and State Water Quality Standards were maintained. *(Chris Riddle will discuss)*

Safety – There were 2 OSHA recordable accidents during the Month of July. *(Kim Watson will discuss)*

- A Meter Reader had an allergic reaction to poison ivy that required medical treatment.
- A Support Services employee jumped from the bed of a dump truck and strained his lower back which resulted in restricted duty.

There was 1 vehicle accident during the Month of July:

- A cable van was struck in the rear while stopped at a stoplight. The other driver left the scene of the accident. The FPB van sustained minor damage.

Customer Service – During the Month of July, approximately 16,258 incoming calls were received on our main number 352-4372. This was 687 fewer calls received than last month which had 22 days of call reporting compared to 20 days this month. The daily average of calls were 813, with 4 billing representatives and 8 CSRs available for calls. The average calls per representative, per day would be 68. These statistics do not include walk-in customers, direct dialed calls to the representatives two phone lines or any internal calls or after hours and weekend calls. These call numbers do include any calls received at our main number that were transferred to the Cable, Electric and Water Departments. *(Russ Colwell will discuss)*

Mr. Smith asked for comments. Each Department highlighted their department's outages.

Mr. Allen advised that we are currently dealing with some problems on Holmes Street due to corrosion of the pipes and that we will eventually have to replace the pipes.

Mr. Colwell reported that the Farmer's Bank project is still going well.

Mr. Billings advised that due to Ky-American's decision not to participate in the Bluegrass Water Supply efforts, other Board's will be presenting Resolutions to Ky-American encouraging them to join in the Consortium's effort. Mr. Billings stated he will be presenting a similar Resolution to the Board next month for their approval.

Mr. Smith asked why Ky-American was not made a part of the Consortium? Mr. Billings stated he didn't know why. Mr. Bannister stated that the original requirements forming the consortium did not allow for a private company to become a member. Also, a brief discussion ensued on the possibility of using a mediator in dealing with Ky-American. Staff will keep the Board advised.

Conduct a Public Hearing Covering a Proposed 11.4% Water Rate Increase for All Wholesale Water Customers Effective with the Bill Due and Payable December 15, 2006:

This Hearing will come to order. My name is Sheila Burton, Vice Chairman. I have been requested by the Chairman to conduct this Hearing. With me today are the Board Members and Staff of the Frankfort Electric and Water Plant Board. We are here to receive comments regarding a Proposed 11.4% Water Rate Increase for all Wholesale Water Customers effective with the bill due and payable December 15, 2006. This Public Hearing was advertised in accordance with the Regulations for Public Notification and printed on August 13, 2006 by the State Journal, August 10, 2006 by the Woodford Sun, August 11, 2006 by the Sentinel News, August 13, 2006 by the Georgetown News, and August 9, 2006 by the Anderson News. The Radio Media was advised of the Public Hearing on August 3, 2006.

We have asked that you register if you request to speak. If you have not already done so, please register with the Secretary so that we will have a record of those in attendance and wishing to speak today.

A brief further statement about the conduct of this Public Hearing is in order. This Hearing will be conducted informally. This Hearing is being conducted voluntarily by the Frankfort Electric & Water Plant Board in order to accept comments on the above items. Formal rules of evidence will not apply. Both oral and written comments will be accepted. Any and all persons present who wish to make a statement will be afforded an opportunity to do so. If you have a written statement to accompany your oral presentation, a copy of the written statement should be provided to me prior to your presentation. If you have a lengthy statement, I ask that you summarize your comments. Oral presentations should be limited to no more than 10 minutes. If necessary, I will interrupt and request the presentation to be completed due to this time limit. I may ask questions of any person presenting oral comments where it is necessary to clarify the nature or substance of the comments.

The reasons for conducting the Hearing by these rules are so that we can collect information, especially information that the Board has not previously considered, and take it under review.

The Board may not answer questions because we do not want to make hasty judgments on specific issues that are brought out if technical in nature. This is especially true since different points of view may come up during the course of the day from different speakers. It is the job of the Board to fairly consider these points of view and information as part of the setting. We do want public input and involvement and I hope you do not find our standard procedures restrictive.

The oral comment period for this Hearing will end at the close of business on August 22, 2006. Written comments received on or before August 22, 2006 will be accepted and considered.

Before we open the floor to those wishing to comment for the record, Shannon Taylor will comment on the proposed item listed below.

The proposed water rate increases are as follows:

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale-Non Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale-Other Water Producers (Georgetown Water Company)		
0 - 15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

Mrs. Burton asked Ms. Taylor to comment on the proposed water rate increase for wholesale water customers. Ms. Taylor highlighted the existing rates and the proposed rates. Ms. Taylor further commented that there are several cost drivers that have forced the Plant Board to implement a water rate increase. These are costs that FPB has no control over and that will continue in the future. These costs are: (1) FPB's increase in retirement of approximately \$400,000 (over the next five year budget), (2) system improvements such as the chemical feed building (budgeted \$8.4 million over the next five year budget), (3) increase in water treatment chemicals (approximately \$600,000 over the next five year budget), (4) a new minimum reserve level (\$2.2 million in year five), and (5) the emergency pump issue in 2005 that required over \$400,000 in expenditures from our reserves.

Mrs. Burton asked if anyone was present that had registered to speak? Ms. Bohannon stated that Mr. Bob Riddle, Manager of the Georgetown Water Company, would like to address the Board on the proposed item.

Mr. Riddle stated that the Georgetown Water Company has purchased water from the Plant Board for about 16 years and our agreement with FPB expires in about four years. Georgetown is very appreciative of this agreement and the relationship with FPB. Mr. Riddle further stated that Georgetown continues to have problems with the spring on a daily basis. The most recent problem that we have had is with some waste water plants (package plants) in Scott County. We didn't realize until the couple of months ago that there has been a discharge in our water which has resulted in new testing measuring for human viruses. Georgetown has had to deal with not only the drying up of the spring, but the problem with spills. Mr. Riddle wanted to compliment FPB's Staff for helping out. We don't have a reservoir yet and not really sure if we ever will. Georgetown also needs money this year as well to keep up with the same costs that FPB mentioned. The City Council did not want to raise

rates so they raised our connection fees instead. The connection fee went from \$700 per residential unit to \$1500 per residential unit. This took the rate hike off the consumers and put it more on new development. Mr. Riddle stated he didn't have anything positive or negative on the proposed rate increase. He understood that FPB needs money to run its business. We expect this. Again, Georgetown is very appreciative of the relationship it has with FPB.

There being no further comments, Mrs. Burton closed the Public Hearing.

1. Informational Item – Presentation of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study by GRW: (David Billings and GRW will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

GRW will present the results of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study conducted for the Bluegrass Water Supply Commission. (Detail will be handed out at the Board Meeting)"

Mr. Smith advised that this item will be deferred until next month. (Death of a family member with GRW)

2. Informational Item – Review of Existing FPB Refund Policies and Proposed Implementation of Impact Fees to Recover Refunds : (Herbbie Bannister will discuss)

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"The Board directed Staff at the July Board Meeting to review the existing refund policies and make recommendations. Each Department will present a brief summary of their department's refund policies. Staff will also discuss sister utility refund policies and advise the Board of recommendations regarding future refund procedures. (Detail will be provided prior to or at the Board Meeting)"

Mr. Smith asked for comments. Mr. Bannister stated that his presentation will cover a view of FPB's policy for extension of utilities to service Subdivision Developments and associated refund that we provide to developers when they develop a subdivision.

Mr. Bannister highlighted the following:

WHY REVIEW EXTENSION/REFUND POLICY?

1. Discussions with sister utilities have revealed FPB refunds are more generous (specifically in water).
2. 2006 Water Cost of Service Study noted "the current reimbursement policy is harmful to the financial stability of FEWPB and should be reviewed and revised..." This policy is not in accord with general practice throughout the water utility industry..."
3. FPB Board Chairman requested review of refund procedure in all three utility services.

