

KNOX COUNTY UTILITY COMMISSION
1905 KY 930
P.O. BOX 8
ARTEMUS, KENTUCKY 40903
606-546-5300 Office
606-546-3099 FAX

November 20, 2006

RECEIVED

NOV 30 2006

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell, Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort, Kentucky 40601

Dear Ms. O'Donnell,

Case No. 2006-00507

Please accept for filing the enclosed application for rate adjustment of Knox County Utility Commission. Also enclosed but separate from the application you will find the affidavit(s) of publication of the rate change which was published prior to our delivering this application to Kentucky Public Service Commission. This notice will run for three consecutive weeks. Once the other weekly publications have been made we will forward to you those affidavit(s) of publication.

Sincerely,



Carolyn Smith
Asst. Superintendent

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NOV 30 2006

PUBLIC SERVICE
COMMISSION

COMMONWELATH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Mater of:

AN ADJUSTMENT OF WATER RATES OF)
THE KNOX COUNTY UTILITY COMMISSION)

CASE NO. 2006-00507

Comes the Applicant, Knox County Utility Commission, pursuant to KRS 278.180 and 807 KAR 5:001, Sections 8 and 10, gives notice to the Kentucky Public Service Commission of its intent to increase its water rates so as to raise in total additional annual revenues the principal sum of \$171,693 through a three step rate phase-in plan to be implemented annual over a three year period. The phased-in rates will increase annual revenues in the amount of \$85,846 for the first year and an additional \$42,923 for each year thereafter for two additional, consecutive years. In conjunction with the rate phase-in plan Knox requests to eliminate the \$4 monthly surcharge assessed to each of the approximately 410 customers receiving service through the Brush Creek Project. In support of this application, Applicant files the following information as required by the applicable KAR as so stated.

807 KAR 5:001:

Section 8(1)

Pursuant to KRS 278.180, Applicant with the mailing address of Knox County Utility Commission P.O. Box 8 Artemus, Kentucky 40903, is hereby requesting that the Commission allow it to increase its rates charged for water service.

Section 8(2)

Included herein are the original and eleven (11) copies of the application.

Section 10(1)(b)(1)

The rate adjustment is needed to provide financial resources to pay operating costs and service long-term debt.

Section 10(1)(b)(2)

Applicant has filed its 2005 annual report with the Commission as well as annual reports for all prior years of operation.

Section 10(1)(b)(3)

Applicant is a water district organized pursuant to KRS Chapter 74 and has no articles of incorporation.

Section 10(1)(b)(4) and (5)

Applicant is not a limited partnership.

Section 10(1)(b)(6)

A certified copy of a certificate of assumed name is not necessary in this instance.

Section 10(1)(b)(7)

The proposed tariffs are attached hereto as Attachment H.

Section 10(1)(b)(8)

A comparison of the present and proposed tariffs is attached hereto as Attachment G, Pages 14 - 17.

Section 10(1)(b)(9)

Applicant has provided notice to its customers as required by 807 KAR 5:001, Sections (3) and (4).

Section 10(2)

30 day prior notice to the Public Service Commission is not required. The gross annual revenues of the Applicant do not exceed \$1,000,000.

Section 10(6)(a)

A complete description and quantified explanation for all proposed adjustments to test year operations is included as a part of this application at Attachment B.

Section 10(6)(b) and (c)

No testimony is required. Applicant's gross annual revenues do not exceed \$1,000,000. Applicant does not intend to submit testimony.

Section 10(6)(d)

The proposed rates will ultimately produce additional annual revenues of \$171,692 over normalized revenues. The phased in rates will produce \$85,846, \$42,923, and \$42,923 in years 1, 2, and 3, respectively.

Section 10(6)(e)

The impact of the rate increase on a residential customer using 5,000 gallons is calculated in Attachment H of this application.

Section 10(6)(f)

Applicant is not a local exchange company.

Section 10(6)(g)

A summary of Applicant's billing analysis is attached hereto as Attachments E and F. Attachment G is the cost of service study used to determine the proposed rate structure.

Section 10(6)(h)

Applicant's revenue requirement was determined using an 120 percent debt service coverage as detailed in Attachment A.

Section 10(6)(i)

Rate base and weighted cost of capital calculations were not performed as Applicant used a debt service coverage ratio to determine its revenue requirements.

Section 10(6)(j)

Applicant's chart of accounts is not more detailed than those contained in the applicable Uniform Systems of Accounts.

Section 10(6)(k)

An auditor's report with the required reports on internal controls was filed with the Commission along with Applicant's 2005 Annual Report.

Section 10(6)(l)

Applicant does not file with the Federal Energy Regulatory Commission.

Section 10(6)(m)

Applicant does not file with the Federal Energy Regulatory Commission.

Section 10(6)(n)

A formal depreciation study has never been performed by the Knox; however, during the process of preparing this application Knox reviewed the depreciable lives assigned to each asset category and compared them to the lives recommended by the National Association of Regulatory Utility Commissioners ("NARUC"). This comparison revealed that many of the lives used by Knox were not within the NARUC recommended ranges. Knox has revised its depreciation schedule to bring all depreciable lives into the NARUC recommended ranges. To account for these changes in depreciable lives Knox applied the remaining life method for determining the annual depreciation expense in the pro forma. The calculation appears in Attachment C, Pages 1-3. The original depreciation schedule is included in this application at Attachment C, Pages 4-18.

Section 10(6)(o)

Microsoft Word and Excel were used to develop this application.

Section 10(6)(p)

No prospectus has even been prepared.

Section 10(6)(q)

All annual reports have been filed with the Commission.

Section 10(6)(r)

Applicant does not prepare monthly managerial reports.

Section 10(6)(s)

Applicant does not file with the Securities and Exchange Commission.

Section 10(6)(t)

Applicant had no transactions with affiliates during the test year or the two years previous.

Section 10(6)(u)

Applicant's revenues are less than \$5,000,000.

Section 10(6)(v)

Applicant is not a local exchange carrier.

Section 10(7)(a)

A pro forma operating statement is attached hereto as Attachment B.

Section 10(7)(b)

Applicant has not prepared a capital construction budget.

Section 10(7)(c)

All plant and related depreciation adjustments are detailed in Attachments B and C as attached hereto.

Section 10(7)(d)

Applicant does not prepare monthly operating budgets.

Section 10(7)(e)

All revenue adjustments are detailed in Attachment B as attached hereto.

Section 10(3)(a)

See pages 14 - 17 of Attachment G as attached hereto for a comparison of the increase in each rate increment.

Section 10(3)(b)

See Attachment H of this Application for a comparison of present and proposed rates.

Section 10(3)(c)

See pages 14 - 17 of Attachment G as attached hereto for the effect upon the average bill for each customer class.

Section 10(3)(d)

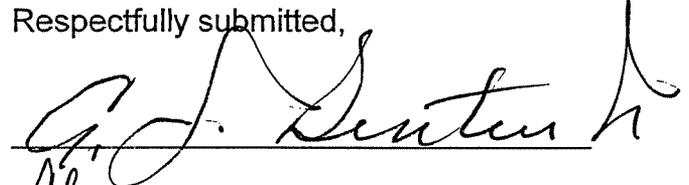
Applicant is not a local exchange company.

Section 10(4)

A copy of the customer notice is included at Attachment H. The notice will run for three consecutive weeks in the prominent publications of our service territory.

Wherefore, Applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its order authorizing Applicant to increase its water rates using a three-year rate phase-in plan so as to ultimately raise \$171,692 in additional annual revenues and to eliminate the "Brush Creek" surcharge from its tariff.

Respectfully submitted,



Chairman

Knox County Utility Commission
P.O. Box 8
Artemus, Kentucky 40903

Knox County Utility Commission
 Calculation of Revenue Requirement
 Test Year Ended 2005

Attachment A

Operating Expenses		\$ 857,588
Annual Bond Payments:		
Rural Development Loan 91-01	\$ 125,920	
Rural Development Loan 91-06	24,100	
Rural Development Loan 91-08	19,390	
Rural Development Loan 91-10	<u>5,700</u>	
Total Annual Bond Payments	<u>\$ 175,110</u>	175,110
Required Debt Coverage = 20 percent of Annual Bond Payments		35,022
Interest on Customer Deposits		<u>405</u>
Total Revenue Requirement		1,068,124
Less: Other Operating Revenues		(30,171)
Interest Income		<u>(5,065)</u>
Revenue Requirement from Rates		1,032,889
Less: Normalized Operating Revenues from Present Rates		<u>(861,196)</u>
Required Revenue Increase from Rates		<u>\$ 171,693</u>
Required Revenue Increase Percentage		<u>20%</u>

	Test Year	Adjustments	Ref.	Pro forma
Operating Revenue				
Sales of Water	\$ 849,160	\$ (9,843) (A) 21,879 (B)		\$ 861,196
Other Operating Revenue				
Brush Creek Surcharge	19,692	(19,692) (C)		-
Penalties	21,394			21,394
Transfer/Cut-off Fees	4,380			4,380
Bad Check Fees	1,000			1,000
Materials and Supplies Sales	1,897			1,897
Rents from Water Property	1,500			1,500
Total Other Operating Income	49,863	(19,692)		30,171
Total Operating Revenue	899,023	(7,656)		891,367
Salaries and Wages	217,512	3,701 (D)		221,213
Employee Benefits				
Retirement	19,987	11,172 (E)		31,159
Payroll Taxes	20,271	(2,199) (E)		18,072
Health Insurance	68,275	13,648 (F)		81,923
Disability Insurance	3,706			3,706
Purchased Water	140,623	2,922 (B) (26,337) (G) (1,916) (H)		115,291
Utilities				
Telephone	2,910			2,910
Utilities Office	28,425	592 (B) (5,333) (G)		23,683
Utilities Pump Station	13,089	(3,908) (H)		9,181
Chemicals	25,057	501 (B) (4,513) (G) (1,290) (H)		19,755
Repairs and Maintenance				
Distribution	1,312			1,312
Plant Maintenance	3,121			3,121
Laboratory Supplies	1,088			1,088
Repairs-Materials	2,798			2,798
Equipment Maintenance	1,206			1,206
Repairs-Labor	7,126			7,126
Contracted Services				
Water Analysis Fee	10,430			10,430
Legal and Accounting	6,817			6,817
Vehicle Expense	17,055			17,055
Insurance				
Insurance Workers Comp	19,879			19,879
Insurance Liability	8,574			8,574
Insurance Vehicles	4,263			4,263
Insurance Bonds	1,453			1,453
Bad Debts (Net of Recoveries)	12,833			12,833

	Test Year	Adjustments	Ref.	Pro forma
Office Supplies	2,340	(320)	(H)	2,020
Office Expense	6,503	(1,685)	(H)	4,818
Postage	8,861			8,861
Uniform Service	3,194	(234)	(H)	2,960
Bank Charges	193			193
Employee Training	182			182
Collection Fees	237			237
Advertising Notices	14			14
Licenses and Fees	1,650			1,650
Miscellaneous	1,710			1,710
<hr/>				
Operation and Maintenance and Payroll Taxes	662,690	(15,199)		647,491
Depreciation	325,506	21,000	(B)	
		375	(D)	
		(123,441)	(I)	
		(13,344)	(J)	210,097
<hr/>				
Total Operating Expenses	988,196	(130,608)		857,588
<hr/>				
Net Operating Income	(89,173)	122,952		33,779
Interest Income	5,065			5,065
<hr/>				
Income Available to Service Debt	\$ (84,108)	\$ 122,952		\$ 38,844
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(A)

To adjust water sales to reflect the billing analysis shown in this application at Attachment E. This billing analysis determines normalized revenues by applying the rates for service in effect during the test year to test year gallons sold.

Normalized billing analysis revenue at present rates	\$ 839,317
Less: Test year revenue from water sales at present rates	<u>(849,160)</u>
Adjustment	<u><u>\$ (9,843)</u></u>

(B)

Subsequent to the test year Knox completed main extension projects at Stinking Creek and Poplar Creek and in Whitley County. The cost for these projects totaled \$1,050,000 and was financed through grant proceeds. Through these projects Knox will add 65 new customers to its distribution system. The new customers represent a 2.6 percent increase in Knox's customer base. The following adjustments were made to reflect these customers in the pro forma.

Adjustment - Additional revenue at present rates from 65 new customers	<u><u>\$ 21,879</u></u>
------------------------------------------------------------------------	-------------------------

	Test Year	Water Loss Adjustment (G)	General Ledger Posting Error Adjustment (H)	Subject to New Customer Adjustment	% Incr.	Adjustment
Purchased Water	\$ 140,623	\$ (26,337)	\$ (1,916)	\$ 112,370	2.6%	<u>\$ 2,922</u>
Utilities - Pumping	31,996	(5,333)	(3,908)	22,755	2.6%	<u>\$ 592</u>
Chemicals	25,057	(4,513)	(1,290)	19,254	2.6%	<u>\$ 501</u>
Depreciation of original cost of plant Stinking and Poplar Creek Projects						\$ 950,000
Whitley County Project						<u>100,000</u>
Total cost of line extensions						1,050,000
Divide by: 50 year depreciable life						<u>50</u>
Adjustment						<u><u>\$ 21,000</u></u>

(C)

Knox currently assesses a \$4 monthly surcharge to approximately 410 customers receiving service through the Brush Creek Project. Through this rate application Knox is proposing to eliminate the collection of this surcharge and roll the entire debt service for the Brush Creek Project into the general rates of Knox. Thus, the test year surcharge collections have been eliminated in the pro forma.

Adjustment	<u><u>\$ (19,692)</u></u>
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(D)

Salaries and wages have been adjusted to reflect the employee level and pay rates as of September 5, 2006, and the test year capitalization rate. The capitalization rate takes into account not only salaries and wages but payroll overhead expenses. The salary and wage capitalization rate is then higher than it would have been had the payroll overhead accounts been adjusted separately. The overtime hours are those worked in the test year.

