

June 16, 2008

JUN 1 8 2008
PUBLIC SERVICE

Mr. David R. McDowell Divisions of Filings Public Service Commission P O Box 615 Frankfort, KY 40602-0615

Re: Case No 2008-00204

Dear Mr. McDowell:

Enclosed please find a copy of the email I received from City of Nicholasville (CON) stating the increased amount for the Wholesale rate. CON had charged us an increase of \$.03/1000 gals on our May 21, 2008 bill; however, according to the CON office they are refunding that amount to us and will not increase the rate of \$.04/1000 gals until approval from PSC. I have already submitted a PWA with an effective date of June 5, 2008 which is the beginning of our reading cycle ending July 5, 2008 with a billing date of July 18, 2008. The notice will be published in the local paper on June 26, 2008. If at all possible, I am requesting approval of the PWA submitted to coincide with these dates.

Thank you for your attention to this matter.

Sincerely, Dana Clark

Diana Clark Office Manager



As you may be aware, the Kentucky River Authority, effective April 1, increased their Tier II withdrawal fee by \$.044 per 1000 gallons. Since the withdrawal fee is a pass-through volume charge to all of the City's customers The attached ordinance will raise all volume charges to the City's customers by \$.04 per 1000 gallons.

Late last year the KRA was originally planning on instituting the increase in the Tier II rate in late 09....and I was hoping that I would be able to address this issue when the rates are adjusted to pay for the expansion of the water treatment plant that is already underway.....but unfortunately, this won't be able to wait that long.

The first half of the attached ordinance is a regurgitation of the rates currently in effect and the last half contains the new rates......The Wholesale volume charge will change from \$1.81 per thousand gallons to \$1.85 per thousand gallons. I also checked with Damon Talley about how PSC was handling these changes for rural water districts and he said that the PSC staff has a streamlined form that gives virtually immediate approval for the pass-through charge.

The City attorney is reviewing the attached and I will let you know of any changes that are made. Please call me at 885-9473 if you have any questions.

Tom

Thomas P. Calkins Director of Public Utilities City of Nicholasville 859-885-9473(V) 859-885-9476 (F)

Download Attachment: WaterOrd08.doc

