

**CANNONSBURG WATER DISTRICT**  
**1606 CANNONSBURG ROAD**  
**ASHLAND, KY 41102**  
**606-928-9808**  
**FAX# 606-928-4788**

NOVEMBER 26, 2008

PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT, KY 40602

**RECEIVED**

DEC - 1 2008  
PUBLIC SERVICE  
COMMISSION

RE: PURCHASE WATER ADJUSTMENT

2008-494

Please find enclosed the information requested for Purchased Water Adjustment for our Water District.

Sincerely,



Danny R. Clarkston  
Manager

enclosures

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

Name of Utility	Cannonsburg Water District		
Date	11/26/2008		
Address	1606 Cannonsburg Road		
City, State, Zip	Ashland Ky	41102	
Telephone Number	606-928-9808		

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.

Supplier(s)	Base Rate	Changed Rate
City of Ashland	\$ 1.43/1000	\$ 1.89/1,000
Big Sandy Water	\$ 1.91/1000	\$ 1.95/1000

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

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	September 2007	through	August 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
City of Ashland	434,539,000
Big Sandy Water District	3,063,380
<b>TOTAL PURCHASES</b>	<b>437,602,380</b>
4. Total sales for the 12 month period	341,177,500
5. Increased water cost	\$ 200,015.58
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.59
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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.</p>	
7. Proposed effective date	January 1, 2009
Signature of Utility Officer	
Title	



# Ashland

A Proud Past. A Bright Future.

## Office of the City Manager

Post Office Box 1839  
Ashland, Kentucky 41105-1839  
Telephone: (606) 327-2002  
Fax: (606) 327-2055  
For Hearing Impaired: TDD (606) 327-2097

September 8, 2008

Danny Clarkson, Manager  
Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102

Dear Mr. Clarkson;

I am notifying The Cannonsburg Water District of a water rate increase to \$1.89 /1,000 gallons effective January 1, 2009 and an annual adjustment each January thereafter.

As per our contract: "City of Ashland shall notify the Cannonsburg Water District of proposed rate increase and no modification shall become effective earlier than one hundred eight days after increase shall be adopted by City of Ashland".

The City of Ashland City Commissioned passed Ordinance 59, 2008 (copy attached) on June 9, 2008 that set Water District fees at \$1.89 per 1,000 gallons effect July 1, 2008. The Ordinance also an annual adjustment to the rate as follows:

Effective January 1, 2010 and each January thereafter:

The annual percentage increase of the Water, Sewer, and Garbage line item for the U. S. Department of Labor Consumer Price Index starting with the percentage for 2008 shall be applied one year later on January 1, 2010. The 2009 annual percentage rate shall be applied on January 1, 2011 in the like manner, and annually thereafter similar adjustments shall be applied to the user charge per 1,000 gallons.

The contract also requires the City of Ashland to reasonably provide Cannonsburg information which would assist Cannonsburg in its presentation or application required with the KY PSC for approval of proposed rates. The following is attached:

- The Water Rate Study of the Ashland Utility which was completed by HDR / Quest Engineers in June 2008. This study determined that Ashland water rate currently in effect to your system does not cover the cost of services for the City of Ashland to provide that water.

Danny Clarkson  
September 8, 2008  
Page Two

- A 2006 study of 159 Kentucky water rates by Allen & Hoshall Engineering shows that Ashland's water rates are lower than 96.3% of the rates in the Commonwealth.

The City of Ashland is also making application with the KY PSC for approval of proposed rates. For inclusion in that application, the City requests a letter from the Cannonsburg Water District confirming notification of the rate increase.

Regards



Stephen W. Corbitt, PE  
City Manager  
City of Ashland

**Big Sandy Water District**  
18200 State Route 3  
Catlettsburg, KY 41129  
(606) 928-2075 or (800) 354-2933  
Fax (606) 928-8454  
[bdistrict@windstream.net](mailto:bdistrict@windstream.net)

October 7, 2008

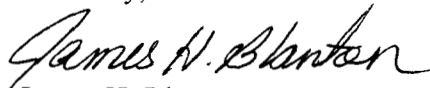
Danny Clarkson  
Cannonsburg Water District  
1606 Cannonsburg Rd  
Ashland, KY 41102

Re: Water Rate

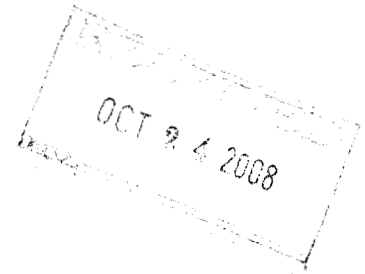
Dear Danny,

We made mistake when we were calculating our rate increase. Based on our contract for your water use, we will be increasing the per thousand cost from \$1.91 to \$1.95 beginning with December 1, 2008 billing.

