

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

2009-00133

March 24, 2009

Public Service Commission
P O Box 615
Frankfort, KY 40602

RECEIVED

MAR 31 2009

PUBLIC SERVICE
COMMISSION

RE: Purchase Water Adjustment

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

Sincerely,



Danny R. Clarkston
Manager

DRC/sph
Enclosures

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

Name of Utility	CANNONSBURG WATER DISTRICT	
Date	MARCH 24, 2009	
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 GALLON	\$1.89/1000 GALLON
BIG SANDY WATER	\$1.91/1000 GALLON	\$1.95/1000 GALLON

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

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	DECEMBER 2007	through	NOVEMBER 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	423,724,000
BIG SANDY WATER DISTRICT	2,626,900
TOTAL PURCHASES	426,350,900
4. Total sales for the 12 month period	336,061,200
5. Increased water cost	\$195,018.08
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.58
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>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.</p>	
7. Proposed effective date	APRIL 13, 2009
	
Signature of Utility Officer	
TREASURER	
Title	



Office of 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

March 2, 2009

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

Dear Mr. Clarkson;

This letter serves as notice to the Cannonsburg Water District of a water rate increase to \$1.89 /1,000 gallons which will be effective March 22, 2009, with an annual adjustment each January thereafter. Attached is the Public Service Commission's Order, Case No. 2009-00057, for your information.

If you have any questions please contact my office at the number listed above.

Regards,

A handwritten signature in black ink, appearing to read "Stephen W. Corbitt". The signature is fluid and cursive, with the first and last names being the most prominent.

Stephen W. Corbitt, P.E.
City Manager
City of Ashland, KY

SWC/cr
Attachment

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Stephen W Corbitt
Ashland Municipal Water System
P. O. Box 1839
Ashland, KY 41105-1839

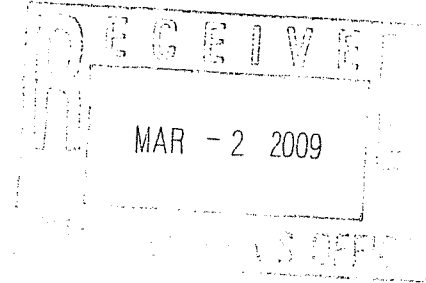


Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov
February 27, 2009

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner



CERTIFICATE OF SERVICE

RE: Case No. **2009-00057**

I, Jeff Derouen, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 27, 2009

A handwritten signature in cursive script, appearing to read "Jeff Derouen".

Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE CITY OF ASHLAND)
FOR EXPEDITED IMPLEMENTATION OF) CASE NO. 2009-00057
ADJUSTMENTS TO ITS WHOLESALE)
WATER SERVICE RATE)

O R D E R

On February 9, 2009, the City of Ashland, Kentucky ("Ashland") filed with the Commission proposed revisions to its rate for wholesale water service. Ashland requests that the notice period that KRS 278.180 requires be reduced to 20 days.

Having reviewed Ashland's submission and being otherwise sufficiently advised, the Commission finds that good cause exists to accept the proposed rate revision and to reduce the required notice period to permit the proposed adjustment to become effective March 1, 2009.

IT IS THEREFORE ORDERED that:

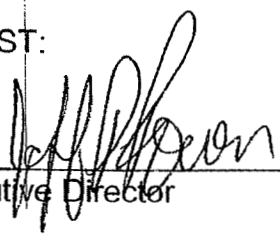
1. The time period in which Ashland must provide notice to the Commission of the revisions to its wholesale water service rate is reduced to 20 days.
2. The proposed revisions to Ashland's wholesale water service rate are accepted and effective as of March 1, 2009.
3. The proposed revised tariff sheet is accepted.

4. The Commission's Executive Director shall file the revised tariff sheet with the published tariffs of Ashland.

Done at Frankfort, Kentucky, this 27th day of February, 2009.

By the Commission

ATTEST:



Executive Director

Steve L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet



David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

February 27, 2009

Stephen Corbitt
Ashland City Manager
P. O. Box 1839
Ashland, KY 41105-1839

RE: Filing No. **TFS2009-00082**
Wholesale Water Rate increase for Cannonsburg Water District.

Dear Stephen Corbitt:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<http://psc.ky.gov/trf/TRFListFilings.aspx?ID=TFS2009-00082>

Sincerely,


Dennis Brent Kirtley
Tariff Review Branch Manager

FOR Boyd County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 1

City of Ashland, Kentucky
(Name of Municipal Utility)

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

Cannonsburg Water District

\$1.89 Per 1,000 Gallons

NOTE: This tariff revises the following prior rates:

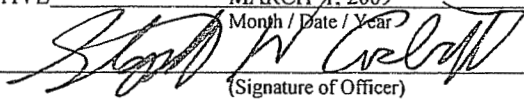
\$1.20 per 1,000 gallons effective on April 6, 1998.

\$1.32 per 1,000 gallons effective on January 1, 2006.

\$1.43 per 1,000 gallons effective on January 1, 2007.

DATE OF ISSUE FEBRUARY 9, 2009
Month / Date / Year

DATE EFFECTIVE MARCH 1, 2009
Month / Date / Year


ISSUED BY 
(Signature of Officer)

TITLE CITY MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
3/1/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By 
Executive Director



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:

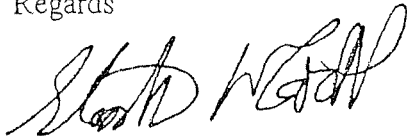
- The Water Rate Study of the Ashland Utility which was completed by HDR / Quest Engineers in June 2008. This study determined that Ashland water rate currently in effect to your system does not cover the cost of services for the City of Ashland to provide that water.