	Regular Hours	Overtime at 1.5	Pay Rate	Pro Forma
Superintendent	Salary N/A			\$ 42,224
Assistant Superintendent	2,080.00	8.00	14.50	30,334
Head Plant Operator	2,080.00	185.00	13.75	32,416
Office Manager	2,080.00		11.80	24,544
Distribtuon Laborer	2,080.00	87.50	10.00	22,113
Plant Operator	2,080.00	81.50	12.00	26,427
Part-time Operator	1,560.00	78.50	11.00	18,455
Plant Operator	2,080.00	79.00	9.75	21,435
Laborer	2,080.00	238.50	7.50	<u>18,283</u>
Gross Salaries and Wages				236,231
Less: Amount Capitalized	236,231	x	6.3571% Capitalization Rate	= <u>(15,017)</u>
Pro forma expense				221,213
Less: Test year				<u>(217,512)</u>
Adjustment				<u>\$ 3,701</u>
To adjust test year depreciation expense to reflect recovery of the capitalized salary and wages.				
Salaries and Wages Capitalized				\$ 15,017
Divide by: 40 year life of meters as majority of capitalization relates to new taps				<u>40</u>
Adjustment				<u>\$ 375</u>

(E)

Test year retirement and social security taxes will increase as a result of increased salaries and wages. Retirement will also increase due to increased retirement contribution rates to the Kentucky Retirement System effective July 1, 2006. These adjustments were based on the gross salaries and wages and not those adjusted for capitalization because as stated before the salary and wage capitalization rate already reflects capitalized payroll overhead.

	Retirement	Payroll Taxes
Gross pro forma salaries and wages	\$ 236,231	\$ 236,231
Times: Rate	<u>13.19%</u>	<u>7.65%</u>
Pro forma	31,159	18,072
Less: Test year	<u>(19,987)</u>	<u>(20,271)</u>
Adjustment	<u>\$ 11,172</u>	<u>\$ (2,199)</u>

(F)

To increase test year expenses to include increased health care costs since the end of the test year.

Monthly health insurance statement from 7/1/06	\$ 7,683
Times: 12 months	<u>12</u>
Sub-total	92,201
Less: Test year reimbursements	<u>(10,278)</u>
Pro forma	81,923
Less: Test year	<u>(68,275)</u>
Adjustment	<u>\$ 13,648</u>

(G)
 During the test year Knox's water loss exceeded the 15 percent allowed by 807 KAR 5:066, Section 6(3). The following adjustments are necessary to eliminate the cost of the excess water loss from the test year.

Water produced	125,790,000
Water purchased	61,999,500
Total water produced or purchased	<u>187,789,500</u>
Water sold	120,432,400
Flushing	1,623,920
Treatment plant	1,468,690
Fire department	439,500
Total water sold and used	<u>123,964,510</u>
Water loss	<u>63,824,990</u>
Percentage of water loss	33.99%
Less: Allowable water loss	<u>15.00%</u>
Percentage of excess water loss	<u>18.99%</u>

Account	Test Year	General Ledger Posting Error Adjustment (H)	Amount Subject to Water Loss	Excess Water Loss	Adjustment
Purchased water	\$ 140,623	\$ (1,916)	\$ 138,707	-18.99%	<u>\$ (26,337)</u>
Chemicals	25,057	(1,290)	23,767	-18.99%	<u>(4,513)</u>
Purchased power for pumping	31,996	(3,908)	28,088	-18.99%	<u>(5,333)</u>

(H)
 During the test year Knox changed computerized general ledger programs. As a result of this change, account posting errors occurred resulting in the overstatement of test year expenses. During the course of Knox's annual audit these posting errors were corrected, some through the payroll account. The corrections made through the payroll account have been effectively removed by the pro forma adjustment to salaries and wages. This requires that the corrections be made to the actual overstated accounts or the pro forma expenses will be overstated. The following adjustments are required to make these corrections.

Chemicals	\$ (1,290)
Office Supplies	(320)
Office Expense	(1,685)
Uniforms	(234)
Purchased Water	(1,916)
Utilities Office	(3,908)
Total	<u>\$ (9,353)</u>

(I)
 To adjust depreciation for the restatement of depreciable lives for certain asset categories as stated in Knox's application at Page 3 where reference is made to 807 KAR 5:001 Section 10(6)n. The calculation is shown at Attachment C, Pages 1-3, of this application.

Pro forma	\$ 202,065
Less: Test year	<u>(325,506)</u>
Adjustment	<u>\$ (123,441)</u>

(J)

During the test year Knox performed 85 tap-ons for new services. To account for these new services Knox capitalized \$9,688 in payroll costs and \$10,626 in material costs for total new service capitalization of \$20,314. In case number 2006-00207 Knox demonstrated to the Commission that the cost of hooking on a new service is \$400. Based on this information Knox has determined that it has under capitalized test year tap-ons by \$13,686 (85 x \$400 - \$20,314). The undercapitalization results from Knox not capitalizing equipment costs associated with the new hook-ups. The equipment capitalization should be taken from expense accounts for fuel, equipment supplies and repairs, insurance, depreciation, and interest expense; however, to simplify the adjustment the entire amount has been removed from depreciation expense. An allowance for recovery of the capitalized depreciation has also been included in this adjustment by depreciating the amount capitalized over its estimate 40 year life.

Adjustment to Depreciation Expense to Capitalize Equipment Costs	<u>\$ (13,686)</u>
Adjustment to include an Allowance for Depreciation of the Capitalized Equipment Costs	
Costs Capitalized	13,686
Divide By: 40 Years	40
Annual Recovery	<u>342</u>
Net Adjustment	<u>\$ (13,344)</u>

Plant Category	Year Placed in Service	Cost	Accumulated Depreciation at 12/31/05	Net Cost to be Depreciated Over Remaining Life	Remaining Life based On Restate Life	Annual Depreciation Expense
Meters and Installations	1980	388	388	-	14	-
Original Service Life = 20 years	81	452	452	-	15	-
Adjusted to 40 years	82	901	901	-	16	-
	83	839	839	-	17	-
	84	1,329	1,329	-	18	-
	85	1,019	974	45	19	2.37
	86	513	513	-	20	-
	87	450	432	18	21	0.86
	87	410	394	16	21	0.76
	88	2,471	2,471	-	22	-
	88	544	488	56	22	2.55
	89	4,076	4,076	-	23	-
	89	1,540	1,309	231	23	10.04
	90	2,746	2,746	-	24	-
	90	828	783	45	24	1.88
	91	25,556	18,530	7,026	25	281.04
	91	1,151	839	312	25	12.48
	91	2,449	2,449	-	25	-
	91	1,550	1,165	385	25	15.40
	91	608	608	-	25	-
	92	586	393	193	26	7.42
	92	3,708	2,499	1,209	26	46.50
	92	3,211	2,136	1,075	26	41.35
	92	677	677	-	26	-
	93	1,812	1,136	676	27	25.04
	93	298	187	111	27	4.11
	93	4,482	2,755	1,727	27	63.96
	93	3,708	3,708	-	27	-
	94	4,297	2,580	1,717	28	61.32
	94	645	385	260	28	9.29
	94	7,307	4,155	3,152	28	112.57
	94	4,387	4,276	111	28	3.96
	95	229	121	108	29	3.72
	95	13,000	6,825	6,175	29	212.93
	95	114,331	60,028	54,303	29	1,872.52
	95	5,613	2,959	2,654	29	91.52
	95	2,470	2,162	308	29	10.62
	95	2,315	1,221	1,094	29	37.72
	96	2,542	1,207	1,335	30	44.50
	97	2,058	875	1,183	31	38.16
	98	2,645	1,734	911	32	28.47
	98	3,056	1,147	1,909	32	59.66
	99	1,298	812	486	33	14.73
	99	3,468	1,648	1,820	33	55.15
	99	6,618	3,262	3,356	33	101.70
	2000	607	242	365	34	10.74
	2000	1,885	827	1,058	34	31.12
	2001	9,494	2,137	7,357	35	210.20
	2001	15,036	4,512	10,524	35	300.69
	2002	3,000	525	2,475	36	68.75
	2003	1,600	200	1,400	37	37.84
	2003	2,958	370	2,588	37	69.95
	2003	3,009	375	2,634	37	71.19
	2004	3,009	225	2,784	38	73.26
	2005	2,435	61	2,374	39	60.87
	2005	15,000	375	14,625	39	375.00
	2005	861	22	839	39	21.51
		303,475	160,445	143,030		4,605

Plant Category	Year Placed in Service	Cost	Accumulated Depreciation at 12/31/05	Net Cost to be Depreciated Over Remaining Life	Remaining Life based On Restate Life	Annual Depreciation Expense
Hydrants	1978	825	825	-	12	-
Original Service Life = 15 years	81	1,078	1,078	-	15	-
Adjusted to 40 years	82	1,819	1,819	-	16	-
	86	1,177	1,177	-	20	-
	92	41	38	3	26	0.12
	99	1,056	435	621	33	18.82
	2002	4,250	1,414	2,836	36	78.78
	2002	5,200	1,214	3,986	36	110.72
	2003	1,671	278	1,393	37	37.65
	2003	979	163	816	37	22.05
	2003	1,707	285	1,422	37	38.43
	2005	25,000	833	24,167	39	619.67
	2005	2,500	83	2,417	39	61.97
		<u>47,303</u>	<u>9,642</u>	<u>37,661</u>		<u>988</u>
Transmission and Distribution Mains	2002	2,173,500	287,989	1,885,511	46	40,989.37
Original Service Life = 25 years	2002	14,595	2,214	12,381	46	269.15
Adjusted to 50 years	2002	469,800	65,772	404,028	46	8,783.22
	2003	8,315	735	7,580	47	161.28
	2003	7,125	829	6,296	47	133.96
	2003	5,797	464	5,333	47	113.47
	2003	2,485	198	2,287	47	48.66
	2003	8,077	646	7,431	47	158.11
	2004	1,514	91	1,423	48	29.65
		<u>2,691,208</u>	<u>358,938</u>	<u>2,332,270</u>		<u>50,687</u>
Transmission and Distribution Mains	1996	11,137	8,630	2,507	40	63
Original Service Life = 20 years	98	4,453	2,697	1,756	42	42
Adjusted to 50 years	98	10,339	6,003	4,336	42	103
	98	11,275	6,548	4,727	42	113
	2001	1,927	428	1,499	45	33
	2003	1,543	209	1,334	47	28
	2003	6,235	715	5,520	47	117
	2003	3,260	374	2,886	47	61
	2003	118,417	12,088	106,329	47	2,262
	2003	20,419	2,084	18,335	47	390
	2004	3,014	226	2,788	48	58
	2005	611,052	15,276	595,776	49	12,159
	2005	107,976	2,699	105,277	49	2,149
	2005	46,148	1,154	44,994	49	918
	2005	40,055	1,001	39,054	49	797
		<u>997,250</u>	<u>60,132</u>	<u>937,118</u>		<u>19,294</u>
Transmission and Distribution Mains	1971	47,292	33,888	13,404	15	894
Original Service Life = 35 years	1973	38,084	30,837	7,247	17	426
Adjusted to 50 years	1974	298	201	97	18	5
	1975	5,743	4,217	1,526	19	80
	1976	55	35	20	20	1
	1979	2,778	1,569	1,209	23	53
	1984	115	58	57	28	2
	1985	469	237	232	29	8
	1987	2,116	873	1,243	31	40
	1989	10,000	8,077	1,923	33	58
	1989	1,944	730	1,214	33	37
	1990	334,670	117,889	216,781	34	6,376
	1991	306,697	128,788	177,909	35	5,083
	1991	600	221	379	35	11
	1992	17,333	6,032	11,301	36	314
	1992	10,748	3,270	7,478	36	208
	1993	3,667	1,202	2,465	37	67
	1994	9,292	2,800	6,492	38	171
	1995	1,289,858	295,694	994,164	39	25,491
	1995	2,703	659	2,044	39	52
	1995	2,761	674	2,087	39	54
	1995	9,947	2,754	7,193	39	184
	1996	6,070	1,358	4,712	40	118
	1996	261,001	200,926	60,075	40	1,502
	2003	574,565	33,514	541,051	47	11,512
		<u>2,938,806</u>	<u>876,503</u>	<u>2,062,303</u>		<u>52,746</u>

Plant Category	Year Placed in Service	Cost	Accumulated Depreciation at 12/31/05	Net Cost to be Depreciated Over Remaining Life	Remaining Life based On Restate Life	Annual Depreciation Expense
Services	1996	21,619	10,318	11,301	20	565.05
Original Service Life = 20 years	97	2,132	909	1,223	21	58.24
Adjusted to 30 years	97	3,871	1,649	2,222	21	105.81
	97	8,815	3,748	5,067	21	241.29
	97	3,087	1,309	1,778	21	84.67
	97	4,426	1,879	2,547	21	121.29
	98	3,070	1,155	1,915	22	87.05
	98	8,085	3,030	5,055	22	229.77
	98	4,874	1,830	3,044	22	138.36
	98	1,651	622	1,029	22	46.77
	98	3,303	1,238	2,065	22	93.86
	98	6,255	2,408	3,847	22	174.86
	99	25,233	8,626	16,607	23	722.04
	2000	8,000	2,800	5,200	24	216.67
	2001	63,730	14,341	49,389	25	1,975.56
	2002	23,139	3,934	19,205	26	738.65
	2003	22,564	2,820	19,744	27	731.26
	2004	15,609	1,170	14,439	28	515.68
		<u>229,463</u>	<u>63,786</u>	<u>165,677</u>		<u>6,847</u>
Automobiles and Equipment						
No adjustment to lives		<u>235,269</u>	<u>118,809</u>			<u>26,812</u>
Building and Plant Improvements						
No adjustment to lives		<u>460,791</u>	<u>271,017</u>			<u>20,449</u>
General Treatment Plant Equipment						
No adjustment to lives		<u>57,005</u>	<u>29,155</u>			<u>4,589</u>
Storage Facilities	1998	119,000	62,522	56,478	22	2,567.18
Original Service Life = 20 years	2003	187,200	23,400	163,800	27	6,066.67
Adjust to 30 years		<u>306,200</u>	<u>85,922</u>	<u>220,278</u>		<u>8,634</u>
Pumping Plant	1994	338	338	-	8	-
Original Service Life = 10 years	1994	3,790	3,790	-	8	-
Adjust to 20 years	1996	17,320	16,454	866	10	87
	1998	4,479	3,192	1,287	12	107
	1998	6,223	4,432	1,791	12	149
	1999	252	156	96	13	7
	1999	437	275	162	13	12
	2000	191	105	86	14	6
	2000	341	187	154	14	11
	2004	11,224	1,683	9,541	18	530
	2005	1,541	154	1,387	19	73
	2005	3,329	166	3,163	19	166
	2005	554	28	526	19	28
		<u>50,019</u>	<u>30,960</u>	<u>19,059</u>		<u>1,177</u>
Office and Computer Equipment						
No adjustment to lives		<u>66,544</u>	<u>19,502</u>			<u>5,236</u>
Land		<u>44,619</u>				
Total		<u>\$ 8,427,952</u>	<u>\$ 2,084,811</u>			<u>\$ 202,065</u>