WATER

*Water extensions to subdivisions and industrial/commercial developments*

1. Developer required to advance the total estimated cost of construction.
2. Total cost of construction includes both offsite and onsite line extensions.
3. FPB will refund to the Developer the cost of 50' of installed pipe for every lot that develops (certificate of occupancy).
4. Costs – for fire protection (fire hydrants) is a non-refundable cost of an extension.
5. In recent water contracts to subdivisions, the average non-refundable fire protection costs were approximately 13.5% of the actual construction costs.

September 19, 2006

The Regular Monthly Board Meeting of the Frankfort Electric and Water Plant Board of the City of Frankfort, Kentucky was held at the Plant Board's Clubhouse located at 98 Tanglewood Drive on Tuesday, September 19, 2006 at 5 p.m.

INDIVIDUALS ATTENDING

Joseph Smith, Chairman  
Sheila Burton, Vice Chairman  
Michael Dudgeon, Secretary/Treasurer  
Ann Wingrove, Board Member  
Bennie Maffet, Board Member  
James Liebman, Board Attorney  
Warner J. Caines, General Manager  
Hance Price, Staff Attorney  
Ann Bohannon, Executive Assistant  
Karl Pitzer, IT Director  
Mike Perry, Assistant Water Superintendent  
David Billings, Water Engineer  
Dianne Schneider, HR Director  
Leigh Ann Disponett, Purchasing Agent  
Mark Redmon, Support Service Superintendent  
David Carpenter, Electric Engineer  
Chris Riddle, Water Plant Superintendent  
Rodney Simpson, Electric Superintendent  
Carl Mitchell, Manager of Cable Engineering/Construction  
Kim Watson, Safety Director  
Dana Goodlett, Manager of Cable Installation  
Ed Hancock, Manager of Telecommunications  
John Higginbotham, Cable Superintendent  
Russ Colwell, Customer Service Director  
Shannon Taylor, Finance Director  
Bob Smallwood, GRW  
Joe Henry, GRW  
Michael Davenport, Developer  
Paul Glasser, State Journal  
Paul Looney, Customer

AGENDA

The Agenda for the Regular Board Meeting of September 19, 2006 was received and entered into the Minutes Book as follows:

1. Approve Minutes of Regular Board Meeting of August 22, 2006.
2. Approve Electric, Water & Cable Financial & Statistical Reports Including Due and Just Bills and Transfers for the Month of August, 2006.
3. Informational Item – Departmental Reports.
4. Approve Proposed 11.4% Water Rate Increase for All Wholesale Water Customers Effective with the Bill Due and Payable December 15, 2006.
5. Informational Item – Presentation of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study by GRW.
6. Approve Resolution Encouraging Kentucky American Water (KAW) to Return to the Regional Public/Private Partnership Concept Endorsed by the Bluegrass Water Supply Commission (BWSC).
7. Informational Item – Budgetary Impact of Implementing Impact Fees for Electric and Water.
8. Informational Item – Consider New Terms for the Five FSN Notes.
9. Approve Revision to the Frankfort Electric and Water Plant Board Employee Guidelines Governing Employment – Section XXVII – Harassment and the Addition of an EEO Complaint Process.
10. Approve Addition of Universal HD to HD Tier Line Up.
11. Approve Routine Cable/Telecommunications Line Extension Agreement for Whiskey Ridge Estates Associated with Work Order 10070C (\$9,459.75).

Water Treatment Plant - During the Month of August, the Water Treatment Plant withdrew approximately 296 million gallons of raw water with an average daily withdrawal rate of 9.50 million gallons. During this same time frame last year, this system averaged 11.6 million gallons. The maximum daily demand occurred on August 7<sup>th</sup> with 11.8 mgd being produced on this date. Compliance with all Federal and State Water Quality Standards were maintained. *(Chris Riddle will discuss)*

Safety - There were 0 OSHA recordable accidents and 0 vehicle accidents during the Month of August. *(Kim Watson will discuss)*

Customer Service - During the Month of August, approximately 15,586 incoming calls were received on our main number 352-4372. This was 672 fewer calls received than last month which had 22 days of call reporting and this month has 23 days of call reporting. The daily average of calls were 678, with 4 billing representatives and 8 CSRs available for calls. The average calls per representative, per day would be 57. These statistics do not include walk-in customers, direct dialed calls to the representatives two phone lines or any internal calls or after hours and weekend calls. *(Russ Colwell will discuss)*

Mr. Smith asked for comments. Each Department Head reiterated their department's outages.

4. Approve Proposed 11.4% Water Rate Increase for All Wholesale Water Customers Effective with the Bill Due and Payable December 15, 2006: *(Shannon Taylor will discuss)*

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"A Public Hearing was conducted on August 22<sup>nd</sup> for the purpose of receiving oral or written comments on a proposed 11.4% water rate increase for all wholesale water customers. Mr. Bob Riddle, Manager of the Georgetown Water Company spoke but had no negative comments on the proposed rate increase. There were no written comments received. Therefore, Staff recommends that the Board approve the proposed 11.4% water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006."

Mr. Smith asked for comments. Ms. Taylor reiterated the Executive Digest.

There being no discussion, a motion was made by Mr. Dudgeon to approve the proposed 11.4% water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006. The motion was seconded by Ms. Wingrove and unanimously approved.

5. Presentation of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study by GRW: *(David Billings and GRW will discuss)*

The Executive Digest of the Board Package provided the following Management Recommendation and Comments:

"GRW will present the results of the Water Treatment & Distribution System Upgrade Feasibility Expansion Study conducted for the Bluegrass Water Supply Commission. *(Detail will be handed out at the Board Meeting)*"

Mr. Smith asked for comments. Mr. Billings introduced Mr. Bob Smallwood and Mr. Joe Henry of GRW who will be making the presentation.

Mr. Billings stated that the Frankfort Plant Board has been requested by the Bluegrass Water Supply Commission (BWSC) to evaluate the availability of existing water supply and the cost of required water supply improvements to provide treated water supply for their demands. As a result of this request, GRW was selected to perform a feasibility study on the Water Treatment & Distribution System. The Commission also agreed to pay a majority of the cost associated with this study. GRW's presentation will provide an evaluation of FPB water treatment and distribution system and also summarizes proposed improvements and costs to provide 5 MGD to 18 MGD of reliable-treated water supply to the BWSC.

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

ITEM 27: Correspondence Regarding Rate Increase

Response: Ex. 1 – Correspondence

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board  
February 5, 2002

Board Members and Managers  
Peaks Mill Water District  
256 Perkins Lane  
Frankfort, Kentucky 40601

RE: Rate Increase

Dear Sir or Madam:

At the regular board meeting held on January 22, 2002, our Board of Directors approved a public notice of a hearing on various rate matters, including proposed increases in water rates. The proposed water rates are the result of a cost of service study performed by R. W. Beck of Goodlettsville, Tennessee. A copy of the portion of the public notice concerning the proposed water rates is attached.

In essence, residential and commercial customers in the City of Frankfort will see an average increase of 11.84%, county customers will see an increase of 9.04%, and Wholesale customers will see an increase of 8.00%. As a practical matter, an average customer using 6000 gallons of water per month will see the following:

<u>Plant Board</u>	<u>City Customers</u>	<u>County Customers</u>
Current rates (month)	\$18.27	\$26.38
Proposed rates	<u>20.43</u>	<u>28.33</u>
Monthly Increase	2.16	1.95
Annual Increase	\$25.92	\$23.40

The water rates per 1000 gallons to the Water Districts are proposed to increase from \$1.313 to \$1.418 or \$0.105 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6000 gallons of water would increase \$0.63 per month or \$7.56 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be less than 1/3 of the increase the Board is requiring of its customers. Obviously, customers using greater than 6000 gallons would see greater dollar increases.

*Equal Opportunity/Affirmative Action Employer*

Page Two  
February 5, 2002

The public hearing will be held on February 19, 2002 at noon in the Plant Boards offices. Assuming that public comments made during the public hearing do not cause the Board to change the proposed rates, final approval of the rates by the Board would occur at the regular Board meeting of March 19, 2002. For the Water Districts, notice would be sent to them and the Public Service Commission on March 20, 2002 with an effective date of implementation being April 21, 2002.

