

# WHITLEY COUNTY WATER DISTRICT

19 S. Highway 25W  
Williamsburg, Kentucky 40769-1601  
Phone: (606) 549-3600 • Fax: (606) 549-5795

KATHY MOYERS  
Office Manager

ALBERT MAHAN  
Field Manager

April 3, 2008

RECEIVED

APR - 7 2008

PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo, Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

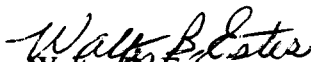
RE: Formal Application for a Purchased Water Rate Adjustment

2008-129

This is an application for a purchased water rate adjustment for the Whitley County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that became effective June 1, 2007. The District is seeking to make this effective with the June 2008 billing.

The District will publish the enclosed public notice of these requested rate revisions in the local weekly newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely,

  
Walter B. Estes  
Chairman

Enclosures

PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND ASSOCIATIONS  
(807 KAR 5:068)

Whitley County Water District  
(Name of Utility)

April 3, 2008  
(Date)

19 South U.S. Hwy 25W  
(Address)

Williamsburg Ky 40769  
(City, State)

(606) 549-3600  
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Corbin</u>	<u>\$2.20/1000G</u>	<u>no change</u>
<u>City of Williamsburg</u>	<u>\$2.20/1000G</u>	<u>no change</u>
<u>McCreary County Water District</u>	<u>\$3.48/1000G</u>	<u>no change</u>
<u>City of Jellico, TN</u>	<u>0-2,700,000 - \$2.50/1000G</u>	<u>\$3.15/1000G</u>
	<u>&gt;2,700,000 - \$3.00/1000G</u>	<u>\$3.75/1000G</u>

- 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 March 2007 through February 2008  
(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>City of Corbin</u>	<u>78,365,000</u>
<u>City of Williamsburg</u>	<u>104,455,000</u>
<u>McCreary County Water District</u>	<u>1,784,400</u>
TOTAL PURCHASES	<u>51,461,800</u> <u>236,066,200</u>

4. Total sales for the 12 month period 144,609,000.

5. Increased water cost \$35,356.36.  
 ( $\$583,194.03 - \$547,837.67 = \$35,356.36$ )

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

6. Purchased water adjustment factor 25¢.

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

$$\$35,356.36 \div (144,609,000 \div 1000G) = 25¢$$

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 June 1, 2008.

Walter B. Estes  
(Signature of Utility Officer)

Chairman  
(Title)

05-25-07; 12:33PM;

; 423

An Ordinance Adjusting Water Rates

No. 39-2007

WHEREAS, the City of Jellico water system has been operating at a deficit for three years.

WHEREAS, the present water rates are not sufficient to sustain the present service and to address aging infrastructure problems.

WHEREAS, the Mayor and Board of Alderman realize that any increase in the water rates will be burdensome, but at the same time realize that all expenses are increasing and that the City must meet the obligations of the system. The rate increase enacted herewith represents a twenty five percent (25%) increase in the water rate. NOW THEREFORE, be ordained by the Mayor and Board of Alderman to the City of Jellico, Tennessee, that following water rate are hereby approved and adopted for the customers of the Jellico water system to be implemented as hereinafter provided:

SECTION: Effective June 1, 2007, the water rates shall be as follows:

WATER SERVICE RATE SCHEDULE

Effective June 1, 2007

	Rate	
<b>3/4 IN INSIDE WATER:</b>		
0 - 2,000	\$2.00	minimum
2,001 - 10,000	\$7.15	per 1000 gal
> 10,000	\$2.90	per 1000 gal
<b>3/4 IN OUTSIDE WATER:</b>		
0 - 2,000	\$18.10	minimum
2,001 - 10,000	\$6.70	per 1000 gal
> 10,000	\$6.80	per 1000 gal
<b>1 &amp; 1/2 IN INSIDE WATER:</b>		
0 - 25,000	\$77.15	minimum
> 25,000	\$2.80	per 1000 gal
<b>1 &amp; 1/2 IN OUTSIDE WATER:</b>		
0 - 25,000	\$154.30	minimum
> 25,000	\$5.80	per 1000 gal
<b>2 &amp; 3 IN INSIDE WATER:</b>		
0 - 60,000	\$178.00	minimum
> 60,000	\$2.90	per 1000 gal

05-25-07; 12:33PM;

1423 794

<b>2 &amp; 3 IN OUTSIDE WATER:</b>		
0 - 60,000	\$335.00	minimum
> 60,000	\$5.80	per 1000 gal
<b>4 IN INSIDE WATER:</b>		
0 - 95,000	\$279.00	minimum
> 95,000	\$2.90	per 1000 gal
<b>6 IN INSIDE WATER:</b>		
0 - 190,000	\$351.00	minimum
> 190,000	\$2.90	per 1000 gal
<b>KY WELCOME CENTER 3 IN WATER:</b>		
0 - 60,000	\$335.00	minimum
> 60,000	\$5.80	per 1000 gal
<b>JELICO TOWERS</b>		
0 - 2,000	\$8.45	minimum
> 2,000	\$3.75	per 1000 gal
<b>WHITLEY COUNTY, KY</b>		
0 - 2,700,000	\$3.15	per 1000 gal
> 2,700,000	\$3.75	per 1000 gal
<b>FIRE PROTECTION</b>		
<b>4-IN CONNECTION</b>	\$33.00	minimum
	\$0.23	per sprinkler head
<b>6-IN CONNECTION</b>	\$87.75	minimum
	\$0.23	per sprinkler head
<b>8-IN CONNECTION</b>	\$165.50	minimum
	\$0.23	per sprinkler head
<b>10-IN CONNECTION</b>	\$272.25	minimum
	\$0.23	per sprinkler head
<b>HYDRANTS</b>	\$16.85	each

SECTION 2: The rate schedule established by this Ordinance shall apply to each meter read after the effective dates specified herein.