Sincerely,



James H. Blanton  
Manager



**Big Sandy Water District**  
18200 State Route 3  
Catlettsburg, KY 41129  
(606) 928-2075 or (800) 354-2933  
Fax (606) 928-8454  
[bdistrict@windstream.net](mailto:bdistrict@windstream.net)

October 7, 2008



Danny Clarkson  
Cannonsburg Water District  
1606 Cannonsburg Rd  
Ashland, KY 41102

Re: Water Rate

Dear Danny,

We have been notified by our water supplier, City of Louisa, KY, that they are increasing our water rates by .12 cents per thousand. We will be passing this increase to our customers. Based on our contract for your water use, we will be increasing the per thousand cost from \$1.91 to \$1.96 beginning with November 1, 2008 billing. We are submitting this notice simultaneously to the Kentucky Public Service Commission.

Enclosed is a copy of our letter from City of Louisa.

Sincerely,

James H. Blanton  
Manager

# CITY OF LOUISA

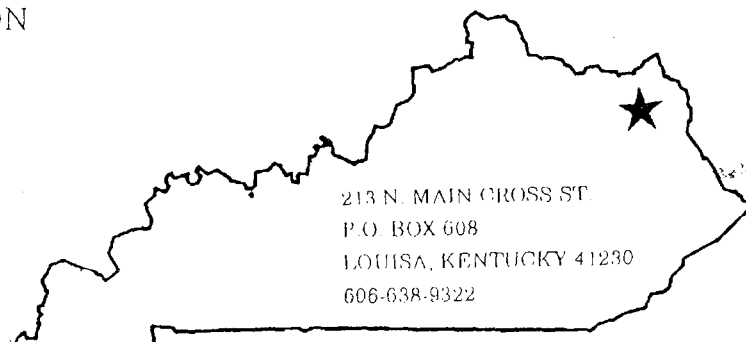
## WATER AND SEWER COMMISSION

TEDDY PRESTON

MAYOR

DAVID MCGUIRE

PUBLIC WORKS DIRECTOR



June 12, 2008

Mr. James Blanton  
Superintendent  
Big Sandy Water District  
18200 State Route 3  
Cantonsburg, KY 41129

RE: Wholesale Water Rate

Dear Mr. Blanton:

Enclosed is the notice of the water rate schedule change by the City of Louisa to the Big Sandy Water District. We are submitting this notice simultaneously to the Kentucky Public Service Commission. The City is proposing to charge the new rate effective July 12, 2008.

The rate has been adjusted as allowed by the City Ordinance. The ordinance allows the Water and Sewer Commission to adjust rates twice a year based on the consumer price index. Per the Bureau of Labor Statistics, water, sewer, and garbage cost increased 5.4 percent over the past six months.

The City looks forward to continuing its mutually beneficial relationship with Big Sandy Water District.

Sincerely,

*Teddy Preston - Mayor*

Teddy Preston  
Mayor

cc: Kentucky Public Service Commission



## NOTICE

The City of Louisa has filed a proposed rate schedule that will change and increase the rate charged to the Big Sandy Water District. The City of Louisa currently charges Big Sandy Water District the following rate:

\$2.20 per 1,000 gallons

The City of Louisa proposes to charge Big Sandy Water District the following rate for water service effective February 10, 2008:

\$2.32 per 1,000 gallons

The rate contained in this notice is the rate proposed by the City of Louisa. The Kentucky Public Service Commission, however, 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 schedule and City Ordinance and any other filings made by the City of Louisa by contacting Kathy Compton, City Clerk, City Hall, 215 North Main Cross Street, Louisa, Kentucky 41230, 606/638-4050.

Any person may examine the City of Louisa's rate schedule and City Ordinance and any other filings at its main office at 215 North Main Cross Street, Louisa, Kentucky or at the Public Service Commission's Offices at 221 Sower Blvd., Frankfort Kentucky 40602.