Detail Report KNOX COUNTY UTILITY COMM 1120 2005 303,475 146,728 13,717 160,445

Item No	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec. 179 Bonus	2005 Current Deprec.	2005 Accum. Deprec.
MI	METER INSTALLATIONS	12/31/1980	R-2	1120	100.00%	388			388	20	SL/GDS	HY	388		388	388
MI	METER INSTALLATIONS	12/31/1981	R-2	1120	100.00%	452			452	20	SL/GDS	HY	452		452	452
*	METER INSTALLATIONS	12/31/1982	R-2	1120	100.00%	901			901	20	SL/GDS	HY	901		901	901
*	METER INSTALLATIONS	12/31/1983	R-2	1120	100.00%	839			839	20	SL/GDS	HY	839		839	839
*	METER INSTALLATIONS	12/31/1984	R-2	1120	100.00%	1,329			1,329	20	SL/GDS	HY	1,269		1,269	1,329
*	METER INSTALLATIONS	12/31/1985	R-2	1120	100.00%	1,019			1,019	20	SL/GDS	HY	949		949	974
*	METER INSTALLATIONS	12/31/1986	R-2	1120	100.00%	513			513	20	SL/GDS	HY	490		490	513
*	METER INSTALLATIONS	12/31/1987	R-2	1120	100.00%	450			450	20	SL/GDS	HY	409		409	432
*	METER INSTALLATIONS	12/31/1988	R-2	1120	100.00%	410			410	20	SL/GDS	HY	373		373	394
*	METER INSTALL	10/31/1988	R-2	1120	100.00%	2,471			2,471	20	SL/GDS	HY	2,471		2,471	2,471
*	METER INSTALLATIONS	12/31/1988	R-2	1120	100.00%	544			544	20	SL/GDS	HY	461		461	488
*	METER INSTALL	10/31/1989	R-2	1120	100.00%	4,076			4,076	20	SL/GDS	HY	4,076		4,076	4,076
*	METER INSTALLATIONS	12/31/1989	R-2	1120	100.00%	1,540			1,540	20	SL/GDS	HY	1,232		1,232	1,309
*	METER INSTALL	10/31/1990	R-2	1120	100.00%	2,746			2,746	20	SL/GDS	HY	2,746		2,746	2,746
*	METER INSTALLATIONS	12/31/1990	R-2	1120	100.00%	828			828	20	SL/GDS	HY	742		742	783
*	METER INSTALLATIONS	7/1/1991	R-2	1120	100.00%	25,556			25,556	20	SL/GDS	HY	17,252		17,252	18,530
*	METER INSTALLATIONS	7/1/1991	R-2	1120	100.00%	1,151			1,151	20	SL/GDS	HY	781		781	839
*	METER INSTALLATIONS	10/31/1991	R-2	1120	100.00%	2,449			2,449	20	SL/GDS	HY	2,449		2,449	2,449
*	MASTER METER	12/31/1991	R-2	1120	100.00%	1,550			1,550	20	SL/GDS	HY	1,087		1,087	1,165
*	METER INSTALL	12/31/1991	R-2	1120	100.00%	608			608	20	SL/GDS	HY	608		608	608
*	METER INSTALLATIONS	7/1/1992	R-2	1120	100.00%	586			586	20	SL/GDS	HY	364		364	393
*	METER INSTALLATIONS	12/31/1992	R-2	1120	100.00%	3,708			3,708	20	SL/GDS	HY	2,314		2,314	2,499
*	METER INSTALL	12/31/1992	R-2	1120	100.00%	3,211			3,211	20	SL/GDS	HY	1,975		1,975	2,136
*	METER INSTALLATIONS	12/31/1992	R-2	1120	100.00%	677			677	20	SL/GDS	HY	677		677	677
*	METER INSTALLATIONS	7/1/1993	R-2	1120	100.00%	1,812			1,812	20	SL/GDS	HY	1,045		1,045	1,136
*	METER INSTALLATIONS	7/1/1993	R-2	1120	100.00%	298			298	20	SL/GDS	HY	172		172	187
*	METER INSTALL	12/31/1993	R-2	1120	100.00%	4,482			4,482	20	SL/GDS	HY	2,531		2,531	2,755
*	METER INSTALLATIONS	12/31/1993	R-2	1120	100.00%	3,708			3,708	20	SL/GDS	HY	3,708		3,708	3,708
*	METER INSTALLATIONS	7/1/1994	R-2	1120	100.00%	4,297			4,297	20	SL/GDS	HY	2,365		2,365	2,580
*	METER INSTALLATIONS	7/1/1994	R-2	1120	100.00%	645			645	20	SL/GDS	HY	353		353	385
*	METER INSTALL	12/31/1994	R-2	1120	100.00%	7,307			7,307	20	SL/GDS	HY	3,790		3,790	4,155
*	METER INSTALLATIONS	8/1/1995	R-2	1120	100.00%	4,387			4,387	20	SL/GDS	HY	4,057		4,057	4,276
*	METER INSTALLATIONS	7/1/1995	R-2	1120	100.00%	229			229	20	SL/GDS	HY	110		110	121
*	MASTER METER - CORBIN	8/1/1995	R-2	1120	100.00%	13,000			13,000	20	SL/GDS	HY	6,175		6,175	6,825
*	METER INSTALLATIONS	9/30/1995	R-2	1120	100.00%	114,331			114,331	20	SL/GDS	HY	54,311		54,311	60,028
*	METER INSTALLATIONS	9/30/1995	R-2	1120	100.00%	5,613			5,613	20	SL/GDS	HY	2,678		2,678	2,989
*	METER INSTALLATIONS	9/30/1995	R-2	1120	100.00%	2,470			2,470	20	SL/GDS	HY	2,038		2,038	2,162
*	METER INSTALLATIONS	12/31/1995	R-2	1120	100.00%	2,315			2,315	20	SL/GDS	HY	1,105		1,105	1,221
*	METER INSTALLATIONS	7/1/1996	R-2	1120	100.00%	2,542			2,542	20	SL/GDS	HY	1,080		1,080	1,207
*	METER INSTALLATIONS	6/1/1997	R-2	1120	100.00%	2,058			2,058	20	SL/GDS	HY	772		772	875
*	PRECISION METERS	12/27/1998	R-2	1120	100.00%	2,645			2,645	20	SL/GDS	HY	1,602		1,602	1,734
*	NEW METERS	7/15/1998	R-2	1120	100.00%	3,056			3,056	20	SL/GDS	HY	994		994	1,147
*	MASTER METER	3/8/1998	R-2	1120	100.00%	1,298			1,298	20	SL/GDS	HY	747		747	812
*	NEW METERS	12/31/1999	R-2	1120	100.00%	3,468			3,468	20	SL/GDS	HY	1,475		1,475	1,648
MI	METER INSTALLATIONS	12/31/1999	R-2	1120	100.00%	6,618			6,618	20	SL/GDS	HY	2,931		2,931	3,282
*	NEW METERS	7/1/2000	R-2	1120	100.00%	607			607	20	SL/GDS	HY	212		212	242
*	METER INSTALLATIONS	12/31/2000	R-2	1120	100.00%	1,885			1,885	20	SL/GDS	HY	733		733	817
*	MTR INSTALL	7/1/2001	R-2	1120	100.00%	9,494			9,494	20	SL/GDS	HY	1,862		1,862	2,137
*	NEW METERS	10/31/2002	R-2	1120	100.00%	15,036			15,036	20	SL/GDS	HY	3,760		3,760	4,512
*	COMPOUND 4" METER	3/4/2003	R-2	1120	100.00%	1,600			1,600	20	SL/GDS	HY	120		120	150
*	METER INSTALLATIONS	4/30/2003	R-2	1120	100.00%	2,958			2,958	20	SL/GDS	HY	222		222	200
*	METER INSTALLATIONS	9/30/2003	R-2	1120	100.00%	3,009			3,009	20	SL/GDS	HY	225		225	375

NO-5010

Detail Report

KNOX COUNTY UTILITY COMM 1120 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec. 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
						303,475			303,475					146,728	13,717	160,445
	METERS	12/31/2004	R-2	1120	100.00%	3,009			3,009		20	SL/GDS	HY	75	150	225
	METER	3/15/2005	R-2	1120	100.00%	2,435			2,435		20	SL/GDS	HY		61	61
	SENSUA METER	3/15/2005	R-2	1120	100.00%	15,000			15,000		20	SL/GDS	HY		375	375
	METER	6/15/2005	R-2	1120	100.00%	861			861		20	SL/GDS	HY		22	22

Detail Report KNOX COUNTY UTILITY COMM 8825: HY 2005 47,303 47,303 7,733 1,909 9,642

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Car-vertification Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2006 Accum. Deprec.
HY	HYDRANTS	10/31/1978	R-5	8825: HY	100.00%	825			825	15	15	SL/GDS	HY	825		825
	HYDRANTS	12/31/1981	R-2	8825: HY	100.00%	1,078			1,078	15	15	SL/GDS	HY	1,078		1,078
	HYDRANTS	7/6/1982	R-5	8825: HY	100.00%	1,819			1,819	15	15	SL/GDS	HY	1,819		1,819
	HYDRANTS	10/31/1986	R-5	8825: HY	100.00%	1,177			1,177	15	15	SL/GDS	HY	1,177		1,177
	HYDRANTS	12/31/1992	R-5	8825: HY	100.00%	41			41	15	15	SL/GDS	HY	35	3	38
	HYDRANT - POPLAR CREEK	10/14/1999	R-2	8825: HY	100.00%	1,056			1,056	15	15	SL/GDS	HY	365	70	435
	HYDRANTS - POPLAR CREEK	1/28/2002	F-4	8825: HY	100.00%	4,250			4,250	15	15	SL/GDS	HY	1,131	283	1,414
	KNOX LINE HYDRANTS	12/31/2002	R-2	8825: HY	100.00%	5,200			5,200	15	15	SL/GDS	HY	867	347	1,214
	GOODIN BRANCH	6/30/2003	R-2	8825: HY	100.00%	1,671			1,671	15	15	SL/GDS	HY	167	111	278
	EATON FORK	9/30/2003	R-2	8825: HY	100.00%	979			979	15	15	SL/GDS	HY	98	65	163
	HIGHWAY 223	10/31/2003	R-2	8825: HY	100.00%	1,707			1,707	15	15	SL/GDS	HY	171	114	285
	HYDRANTS	3/15/2005	R-2	8825: HY	100.00%	25,000			25,000	15	15	SL/GDS	HY	833	833	833
	HYDRANTS	12/15/2005	R-2	8825: HY	100.00%	2,500			2,500	15	15	SL/GDS	HY	83	83	83

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Detail Report

KNOX COUNTY UTILITY COMM 8825: BC 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Allowance Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec. 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
BC	BRUSH CREEK EXPANSION	6/31/2002	R-5	8825: BC	100.00%	2,173,500			2,173,500		25	SL/SDS	HY	201,049	86,940	287,989

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KNOX COUNTY UTILITY COMM																
8825: KP 2005																
47,908																
47,906																
3,060																
1,917																
4,977																
Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
KP	GOODIN BRANCH EXT	3/31/2002	R-5	8825: KP	100.00%	14,595			14,595		25	SL/GDS	MM	1,630	584	2,214
	BUCKEYE	10/17/2003	R-5	8825: KP	100.00%	8,315			8,315		25	SL/GDS	MM	402	333	735
	TRACE BRANCH	10/31/2003	R-5	8825: KP	100.00%	7,125			7,125		25	SL/GDS	MM	344	285	629
	LAUREL BRANCH	12/31/2003	N-1	8825: KP	100.00%	5,797			5,797		25	SL/GDS	HY	232	232	464
	GOODIN BRANCH	12/31/2003	N-1	8825: KP	100.00%	2,485			2,485		25	SL/GDS	HY	99	99	188
	BIG CREEK	12/31/2003	N-1	8825: KP	100.00%	8,077			8,077		25	SL/GDS	HY	323	323	646
	EXPANSION	12/30/2004	R-5	8825: KP	100.00%	1,514			1,514		25	SL/GDS	HY	30	61	91

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KNOX COUNTY UTILITY COMM																
8825: LE 2005																
1,275,194																
1,275,194																
69,072																
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Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Contribution Code	Future Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
LE	LINE EXTENSION	12/31/1996	R-2	8825: LE	100.00%	11,137			11,137		20	SL/GDS	HY	8,073	657	8,630
	T RUN BRANCH EXT	8/25/1998	R-2	8825: LE	100.00%	4,453			4,453		20	SL/GDS	HY	2,474	223	2,697
	BAVILLE TIE-IN	10/15/1998	R-2	8825: LE	100.00%	10,339			10,339		20	SL/GDS	HY	5,486	517	6,003
	SHY MUG EXTENSION	10/15/1998	R-2	8825: LE	100.00%	11,275			11,275		20	SL/GDS	HY	5,984	564	6,548
	KNOX LINE EXTENSION	12/31/2002	R-2	8825: LE	100.00%	469,800			469,800		25	SL/GDS	HY	46,980	18,792	65,772
	Unnamed	12/31/2004	R-3	8825: LE	100.00%	3,014			3,014		20	SL/GDS	HY	75	151	226
	BRIAR HILL EXTENSION	3/15/2005	R-2	8825: LE	100.00%	611,052			611,052		20	SL/GDS	HY		15,276	15,276
	PINEVILLE CONNECTION	12/15/2005	R-2	8825: LE	100.00%	107,976			107,976		20	SL/GDS	HY		2,699	2,699
	STINKING CREEK EXPANSI	12/15/2005	R-2	8825: LE	100.00%	46,148			46,148		20	SL/GDS	HY		1,154	1,154

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Detail Report

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8825: LR 2005

44,619 44,619

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprac., 179, Bonus	2005 Current Deprac.	2005 Accum. Deprac.
LR	LAND & RIGHTS	10/31/1970	N-1	8825: LR	100.00%	1,213			1,213							
	LAND & RIGHTS	10/31/1970	N-1	8825: LR	100.00%	901			901							
	LAND & RIGHTS	2/23/1995	N-1	8825: LR	100.00%	35,000			35,000							
	LAND - DWD TANK SITE	7/12/001	N-1	8825: LR	100.00%	5,000			5,000							
	LAND - RAMSEY BR	9/5/2005	N-1	8825: LR	100.00%	2,505			2,505							

