

# LUXON PATTERSON

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August 3, 2007

RECEIVED

AUG - 6 2007

PUBLIC SERVICE  
COMMISSION

Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

Case No. 2007-00355

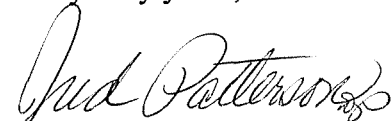
Re: Kirksville Water Association, Richmond, Kentucky

Dear Sir or Madam:

Enclosed please find original and ten copies of a completed **Purchased Water Adjustment** application for Kirksville Water Association.

Please let me know if you need any additional information.

Very truly yours,

  
Jud Patterson

JP/dp  
Enclosures



- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From June 1, 2006 through May 31, 2007  
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>Richmond Utilities</u>	<u>112,550,000</u>
<b>TOTAL PURCHASES</b>	<u>112,550,000</u>

4. Total sales for the 12 month period \$693,926.71.

5. Increased water cost \$49,646.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.51.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date July 1, 2007.

  
(Signature of Utility Officer)

President  
(Title)

### **List of Exhibits**

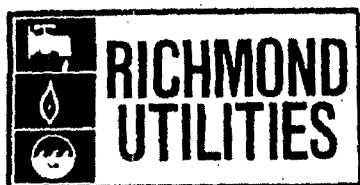
Exhibit #1 – Suppliers Notice

Exhibit #2 – Water Purchased

Exhibit #3 – Kirksville Water Association 12 Month History

Exhibit #4 – Calculations

Exhibit #5 – Proposed Billing Rates



# Richmond Water, Gas & Sewerage Works

P.O. Box 700  
Richmond, Kentucky 40476-0700  
Telephone 1-859-623-2323  
FAX 1-859-624-0805

May 22, 2007

Kirksville Water Association  
Attn: Bobby Powell  
155 North Keeneland Drive  
Richmond, KY 40475

Dear Mr. Powell:

## NOTICE

Richmond Utilities ("RU") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Kirksville Water Association	\$1.69/100 Cu Ft	\$2.02/100 Cu Ft	19.53% Increase
Madison County Utility District	\$1.69/100 Cu Ft	\$2.02/100 Cu Ft	19.53% Increase

The proposed effective date is July 1, 2007.

The rates contained in this notice are the rates proposed by RU. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by RU by contacting Scott Althausser at the offices of RU, 300 Hallie Irvine Street in Richmond, Kentucky: telephone 859-623-2323.

Any person may examine the rate application and other filings made by RU by visiting the offices of RU at 300 Hallie Irvine Street or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

Sincerely,

Scott Althausser  
Superintendent

Cc: Greg Puckett, Counsel  
Madison County Fiscal Court

**Exhibit #2**  
**Water Purchased – 12 months**

<u>Usage Period</u>	<u>100 CF</u>	<u>1000 Gallons</u>
6/1 – 7/3/06	15,346	11,478
7/3 – 8/1/06	13,183	9,861
8/1 – 9/1/06	14,027	10,492
9/1 – 10/2/06	11,766	8,801
10/2 – 11/1/06	11,682	8,738
11/1 – 12/1/06	11,243	8,409
12/1 – 1/2/07	12,419	9,289
1/2 – 2/1/07	10,936	8,180
2/1 – 3/1/07	11,360	8,497
3/1 – 4/2/07	12,436	9,302
4/2 – 5/1/07	10,902	8,154
5/1 – 6/1/07	<u>15,173</u>	<u>11,349</u>
Total:	150,473	112,550