For Big Sandy Water District  
Community, Town or City

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

3rd Revision SHEET NO. \_\_\_\_\_ 1

City of Louisa, Kentucky  
Name of Issuing Corporation

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

ORIGINAL SHEET NO. ONE

CLASSIFICATION OF SERVICE

	RATE PER UNIT
Wholesale rate to Big Sandy Water District; per 1,000 gallons	\$2.32

DATE OF ISSUE June 9, 2008

DATE EFFECTIVE July 23, 2008

ISSUED BY City of Louisa

TITLE Mayor 

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

**Big Sandy Water District**  
18200 State Route 3  
Catlettsburg, KY 41129  
(606) 928-2075 or (800) 354-2933  
Fax (606) 928-8454  
[bdistrict@windstream.net](mailto:bdistrict@windstream.net)

October 7, 2008

Danny Clarkson  
Cannonsburg Water District  
1606 Cannonsburg Rd  
Ashland, KY 41102

Re: Water Rate

Dear Danny,

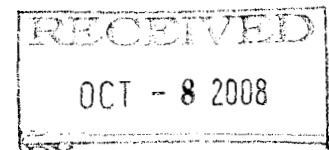
We have been notified by our water supplier, City of Louisa, KY, that they are increasing our water rates by .12 cents per thousand. We will be passing this increase to our customers. Based on our contract for your water use, we will be increasing the per thousand cost from \$1.91 to \$1.96 beginning with November 1, 2008 billing. We are submitting this notice simultaneously to the Kentucky Public Service Commission.

Enclosed is a copy of our letter from City of Kenova.

Sincerely,



James H. Blanton  
Manager



*Sending  
corrected  
letter 10-09-08.  
JWS  
10-08-08*

## CITY OF ASHLAND WATER PURCHASED

<u>BILLING</u>	<u>GALLONS</u>	<u>CHARGES</u>
<u>(2007)</u>		
SEPTEMBER	40,845,000	58,408.35
OCTOBER	37,564,000	53,716.52
NOVEMBER	36,549,000	52,265.07
DECEMBER	32,296,000	46,183.28
<u>(2008)</u>		
JANUARY	30,899,000	44,185.57
FEBRUARY	31,762,000	45,419.66
MARCH	36,107,000	51,633.01
APRIL	34,078,000	48,731.54
MAY	32,524,000	46,509.32
JUNE	42,996,000	61,484.28
JULY	36,534,000	52,243.62
AUGUST	<u>42,385,000</u>	<u>60,610.55</u>
TOTAL	434,539,000	\$621,390.77

**BIG SANDY WATER DISTRICT**

<b><u>BILLING</u></b>	<b><u>GALLONS</u></b>	<b><u>CHARGES</u></b>
<u>(2007)</u>		
SETEMBER	175,810	335.78
OCTOBER	274,710	524.68
NOVEMBER	437,400	835.43
DECEMBER	236,200	451.14
<u>(2008)</u>		
JANUARY	139,300	266.06
FEBRUARY	161,400	308.27
MARCH	180,500	344.75
APRIL	173,000	330.43
MAY	231,000	441.21
JUNE	199,600	381.24
JULY	233,600	446.18
AUGUST	<u>747,600</u>	<u>1427.92</u>
TOTAL	3,190,120	\$6,093.09

## WATER SOLD

<u>(2007)</u>	<u>GALLONS</u>	<u>AMOUNT</u>
SEPTEMBER	33,007,400	\$163,215.86
OCTOBER	30,679,300	\$157,821.89
NOVEMBER	26,025,700	\$137,190.53
DECEMBER	27,714,300	\$141,398.15
 <u>(2008)</u>		
JANUARY	24,960,600	\$132,078.52
FEBRUARY	27,412,900	\$142,168.16
MARCH	24,279,900	\$126,789.14
APRIL	24,929,100	\$129,258.01
MAY	26,418,800	\$135,933.99
JUNE	32,468,400	\$160,933.89
JULY	29,216,800	\$146,990.14
AUGUST	<u>34,364,300</u>	<u>\$170,726.36</u>
 TOTAL	 341,177,500	 \$1,744,504.64