Detail Report

KNOX COUNTY UTILITY COMM 8825: MA 2005 2,377,216 2,377,216 776,522 68,193 844,711

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec., 179 Bonus	2005 Current Deprec.	2005 Accum. Deprec.
	TR & DIST MAINS	12/31/1971	R-5	8825: MA	100.00%	47,292			47,292		35	SL/GDS	MM	32,537	1,351	33,888
	TR & DIST RESERVOIRS	10/31/1973	R-5	8825: MA	100.00%	38,084			38,084		35	SL/GDS	MM	29,749	1,088	30,837
	TR & DIST RESERVOIRS	10/31/1974	R-5	8825: MA	100.00%	298			298		35	SL/GDS	MM	192	9	201
	TR & DIST MAINS	12/31/1975	R-5	8825: MA	100.00%	5,743			5,743		35	SL/GDS	MM	4,053	164	4,217
	TR & DIST MAINS	12/31/1976	R-5	8825: MA	100.00%	55			55		35	SL/GDS	MM	33	2	30
	TR & DIST MAINS	12/31/1979	R-5	8825: MA	100.00%	2,778			2,778		35	SL/GDS	MM	1,490	79	1,569
	TR & DIST MAINS	12/31/1984	R-5	8825: MA	100.00%	115			115		35	SL/GDS	MM	55	3	58
	TR & DIST MAINS	12/31/1985	R-5	8825: MA	100.00%	469			469		35	SL/GDS	MM	224	13	237
	TR & DIST MAINS	12/31/1987	R-5	8825: MA	100.00%	2,116			2,116		35	SL/GDS	MM	813	60	873
	TR & DIST MAINS	12/31/1989	R-5	8825: MA	100.00%	10,000			10,000		35	SL/GDS	MM	7,791	286	8,077
	TR & DIST MAINS	10/31/1989	R-5	8825: MA	100.00%	1,944			1,944		35	SL/GDS	MM	674	56	730
	TR & DIST MAINS	12/31/1989	R-5	8825: MA	100.00%	334,670			334,670		35	SL/GDS	MM	108,327	9,562	117,889
	TR & DIST MAINS	12/31/1991	R-5	8825: MA	100.00%	306,897			306,897		35	SL/GDS	MM	120,026	8,762	128,788
	TR & DIST MAINS	12/31/1991	R-5	8825: MA	100.00%	600			600		35	SL/GDS	MM	204	17	221
	TR & DIST MAINS	12/31/1992	R-5	8825: MA	100.00%	17,333			17,333		35	SL/GDS	MM	5,537	495	6,032
	TR & DIST MAINS	12/31/1992	R-5	8825: MA	100.00%	10,748			10,748		35	SL/GDS	MM	2,963	307	3,270
	TR & DIST MAINS	12/31/1993	R-5	8825: MA	100.00%	3,667			3,667		35	SL/GDS	MM	1,097	105	1,202
	TR & DIST MAINS	12/31/1994	R-5	8825: MA	100.00%	9,292			9,292		35	SL/GDS	MM	2,535	265	2,800
	TR & DIST MAINS	9/1/1995	R-5	8825: MA	100.00%	1,289,858			1,289,858		35	SL/GDS	MM	258,843	36,851	295,694
	TR & DIST MAINS	9/1/1995	R-5	8825: MA	100.00%	2,703			2,703		35	SL/GDS	MM	582	77	659
	TR & DIST MAINS	9/1/1995	R-5	8825: MA	100.00%	2,761			2,761		35	SL/GDS	MM	595	79	674
	TR & DIST MAINS	9/30/1995	R-5	8825: MA	100.00%	9,947			9,947		35	SL/GDS	MM	2,470	284	2,754
	TR & DIST MAINS	7/1/1996	R-5	8825: MA	100.00%	6,070			6,070		35	SL/GDS	MM	1,189	173	1,358
	TR & DIST MAINS	10/31/1996	R-5	8825: MA	100.00%	261,011			261,011		35	SL/GDS	MM	193,463	7,457	200,926
	TR & DIST MAINS	7/1/2001	R-5	8825: MA	100.00%	1,927			1,927		20	SL/GDS	MM	332	96	428
	DISTRIG MAINS	4/30/2003	R-5	8825: MA	100.00%	1,543			1,543		20	SL/GDS	MM	132	77	209
	COTTON BARGO ROAD	9/30/2003	R-5	8825: MA	100.00%	6,235			6,235		20	SL/GDS	MM	403	312	715
	TRACE BRANCH CROSSING	9/30/2003	R-5	8825: MA	100.00%	3,260			3,260		20	SL/GDS	MM	211	163	374
	LOGAN BRANCH	9/30/2003	R-5	8825: MA	100.00%						20	SL/GDS	MM			

50-72

Detail Report

KNOX COUNTY UTILITY COMM

8825: NS 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2005		2005 Accum. Deprec.
															Current	Deprec.	
NS	SERVICE INSTALLATIONS	7/1/1996	R-2	8825: NS	100.00%	21,619			21,619		20	SL/GDS	HY	9,237	1,081	63,786	
	SERVICE INSTALLATIONS	3/1/1997	R-2	8825: NS	100.00%	2,132			2,132		20	SL/GDS	HY	802	107	909	
	SERVICE INSTALLATIONS	6/1/1997	R-2	8825: NS	100.00%	3,871			3,871		20	SL/GDS	HY	1,455	194	1,649	
	SERVICE INSTALLATIONS	7/1/1997	R-2	8825: NS	100.00%	8,815			8,815		20	SL/GDS	HY	3,307	441	3,748	
	SERVICE INSTALLATIONS	7/1/1997	R-2	8825: NS	100.00%	3,087			3,087		20	SL/GDS	HY	1,155	154	1,309	
	SERVICE INSTALLATIONS	7/1/1997	R-2	8825: NS	100.00%	4,426			4,426		20	SL/GDS	HY	1,658	221	1,879	
	ENGLE HOLLOW	7/1/1998	R-2	8825: NS	100.00%	3,070			3,070		20	SL/GDS	HY	1,001	154	1,155	
	OTHER SERVICES	7/1/1998	R-2	8825: NS	100.00%	8,085			8,085		20	SL/GDS	HY	2,626	404	3,030	
	ROSIE TROSPER	7/1/1998	R-2	8825: NS	100.00%	4,874			4,874		20	SL/GDS	HY	1,586	244	1,830	
	SANDY BRANCH	7/1/1998	R-2	8825: NS	100.00%	1,651			1,651		20	SL/GDS	HY	539	83	622	
	NEW SERVICES	7/15/1998	R-2	8825: NS	100.00%	3,303			3,303		20	SL/GDS	HY	1,073	165	1,238	
	NEW SERVICES	12/31/1998	R-2	8825: NS	100.00%	6,255			6,255		20	SL/GDS	HY	2,095	313	2,408	
	NEW SERVICES	12/31/1999	R-2	8825: NS	100.00%	25,233			25,233		20	SL/GDS	HY	7,364	1,262	8,626	
	NEW SERVICES	7/1/2000	R-2	8825: NS	100.00%	8,000			8,000		20	SL/GDS	HY	2,400	400	2,800	
	NEW SERVICES	7/1/2001	R-2	8825: NS	100.00%	63,730			63,730		20	SL/GDS	HY	11,154	3,187	14,341	
	NEW SERVICES	7/1/2002	R-2	8825: NS	100.00%	23,139			23,139		20	SL/GDS	HY	2,777	1,157	3,934	
	NEW SERVICES	7/1/2003	R-2	8825: NS	100.00%	22,564			22,564		20	SL/GDS	HY	1,692	1,128	2,820	
	NEW SERVICES	12/31/2004	R-3	8825: NS	100.00%	15,609			15,609		20	SL/GDS	HY	390	780	1,170	

20,946

Detail Report

KNOX COUNTY UTILITY COMM 8825: VEH 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (Years)	Method	Convention Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
						235,269			235,269					91,997	26,812	118,809
VEH	CASE 560L BACKHOE	7/12/1999	F-10	8825: VEH	100.00%	49,650			49,650		7	SL/GDS	HY	42,473	7,093	49,566
	1996 CHEVY S10 PICKUP	4/6/2000	F-4	8825: VEH	100.00%	6,000			6,000		5	SL/GDS	HY	5,400	600	6,000
	1997 CHEVY S10 PICKUP	11/10/2000	F-4	8825: VEH	100.00%	5,500			5,500		5	SL/GDS	HY	4,950	550	5,500
	CASE 580M BACKHOE	3/31/2001	F-10	8825: VEH	100.00%	57,845			57,845		7	SL/GDS	HY	26,414	8,264	34,678
	1988 FORD DUMP	4/2/2001	F-10	8825: VEH	100.00%	6,750			6,750		5	SL/GDS	HY	5,400	1,350	6,750
	1997 JEEP CHEROKEE	1/28/2002	F-4	8825: VEH	100.00%	4,250			4,250		5	SL/GDS	HY	2,125	850	2,975
	1996 DODGE 2500	8/4/2003	F-4	8825: VEH	100.00%	5,225			5,225		5	SL/GDS	HY	1,568	1,045	2,613
	1999 DODGE 1500	8/4/2003	F-4	8825: VEH	100.00%	4,225			4,225		5	SL/GDS	HY	1,268	845	2,113
	1998 DODGE 1500	8/4/2003	F-4	8825: VEH	100.00%	6,500			6,500		5	SL/GDS	HY	1,950	1,300	3,250
	Unnamed	12/31/2004	V-8	8825: VEH	100.00%	8,974			8,974		10	SL/GDS	HY	449	897	1,346
	CASE BACKHOE 580 SM	3/5/2005	F-10	8825: VEH	100.00%	80,350			80,350		10	SL/GDS	HY		4,018	4,018

Detail Report

KNOX COUNTY UTILITY COMM 8825: SI 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec.	2005 Current Deprec.	2005 Accum. Deprec.
						579,791			579,791					307,140	25,399	333,539
SI	ARTEMUS TANK	10/31/1970	R-2	8825: SI	100.00%	1,000			1,000		25	SL/GDS	HY	1,000		1,000
	STINKING CR. TANK	10/31/1970	R-2	8825: SI	100.00%	1,000			1,000		25	SL/GDS	HY	1,000		1,000
	PLANT & OFFICE BLDG.	10/31/1970	R-5	8825: SI	100.00%	176,379			176,379		40	SL/GDS	MM	137,138	4,409	141,547
	STRUCTURES & IMPR	10/31/1971	R-5	8825: SI	100.00%	396			396		10	SL/GDS	MM	396		396
	STRUCTURES & IMPR	10/31/1973	R-5	8825: SI	100.00%	21,600			21,600		40	SL/GDS	MM	16,640	540	17,180
	STRUCTURES & IMPR	10/31/1974	R-5	8825: SI	100.00%	1,326			1,326		40	SL/GDS	MM	836	33	869
	UPSTAIRS IMPR	10/31/1988	R-5	8825: SI	100.00%	19,580			19,580		25	SL/GDS	MM	10,847	783	11,630
	UPSTAIRS RENOVATION	12/31/1993	R-5	8825: SI	100.00%	7,855			7,855		25	SL/GDS	MM	2,568	314	2,882
	UPSTAIRS RENOVATION	12/31/1994	R-5	8825: SI	100.00%	3,065			3,065		25	SL/GDS	MM	1,072	123	1,195
	IMPROVE INTAKE SYSTEM	9/30/1995	R-5	8825: SI	100.00%	2,360			2,360		25	SL/GDS	MM	645	94	739
	UPSTAIRS RENOVATION	9/30/1995	R-5	8825: SI	100.00%	6,597			6,597		10	SL/GDS	MM	6,270	327	6,597
	PLANT FILTER UPGRADE	7/1/1997	R-5	8825: SI	100.00%	77,222			77,222		20	SL/GDS	MM	50,903	3,861	54,764
	STORAGE TANK HWY 1809	9/1/1998	R-2	8825: SI	100.00%	(119,000)			119,000		20	SL/GDS	HY	56,572	5,950	62,522
	TREAT PLANT ADDITION	10/1/1998	R-5	8825: SI	100.00%	3,788			3,788		10	SL/GDS	MM	2,327	380	2,707
	T. PLANT VALVE	1/12/1999	R-5	8825: SI	100.00%	229			229		10	SL/GDS	MM	121	23	144
	BORING PIPES	7/1/2000	R-5	8825: SI	100.00%	217			217		10	SL/GDS	MM	99	22	121
	TILING OFFICE	4/6/2001	R-2	8825: SI	100.00%	1,196			1,196		10	SL/GDS	MM	420	120	540
	IMPROVEMENTS	7/1/2001	R-2	8825: SI	100.00%	8,676			8,676		10	SL/GDS	MM	2,003	868	2,871
	ARTEMUS TANK REF	12/19/2001	R-2	8825: SI	100.00%	24,280			24,280		10	SL/GDS	HY	7,284	2,428	9,712
	FENCING - ARTEMUS TANK	12/31/2001	R-2	8825: SI	100.00%	1,642			1,642		10	SL/GDS	MM	574	164	738
	SLUDGE POND	3/31/2002	R-2	8825: SI	100.00%	34,211			34,211		25	SL/GDS	HY	3,420	1,368	4,788
	STINKING CR. PAINTING	11/14/2003	R-2	8825: SI	100.00%	32,228			32,228		10	SL/GDS	HY	4,834	3,223	9,057
	Unnamed	12/31/2004	R-2	8825: SI	100.00%	5,143			5,143		15	SL/GDS	HY	171	343	514
	FENCING	8/5/2005	R-2	8825: SI	100.00%	30,791			30,791		15	SL/GDS	HY		1,026	1,026

20419 271017

45920

Detail Report

KNOX COUNTY UTILITY COMM 8825- SE 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
SE	CHLORINE ANALYZER	11/1/1993	R-5	8825- SE	100.00%	705			705	705	10	SL/GDS	MM	705	4,589	29,155
	LAB PH/ISE METER	6/22/1993	R-2	8825- SE	100.00%	1,595			1,595		10	SL/GDS	HY	1,595		1,595
	SPECTROPHOTOMETER	12/16/1993	R-2	8825- SE	100.00%	1,613			1,613		10	SL/GDS	HY	1,613		1,613
	EQUIPMENT	6/1/1996	F-10	8825- SE	100.00%	7,995			7,995		10	SL/GDS	HY	6,525	800	7,325
	PIERCE REVERSE MOLE	8/15/1998	F-10	8825- SE	100.00%	5,561			5,561		10	SL/GDS	HY	5,561		5,561
	HACH PH MACHIN	12/31/1989	R-2	8825- SE	100.00%	750			750		10	SL/GDS	HY	351	75	426
	PLANT MIXER	7/1/2000	F-10	8825- SE	100.00%	666			666		10	SL/GDS	HY	354	67	421
	EQUIPMENT	7/1/2001	R-2	8825- SE	100.00%	5,838			5,838		10	SL/GDS	HY	2,044	584	2,628
	EQUIPMENT	7/1/2002	R-2	8825- SE	100.00%	18,310			18,310		10	SL/GDS	HY	4,578	1,831	6,409
	REGAL CHLORINATOR	7/31/2003	R-5	8825- SE	100.00%	1,550			1,550		10	SL/GDS	MM	226	155	381
	G-R AIR COMPRESSOR	11/14/2003	R-5	8825- SE	100.00%	5,200			5,200		10	SL/GDS	HY	780	520	1,300
	FILTER TROUGHS	11/30/2003	R-5	8825- SE	100.00%	604			604		10	SL/GDS	MM	68	60	128
	CONTRLOTRON	12/31/2004	A-9	8825- SE	100.00%	3,322			3,322		10	SL/GDS	HY	166	332	498
	CLORINE EMERG KIT	4/5/2005	F-10	8825- SE	100.00%	1,995			1,995		10	SL/GDS	HY		100	100
	CHART RECORDER 4"	4/15/2005	F-10	8825- SE	100.00%	505			505		10	SL/GDS	HY		25	25
	HUSKY POWER CUTTTER	9/5/2005	F-10	8825- SE	100.00%	796			796		10	SL/GDS	HY		40	40