The Board invites you to attend the hearing and provide oral and written input. In addition, if you desire additional explanation, I will be available to meet with you. The Board hopes that any questions regarding the rate increase can be answered to your satisfaction and avoid Public Service Commission intervention with its attendant costs in time and money for both our operations. In the near future, I will contact your manager regarding the public hearing and proposed rates.

If you have any questions on this matter, please feel free to contact me at (502) 223-3401.

Sincerely,



Warner J. Caines  
General Manager

*Attached to  
last letter to  
Wtr District Bd.  
members -*

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, February 19, 2002, at 12 noon at the Board's Office at 317 West Second Street to hear comments on: (1) Proposed Water Rate Increase, (2) Establishing Rates for Local and Long Distance Telephone, (3) Establishing Rates for High Capacity Ethernet/Internet Service, (4) Establishing Additional Commercial and Industrial Area Lighting Service and Rates, (5) Increase and Decrease Some Existing Security and Area Lighting Rates, (6) Establishing or Enhancing Incentives for (a) Service Extensions having all Electric Homes and Businesses and (b) Extension of Cable Facilities to Customers based on Multiple FPB Cable/Telecommunications Services. The proposed effective date of these charges is April 1, 2002.

The existing and proposed rates for water and changes to existing Electric Security and Area Lighting Rates are shown below. Published information on all other Public Hearing items can be picked up at the Frankfort Plant Board's Office, 317 West Second Street beginning on January 24, 2002 between the hours of 7:45 a.m. to 4:30 p.m., Monday through Friday.

**EXISTING AND PROPOSED WATER RATES**

		<u>EXISTING*</u>		<u>PROPOSED*</u>
<b>CITY RATES</b>				
MIN. 2,000 GAL.	\$	6.27	\$	7.02
NEXT 3,000 GAL	\$	3.14	\$	3.51
NEXT 20,000 GAL	\$	2.58	\$	2.88
NEXT 175,000 GAL	\$	2.12	\$	2.37
NEXT 800,000 GAL	\$	1.60	\$	1.79
OVER 1,000,000 GAL	\$	1.26	\$	1.41
<b>COUNTY RATES</b>				
MIN. 2,000 GAL.	\$	9.52	\$	10.18
NEXT 3,000 GAL	\$	4.76	\$	5.09
NEXT 20,000 GAL	\$	2.58	\$	2.88
NEXT 175,000 GAL	\$	2.12	\$	2.37
NEXT 800,000 GAL	\$	1.60	\$	1.79
OVER 1,000,000 GAL	\$	1.26	\$	1.41
<b>ALL FIRE HYDRANTS PER HYDRANT</b>				
	\$	8.00	\$	8.90
<b>FIRE SERVICES</b>				
2" LINE	\$	4.00	\$	4.45
3" LINE	\$	8.00	\$	8.90
4" LINE	\$	15.00	\$	16.65
6" LINE	\$	30.00	\$	33.30
8" LINE	\$	40.00	\$	44.40
10" LINE	\$	50.00	\$	55.50

METERED FIRE HYDRANT SALES	\$	3.00	\$	3.33
WHOLESALE WATER NON PRODUCERS	\$	1.313	\$	1.418
WHOLESALE WATER PRODUCERS				
0-15,000,000 GAL	\$	1.365	\$	1.474
OVER 15,000,000	\$	1.200	\$	1.296
WATER LOADING STATION	\$	2.60	\$	2.89
COMPANY USE (INTERNAL)	\$	0.46	\$	0.51

\*All monthly rates are per 1,000 gallons except Fire Services which are per service.

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board  
February 5, 2002

Board Members and Managers  
Farmdale Water District  
100 Highwod Drive  
Frankfort, Kentucky 40601

RE: Rate Increase

Dear Sir or Madam:

At the regular board meeting held on January 22, 2002, our Board of Directors approved a public notice of a hearing on various rate matters, including proposed increases in water rates. The proposed water rates are the result of a cost of service study preformed by R. W. Beck of Goodlettsville, Tennessee. A copy of the portion of the public notice concerning the proposed water rates is attached.

In essence, residential and commercial customers in the City of Frankfort will see an average increase of 11.84%, county customers will see an increase of 9.04%, and Wholesale customers will see an increase of 8.00%. As a practical matter, an average customer using 6000 gallons of water per month will see the following:

<u>Plant Board</u>	<u>City Customers</u>	<u>County Customers</u>
Current rates (month)	\$18.27	\$26.38
Proposed rates	<u>20.43</u>	<u>28.33</u>
Monthly Increase	2.16	1.95
Annual Increase	\$25.92	\$23.40

The water rates per 1000 gallons to the Water Districts are proposed to increase from \$1.313 to \$1.418 or \$0.105 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6000 gallons of water would increase \$0.63 per month or \$7.56 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be less than 1/3 of the increase the Board is requiring of its customers. Obviously, customers using greater than 6000 gallons would see greater dollar increases.

*Equal Opportunity/Affirmative Action Employer*

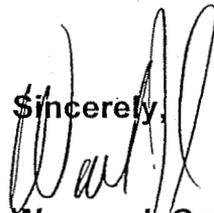
Page Two  
February 5, 2002

The public hearing will be held on February 19, 2002 at noon in the Plant Boards offices. Assuming that public comments made during the public hearing do not cause the Board to change the proposed rates, final approval of the rates by the Board would occur at the regular Board meeting of March 19, 2002. For the Water Districts, notice would be sent to them and the Public Service Commission on March 20, 2002 with an effective date of implementation being April 21, 2002.

The Board invites you to attend the hearing and provide oral and written input. In addition, if you desire additional explanation, I will be available to meet with you. The Board hopes that any questions regarding the rate increase can be answered to your satisfaction and avoid Public Service Commission intervention with its attendant costs in time and money for both our operations. In the near future, I will contact your manager regarding the public hearing and proposed rates.

If you have any questions on this matter, please feel free to contact me at (502) 223-3401.

Sincerely,



Warner J. Caines  
General Manager

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The existing and proposed rates for water and changes to existing Electric Security and Area Lighting Rates are shown below. Published information on all other Public Hearing items can be picked up at the Frankfort Plant Board's Office, 317 West Second Street beginning on January 24, 2002 between the hours of 7:45 a.m. to 4:30 p.m., Monday through Friday.

**EXISTING AND PROPOSED WATER RATES**

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MIN. 2,000 GAL.	\$	6.27	\$	7.02
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PER HYDRANT	\$	8.00	\$	8.90
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2" LINE	\$	4.00	\$	4.45
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<b>WHOLESALE WATER NON PRODUCERS</b>	\$	<b>1.313</b>	\$	<b>1.418</b>
<b>WHOLESALE WATER PRODUCERS</b>				
<b>0-15,000,000 GAL</b>	\$	<b>1.365</b>	\$	<b>1.474</b>
<b>OVER 15,000,000</b>	\$	<b>1.200</b>	\$	<b>1.296</b>
<b>WATER LOADING STATION</b>	\$	<b>2.60</b>	\$	<b>2.89</b>
<b>COMPANY USE (INTERNAL)</b>	\$	<b>0.46</b>	\$	<b>0.51</b>

\*All monthly rates are per 1,000 gallons except Fire Services which are per service.

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board  
February 5, 2002

Board Members and Managers  
North Shelby Water District  
Highway 395  
Bagdad, Kentucky 40003

**RE: Rate Increase**

Dear Sir or Madam:

At the regular board meeting held on January 22, 2002, our Board of Directors approved a public notice of a hearing on various rate matters, including proposed increases in water rates. The proposed water rates are the result of a cost of service study performed by R. W. Beck of Goodlettsville, Tennessee. A copy of the portion of the public notice concerning the proposed water rates is attached.