P.S.C. KY. NO. 1

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

CANNONBURG WATER DISTRICT

OF

1606 CANNONBURG ROAD  
ASHLAND, KY 41102

RATES & CHARGES  
AND  
RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

SOUTHEASTERN BOYD COUNTY  
IN

KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE NOVEMBER 26, 2008  
Month/Date/Year

DATE EFFECTIVE JANUARY 1, 2009  
Month/Date/Year

ISSUED BY   
(Signature of Officer)

TITLE Treasurer

For Entire Area Served

P.S.C. KY NO 1

Original SHEET NO 1

CANNONBURG WATER DISTRICT

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

Sheet No. \_\_\_\_\_

---

RATES AND CHARGES

---

**5/8" x 3/4" Meter**

First 2,000 gallons  
Next 3,000 gallons  
Next 15,000 gallons  
Next 30,000 gallons  
Next 50,000 gallons  
Over 100,000 gallons

\$18.86 Minimum Bill  
7.33 per 1,000 gallons  
6.95 per 1,000 gallons  
6.57 per 1,000 gallons  
6.20 per 1,000 gallons  
5.80 per 1,000 gallons

**1 1/2" Meter**

First 5,000 gallons  
Next 15,000 gallons  
Next 30,000 gallons  
Next 50,000 gallons  
Over 100,000 gallons

\$40.85 Minimum Bill  
6.95 per 1,000 gallons  
6.57 per 1,000 gallons  
6.20 per 1,000 gallons  
3.80 per 1,000 gallons

**2" & 3" Meter**

First 20,000 gallons  
Next 30,000 gallons  
Next 50,000 gallons  
Over 100,000 gallons

\$145.10 Minimum Bill  
6.57 per 1,000 gallons  
6.20 per 1,000 gallons  
5.80 per 1,000 gallons

**6" Meter**

First 50,000 gallons  
Next 50,000 gallons  
Over 100,000 gallons

\$642.20 Minimum Bill  
6.20 per 1,000 gallons  
5.80 per 1,000 gallons

**12" Meter**

First 100,000 gallons  
Over 100,000 gallons

\$652.20 Minimum Bill  
5.80 per 1,000 gallons

---

**Rates Based on Monthly Consumption and Calculated Per 100 Gallons**

---

DATE OF ISSUE NOVEMBER 26, 2008  
Month/Date/Year

DATE EFFECTIVE JANUARY 1, 2008  
Month/Date/Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE TREASURER



**PURCHASED WATER ADJUSTMENT - WATER DISTRICTS & ASSOCIATIONS**

Filing Requirements Checklist

(Applicable Authority: KRS 278.012; KRS 278.015; 807 KAR 5:068)

Case No. \_\_\_\_\_ Applicant Name \_\_\_\_\_ Received Date \_\_\_\_\_ Form Circulation Date \_\_\_\_\_

**Instructions:**

- 1) Each division noted by checkmark ( ) is to complete its review and pass on within two days of receipt.
- 2) This form is to list only the specific filing deficiencies as identified in the regulations. If additional information is needed, an information request must be issued.
- 3) Staff member should use initials and list date review is completed.
- 4) Return to Docket Section following review by all divisions.

Reviewed by following Divisions:

Date \_\_\_\_\_ Staff Member \_\_\_\_\_

**Filings**  
**Financial Analysis**

<b>Division Responsible</b>	<b>Law/Regulation</b>	<b>Filing Requirement</b>
Filings	807 KAR 5:001: Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.
Filings	Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.
Financial Analysis	Section 3	Satisfactorily completed application form: Name of all wholesale suppliers and the base rate and changed rate of each. Copy of supplier's notice of the changed rate and the effective date.

	Requirement Met		Waiver Requested		Approve Waiver?	
	Yes	No	Yes	No	Yes	No
	✓					
	✓					
	✓					

Division Responsible

Law/Regulation

Filing Requirement

Twelve month period upon which purchased water adjustment is based.

Total gallons of water purchased from each supplier during a twelve month period ending within 90 days of the effective date of rate adjustment.

Total gallons sold for the same twelve months.

Revised tariff sheets showing revised rates to be charged and the effective date of the new rates.

Financial Analysis

Section 3(1)

Application must contain information Analysis sufficient to determine the accurateness of the calculations of the PWA.

Has supplier filed for PSC approval to change the rate?

	Requirement Met		Waiver Requested		Approve Waiver?	
	Yes	No	Yes	No	Yes	No
	✓					
	✓					
	✓					
	✓					