57,005

4,589

29,155

Detail Report

KNOX COUNTY UTILITY COMM 8825; RF 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
						940,656			940,656					33,718	72,087	
	TANK - CANEY GAP	12/16/2003	R-2	8825; RF	100.00%	187,200	30,000		187,200		20	SL/GDS	HY	14,040	9,360	23,400
	ENGINEERING FEES	12/16/2003	R-5	8825; RF	100.00%	118,417			118,417		20	SL/GDS	MM	6,167	5,921	12,088
	OTHER COSTS	12/16/2003	R-5	8825; RF	100.00%	20,419			20,419		20	SL/GDS	MM	1,063	1,021	2,084
	NEW LINES - ROAD FORK	12/16/2003	R-5	8825; RF	100.00%	574,565			574,565		36	SL/GDS	MM	17,099	16,415	33,514
	ROAD FORK EXPANSION	3/15/2005	R-2	8825; RF	100.00%	40,055			40,055		20	SL/GDS	HY		1,001	1,001

RF

Detail Report

KNOX COUNTY UTILITY COMM 8825: PE 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	26,292		4,658		30,951	
														Prior Accum. Deprec., 17% Bonus	2005 Current Deprec.	2005 Accum. Deprec.			
						50,019			50,019										
	BROWNS BR PUMP	12/31/1994	R-5	8825: PE	100.00%	338			338		10	SL/GDS	MM	325	13	338			
	MOTOR-15 HP-300	12/31/1994	V-5	8825: PE	100.00%	3,790			3,790		10	SL/GDS	HY	3,529	261	3,790			
	HI SERVICE PUMP	6/1/1996	R-5	8825: PE	100.00%	17,320			17,320		10	SL/GDS	MM	14,722	1,732	16,454			
	BU CREEK PUMP	10/21/1998	R-5	8825: PE	100.00%	4,479			4,479		10	SL/GDS	MM	2,744	448	3,192			
	J LINE VERT PUMP	12/21/1998	R-5	8825: PE	100.00%	6,223			6,223		10	SL/GDS	MM	3,810	622	4,432			
	PUMP MOTORS	10/12/1999	R-5	8825: PE	100.00%	252			252		10	SL/GDS	MM	131	25	156			
	PUMP MOTOR	7/1/2000	R-2	8825: PE	100.00%	437			437		10	SL/GDS	HY	231	44	275			
	PUMP	7/1/2000	R-5	8825: PE	100.00%	191			191		10	SL/GDS	MM	86	19	105			
	Unnamed	7/1/2000	F-10	8825: PE	100.00%	341			341		10	SL/GDS	HY	153	34	187			
	PORTA PUMPS (2)	12/31/2004	A-9	8825: PE	100.00%	11,224			11,224		10	SL/GDS	HY	561	1,122	1,683			
	PUMP	3/20/2005	F-10	8825: PE	100.00%	1,541			1,541		10	200DB	HY		154	154			
	PUMP	4/15/2005	F-10	8825: PE	100.00%	3,329			3,329		10	SL/GDS	HY		166	166			
	PUMP-ELECTRICAL WORK	7/5/2005	R-2	8825: PE	100.00%	554			554		10	SL/GDS	HY		28	28			

PE

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Detail Report

KNOX COUNTY UTILITY COMM 8825: OE 2005

Item No.	Description of Property	Date Placed in Service	Asset Code	Activity	Bus. Use %	Cost or Other Basis	Less Sec. 179 Deduction	Special Allowance	Recovery Basis	AMT Type	Recovery Period (years)	Method	Convention Code	Prior Accum. Deprec., 179, Bonus	2005 Current Deprec.	2005 Accum. Deprec.
OE	FRINTER & SUPPLY	9/9/1988	F-6	8825: OE	100.00%	322			322		5	SL/GDS	HY	322		322
	PAYROLL SOFTWARE	12/11/1998	F-1	8825: OE	100.00%	250			250		3	SL	FM	250		250
	COMPAQ HARDWARE	6/11/1999	F-6	8825: OE	100.00%	3,460			3,460		5	SL/GDS	HY	3,460		3,460
	UNITED SOFTWARE	6/11/1999	F-1	8825: OE	100.00%	5,892			5,892		5	SL	FM	5,892		5,892
	PAYABLE SOFTWARE	7/1/2000	F-1	8825: OE	100.00%	250			250		5	SL	FM	250		250
	OFFICE FURNITURE	7/1/2000	F-11	8825: OF	100.00%	475			475		5	SL/GDS	HY	475		475
	CELL PHONE (2)	7/1/2000	F-8	8825: OE	100.00%	161			161		5	SL/GDS	HY	161		161
	OFFICE CHAIRS	7/1/2001	F-11	8825: OE	100.00%	541			541		5	SL/GDS	HY	541		541
	OFFICE FURNITURE	7/1/2001	F-11	8825: OE	100.00%	3,000			3,000		5	SL/GDS	HY	2,100	600	2,700
	WORKIO COPIER - CABINE	9/30/2003	F-6	8825: OE	100.00%	2,715			2,715		5	SL/GDS	HY	815	543	1,358
	OFFICE SOFTWARE	3/15/2005	F-1	8825: OE	100.00%	11,044			11,044		3	SL	FM		3,068	3,068
	PDA	4/15/2005	F-6	8825: OE	100.00%	10,164			10,164		5	SL/GDS	HY		1,016	1,016
	UNKNOWN	7/15/2005	F-10	8825: OE	100.00%	28,143			28,143		7	SL/GDS	HY			
	POWER SUPPLY RADISE	12/15/2005	F-10	8825: OE	100.00%	127			127		7	SL/GDS	HY			

66,544 66,544

66,544

6,236 19,502

Attachment D

No Exhibits

Attachment E

Knox County Utility District

Billing Analysis

CURRENT RATES

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED

	Bills	USAGE	REVENUE
5/8"x3/4"Meter Single Customer on Meter	27,615	111,017,700	\$783,563
5/8"x3/4"Meter TWO Customers on Meter	722	5,888,300	41,212
5/8"x3/4"Meter THREE Customers on Meter	144	1,889,000	12,889
5/8"x3/4"Meter FOUR Customers on Meter	24	200,800	1,830
1" Meter	62	781,400	4,545
2" Meter	63	1,675,700	9,531
3" Meter	22	268,600	3,494
4" Meter	4	819,000	4,131
TOTAL	28,656	122,540,500	\$861,196

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005'- NORMALIZED
ADDITIONAL 65 CUSTOMERS FROM CONSTRUCTION PROJECT

USAGE TABLE
 METER SIZE: 5/8"X3/4"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
	1000	3,261	1,931,900	1,000	1,000
FIRST	1000	24,354	109,085,800	24,354,000	84,731,800
OVER					
<hr/>					
TOTAL	27,615	111,017,700	26,285,900		84,731,800

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	26,285,900	\$13.80	\$381,087
OVER	1,000	84,731,800	4.75	402,476
<hr/>				
TOTAL	27,615	111,017,700		\$783,563

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" TWO Customers on Meter

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	2000	36	35,200	2,000	2,000
OVER	2000	686	5,853,100	1,372,000	4,481,100
<hr/>					
TOTAL	722	5,888,300	1,407,200	4,481,100	

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE	
FIRST	2,000	722	1,407,200	\$27.60	\$19,927
OVER	2,000	4,481,100	4.75	21,285	
<hr/>					
TOTAL	722	5,888,300		\$41,212	

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" THREE Customers on Meter

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	3000	3	7,500	3,000	3,000
OVER	3000	141	1,881,500	423,000	1,458,500
TOTAL	144	144	1,889,000	430,500	1,458,500

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE	
FIRST	3,000	144	430,500	\$41.40	\$5,962
OVER	3,000	1,458,500	4.75	6,928	
TOTAL	144	1,889,000		\$12,889	

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" FOUR Customers on Meter

CLASS:	BILLS	GALLONS	FIRST	OVER
USAGE			4,000	4,000
FIRST	1	2,500	2,500	
OVER	23	198,300	92,000	106,300
<hr/>				
TOTAL	24	200,800	94,500	106,300

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	24	94,500	\$55.20	\$1,325
OVER		106,300	4.75	505
<hr/>				
TOTAL	24	200,800		\$1,830

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 1"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	4700	27	69,600	4,700	4,700
OVER	4700	35	711,800	164,500	547,300
<hr/>					
TOTAL	62	781,400	234,100	547,300	

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
4,700		62	234,100	\$31.38	\$1,946
4,700			547,300	4.75	2,600
<hr/>					
TOTAL		62	781,400		\$4,545

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 2"

CLASS:	BILLS	GALLONS	FIRST	OVER
17650	25	230,400	17,650	17,650
17650	38	1,445,300	670,700	774,600
<hr/>				
TOTAL	63	1,675,700	901,100	774,600

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	63	901,100	\$92.89	\$5,852
OVER		774,600	4.75	3,679
<hr/>				
TOTAL	63	1,675,700		\$9,531

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 3"

CLASS:	BILLS	GALLONS	FIRST	OVER
USAGE			28,250	28,250
FIRST	19	111,700	111,700	
OVER	3	156,900	84,750	72,150
<hr/>				
TOTAL	22	268,600	196,450	72,150

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	22	196,450	\$143.24	\$3,151
OVER		72,150	4.75	343
<hr/>				
TOTAL	22	268,600		\$3,493.99

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 4"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	50000	1	7,000	50,000	50,000
OVER	50000	3	812,000	150,000	662,000
<hr/>					
TOTAL	4	819,000	157,000	662,000	

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
50,000		4	157,000	\$246.55	\$986.20
50,000			662,000	4.75	3,144.50
<hr/>					
TOTAL		4	819,000		\$4,130.70

Attachment F

Knox County Utility District

Billing Analysis

FINAL PHASED IN RATES

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED

	Bills	USAGE	REVENUE
5/8"x3/4"Meter Single Customer on Meter	27,615	111,017,700	\$940,716
5/8"x3/4"Meter TWO Customers on Meter	722	5,888,300	49,497
5/8"x3/4"Meter THREE Customers on Meter	144	1,889,000	15,525
5/8"x3/4"Meter FOUR Customers on Meter	24	200,800	2,126
1" Meter	62	781,400	5,729
2" Meter	63	1,675,700	12,444
3" Meter	22	268,600	4,625
4" Meter	4	819,000	5,278
TOTAL	28,656	122,540,500	\$1,035,940

**BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
 TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005'- NORMALIZED
 ADDITIONAL 65 CUSTOMERS FROM CONSTRUCTION PROJECT**

USAGE TABLE

METER SIZE: 5/8"X3/4"

CLASS:

	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	1000	3,261	1,931,900	1,000	1,000
OVER	1000	24,354	109,085,800	24,354,000	84,731,800

TOTAL	27,615	111,017,700	26,285,900	84,731,800
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REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	1,000	26,285,900	\$15.41	\$425,547
OVER	1,000	84,731,800	6.08	515,169

TOTAL	27,615	111,017,700		\$940,716
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BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" TWO Customers on Meter

CLASS:	BILLS	GALLONS	FIRST	OVER
2000	36	35,200	2,000	2,000
2000	686	5,853,100	1,372,000	4,481,100
<hr/>				
TOTAL	722	5,888,300	1,407,200	4,481,100

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
2,000		722	1,407,200	\$30.82	\$22,252
	2,000		4,481,100	6.08	27,245
<hr/>					
TOTAL		722	5,888,300		\$49,497

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" THREE Customers on Meter

CLASS: USAGE	BILLS	GALLONS	FIRST	OVER
3000	3	7,500	3,000	3,000
FIRST			7,500	
OVER	141	1,881,500	423,000	1,458,500
<hr/>				
TOTAL	144	1,889,000	430,500	1,458,500

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
3,000		144	430,500	\$46.23	\$6,657
3,000			1,458,500	6.08	8,868
<hr/>					
TOTAL		144	1,889,000		\$15,525

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 5/8"X3/4" FOUR Customers on Meter

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
	4000	1	2,500	4,000	4,000
FIRST				2,500	
OVER	4000	23	198,300	92,000	106,300
<hr/>					
TOTAL		24	200,800	94,500	106,300

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	4,000	24	94,500	\$61.64 \$1,479
OVER	4,000		106,300	6.08 646
<hr/>				
TOTAL	24	200,800		\$2,126

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 1"

	CLASS:	BILLS	GALLONS	FIRST	OVER
FIRST	5000	31	89,200	5,000	5,000
OVER	5000	31	692,200	155,000	537,200
<hr/>					
TOTAL		62	781,400	244,200	537,200

REVENUE TABLE

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	5,000	244,200	\$39.73	\$2,463
OVER	5,000	537,200	6.08	3,266
<hr/>				
TOTAL	62	781,400		\$5,729

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 2"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
	20000	28	285,700	20,000	20,000
FIRST				285,700	
OVER	20000	35	1,390,000	700,000	690,000
<hr/>					
TOTAL	63	1,675,700	985,700	690,000	

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
		63	985,700	\$130.93	\$8,249
FIRST	20,000				
OVER	20,000		690,000	6.08	4,195
<hr/>					
TOTAL		63	1,675,700		\$12,444

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 3"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
FIRST	30000	19	111,700	30,000	30,000
OVER	30000	3	156,900	90,000	66,900
<hr/>					
TOTAL	22	268,600	201,700	66,900	