In essence, residential and commercial customers in the City of Frankfort will see an average increase of 11.84%, county customers will see an increase of 9.04%, and Wholesale customers will see an increase of 8.00%. As a practical matter, an average customer using 6000 gallons of water per month will see the following:

<u>Plant Board</u>	<u>City Customers</u>	<u>County Customers</u>
Current rates (month)	\$18.27	\$26.38
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*Equal Opportunity/Affirmative Action Employer*

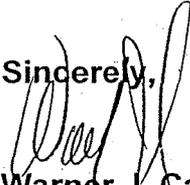
Page Two  
February 5, 2002

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The Board invites you to attend the hearing and provide oral and written input. In addition, if you desire additional explanation, I will be available to meet with you. The Board hopes that any questions regarding the rate increase can be answered to your satisfaction and avoid Public Service Commission intervention with its attendant costs in time and money for both our operations. In the near future, I will contact your manager regarding the public hearing and proposed rates.

If you have any questions on this matter, please feel free to contact me at (502) 223-3401.

Sincerely,



Warner J. Caines  
General Manager

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board  
February 5, 2002

Board Members and Managers  
U. S. 60 Water District  
Highway 395  
Bagdad, Kentucky 40003

RE: Rate Increase

Dear Sir or Madam:

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*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401

Fax (502) 223-3887 [www.fewpb2.com](http://www.fewpb2.com)

Sheet 11 of 139

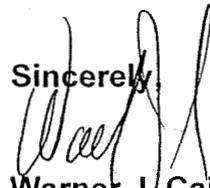
Page Two  
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Sincerely,



Warner J. Caines  
General Manager

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

## Frankfort Plant Board

December 30, 2004

Mr. Dale Gatewood  
Elkhorn Water District  
P.O. Box 67  
Frankfort, Kentucky 40602

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 8,633,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,044.60, \$12,535.20 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

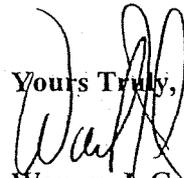
Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



Warner J. Caines  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers –		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Dale Gatewood  
Peaks Mill Water District  
256 Perkins Road  
Frankfort, Kentucky 40601

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 11,946,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,445.46, \$17,345.52 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

Page Two  
December 30, 2004

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If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,

Warner J. Caines  
General Manager

## NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
<b>1. Water Service</b>		
<b>A. Resale Customers -</b>		
<b>1. Non Water Producers</b>	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
<b>B. Resale Customers -</b>		
<b>2. Other Water Producers</b>		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Bob Riddle  
Georgetown Water Company  
P. O. Box 640  
Georgetown, Kentucky 40324

Subject: Proposed Water Rate Increase

Dear Mr. Riddle:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to our Resalers will also increase 8.5% from \$1.474 to \$1.599 or \$0.125 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.775 per month or \$9.00 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if Georgetown Water Company passes the increase through to its customers the increase to your customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Georgetown Water Company purchased on average 13,472,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,684.00, \$20,208.00 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

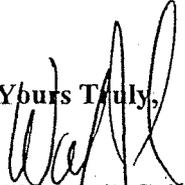
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If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



Warner J. Caines  
General Manager

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<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Bob Riddle  
 Georgetown Water Co.  
 25 West Clinton St.  
 Georgetown, Ky 40324

Article Number (

7001 0320 0003 1601 6664

S Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

12-31-04

C. Signature

*Laura Thompson*  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

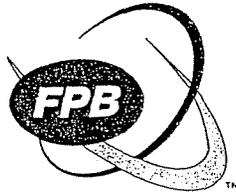
3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Burl Robinson  
Farmdale Water District  
100 Highwood Drive  
Frankfort, Kentucky 40601

Subject: Proposed Water Rate Increase

Dear Mr. Robinson:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 18,297,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$2,211.76, \$26,541.12 per year.

*Equal Opportunity/Affirmative Action Employer.*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

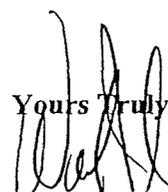
Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,

  
Warner J. Caines  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Mr. Burl Robinson  
 Armdale Water District  
 20 Highwood Dr.  
 Frankfort, Ky 40601

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
 1-4-05

C. Signature  
 X *Vloria Fryman*  Agent  
 Address

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Number (Copy from) 7001 0320 0003 1601 6640

Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

## Frankfort Plant Board

December 30, 2004

Mr. Darrell Dees  
North Shelby Water District  
P.O. Box 97  
Bagdad, Kentucky 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 14,314,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,732.00, \$20,784.00 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

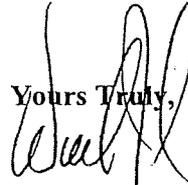
Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



Warner J. Caines  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Darrell DESS  
 North Shelby Water District  
 5913 Elmburg Rd  
 Bagdad, Ky 40003

2. Article Number (Copy)

7001 0320 0003 1601 6626

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

Andrea M. Moore

C. Signature

X *[Signature]* Agent AddressD. Is delivery address different from item 1?  YesIf YES, enter delivery address below:  No

3. Service Type

 Certified Mail  Express Mail Registered  Return Receipt for Merchandise Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Darrell Dees  
U.S. 60 Water District  
P.O. Box 97  
Bagdad, Kentucky 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 15,607,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,888.44, \$22,661.28 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



Warner J. Cames  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers –		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Darrell Dees  
 U.S. 60 Water District  
 5913 Elmburg Rd  
 Bagdad, Ky 40003

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) *Andrea M. Moore* B. Date of Delivery

C. Signature *[Signature]*  Agent  Address

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Number (Copy)

7001 0320 0003 1601 6633

S Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

## Frankfort Plant Board

December 30, 2004

Mr. Alton Warfield  
South Anderson Water District  
246 Court Street  
Lawrenceburg, Kentucky 40342

Subject: Proposed Water Rate Increase

Dear Mr. Warfield:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 1,637,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$198.07, \$2,376.84 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

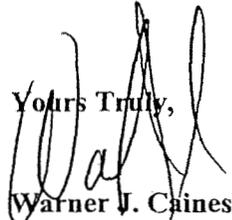
Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



Warner J. Caines  
General Manager

## NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
<b>1. Water Service</b>		
<b>A. Resale Customers -</b>		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
<b>B. Resale Customers -</b>		
<b>2. Other Water Producers</b>		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Alton Warfield  
South Anderson Water District  
246 Court Street  
Lawrenceburg, Ky 40342

2. Article Number (Copies)

7001 0320 0003 1601 7296

PS Form 3811, July 1999

Domestic Return F.

102595-00-M-0952

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery  
Donna Peach 1-30-05

C. Signature  
X Donna Peach  Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Warner J. Caines  
General Manager



Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

*Frankfort Plant Board*

February 3, 2005

Mr. Wilbert Perkins, Chairman  
Peaks Mill Water District  
310 Perkins Road  
Frankfort, Kentucky 40601

RE: Proposed Water Rate Increase

Dear Mr. Perkins:

This is in reference to a "Certified Letter" that was sent to the Peaks Mill Water District regarding a proposed water rate increase which was returned to the Plant Board marked "Unclaimed." We gave legal notice in the paper on November 18, 2004 and tried to give Resalers a second opportunity on January 18, 2005 to discuss the proposed increase.

Attached is a copy of the certified letter, along with a copy of the returned envelope dated January 19, 2005, a day after the Public Hearing.

If you would like to discuss the proposed increase, please feel free to contact me at 352-4377 or Ms. Bohannon at 352-4381, to set up an appointment before our next Board Meeting on February 15, 2005.

Sincerely,

A handwritten signature in cursive script that reads "Warner J. Caines".