SECTION 3: Any Ordinance in conflict herewith is to the extent of such conflict hereby repealed and this Ordinance shall take effect on the dates specified herein, the public welfare requiring it.

APPROVED AND PASSED THIS 17 DAY OF May, 2007.

APPROVED AND PASSED THIS 26 DAY OF May, 2007.

Public Hearing 17 Day of May, 2007..

ATTEST:

Linda Meadows  
Linda Meadows, City Recorder

William F. Baird  
Wm. F. Baird, Mayor

An Ordinance Adjusting Water Rates

Exhibit 1

No. 39-2007

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SECTION: Effective June 1, 2007, the water rates shall be as follows:

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Effective June 1, 2007

	Rate	
<b>3/4 IN INSIDE WATER:</b>		
0 - 2,000	\$9.00	minimum
2,001 - 10,000	\$9.15	per 1000 gal
> 10,000	\$2.50	per 1000 gal
<b>3/4 IN OUTSIDE WATER:</b>		
0 - 2,000	\$18.10	minimum
2,001 - 10,000	\$5.30	per 1000 gal
> 10,000	\$5.80	per 1000 gal
<b>1 &amp; 1/2 IN INSIDE WATER:</b>		
0 - 25,000	\$77.15	minimum
> 25,000	\$2.90	per 1000 gal
<b>1 &amp; 1/2 IN OUTSIDE WATER:</b>		
0 - 25,000	\$154.30	minimum
> 25,000	\$5.80	per 1000 gal
<b>2 &amp; 3 IN INSIDE WATER:</b>		
0 - 60,000	\$178.00	minimum
> 60,000	\$2.90	per 1000 gal

*Mike [Signature]*

Exhibit 1

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0 - 60,000	\$335.00	minimum
> 60,000	\$5.80	per 1000 gal
<b>4 IN INSIDE WATER:</b>		
0 - 95,000	\$279.00	minimum
> 95,000	\$2.90	per 1000 gal
<b>6 IN INSIDE WATER:</b>		
0 - 190,000	\$331.00	minimum
> 190,000	\$2.90	per 1000 gal
<b>KY WELCOME CENTERS IN WATER:</b>		
0 - 60,000	\$335.00	minimum
> 60,000	\$5.80	per 1000 gal
<b>JELICO TOWERS</b>		
0 - 2,000	\$8.45	minimum
> 2,000	\$3.75	per 1000 gal
<b>WHITLEY COUNTY, KY</b>		
0 - 2,700,000	\$3.15	per 1000 gal
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<b>FIRE PROTECTION</b>		
<b>4-IN CONNECTION</b>		
	\$33.00	minimum
	\$0.23	per sprinkler head
<b>6-IN CONNECTION</b>		
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	\$0.23	per sprinkler head
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	\$0.23	per sprinkler head
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	\$272.25	minimum
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<b>HYDRANTS</b>		
	\$16.85	each

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PUBLIC HEARING 17 Day of May, 2007.

ATTEST:

Linda Meadows  
Linda Meadows, City Recorder

William F. Baird  
W. F. Baird, Mayor



Within next year will  
OP up again. Wants up to  
40% raise



Called Mike  
1-423-784-7852

Mike  
25% raise at  
parttime

Expense for Edmunds  
after 6-1-07

~~Expense~~  
up to 2.7 million

2.50 per 1000  
+D 3.15 per 1000

204  
2,700,000

Cover Letter fr.

Chairman letter



Mark as

### Jellico Electric & Water System

400 S Main Street...PO BOX 510  
Jellico, Tn 37762  
Office # 423-784-8431  
Fax # 423-784-3742

Exh. 1

DATE May 25, 2007

FIRM NAME Whitley County Water District

CONTACT PERSON Kathy

FAX ##### 606-549-5795

PAGES 3

REQUEST The following is a copy of the new water rates for Jellico Water System. The new rates will go into effect with meter readings after June 1, 2007.

REPLY TO Mike Bethorem

FOR \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Whitley County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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**RATES AND CHARGES**

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First 1,000 gallons	<del>\$18.93</del>	\$19.18 Minimum Bill
Next 4,000 gallons	<del>\$ 6.39</del>	\$ 6.64 per 1000 gallons
Next 95,000 gallons	<del>\$ 5.97</del>	\$ 6.22 per 1000 gallons
All over 100,000 gallons	<del>\$ 5.42</del>	\$ 5.67 per 1000 gallons

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Walter B. Estes \_\_\_\_\_  
(Signature of Officer)

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

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

To be published in the Whitley Republican, Wednesday, April 9, 2008.

**NOTICE**

Due to a rate increase from the City of Jellico, TN, notice is hereby given that Whitley County Water District has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by \$0.25 per 1,000 gallons used. The proposed change will be effective for service rendered on and after June 1, 2008.

Monthly Rate:

	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
First 1,000 gallons	\$ 18.93	\$ 19.18	1.3%
Next 4,000 gallons	\$ 6.39 per 1000 gallons	\$ 6.64 per 1000 gallons	3.9%
Next 95,000 gallons	\$ 5.97 per 1000 gallons	\$ 6.22 per 1000 gallons	4.2%
All over 100,000 gallons	\$ 5.42 per 1000 gallons	\$ 5.67 per 1000 gallons	4.63%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.25 from \$44.49 to \$45.74 or 2.7%.

The rates contained in this notice are the rates proposed by Whitley County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Whitley County Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 19 S. U.S. Hwy 25W, Williamsburg, KY 40769.

*Walter B. Foster*  
Whitley County Water District