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
30,000		22	201,700	\$191.73	\$4,218
	30,000		66,900	6.08	407
<hr/>					
TOTAL		22	268,600		\$4,624.81

BILLING ANALYSIS FOR: KNOX COUNTY UTILITY COMMISSION
TEST PERIOD FROM JANUARY THROUGH DECEMBER 2005 - NORMALIZED
 USAGE TABLE
 METER SIZE: 4"

CLASS:	USAGE	BILLS	GALLONS	FIRST	OVER
	50,000	1	7,000	50,000	50,000
FIRST				7,000	
OVER	50,000	3	812,000	150,000	662,000
<hr/>					
TOTAL		4	819,000	157,000	662,000

REVENUE TABLE

REVENUE BY RATE INCREMENT

FIRST	OVER	BILLS	GALLONS	RATE	REVENUE
	50,000	4	157,000	\$313.33	\$1,253.32
OVER	50,000		662,000	6.08	4,024.96
<hr/>					
TOTAL		4	819,000		\$5,278.28

Attachment G

Knox County Utility District

COST OF SERVICE STUDY

Allocation of Plant Value				
	Total	Commodity	Demand	Customer
Land & Land Rights	44,619		44,619	
Structures and Improvements	402,283		402,283	
Pumping Equipment	50,019		50,019	
Distribution Reservoirs & Standpipes	503,544		503,544	
Trasmission & Distribution Mains	6,525,555		6,525,555	
Services	229,463			229,463
Meters & Meter Installations	303,475			\$303,475
Hydrants	47,303			\$47,303
Subtotal	\$8,106,261		\$7,526,020	\$580,241
Other Plant & Misc Equipment	\$30,791		\$28,574	\$2,217
Office Furniture & Equipment	38,401		35,636	2,765
Transportation Equipment	226,295		210,002	16,293
Tools, Shop & Garage Equipment	57,005		52,901	4,104
Subtotal	\$321,701		\$298,539	\$23,162
Total	\$8,427,962		\$7,824,559	\$603,403
Allocation Percentages	100%		92.8%	7.2%
Source: 2005 PSC Annual Report				

Allocation of Depreciation				
	Total	Commodity	Demand	Customer
Structures & Improvements	\$271,017		271,017	
Pumping Equipment	29,155		29,155	
Dist. Reservoirs & Standpipes	85,922		85,922	
Trasmission & Distribution Mains	1,295,573		1,295,573	
Services	63,786			63,786
Meters	160,445			160,445
Hydrants	9,642			9,642
Subtotal	\$1,915,540		\$1,681,667	\$233,873
Other Plant and Misc Equipment	30,960		\$27,183	\$3,777
Office Furniture & Equipment	\$19,502		\$17,123	\$2,379
Transportation Equipment	118,809		104,314	14,495
Subtotal	\$169,271		\$121,437	\$16,874
Total	\$2,084,811		\$1,803,104	\$250,747
Allocation Percentages	100%		87.8%	12.2%

Source: 2005 PSC Staff Field Review

Allocation of Operation & Maintenance Expense				
	Total	Commodity	Demand	Customer
Salaries	\$184,293		\$151,840	\$32,453
Employee Benefits				
Retirement	25,959		21,388	4,571
Payroll Taxes	15,056		12,405	2,651
Health Insurance	68,250		56,232	12,018
Disability Insurance	3,087		2,543	544
Purchased Water	115,291	115,291		
Purchased Power	9,181	9,181		
Chemicals	19,755	19,755		
Bad Debt Expense	12,833			12,833
Contractual Services - Water Analysis Fee	10,430		10,430	
Repairs and Maintenance				
Distribution	1,312		1,312	
Plant Maintenance	3,121		3,121	
Laboratory Supplies	1,088		1,088	
Repairs-Materials	2,798		2,798	
Equipment Maintenance	1,206		1,206	
Repairs-Labors	7,126		3,563	3,563
Insurance				
Workers Comp	16,561		13,645	2,916
Vehicle	2,132			2,132
Transportation Expense	8,528			8,528
Misc. Expense				
Office Supplies	2,020			2,020
Office Expense	4,818			4,818
Postage	8,861			8,861
Uniform Service	2,960		2,960	
Collection Fees	237			237
SUBTOTAL	526,903	144,227	284,531	98,145
Less Commodity	144,227			
PERCENTAGE TOTAL	\$382,676		\$284,531	\$98,145
PERCENTAGES	100%		74.4%	25.6%
Salaries & Wages-Admin	\$36,920		\$27,468	\$9,452
Employee Benefits:				
Retirement	5,200		3,869	1,331
Payroll Taxes	3,016		2,244	772
Health Insurance	13,673		10,173	3,500
Disability Insurance	619		461	158
Utilities				
Telephone	2,910		2,165	745
Utilities Office	23,683		17,620	6,063
Contract Services - Legal & Accounting	6,817		5,072	1,745
Transportation	8,527		6,344	2,183
Insurance:				
Workers Comp	3,318		2,469	849
Liability	8,574		6,379	2,195
Vehicles	2,131		1,585	546
Bonds	1,453		1,081	372
Misc. Expense:				
Bank Charges	193		144	49
Advertising Notices	14		10	4
Licenses & Fees	1,650		1,228	422
Miscellaneous	1,710		1,272	438
Employee Training	182		135	47
Subtotal	120,590		89,719	30,871
Total Operating Expenses	\$647,493	\$144,227	\$374,250	\$129,016

³PHASE IN - Year 1 Allocation of Cost of Service				
Operation & Maintenance	\$647,493	\$144,227	\$374,250	\$129,016
Debt Service ¹	210,132		195,002	15,130
Depreciation ^{2,4}	124,250		109,092	15,159
Interest on Customer Deposits	405			405
General Water Service Cost	\$982,280	\$144,227	\$678,344	\$159,710
Less:				
Other Operating Revenue	(\$30,171)			(\$30,171)
Interest Income	(5,065)			(5,065)
Revenue Required from Rates	\$947,044	\$144,227	\$678,344	\$124,474

³PHASE IN - Year 2 Allocation of Cost of Service				
Operation & Maintenance	\$647,493	\$144,227	\$374,250	\$129,016
Debt Service ¹	210,132		195,002	15,130
Depreciation ^{2,4}	167,174		146,779	20,395
Interest on Customer Deposits	405			405
General Water Service Cost	\$1,025,204	\$144,227	\$716,031	\$164,946
Less:				
Other Operating Revenue	(\$30,171)			(\$30,171)
Interest Income	(5,065)			(5,065)
Revenue Required from Rates	\$989,968	\$144,227	\$716,031	\$129,710

³FULL COST OF SERVICE STUDY ALLOCATION				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$647,493	\$144,227	\$374,250	\$129,016
Debt Service ¹	210,132		195,002	15,130
Depreciation ²	210,097		184,465	25,632
Interest on Customer Deposits	405			405
General Water Service Cost	\$1,068,127	\$144,227	\$753,717	\$170,183
Less:				
Other Operating Revenue	(\$30,171)			(\$30,171)
Interest Income	(5,065)			(5,065)
Total Revenue Required from Rates**	\$1,032,891	\$144,227	\$753,717	\$134,947

NOTES:

¹Debt Service has been allocated by the Allocation Percentage of Plant Value from plant value page.

²Depreciation has been allocated by the Allocation Percentage of Depreciation from depreciation page.

³The District is requesting that the rates be phased in over a 3 year period the total increase sought (\$171,692) would be recovered by 50% (\$85,846) in the 1st year and then the remaining 50% (\$85,846) would be recovered in the 2nd year (\$42, 923) and 3rd year (\$42, 923).

⁴To allow for phased in rates the Depreciation amount is decreased from the total amount of depreciation for the 1st year of the phase in rates by \$85,846 and decreased from the total amount of depreciation for the 2nd year of the phase in rates by \$42,923.

**The total revenue required from rates is higher than stated on the Calculation of Revenue Requirement page due to rounding of the allocated Operation and Maintenance Expenses.

Calculation of Water Rates			
PHASED IN RATES FOR YEAR 1			
	Total	First 1,000 gallons	Over 1,000 gallons
Actual Water Sales:			
Thousand Gallons	122,540,500	27,309,200	95,231,300
Percent	100%	22.3%	77.7%
Weighted Sales for Demand:			
Thousand Gallons	149,849,700	54,618,400	95,231,300
Percent	100%	36.4%	63.6%
Allocation of Volumetric Costs:			
Commodity	\$144,227	\$32,163	\$112,064
Demand	678,344	246,917	431,427
Customer	124,474	124,474	
Total	\$947,045	\$403,554	\$543,491
Number of Bills	27,766		
Multiple Meter Connections	890		
	28,656		
Cost of Service Rates¹		\$14.08	\$5.71

NOTES:

¹The District is requesting that the rates be phased in over a 3 year period. This set of rates are calculated using 50% of the total increase or as an \$85,846 increase in revenue for the 1st Year of the phase in rates.

Calculation of Water Rates			
PHASED IN RATES FOR YEAR 2			
	Total	First 1,000 gallons	Over 1,000 gallons
Actual Water Sales:			
Thousand Gallons	122,540,500	27,309,200	95,231,300
Percent	100%	22.3%	77.7%
Weighted Sales for Demand:			
		2	1
Thousand Gallons	149,849,700	54,618,400	95,231,300
Percent	100%	36.4%	63.6%
Allocation of Volumetric Costs:			
Commodity	\$144,227	\$32,163	\$112,064
Demand	716,031	260,635	455,396
Customer	129,710	129,710	
Total	\$989,968	\$422,508	\$567,460
Number of Bills	27,766		
Multiple Meter Connections	890		
	28,656		
Cost of Service Rates¹		\$14.74	\$5.96

NOTES:

¹The District is requesting that the rates be phased in over a 3 year period. This set of rates are calculated using 25% of the increase or as an \$47,923 increase in revenue over the the 1st Year of the phase in rates.

Calculation of Water Rates			
PHASED IN RATES FOR YEAR 3			
	Total	First 1,000 gallons	Over 1,000 gallons
Actual Water Sales:			
Thousand Gallons	122,540,500	27,309,200	95,231,300
Percent	100%	22.3%	77.7%
Weighted Sales for Demand:			
		2	1
Thousand Gallons	149,849,700	54,618,400	95,231,300
Percent	100%	36.4%	63.6%
Allocation of Volumetric Costs:			
Commodity	\$144,227	\$32,163	\$112,064
Demand	753,717	274,353	479,364
Customer	134,947	134,947	
Total	\$1,032,891	\$441,463	\$591,428
Number of Bills	27,766		
Multiple Meter Connections	890		
	28,656		
Cost of Service Rates¹		\$15.41	\$6.21
NOTES:			
<p>¹The District is requesting that the rates be phased in over a 3 year period. This set of rates are calculated using 25% of the increase or as an \$47,923 increase in revenue over the the 2nd Year of the phase in rates.</p>			

Verification of Cost of Service Rates				
PHASED IN RATES FOR YEAR 1				
	Bills	Gallons	Rate*	Revenue
First 1,000 gallons	27,766	27,309,200	\$14.08	\$390,945
Over 1,000 gallons		95,231,300	5.71	543,771
Multiple Meter Connections	890		14.08	12,531
Total Revenue from Rates				\$947,247
Other Income:				
Other Operating Revenue				30,171
Interest Income				12,149
Total Operating Revenue	27,766	122,540,500		\$989,567

Verification of Cost of Service Rates				
PHASED IN RATES FOR YEAR 2				
	Bills	Gallons	Rate	Revenue
First 1,000 gallons	27,766	27,309,200	\$14.74	\$409,271
Over 1,000 gallons		95,231,300	5.96	567,579
Multiple Meter Connections	890		14.74	13,119
Total Revenue from Rates				\$989,969
Other Income:				
Other Operating Revenue				30,171
Interest Income				12,149
Total Operating Revenue	27,766	122,540,500		\$1,032,289

Verification of Cost of Service Rates				
PHASED IN RATES FOR YEAR 3				
	Bills	Gallons	Rate	Revenue
First 1,000 gallons	27,766	27,309,200	\$15.41	\$427,874
Over 1,000 gallons		95,231,300	6.21	591,386
Multiple Meter Connections	890		15.41	13,715
Total Revenue from Rates				\$1,032,975
Other Income:				
Other Operating Revenue				30,171
Interest Income				12,149
Total Operating Revenue	27,766	122,540,500		\$1,075,295

Cost of Service Monthly Water Rates			
PHASED IN RATES FOR YEAR 1			
5/8" x3/4" Meter			
First 1,000 gallons		\$14.08	Minimum bill
Over 1,000 gallons		5.58	per 1,000 gallons
Multiple Meter Connections		\$14.08	per customer
1" Meter			
First 5,000 gallons		\$36.40	Minimum bill
Over 5,000 gallons		5.58	per 1,000 gallons*
2" Meter			
First 20,000 gallons		\$120.10	Minimum bill
Over 20,000 gallons		5.58	per 1,000 gallons*
3" Meter			
First 30,000 gallons		175.90	Minimum bill
Over 30,000 gallons		5.58	per 1,000 gallons*
4" Meter			
First 50,000 gallons		287.50	Minimum bill
Over 50,000 gallons		5.58	per 1,000 gallons*

*The cost of service rates have not been fully implemented so as to lessen the impact on the "Over gallons step". The Minimum Bill step has not been adjusted. The change in the "Over gallons step" was made to produce sufficient revenues to meet the Revenue Requirement and to lessen the impact of the increase on the customers.

The District is also seeking a change in rate design to provide the appropriate level of usage as stated in the American Water Works Association's "Water Rates Manual M-1 Fifth Edition".

Cost of Service Monthly Water Rates			
PHASED IN RATES FOR YEAR 2			
5/8" x3/4" Meter			
First 1,000 gallons		\$14.74	Minimum bill
Over 1,000 gallons		5.83	per 1,000 gallons
Multiple Meter Connections		\$14.74	per customer
1" Meter			
First 5,000 gallons		\$38.06	Minimum bill
Over 5,000 gallons		5.83	per 1,000 gallons*
2" Meter			
First 20,000 gallons		\$125.51	Minimum bill
Over 20,000 gallons		5.83	per 1,000 gallons*
3" Meter			
First 30,000 gallons		183.81	Minimum bill
Over 30,000 gallons		5.83	per 1,000 gallons*
4" Meter			
First 50,000 gallons		300.41	Minimum bill
Over 50,000 gallons		5.83	per 1,000 gallons*

*The cost of service rates have not been fully implemented so as to lessen the impact on the "Over gallons step". The Minimum Bill step has not been adjusted. The change in the "Over gallons step" was made to produce sufficient revenues to meet the Revenue

The District is also seeking a change in rate design to provide the appropriate level of usage as stated in the American Water Works Association's "Water Rates Manual M-1 Fifth Edition".