Warner J. Caines  
General Manager

WJC/abb  
Attachment  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Dale Gatewood  
Peaks Mill Water District  
256 Perkins Road  
Frankfort, Kentucky 40601

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 11,946,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,445.46, \$17,345.52 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401

Fax (502) 223-3887 www.fewpb2.com

Sheet 40 of 139

Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,

Warner J. Caines  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

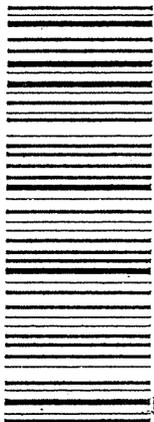
<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**CERTIFIED MAIL**

317 West Second Street  
P.O. Box 308  
Frankfort, KY. 40602



Frankfort Plant Board



7001 0320 0003 1601 7319



0000

40601

U.S. POSTAGE  
PAID  
FRANKFORT, KY  
40604  
DEC 30, 04  
AMOUNT

**\$4.42**  
00078655-02



*Mr. Dale Gatwood  
Peaks High Water District*

*12-31-04  
Notified*

**RETURN RECEIPT  
REQUESTED**

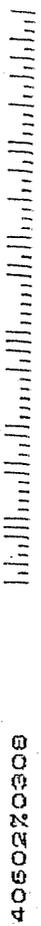


**UNCLAIMED**

*310  
1/14*

NIXIE 403 1 34 01/15/05  
RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

BC: 40602030808 \*2770-02613-15-22



Warner J. Caines  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

February 3, 2005

Mrs. Jean Costigan, Chairman  
Elkhorn Water District  
3851 Georgetown Road  
Frankfort, Kentucky 40601

RE: Proposed Water Rate Increase

Dear Mrs. Costigan:

This is in reference to a telephone conversation you had with Mr. Ann Bohannon yesterday concerning a "Certified Letter" that was sent to the Elkhorn Water District regarding a proposed water rate increase which was returned to the Plant Board marked "Unclaimed." We gave legal notice in the paper on November 18, 2004 and tried to give Resalers a second opportunity on January 18, 2005 to discuss the proposed increase.

Attached is a copy of the certified letter, along with a copy of the returned envelope dated January 19, 2005, a day after the Public Hearing.

If you would like to discuss the proposed increase, please feel free to contact me at 352-4377 or Ms. Bohannon at 352-4381, to set up an appointment before our next Board Meeting on February 15, 2005.

Sincerely,

A handwritten signature in cursive script that reads "Warner J. Caines".

Warner J. Caines  
General Manager

WJC/abb  
Attachment  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

December 30, 2004

Mr. Dale Gatewood  
Elkhorn Water District  
P.O. Box 67  
Frankfort, Kentucky 40602

Subject: Proposed Water Rate Increase

Dear Mr. Gatewood:

At their regular board meeting on November 16, 2004, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, residential and commercial customers in the City of Frankfort will see an average increase of 8.5%, customers outside the city will see an average increase of 8.5%, and resale customers (Water Districts & Georgetown Water Company) will see an increase of 8.5%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

Plant Board	City	County
Current rates (month)	20.43	28.33
Proposed rates	<u>22.17</u>	<u>30.73</u>
Monthly Increase	1.74	2.40
Annual Increase	20.88	28.80

The water rates per 1,000 gallons to Resalers will also increase 8.5% from \$1.418 to \$1.539 or \$0.121 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$0.726 per month or \$8.71 per year. As you can see, even though the percentages seem formidable the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the Districts customers will be less than half of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, your Water District purchased on average 8,633,000 gallons per month. At \$0.121 per thousand gallons this would be a monthly increase of \$1,044.60, \$12,535.20 per year.

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40601 Phone (502) 223-3401  
Fax (502) 223-3887 www.fewpb2.com

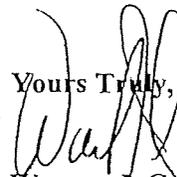
Page Two  
December 30, 2004

The advertised public hearing was held on December 21, 2004. However, since no comments were provided on behalf of your company, we are extending your opportunity to comment on the proposed increase by attending the January Board Meeting at the Frankfort Plant Board Clubhouse located at 98 Tanglewood Drive on January 18, 2005 at 11:00 a.m. Assuming that comments made during that January Meeting do not cause the Board to change the proposed rates, final approval of the water rates for resalers by the Board would occur at the regular Board meeting of February 15, 2005. Notice to the water districts and Public Service Commission would be sent on February 16, 2005 with an effective date of implementation being with the bill due and payable April 15, 2005.

If you desire, I will also meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting, however, would need to be held prior to the January 18, 2005 meeting. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rates, and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Yours Truly,



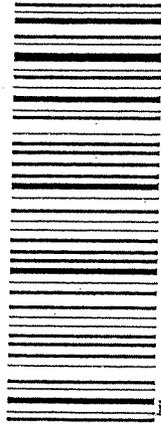
Warner J. Caines  
General Manager

NOTICE OF PUBLIC HEARING

The Frankfort Plant Board (FPB) will conduct a 2<sup>nd</sup> Public Hearing on Tuesday, January 18, 2005 at 11:00 a.m. at FPB's Clubhouse located at 98 Tanglewood Drive to hear only comments covering a proposed water rate increase for water services to FPB resale customers (Water Districts and Georgetown Water Company).

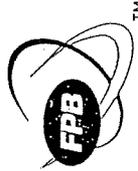
<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
1. Water Service		
A. Resale Customers -		
1. Non Water Producers	\$1.418 per 1,000 gal	\$1.539 per 1,000 gal
B. Resale Customers -		
2. Other Water Producers		
First 15 million gallons	\$1.474 per 1,000 gal	\$1.599 per 1,000 gal
Over 15 million gallons	\$1.296 per 1,000 gal	\$1.406 per 1,000 gal

**CERTIFIED MAIL**



7001 0320 0003 1601 7326

317 West Second Street  
P.O. Box 308  
Frankfort, KY. 40602



Frankfort Plant Board



0000



40601

U.S. POSTAGE  
PAID  
FRANKFORT, KY  
40604  
DEC 30, 04  
AMOUNT

\$4.42  
00078655-0



NIXIE 403 1 34 01/15/05  
RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

BC: 406020308 \*2770-02612-15-22

406020308



Notified  
12-31-04

*W. Dale Gatewood*  
*Frankfort Water District*

DELETED  
RECEIVED  
REPORTED

310 UNCLAIMED  
Per  
1/14

Warner J. Caines  
General Manager



Frankfort Plant Board

Water  
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Digital Cable  
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Community TV  
Ethernet/Internet  
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Cable Advertising

February 16, 2005

Mr. Darrell Dees  
U.S. 60 Water District  
5913 Elmburg Road  
Bagdad , Kentucky 40003

RE: Proposed Water Rate Increase

Dear Mr. Dees:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Darrell Dees  
 U.S. 60 Water District  
 5913 Elmburg Road  
 Bagdad, Ky 40003

2. Article Number

(Transfer from service label)

7002 2410 0000 9494 1542

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

*D. Dees*

Agent

Address

B. Received by (Printed Name)

C. Date of Delivery

2-22-00

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Warner J. Caines  
General Manager



Frankfort Plant Board <sup>TM</sup>

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Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

February 18, 2005

Mr. Bob Riddle  
Georgetown Water Company  
125 West Clinton Street  
Georgetown, Kentucky 40324

RE: Proposed Water Rate Increase

Dear Mr. Riddle:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase effective with the bill due and payable April 15, 2005. The new rate of \$1.599 per 1,000 gallons will apply.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Bob Riddle  
 Georgetown Water Co.  
 125 West Clinton St.  
 Georgetown, KY 40324

2. Article Number

(Transfer from service label)

7002 2410 0000 9494 1535

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Laura Thompson*  Agent  
 Addressee

B. Received by (Printed Name)

*Laura Thompson*  Yes  
 No

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 No  
 If YES, enter delivery address below:

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

*Frankfort Plant Board*

February 18, 2005

Mr. Wilbert Perkins, Chairman  
Peaks Mill Water District  
310 Perkins Road  
Frankfort, Kentucky 40601

RE: Proposed Water Rate Increase

Dear Mr. Perkins:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner J. Caines", written in a cursive style.

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Wilbert Perkins  
Peaks Mill Water District  
310 Perkins Road  
Frankfort, Ky 40601

2. Article Number  
(Transfer from service label)

7001 0320 0003 1601 7364

PS Form 3811, August 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature <  X *Rusc Peaks*  Agent  
 Address:

B. Received by (Printed Name) C. Date of Delivery  
2-28

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

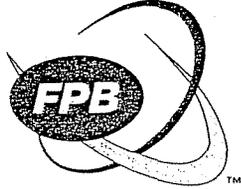
3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

J02595-02-M-1

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

*Frankfort Plant Board*

February 18, 2005

Mrs. Jean Costigan, Chairman  
Elkhorn Water District  
3851 Georgetown Road  
Frankfort, Kentucky 40601

RE: Proposed Water Rate Increase

Dear Mrs. Costigan:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner J. Caines", is written over the word "Sincerely,".