Exhibit #3

RUN DATE: 07/17/07 16:18  
TERMINAL: 2

KIRKSVILLE WATER CO.  
HISTORY TRACKING BY ACCOUNT NUMBER  
MONTHLY LISTING (BILLING/USAGE) FOR 07/06 THRU 06/07

PAGE 1  
program 10-2-7

SERVICE: W WATER ACCOUNT RANGE: ALL  
MINIMUM AVERAGE USAGE: NONE

U = USAGE AU = AVERAGE USAGE UA() = NUMBER OF USAGE ADJUSTMENTS INCLUDED IN USAGE B = BILLING AB = AVERAGE BILLING

REPORT TOTALS

	NUMBER	TOTAL	AVERAGE	✓ BILLING	AVERAGE
	OF BILLS	USAGE	USAGE		BILL
JUL 06	1689	1037951.7	614.5	72411.65	42.87
AUG 06	1689	839685.7	497.1	61235.89	36.26
SEP 06	1691	928083.6	548.8	66283.22	39.20
OCT 06	1695	714998.0	421.8	54156.11	31.95
NOV 06	1695	740392.0	436.8	56019.36	33.05
DEC 06	1695	771882.4	455.4	58027.70	34.23
JAN 07	1695	704898.0	415.9	53673.19	31.67
FEB 07	1694	844329.0	498.4	62152.24	36.69
MAR 07	1691	655443.4	387.6	50655.30	29.96
APR 07	1694	672345.9	396.9	51901.61	30.64
MAY 07	1694	758897.4	448.0	57037.37	33.67
JUN 07	1700	1010439.0	594.4	71190.87	41.88
=====					
TOTALS	20322	9679346.1	476.3	714744.51	35.17

BILLING TOTALS INCLUDE THE FOLLOWING:

CHARGES



**Exhibit #4  
Calculations**

4. Total Sales for 12 Month Period  
\$714,744.51 (includes 3% school tax)  
\$693,926.71 (without school tax)

5. Increased Water Cost  
Base Rate = \$1.69/100 CY to \$2.02/100 CF  
= 0.33/100 CY x 1.3368  
= \$0.4411/1000 Gallon

$$\begin{aligned} \text{Increased Water Cost} &= 112,550/1000 \text{ Gallons } 0.4411 \\ &= \$49,646 \end{aligned}$$

6. Purchase Water Adjustment Factor  
 $\$49,646/96,793.461 = 0.5129$   
Use = 0.51

**Exhibit #5**  
**Proposed Water Rates**

**WATER RATES**

First 2,000 gallons - \$16.40 (plus .49 school tax) (\$16.89)

Next 3,000 gallons - \$7.88 per 1000 gallons

Next 5,000 gallons - \$6.54 per 1000 gallons

All over 10,000 gallons - \$5.43 per 1000 gallons

KIRKSVILLE WATER ASSOCIATION  
REGULAR MEETING  
July 18, 2007  
WATER RATE RESOLUTION

**WHEREAS**, Richmond Utilities supplies Kirksville Water Association with wholesale water and;


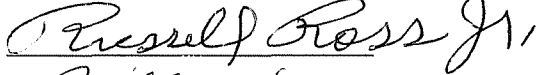
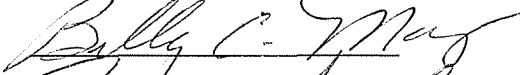

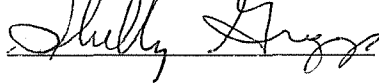
**WHEREAS**, Richmond Utilities has performed a rate study justifying an increase in water rate to \$ 1.69 from \$ 2.02 that will be passed on to customers of the Kirksville Water Association and;

**WHEREAS**, KRS 278.120 allows Kirksville Water Association, through its Board of Directors, to pass the wholesale water purchase rate increase to the customers of Kirksville Water Association immediately upon approval by the Board to be followed by a purchase water adjustment application within twenty (20) days, be it resolved as follows:

The Board of Directors of Kirksville Water Association has, by a majority vote, resolved to pass the increase in the water rate charged by Richmond Utilities on to the members of the Kirksville Water Association effective immediately. Be it further resolved that Kirksville Water Association shall file an application for a purchase water adjustment application within 20 days of the signing of this resolution.

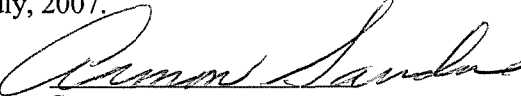
**IN WITNESS WHEREOF**, we, the Board of Directors, have at the Regular Meeting on this the 18<sup>th</sup> day of July, 2007, adopted the foregoing resolution.

BOARD OF DIRECTORS:

**CERTIFICATION**

I, Armon Sanders, Secretary of the Kirksville Water Association, Inc., a Corporation existing under the laws of the State of Kentucky; hereby certify that the attached is a true copy of the Resolution adopted this the 18<sup>th</sup> day of July, 2007.

  
Secretary