Cost of Service Monthly Water Rates			
PHASED IN RATES FOR YEAR 1			
5/8" x3/4" Meter			
First 1,000 gallons		\$15.41	Minimum bill
Over 1,000 gallons		6.08	per 1,000 gallons
Multiple Meter Connections			
		\$15.41	per customer
1" Meter			
First 5,000 gallons		\$39.73	Minimum bill
Over 5,000 gallons		6.08	per 1,000 gallons*
2" Meter			
First 20,000 gallons		\$130.93	Minimum bill
Over 20,000 gallons		6.08	per 1,000 gallons*
3" Meter			
First 30,000 gallons		191.73	Minimum bill
Over 30,000 gallons		6.08	per 1,000 gallons*
4" Meter			
First 50,000 gallons		313.33	Minimum bill
Over 50,000 gallons		6.08	per 1,000 gallons*

*The cost of service rates have not been fully implemented so as to

Comparison of Rates				
PHASED IN RATES FOR YEAR 1				
Gallon Usage	Current Rates	COSS Year 1 Rates	Increase	Percentage
1,000	\$13.80	\$14.08	\$0.28	2.0%
2,000	18.55	19.66	1.11	6.0%
3,000	23.30	25.24	1.94	8.3%
4,000	28.05	30.82	2.77	9.9%
5,000	32.80	36.40	3.60	11.0%
6,000	37.55	41.98	4.43	11.8%
7,000	42.30	47.56	5.26	12.4%
8,000	47.05	53.14	6.09	12.9%
9,000	51.80	58.72	6.92	13.4%
10,000	56.55	64.30	7.75	13.7%
15,000	80.30	92.20	11.90	14.8%
20,000	104.05	120.10	16.05	15.4%
25,000	127.80	148.00	20.20	15.8%
30,000	151.55	175.90	24.35	16.1%
35,000	175.30	203.80	28.50	16.3%
40,000	199.05	231.70	32.65	16.4%
50,000	246.55	287.50	40.95	16.6%
75,000	365.30	427.00	61.70	16.9%
100,000	484.05	566.50	82.45	17.0%
150,000	721.55	845.50	123.95	17.2%
200,000	959.05	1,124.50	165.45	17.3%
250,000	1,196.55	1,403.50	206.95	17.3%
300,000	1,434.05	1,682.50	248.45	17.3%
350,000	1,671.55	1,961.50	289.95	17.3%

Comparison of Rates		
Block Usage	Current Rates	COSS Year 1 Rates
First 1,000 gallons	\$ 13.80	\$14.08
Over 1,000 gallons	4.75	5.58

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Phase In Rates Year 1	Amount Increase	% Increase
\$32.80	\$36.40	\$3.60	11.00%

Comparison of Rates				
PHASED IN RATES FOR YEAR 2				
Gallon Usage	COSS Year 1 Rates	COSS Year 2 Rates	Increase	Percentage
1,000	\$14.08	\$14.74	\$0.66	4.7%
2,000	\$19.66	\$20.57	\$0.91	4.6%
3,000	25.24	26.40	1.16	4.6%
4,000	30.82	32.23	1.41	4.6%
5,000	36.40	38.06	1.66	4.6%
6,000	41.98	43.89	1.91	4.5%
7,000	47.56	49.72	2.16	4.5%
8,000	53.14	55.55	2.41	4.5%
9,000	58.72	61.38	2.66	4.5%
10,000	64.30	67.21	2.91	4.5%
15,000	92.20	96.36	4.16	4.5%
20,000	120.10	125.51	5.41	4.5%
25,000	148.00	154.66	6.66	4.5%
30,000	175.90	183.81	7.91	4.5%
35,000	203.80	212.96	9.16	4.5%
40,000	231.70	242.11	10.41	4.5%
50,000	287.50	300.41	12.91	4.5%
75,000	427.00	446.16	19.16	4.5%
100,000	566.50	591.91	25.41	4.5%
150,000	845.50	883.41	37.91	4.5%
200,000	1,124.50	1,174.91	50.41	4.5%
250,000	1,403.50	1,466.41	62.91	4.5%
300,000	1,682.50	1,757.91	75.41	4.5%
350,000	1,961.50	2,049.41	87.91	4.5%

Comparison of Rates		
Block Usage	Phase In Rates Year 1	Phase In Rates Year 2
First 1,000 gallons	\$14.08	\$14.74
Over 1,000 gallons	5.58	5.83

Effect on Customer Average Bill - 5,000 Gallons Usage			
Phase In Rates Year 1	Phase In Rates Year 2	Amount Increase	% Increase
\$36.40	\$38.06	\$1.66	4.60%

Comparison of Rates				
PHASED IN RATES FOR YEAR 3				
Gallon Usage	COSS Year 2 Rates	COSS Year 3 Rates	Increase	Percentage
1,000	\$14.74	\$15.41	\$0.67	4.55%
2,000	\$20.57	\$21.49	\$0.92	4.47%
3,000	26.40	27.57	1.17	4.43%
4,000	32.23	33.65	1.42	4.41%
5,000	38.06	39.73	1.67	4.39%
6,000	43.89	45.81	1.92	4.37%
7,000	49.72	51.89	2.17	4.36%
8,000	55.55	57.97	2.42	4.36%
9,000	61.38	64.05	2.67	4.35%
10,000	67.21	70.13	2.92	4.34%
15,000	96.36	100.53	4.17	4.33%
20,000	125.51	130.93	5.42	4.32%
25,000	154.66	161.33	6.67	4.31%
30,000	183.81	191.73	7.92	4.31%
35,000	212.96	222.13	9.17	4.31%
40,000	242.11	252.53	10.42	4.30%
50,000	300.41	313.33	12.92	4.30%
75,000	446.16	465.33	19.17	4.30%
100,000	591.91	617.33	25.42	4.29%
150,000	883.41	921.33	37.92	4.29%
200,000	1,174.91	1,225.33	50.42	4.29%
250,000	1,466.41	1,529.33	62.92	4.29%
300,000	1,757.91	1,833.33	75.42	4.29%
350,000	2,049.41	2,137.33	87.92	4.29%

Comparison of Rates		
Block Usage	Phase In Rates Year 2	Phase In Rates Year 3
First 1,000 gallons	\$14.74	\$15.41
Over 1,000 gallons	5.83	6.08

Effect on Customer Average Bill - 5,000 Gallons Usage			
Phase In Rates Year 2	Phase In Rates Year 3	Amount Increase	% Increase
\$38.06	\$39.73	\$1.67	4.39%

Comparison of Rates				
Current versus 3rd Year				
Gallon Usage	Current Rates	COSS Year 3 Rates	Increase	Percentage
1,000	\$13.80	\$15.41	\$1.61	11.67%
2,000	\$18.55	\$21.49	\$2.94	15.8%
3,000	23.30	27.57	4.27	18.3%
4,000	28.05	33.65	5.60	20.0%
5,000	32.80	39.73	6.93	21.1%
6,000	37.55	45.81	8.26	22.0%
7,000	42.30	51.89	9.59	22.7%
8,000	47.05	57.97	10.92	23.2%
9,000	51.80	64.05	12.25	23.6%
10,000	56.55	70.13	13.58	24.0%
15,000	80.30	100.53	20.23	25.2%
20,000	104.05	130.93	26.88	25.8%
25,000	127.80	161.33	33.53	26.2%
30,000	151.55	191.73	40.18	26.5%
35,000	175.30	222.13	46.83	26.7%
40,000	199.05	252.53	53.48	26.9%
50,000	246.55	313.33	66.78	27.1%
75,000	365.30	465.33	100.03	27.4%
100,000	484.05	617.33	133.28	27.5%
150,000	721.55	921.33	199.78	27.7%
200,000	959.05	1,225.33	266.28	27.8%
250,000	1,196.55	1,529.33	332.78	27.8%
300,000	1,434.05	1,833.33	399.28	27.8%
350,000	1,671.55	2,137.33	465.78	27.9%

Comparison of Rates		
Block Usage	Current Rates	Cost of Service Rates
First 1,000 gallons	\$ 13.80	\$15.41
Over 1,000 gallons	4.75	6.08

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Cost of Service Rates	Amount Increase	% Increase
\$32.80	\$39.73	\$6.93	21.10%

Attachment H

Knox County Utility District

CUSTOMER NOTICE

NOTICE

Knox County Utility District has filed an application with the Public Service Commission to increase its rates for water service over a 3 year period as phased in rates. The proposed effective date of the change for the 1st year will be _____.

FIRST YEAR RATES

	<u>Current</u>	<u>Proposed</u>
<u>5/8 Inch x 3/4 Inch Meter</u>		
First 1,000gallons	\$13.80 Minimum Bill	\$14.08 Minimum Bill
Over 1,000gallons	4.75 per 1,000 gallons	5.58 per 1,000 gallons
<u>1 Inch Meter</u>		
First 4,700gallons	\$31.38 Minimum Bill	
Over 4,700gallons	4.75 per 1,000 gallons	
First 5,000gallons		\$36.40 Minimum Bill
Over 5,000gallons		5.58 per 1,000 gallons
<u>2 Inch Meter</u>		
First 17,650gallons	\$92.89 Minimum Bill	
Over 17,650gallons	4.75 per 1,000 gallons	
First 20,000gallons		\$105.35 Minimum Bill
Over 20,000gallons		5.58 per 1,000 gallons
<u>3 Inch Meter</u>		
First 28,250gallons	\$143.24 Minimum Bill	
Over 28,250gallons	4.75 per 1,000 gallons	
First 30,000gallons		\$175.90 Minimum Bill
Over 30,000gallons		5.58 per 1,000 gallons
<u>4 Inch Meter</u>		
First 50,000gallons	\$246.55 Minimum Bill	\$287.50 Minimum Bill
Over 50,000gallons	4.75 per 1,000 gallons	5.58 per 1,000 gallons
Multiple Meter Connections	13.80 per connection	\$14.08 per connection

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$3.60 from \$32.80 to \$36.40 or 11.0%.

THIRD YEAR RATES FROM THE PHASED IN RATES REQUESTED:

		<u>Rates From 2nd year of phased in Rates</u>	<u>Rates From 3rd year of phased in Rates</u>	<u>Percentage Increase</u>
<u>5/8 Inch x 3/4 Inch Meter</u>				
First	1,000gallons	\$14.74 Minimum Bill	\$15.41 Minimum Bill	4.6%
Over	1,000gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons	4.3%
<u>1 Inch Meter</u>				
First	5,000gallons	\$38.06 Minimum Bill	\$39.73 Minimum Bill	4.4%
Over	5,000gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons	4.3%
<u>2 Inch Meter</u>				
First	20,000gallons	\$125.51 Minimum Bill	\$130.93 Minimum Bill	4.3%
Over	20,000gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons	4.3%
<u>3 Inch Meter</u>				
First	30,000gallons	\$183.81 Minimum Bill	\$191.73 Minimum Bill	4.3%
Over	30,000gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons	4.3%
<u>4 Inch Meter</u>				
First	50,000gallons	\$300.41 Minimum Bill	\$313.33 Minimum Bill	4.3%
Over	50,000gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons	4.3%
Multiple Meter Connections		\$14.74 per connection	\$15.41 per connection	

Comparing the 2nd year of the phase-in rates with the 3rd year of the phase-in rates the monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.67 from \$38.06 to \$39.73 or 4.4%.

Comparing the current rates with the Final year of the phase-in rates the monthly bill for a customer using an average of 5,000 gallons per month will increase \$6.93 from \$32.80 to \$39.73 or 21.1%.

The rates contained in this notice are the rates proposed by the Knox County Utility District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office 1905 Highway 930, Barbourville, KY 40906. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

Knox County Utility District

Attachment H

Knox County Utility District

STRIKE THROUGH TARIFF

FOR Knox, Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

1st YEAR

Monthly Rate:

		<u>Current</u>	<u>Proposed</u>
<u>5/8 Inch x 3/4 Inch Meter</u>			
First	1,000 gallons	\$13.80 Minimum Bill	\$14.08 Minimum Bill
Over	1,000 gallons	4.75 per 1,000 gallons	5.58 per 1,000 gallons
<u>1 Inch Meter</u>			
First	4,700 gallons	\$31.38 Minimum Bill	
Over	4,700 gallons	4.75 per 1,000 gallons	
First	5,000 gallons		\$36.40 Minimum Bill
Over	5,000 gallons		5.58 per 1,000 gallons
<u>2 Inch Meter</u>			
First	17,650 gallons	\$92.89 Minimum Bill	
Over	17,650 gallons	4.75 per 1,000 gallons	
First	20,000 gallons		\$105.35 Minimum Bill
Over	20,000 gallons		5.58 per 1,000 gallons
<u>3 Inch Meter</u>			
First	28,250 gallons	\$143.24 Minimum Bill	
Over	28,250 gallons	4.75 per 1,000 gallons	
First	30,000 gallons		\$175.90 Minimum Bill
Over	30,000 gallons		5.58 per 1,000 gallons
<u>4 Inch Meter</u>			
First	50,000 gallons	\$246.55 Minimum Bill	\$287.50 Minimum Bill
Over	50,000 gallons	4.75 per 1,000 gallons	5.58 per 1,000 gallons
<u>Multiple Meter Connections*</u>		\$13.80 per connection	\$14.08 per connection
(*See method of calculating as stated in the District's Rules and Regulations)			

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

FOR Knox, Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

2nd YEAR

Monthly Rate:

			<u>Current</u>	<u>Proposed</u>
<u>5/8 Inch x 3/4 Inch Meter</u>				
First	1,000	gallons	\$14.08 Minimum Bill	\$14.74 Minimum Bill
Over	1,000	gallons	5.58 per 1,000 gallons	5.83 per 1,000 gallons
<u>1 Inch Meter</u>				
First	4,700	gallons	\$36.40 Minimum Bill	
Over	4,700	gallons	5.58 per 1,000 gallons	
First	5,000	gallons		\$38.06 Minimum Bill
Over	5,000	gallons		5.83 per 1,000 gallons
<u>2 Inch Meter</u>				
First	17,650	gallons	\$120.10 Minimum Bill	
Over	17,650	gallons	5.58 per 1,000 gallons	
First	20,000	gallons		\$125.51 Minimum Bill
Over	20,000	gallons		5.83 per 1,000 gallons
<u>3 Inch Meter</u>				
First	28,250	gallons	\$175.90 Minimum Bill	
Over	28,250	gallons	5.58 per 1,000 gallons	
First	30,000	gallons		\$183.81 Minimum Bill
Over	30,000	gallons		5.83 per 1,000 gallons
<u>4 Inch Meter</u>				
First	50,000	gallons	\$287.50 Minimum Bill	\$300.41 Minimum Bill
Over	50,000	gallons	5.58 per 1,000 gallons	5.83 per 1,000 gallons
<u>Multiple Meter Connections*</u>			\$14.08 per connection	\$14.74 per connection
(*See method of calculating as stated in the District's Rules and Regulations)				