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mrs. Jean Costigan  
 Elkhorn Water District  
 3851 Georgetown Rd  
 Frankfort, Ky 40601

2. Article Number

(Transfer from service label)

7001 0320 0003 1601 7371

PS Form 3811, August 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Jeanne K. Costigan*  Agent  
 Address: \_\_\_\_\_

B. Received by (Printed Name)

*JEANNE K. Costigan*  Date of Deliv  
*02-19-*

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchand
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1

Warner J. Caines  
General Manager



Frankfort Plant Board

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

February 18, 2005

Mr. Berl Robinson  
Farmdale Water District  
100 Highwood Drive  
Frankfort, Kentucky 40601

RE: Proposed Water Rate Increase

Dear Mr. Robinson:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Burl Robinson  
Farmdale Water District  
100 Highwood Dr.  
Frankfort, Ky 40601

2. Article Number  
(Transfer from service label)

7002 2410 0000 9494 1566

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  
*[Signature]*  Addressee

B. Received by (Printed Name) C. Date of Delivery  
*[Signature]* 2/22/05

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Warner Caines  
General Manager



\* Electric \* Water \* Cable  
\* Cable Advertising \* Community TV

Frankfort Plant Board

February 18, 2005

Mr. Alton Warfield  
South Anderson Water District  
246 Court Street  
Lawrenceburg, Kentucky 40342

RE: Proposed Water Rate Increase

Dear Mr. Warfield:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner", written over a light background.

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

*Equal Opportunity/Affirmative Action Employer*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Alton Warfield  
 South Anderson Water Dist.  
 246 Court Street  
 Lawrenceburg, Ky 40342

2. Article Number  
(Transfer from service label)

7002 2410 0000 9494 1528

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Signature  Agent  
 B. Received by (Printed Name)  Address  
 C. Date of Delivery  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1

Warner J. Caines  
General Manager

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Fi

1. Article Addressed to:

Mr. Darrell Dees  
North Shelby Water District  
5913 Elmburg Road  
Bagdad, Ky 40003

2. Article Number

(Transfer from service label)

7002 2410 0000 9494 1559

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-11

Mr. Darrell Dees  
North Shelby Water D  
5913 Elmburg Road  
Bagdad, Kentucky 40003

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

Agent

Address

B. Received by (Printed Name)

C. Date of Delivery

2/25/05

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail  Express Mail

Registered  Return Receipt for Merchandise

Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

RE: Proposed Water Rate Increase

Dear Mr. Dees:

At their Regular Board Meeting on February 15, 2005, the Board of Directors of the Frankfort Plant Board approved the proposed water rate increase to all Resale Customers effective 30 days after notification has been given to the Public Service Commission. The Public Service Commission was notified on February 17, 2005. Any consumption used after March 19, 2005 will be calculated at the new rate of \$1.539 per 1,000 gallons.

Should you have any questions, please feel free to contact me at 502-352-4377.

Sincerely,

Warner J. Caines  
General Manager

WJC/abb  
Cc: Chron File

Equal Opportunity/Affirmative Action Employer

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 www.fpb.cc

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Received By (Please Print Clearly) _____ Date of Delivery _____</p>	
<p>Article Addressed to:</p> <p>Bob Riddle Georgetown Water Co. 125 West Clinton St. Georgetown, Ky 40324</p>	<p>C. Signature _____</p> <p><b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>Article Number (Copy fr _____)</p> <p>7003 0500 0004 8520 0859</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below: _____</p>	
<p>Form 3811, July 1999</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>Domestic Return Receipt</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
	102595-00-M-0952	

- Water
- Cable
- Electric
- Security
- Local Phone
- Digital Cable
- Long Distance
- Community TV
- Ethernet/Internet
- Cable Modem/ISP
- Cable Advertising

Subject: Proposed Water Rate Increase

Dear Mr. Riddle:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.599 to \$1.781 or \$.182 cents for the first 15,000,000 gallons purchased and from \$1.406 to \$1.566 or \$.160 cents for the purchases over 15,000,000 gallons. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.092 per month or \$13.10 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Georgetown Water Company purchased on average of 18,324,900 gallons per month from July 2005 to June 2006. At the increases noted above, this would be a monthly increase of \$3,262 or \$39,144 per year.

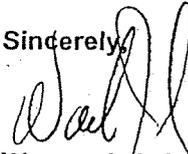
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale – Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Received by (Please Print Clearly) J. POLLY	B. Date of Delivery 02 AUG 2006 PM 2 1
Article Addressed to: Hton Warfield South Anderson Water Dist 46 Court Street Lawrenceburg, KY 40342	C. Signature X Joyce Polly	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/> Yes <input type="checkbox"/> No
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail	<input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
Article Number	7003 0500 0004 8520 0163	
Form 3811, July 1999	Domestic Return Receipt	102595-00-M-0952

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

Subject: Proposed Water Rate Increase

Dear Mr. Warfield:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, South Anderson Water District purchased on average of 2,542,800 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$445 or \$5,340 per year.

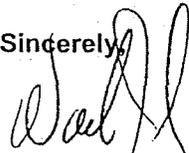
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<b><u>SERVICE</u></b>	<b><u>EXISTING</u></b>	<b><u>PROPOSED</u></b>
Resale – Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale – Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Received by (Please Print Clearly) <i>Devona Kaiser</i> B. Date of Delivery <i>8-3-06</i></p> <p>C. Signature <i>Devona Kaiser</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>
<p>I. Article Addressed to:</p> <p><i>Jarrell Dees</i>  <i>North Shelby Water</i>  <i>5913 Elmburg Rd</i>  <i>Bagdad, Ky 40003</i></p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No          If YES, enter delivery address below:</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>Article Number (Copy from...)</p> <p><i>1 2 4d 5007 0003 0500 0004 8520 0828</i></p> <p>Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952</p> <p><i>LEXINGTON KY 405</i></p>	<p>TM</p>

- Water
- Cable
- Electric
- Security
- Local Phone
- Digital Cable
- Long Distance
- Community TV
- Ethernet/Internet
- Cable Modem/ISP
- Cable Advertising

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, North Shelby Water District purchased on average of 16,166,400 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$2,829 or \$33,949 per year.

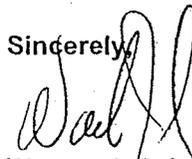
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner J. Caines". The signature is stylized and cursive.

Warner J. Caines  
General Manager

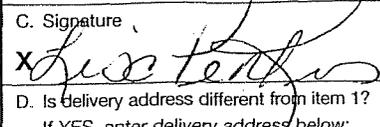
WJC/abb  
Attachment

cc: Chron File

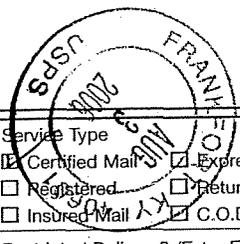
**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale -- Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale -- Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Received by (Please Print Clearly)	B. Date of Delivery
1. Article Addressed to: Wilbert Perkins Peaks Mill Water Dist. 310 Perkins Road Frankfort, Ky 40601	C. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	D. Is delivery address different from item 1? If YES, enter delivery address below:	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input checked="" type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Nu	7003 0500 0004 8520 0842	

Water  
 Cable  
 Electric  
 Security  
 Local Phone  
 Digital Cable  
 Long Distance  
 Community TV  
 Ethernet/Internet  
 Cable Modem/ISP  
 Cable Advertising



Subject: Proposed Water Rate Increase

Dear Mr. Perkins:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Peaks Mills Water District purchased on average of 6,466,100 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$1.132 or \$13,579 per year.