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR ~~Knox~~ Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

3rd YEAR

Monthly Rate:

		<u>Current</u>	<u>Proposed</u>
<u>5/8 Inch x 3/4 Inch Meter</u>			
First	1,000 gallons	\$14.74 Minimum Bill	\$15.41 Minimum Bill
Over	1,000 gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons
<u>1 Inch Meter</u>			
First	4,700 gallons	\$38.06 Minimum Bill	
Over	4,700 gallons	5.83 per 1,000 gallons	
First	5,000 gallons		\$36.40 Minimum Bill
Over	5,000 gallons		6.08 per 1,000 gallons
<u>2 Inch Meter</u>			
First	17,650 gallons	\$125.51 Minimum Bill	
Over	17,650 gallons	5.83 per 1,000 gallons	
First	20,000 gallons		\$39.73 Minimum Bill
Over	20,000 gallons		6.08 per 1,000 gallons
<u>3 Inch Meter</u>			
First	28,250 gallons	\$183.81 Minimum Bill	
Over	28,250 gallons	5.83 per 1,000 gallons	
First	30,000 gallons		\$191.73 Minimum Bill
Over	30,000 gallons		6.08 per 1,000 gallons
<u>4 Inch Meter</u>			
First	50,000 gallons	\$300.41 Minimum Bill	\$313.33 Minimum Bill
Over	50,000 gallons	5.83 per 1,000 gallons	6.08 per 1,000 gallons
<u>Multiple Meter Connections*</u>		\$14.74 per connection	\$15.41 per connection
(*See method of calculating as stated in the District's Rules and Regulations)			

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

Attachment H
Knox County Utility District
TARIFF

FOR Knox, Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

1st YEAR

Monthly Rate:

5/8 Inch x 3/4 Inch Meter

First	1,000	gallons	\$14.08 Minimum Bill
Over	1,000	gallons	5.58 per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$36.40 Minimum Bill
Over	5,000	gallons	5.58 per 1,000 gallons

2 Inch Meter

First	20,000	gallons	\$105.35 Minimum Bill
Over	20,000	gallons	5.58 per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$175.90 Minimum Bill
Over	30,000	gallons	5.58 per 1,000 gallons

4 Inch Meter

First	50,000	gallons	\$287.50 Minimum Bill
Over	50,000	gallons	5.58 per 1,000 gallons

Multiple Meter Connections*

\$14.08 per connection

(*See method of calculating as stated in the District's Rules and Regulations)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR ~~Knox~~ Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

2nd YEAR

Monthly Rate:

5/8 Inch x 3/4 Inch Meter

First	1,000	gallons	\$14.74 Minimum Bill
Over	1,000	gallons	5.83 per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$38.06 Minimum Bill
Over	5,000	gallons	5.83 per 1,000 gallons

2 Inch Meter

First	20,000	gallons	\$125.51 Minimum Bill
Over	20,000	gallons	5.83 per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$183.81 Minimum Bill
Over	30,000	gallons	5.83 per 1,000 gallons

4 Inch Meter

First	50,000	gallons	\$300.41 Minimum Bill
Over	50,000	gallons	5.83 per 1,000 gallons

Multiple Meter Connections*

\$14.74 per connection

(*See method of calculating as stated in the District's Rules and Regulations)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Knox, Whitley and Bell County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Knox County Utility District
(Name of Utility)

RATES

3rd YEAR

Monthly Rate:

5/8 Inch x 3/4 Inch Meter

First	1,000	gallons	\$15.41 Minimum Bill
Over	1,000	gallons	6.08 per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$39.73 Minimum Bill
Over	5,000	gallons	6.08 per 1,000 gallons

2 Inch Meter

First	20,000	gallons	\$130.93 Minimum Bill
Over	20,000	gallons	6.08 per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$191.73 Minimum Bill
Over	30,000	gallons	6.08 per 1,000 gallons

4 Inch Meter

First	50,000	gallons	\$313.33 Minimum Bill
Over	50,000	gallons	6.08 per 1,000 gallons

Multiple Meter Connections*

\$15.41 per connection

(*See method of calculating as stated in the District's Rules and Regulations)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

Barbourville Mountain
The Advocate

P.O. BOX 190 • 214 KNOX STREET • BARBOURVILLE, KY 40906
PHONE (606) 546.9225 • FAX (606) 546.3175

NEWSPAPER AFFIDAVIT

I, Wanda Blevins
of The Barbourville Mountain Advocate newspaper, published at Barbourville, Kentucky, and having the largest general circulation of any newspaper in Knox County, Kentucky, do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of Notice RATE INCREASE
Water Service for Knox Co. Utility District was inserted in The Barbourville Mountain Advocate on the following dates:

Date <u>Nov. 16.-06</u>	Page <u>10B</u>	Column <u>7-9</u>
Date _____	Page _____	Column _____
Date _____	Page _____	Column _____
Date _____	Page _____	Column _____

Signature Wanda Blevins

Subscribed and sworn to before me by Wanda Blevins
this 20th day of Nov, 2006.

Notary Public Lizzie Carnus
My commission expires 11-16-06

property sold under this judgment as security for the purchase money. The purchaser shall be required to assume and pay all taxes or assessments upon the property for the current tax year and all subsequent years. All taxes or assessments upon the property for prior years shall be paid from the sale proceeds if property claimed in writing and filed of record by the purchaser prior to payment of the purchase price.

If any property does not bring 2/3 of the appraised value then a one year right of redemption exists.

PAUL BAKER MASTER COMMISSIONER

COMMONWEALTH OF KENTUCKY 27TH JUDICIAL CIRCUIT

KNOX CIRCUIT COURT DIVISION II CIVIL ACTION NO. 05-CJ-442

PHH MORTGAGE CORPORATION FKA CENDANT

MORTGAGE CORP. DBA CENTURY 21 MORTGAGE PLANTIFF,

VS.

TRIGIA GRAY, DEFENDANT.

NOTICE OF SALE

By virtue of the Judgment and Order of Sale of the Knox Circuit Court entered on September 29, 2006, in the above styled matter, for the sum of what it will bring to raise the principal sum of Sixty-eight Thousand Four Hundred Eleven Dollars and Seven Cents (\$68,411.07), together with charges, interest, and costs, I shall proceed to offer for sale

Friday, December 8, 2006 at the hour of 1:00 p.m., or thereafter, for cash or Ten percent (10%) down with Sixty (60) days to pay the balance, the following described property located at 1554 Highway 229, Barbourville, Kentucky 40906, to wit:

A certain tract or parcel of land lying and being in Knox County, Kentucky and being more particularly described as follows, to-wit:

TRACT 1:
BEGINNING on a large Sweet Gum on the South right-of-way line of Ky. Highway #229 near the end of a culvert; thence with the right-of-way of Ky. Highway #459 N. 65° E. 123 feet to a post corner of Mills; thence leaving said right-of-way with Mills line S 39° 45' E. 136 feet to a set stone and corner post; thence N 46° E. 199 feet; thence N 52° E. 54 feet to a stone corner of Mills in line of Foley, known as Willie Roberts; thence with Roberts or Foley (a fenced up point S 41° E. 280 feet to a Sweet Gum; thence S 32° 30' E. 162 feet to a locust; thence S 02° 30' E. 171 feet S. 04° E. 137 feet S 14° E. 112 feet to a Poplar; thence S 11° E. 58 feet to a Beech, S 27° 00' E. 113 to an oak snag; thence S 35° 30' E. 183 feet to a chestnut oak; thence S 43° E. 130 feet; 50.5 feet to a large Black Gum; thence corner; thence S 15° E. 154 feet; S 04° E. 130 feet; S 03° E. 200 feet to a Black Oak marked on the top of ridges; thence over the top of a small hill and corner with same N. 58 E. 126 feet to a

once stood in the gap of the ridge; thence with Parrott line S 74° 30' W. 146 feet S 82° W. 123.5 feet; thence N 45° W. 62 feet to a corner of an old fence; thence with same S 65° W. 224 feet; thence S 89° W. 132 feet to Old Mills line, and Old fence; thence from Derrick D. Poff, Susan D. Poff and Gary E. West, by Paul Baker, Commissioner dated the 20th day of April, 2001 and recorded in Commissioner's Deed Book 5 at page 505 in the Knox County Court Clerk's Office.

The Knox County Board of Health will receive bids from General Contractors for construction of a new health center in Barbourville, Kentucky until 2:00 PM Eastern Daylight time, Thursday the 7th day of December 2006 at the existing Knox County Health Center in Barbourville, Kentucky, at which time and place they will be publicly opened and read aloud.

There will be a mandatory pre-bid conference at the building site in Barbourville, Kentucky at 2:00 p.m., Eastern Daylight time, Thursday the 30th day of November, 2006. Proposed Form of Contract Documents, Insurance Coverage, etc., are on file at the office of James V. Adams, Architect at 2215 Cumberland Ave., P.O. Box 632, Middleboro, Kentucky 40965, (606) 248-1307.

The information for bidders, form of bid, plans, specifications, and forms of bid bond, performance and payment bond, and other contract documents may be examined at the following:

KNOX COUNTY HEALTH CENTER
BARBOURVILLE, KENTUCKY

AGC OF EAST TENNESSEE TRICITIES BRANCH AGC
294 NEAL DRIVE
BLAUNTVILLE, TN 37617

F.W. DODGE CORP.
501 E. SUMMIT HILL DRIVE, SUITE 203
KNOXVILLE, TN 37927

KNOWVILLE BUILDERS EXCHANGE
301 CLARK STREET
P.O. BOX 226
KNOXVILLE, TN 37901

Copies of the documents may be obtained by depositing \$200.00 with James V. Adams, Architect, 2215 Cumberland Ave., P.O. Box 632 Middleboro, KY (606) 248-1307 for each set of documents so obtained. Such deposits will be refunded to each person who returns the plans, specifications and other documents in good condition within ten (10) days after the bid opening.

A certified check or bank draft, payable to the Owner, U.S. Government Bonds, or a similar security to be held executed by the bidder, or acceptable substitutes in an amount equal to 5 percent (5%) of the bid amount will be required to furnish and pay for a satisfactory 100% performance and payment bond or bonds.

Attention is called to the fact that the contractor will hold the Owner harmless from any damage claim resulting from his prosecution of the project. The Contractor will familiarize himself with all applicable state, federal, and local laws pertaining to the work, worker's compensation insurance, liability insurance, civil rights, wage scale, etc., and will abide by them. The Owner reserves the right to reject any or all bids, to waive informalities and to negotiate with any bidder.

No bid will be withdrawn or timely (50) days subsequently to the opening of bids without the consent of the Board of Health.

By: *Paul Baker*
Paul Baker, Kentucky
Knox County Board of Health

12426

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NOTICE

Knox County Utility District has filed an application with the Public Service Commission to increase its rates for water service over a 3 year period as phased in rates. The proposed effective date of the change for the 1st year will be upon approval from the Public Service Commission.

5/8 inch 3/4 inch Meter Current Proposed
 First 1,000 gallons \$13.80 Minimum Bill \$14.08 Minimum Bill
 Over 1,000 gallons 4.75 per 1,000 gallons 5.59 per 1,000 gallons

1 inch Meter
 First 4,700 gallons \$31.38 Minimum Bill
 Over 4,700 gallons 4.75 per 1,000 gallons

2 inch Meter
 First 17,000 gallons \$92.89 Minimum Bill
 Over 17,000 gallons 4.75 per 1,000 gallons

3 inch Meter
 First 28,250 gallons \$143.24 Minimum Bill
 Over 28,250 gallons 4.75 per 1,000 gallons

4 inch Meter
 First 50,000 gallons \$246.55 Minimum Bill
 Over 50,000 gallons 4.75 per 1,000 gallons

Multiple Meter Connections 13.80 per connection \$14.08 per connection

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$3.60 from \$32.80 to \$36.40 or 11.0%.

THIRD YEAR RATES FROM THE PHASED IN RATES REQUESTED:

Rates from 2nd year	Rates from 3rd year	Percentage Increase
5/8 inch 3/4 inch Meter of Metered in Rates	of Metered in Rates	4.6%
First 1,000 gallons \$14.74 Minimum Bill	\$15.41 Minimum Bill	4.6%
Over 1,000 gallons 5.89 per 1,000 gallons	6.08 per 1,000 gallons	4.3%

1 inch Meter	\$38.06 Minimum Bill	\$39.73 Minimum Bill	4.4%
Over 5,000 gallons 5.89 per 1,000 gallons	6.08 per 1,000 gallons	6.08 per 1,000 gallons	4.3%

2 inch Meter	\$125.51 Minimum Bill	\$130.93 Minimum Bill	4.3%
Over 20,000 gallons 5.89 per 1,000 gallons	6.08 per 1,000 gallons	6.08 per 1,000 gallons	4.3%

3 inch Meter	\$183.81 Minimum Bill	\$191.73 Minimum Bill	4.3%
Over 30,000 gallons 5.89 per 1,000 gallons	6.08 per 1,000 gallons	6.08 per 1,000 gallons	4.3%

4 inch Meter	\$300.41 Minimum Bill	\$313.53 Minimum Bill	4.3%
Over 50,000 gallons 5.89 per 1,000 gallons	6.08 per 1,000 gallons	6.08 per 1,000 gallons	4.3%

Multiple Meter Connections \$14.74 per connection \$15.41 per connection

Comparing the 2nd year of the phase-in rates with the 3rd year of the phase-in rates the monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.67 from \$38.06 to \$39.73 or 4.4%.

Comparing the current rates with the Final year of the phase-in rates the monthly bill for a customer using an average of 5,000 gallons per month will increase \$6.93 from \$32.80 to \$39.73 or 21.1%.

The rates contained in this notice are the rates proposed by the Knox County Utility District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status of interest of the party moving. Copies of the application may be obtained at no charge from the District office 1505 Highway 930, Barbourville, KY 40906. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

Knox County Utility District.

Knox County Utility
PO Box 8
Artemus KY 40913

Mrs Beth O'Donnell, Executive Director
Ky Public Service Commission
PO Box 615
Frankfort KY 40601



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