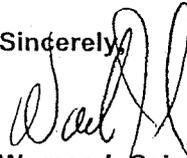
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File

NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale – Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Received by: (Please Print Clearly) <u>Devona Kaiser</u> Date of Delivery <u>8.3.06</u></p> <p>C. Signature <u>Devona Kaiser</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><u>Darrell Dees</u> <u>US 60 Water District</u> <u>5913 Elmburg Rd</u> <u>Bagdad, Ky 40003</u></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Copy) <u>7003 0500 0004 8520 0170</u></p>	<p>Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952</p>

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

LEXINGTON KY 405  
5913 Elmburg Road  
Bagdad, Kentucky 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, U.S. 60 Water District purchased on average of 16,305,300 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$2,853 or \$34,241 per year.

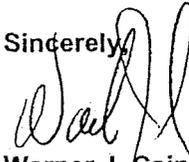
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale -- Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale -- Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Received by (Please Print Clearly)</p>	<p>B. Date of Delivery 8/3/06</p>
<p>1. Article Addressed to:</p> <p>Burl Robinson Farmdale Water Dist 100 Highwood Dr. Frankfort, Ky 40601</p>	<p>C. Signature X Gloria Fryman</p>	<p><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>
<p>2. Article Number (Copy from)</p> <p>7003 0500 0004 8520 0156</p>	<p>D. Is delivery address different from item 1? If YES, enter delivery address below:</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>TM</p>
<p>Form 3811, July 1999</p>	<p>Domestic Return Receipt</p>	<p>102595-00-M-0952</p>

Water  
Cable  
Electric  
Security  
Local Phone  
Digital Cable  
Long Distance  
Community TV  
Ethernet/Internet  
Cable Modem/ISP  
Cable Advertising

Subject: Proposed Water Rate Increase

Dear Mr. Robinson:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Farmdale Water District purchased on average of 21,856,900 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$3,825 or \$45,900 per year.

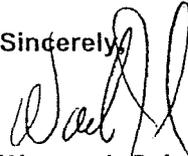
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

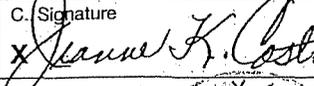
WJC/abb  
Attachment

cc: Chron File

**NOTICE OF PUBLIC HEARING**

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale – Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Received by (Please Print Clearly)	B. Date of Delivery
1. Article Addressed to: Jean Costigan Elkhorn Water District 3851 Georgetown Road Frankfort, Ky 40601	C. Signature 	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from sender's label) 7003 0500 0004 8520 0835	D. Is delivery address different from item 1? If YES, enter delivery address below: <div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;">             FRANKFORT KY              AUG 4 2006              USPS           </div> <input type="checkbox"/> Yes <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, July 1999	Domestic Return Receipt	102595-00-M-0952

Water  
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Electric  
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Long Distance  
Community TV  
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Cable Modem/ISP  
Cable Advertising

Subject: Proposed Water Rate Increase

Dear Mrs. Costigan:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	City	County
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Elkhorn Water District purchased on average of 7,059,600 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$1,235 or \$14,825 per year.

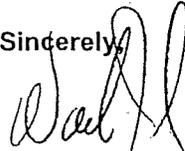
Equal Opportunity/Affirmative Action Employer

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

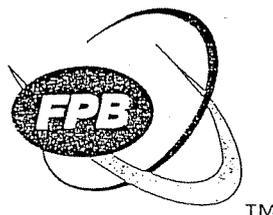
cc: Chron File

NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers ( <i>Water Districts</i> )	\$ 1.539	\$ 1.714
Resale – Other Water Producers ( <i>Georgetown Water Company</i> )		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

Warner J. Caines  
General Manager



Frankfort Plant Board

Water  
Cable  
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Digital Cable  
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Cable Advertising

September 20, 2006

Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky 40601

Re: Wholesale Water Adjustment

Dear Ms. O'Donnell:

Please accept for filing the attached tariff reflecting a wholesale water increase of the Frankfort Electric and Water Plant Board. The increase affects all regulated wholesale customers. Attached is a copy of the notice mailed to each of those customers and a copy of a notice provided to the customers of a FEWPB public meeting of August 22, 2006 to discuss the proposed water rate increase. The Board approved the water rate increase at its September 19, 2006 Board Meeting.

If additional information is needed or if there are questions about this change of rates, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Very truly yours,

*Hance Price*

Hance Price  
Staff Attorney

HP/abb  
Attachments

*Equal Opportunity/Affirmative Action Employer*

FOR Entire Service Area  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

Revised SHEET NO. 4

Frankfort Electric and  
Water Plant Board  
(Name of Utility)

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RATES AND CHARGES

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CLASSIFICATION OF SERVICE

Wholesale Water Rate

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts.

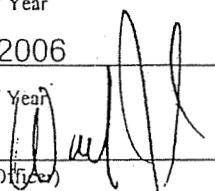
RATE: \$1.714 per 1000 gallons (l).

CONDITIONS OF SERVICE: Pursuant to contract.

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DATE OF ISSUE September 20, 2006  
Month / Date / Year

DATE EFFECTIVE November 1, 2006  
Month / Date / Year

ISSUED BY Warner J. Caines  
(Signature of Officer) 

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CITY OF FRANKFORT, KY.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

NOTICE TO CUSTOMERS

WATER RATE ADJUSTMENT

PUBLIC SERVICE COMMISSION

Pursuant to the Regulations of the Public Service Commission (Commission), the Frankfort Electric and Water Plant Board (FEWPB) gives Notice that it has filed a water rate increase for the Peaks Mill Water District, Farmdale Water District, North Shelby Water District, U.S. 60 Water District, South Anderson Water District and Elkhorn Water District with the Commission. It proposes the rate listed below, which is approximately 11.4% increase over the current rate to be effective November 1, 2006. This would be an average annual increase of approximately \$12.60 for a customer using 6,000 gallons per month. Further information may be obtained from the Commission or the FEWPB. The rates proposed in this Notice may be modified by the Commission. Such action by the Commission may result in the rates being higher or lower than proposed by FEWPB.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Intervenors may obtain copies of the Application and any testimony filed by contacting the FEWPB at the address below. A copy of the Application is available for public review at the office of the FEWPB and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, (502) 564-3940.

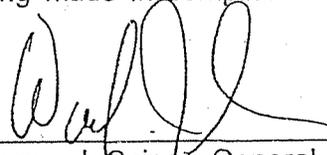
Warner J. Caines  
General Manager  
317 W. Second Street  
Frankfort, KY 40601  
(502) 352-4377

Peaks Mill Water District	South Anderson Water District	Farmdale Water District
North Shelby Water District	U.S. 60 Water District	Elkhorn Water District
Donald T. Prather, Counsel for North Shelby and U. S. 60 Water Districts		
Thomas A. Marshall, Counsel for Elkhorn Water District		

Current rate: \$1.539 per 1000 gallons  
Proposed rate: \$1.714 per 1000 gallons

Certification of Notice to Customers

I, Warner J. Caines, General Manager of the Frankfort Electric and Water Plant Board, certify that publication of the attached notice is being made in compliance with the Public Service Commission's regulations.

A handwritten signature in black ink, appearing to read 'Warner J. Caines', written over a horizontal line.

Warner J. Caines, General Manager

Warner J. Caines  
General Manager



*Frankfort Plant Board*

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September 20, 2006

Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky 40601

Re: Wholesale Water Adjustment

Dear Ms. O'Donnell:

Please accept for filing the attached tariff reflecting a wholesale water increase of the Frankfort Electric and Water Plant Board. The increase affects all regulated wholesale customers. Attached is a copy of the notice mailed to each of those customers and a copy of a notice provided to the customers of a FEWPB public meeting of August 22, 2006 to discuss the proposed water rate increase. The Board approved the water rate increase at its September 19, 2006 Board Meeting.

If additional information is needed or if there are questions about this change of rates, please contact me at (502) 352-4541 or [hprice@fewpb.com](mailto:hprice@fewpb.com).

Very truly yours,

*Hance Price*

Hance Price  
Staff Attorney

HP/abb  
Attachments

*Equal Opportunity/Affirmative Action Employer*

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372  
Fax (502) 223-3887 [www.fpb.cc](http://www.fpb.cc)

Sheet 87 of 139

FOR Entire Service Area  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

Revised SHEET NO. 4

Frankfort Electric and  
Water Plant Board  
(Name of Utility)

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RATES AND CHARGES

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CLASSIFICATION OF SERVICE

Wholesale Water Rate

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB that is to be resold.

AVAILABILITY OF SERVICE: To all water districts.

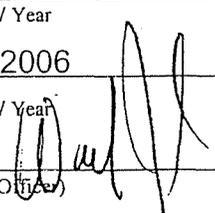
RATE: \$1.714 per 1000 gallons (l).

CONDITIONS OF SERVICE: Pursuant to contract.

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DATE OF ISSUE September 20, 2006  
Month / Date / Year

DATE EFFECTIVE November 1, 2006  
Month / Date / Year

ISSUED BY Warner J. Caines  
(Signature of Officer) 

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CITY OF FRANKFORT, KY.

FRANKFORT ELECTRIC AND WATER PLANT BOARD

NOTICE TO CUSTOMERS

WATER RATE ADJUSTMENT

PUBLIC SERVICE COMMISSION

Pursuant to the Regulations of the Public Service Commission (Commission), the Frankfort Electric and Water Plant Board (FEWPB) gives Notice that it has filed a water rate increase for the Peaks Mill Water District, Farmdale Water District, North Shelby Water District, U.S. 60 Water District, South Anderson Water District and Elkhorn Water District with the Commission. It proposes the rate listed below, which is approximately 11.4% increase over the current rate to be effective November 1, 2006. This would be an average annual increase of approximately \$12.60 for a customer using 6,000 gallons per month. Further information may be obtained from the Commission or the FEWPB. The rates proposed in this Notice may be modified by the Commission. Such action by the Commission may result in the rates being higher or lower than proposed by FEWPB.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Intervenors may obtain copies of the Application and any testimony filed by contacting the FEWPB at the address below. A copy of the Application is available for public review at the office of the FEWPB and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, (502) 564-3940.

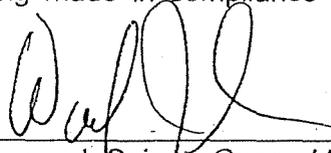
Warner J. Caines  
General Manager  
317 W. Second Street  
Frankfort, KY 40601  
(502) 352-4377

Peaks Mill Water District	South Anderson Water District	Farmdale Water District
North Shelby Water District	U.S. 60 Water District	Elkhorn Water District
Donald T. Prather, Counsel for North Shelby and U. S. 60 Water Districts		
Thomas A. Marshall, Counsel for Elkhorn Water District		

Current rate: \$1.539 per 1000 gallons  
Proposed rate: \$1.714 per 1000 gallons

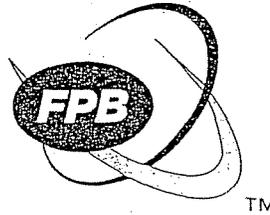
Certification of Notice to Customers

I, Warner J. Caines, General Manager of the Frankfort Electric and Water Plant Board, certify that publication of the attached notice is being made in compliance with the Public Service Commission's regulations.

A handwritten signature in black ink, appearing to read 'Warner J. Caines', written over a horizontal line.

Warner J. Caines, General Manager

Warner J. Caines  
General Manager



Frankfort Plant Board <sup>TM</sup>

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August 2, 2006

Mrs. Jean Costigan, Chairman  
Elkhorn Water District  
3851 Georgetown Road  
Frankfort, Kentucky 40601

Subject: Proposed Water Rate Increase

Dear Mrs. Costigan:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	<u>City</u>	<u>County</u>
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Elkhorn Water District purchased on average of 7,059,600 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$1,235 or \$14,825 per year.

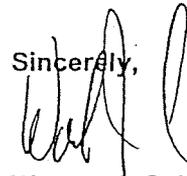
*Equal Opportunity/Affirmative Action Employer*

Page Two  
August 1, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb

Attachment

cc: Chron File

NOTICE OF PUBLIC HEARING

The Frankfort Electric and Water Plant Board will conduct a Public Hearing on Tuesday, August 22, 2006 at 5 p.m. at the Clubhouse located at 98 Tanglewood Drive to hear oral comments covering a proposed water rate increase for all wholesale water customers effective with the bill due and payable December 15, 2006.

<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers (Water Districts)	\$ 1.539	\$ 1.714
Resale – Other Water Producers (Georgetown Water Company)		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

Warner J. Caines  
General Manager



Frankfort Plant Board

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Cable Advertising

August 2, 2006

Mr. Burl Robinson  
Farmdale Water District  
100 Highwood Drive  
Frankfort, Kentucky 40601

Subject: Proposed Water Rate Increase

Dear Mr. Robinson:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	<u>City</u>	<u>County</u>
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, Farmdale Water District purchased on average of 21,856,900 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$3,825 or \$45,900 per year.

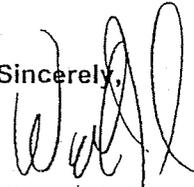
*Equal Opportunity/Affirmative Action Employer*

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,



Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File

NOTICE OF PUBLIC HEARING

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<u>SERVICE</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Resale – Non-Water Producers ( <i>Water Districts</i> )	\$ 1.539	\$ 1.714
Resale – Other Water Producers ( <i>Georgetown Water Company</i> )		
0-15,000,000	\$ 1.599	\$ 1.781
Over 15,000,000	\$ 1.406	\$ 1.566

Warner J. Caines  
General Manager



Frankfort Plant Board

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Cable Modem/ISP  
Cable Advertising

August 2, 2006

Mr. Darrell Dees  
U.S. 60 Water District  
5913 Elmburg Road  
Bagdad, Kentucky 40003

Subject: Proposed Water Rate Increase

Dear Mr. Dees:

At their regular Board Meeting on July 18, 2006, the Board of Directors of the Frankfort Plant Board authorized publishing notice of a public hearing on a proposed increase in water rates. A copy of the public notice is attached.

Under the proposed rates, all wholesale customers (Water Districts and Georgetown Water Company) will see an increase of 11.4%. All other FPB water customers have seen an increase of 14%. As a practical matter, an average FPB water customer using 6,000 gallons of water will see the following:

	<u>City</u>	<u>County</u>
Current Rates (monthly)	\$22.17	\$30.73
Proposed Rate	\$25.27	\$35.03
Monthly Increase	\$ 3.10	\$ 4.30
Annual Increase	\$37.20	\$51.60

The water rates per 1,000 gallons to the wholesale water producers will increase 11.4% from \$1.539 to \$1.714 or \$.175 cents. Assuming that this increase would be passed directly to your customers, an average customer using 6,000 gallons of water would increase \$1.050 per month or \$12.60 per year. As you can see, even though the percentages seem formidable, the actual dollar value of the proposed increases is not all that large on the basis of an average customer. It is also apparent that if the District passes the increase through to its customers the increase to the District's customers will be almost one-third of the increase the Board is requiring of its customers. Obviously, customers using greater than 6,000 gallons would see greater dollar increases.

According to our records, U.S. 60 Water District purchased on average of 16,305,300 gallons per month from July 2005 to June 2006. At \$.175 per thousand gallons this would be a monthly increase of \$2,853 or \$34,241 per year.

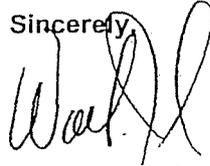
*Equal Opportunity/Affirmative Action Employer*

Page Two  
August 2, 2006

If you desire, I will meet with you or anyone else you wish to attend for the purpose of discussing the proposed increase. The meeting would need to be held prior to the public hearing. The Board hopes that these opportunities for input will help resolve questions you might have concerning the proposed rate and avoid Public Service Commission involvement with its related costs in time and money for both our operations.

If you have any questions on this matter, please feel free to contact me at 502-352-4377.

Sincerely,

A handwritten signature in black ink, appearing to read "Warner J. Caines". The signature is stylized with a large, looped initial "W" and a long, sweeping tail.

Warner J. Caines  
General Manager

WJC/abb  
Attachment

cc: Chron File