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

October 7, 2008

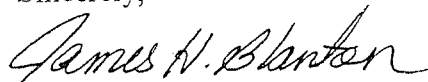
Danny Clarkson
Cannonsburg Water District
1606 Cannonsburg Rd
Ashland, KY 41102

Re: Water Rate

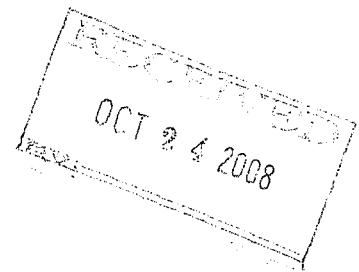
Dear Danny,

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

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,

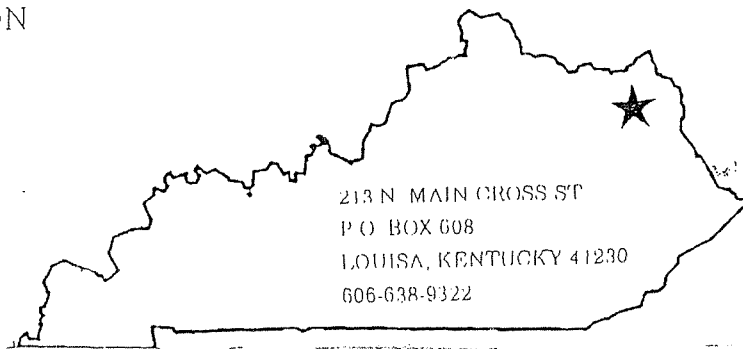
James H. Blanton
Manager

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
Caticusburg, 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

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

CANCELLING P.S.C. NO. _____

ORIGINAL SHEET NO ONE

City of Louisa, Kentucky
Name of Issuing Corporation

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

October 7, 2008

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

Re: Water Rate

Dear Danny,

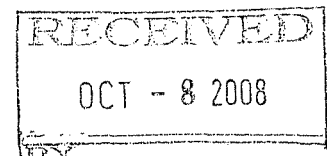
We have been notified by our water supplier, City of Louisa, KY, that they are increasing our water rates by .12 cents per thousand. We will be passing this increase to our customers. Based on our contract for your water use, we will be increasing the per thousand cost from \$1.91 to \$1.96 beginning 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>		
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	42,385,000	60,610.55
SEPTEMBER	34,737,000	49,673.91
OCTOBER	33,578,000	48,016.54
NOVEMBER	35,828,000	51,234.04
TOTAL	423,724,000	\$605,925.32

BIG SANDY WATER DISTRICT – WATER PURCHASED

<u>BILLING</u>	<u>GALLONS</u>	<u>CHARAGES</u>
<u>(2007)</u>		
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	747,600	\$1427.92
SEPTEMBER	156,800	\$299.49
NOVEMBER	<u>167,900</u>	<u>\$303.50</u>
	2,626,900	\$5,000.19

WATER SOLD

<u>(2007)</u>	<u>GALLONS</u>	<u>AMOUNT</u>
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	34,364,300	\$170,726.36
SEPTEMBER	27,761,600	\$144,047.85
OCTOBER	27,715,200	\$142,476.75
NOVEMBER	<u>28,819,300</u>	<u>\$147,841.20</u>
 TOTAL	 336,061,200	 \$1,620,642.16

FOR ENTIRE AREA SERVED

P.S.C. KY. NO. 1

Original SHEET NO.

CANCELLING P.S.C. KY. NO.

 SHEET NO.

CANNONSBURG WATER DISTRICT

RATES AND CHARGES

5/8"x 3/4" Meter

First	2,000 gallons	\$16.26 Minimum Bill
Next	3,000 gallons	6.03 per 1,000 gallons
Next	15,000 gallons	5.65 per 1,000 gallons
Next	30,000 gallons	5.27 per 1,000 gallons
Next	50,000 gallons	4.90 per 1,000 gallons
Over	100,000 gallons	4.50 per 1,000 gallons

1 1/2" Meter

Frist	5,000 gallons	\$34.35 Minimum Bill
Next	15,000 gallons	5.65 per 1,000 gallons
Next	30,000 gallons	5.27 per 1,000 gallons
Next	50,000 gallons	4.90 per 1,000 gallons
Over	100,000 gallons	4.50 per 1,000 gallons

2" & 3" Meter

Frist	20,000 gallons	\$119.10 Minimum Bill
Next	30,000 gallons	5.27 per 1,000 gallons
Next	50,000 gallons	4.90 per 1,000 gallons
Over	100,000 gallons	4.50 per 1,000 gallons

6" Meter

First	50,000 gallons	\$277.20 Minimum Bill
Next	50,000 gallons	4.90 per 1,000 gallons
Over	100,000 gallons	4.50 per 1,000 gallons

12" Meter

Frist	100,000 gallons	\$522.20 Minimum Bill
Over	100,000 gallons	4.50 per 1,000 gallons

Rates Based on Monthly Consumption and Calculated Per 100 Gallons

DATE OF ISSUE MARCH 24, 2009
MONTH / DATE. / YEAR

DATE EFFECTIVE APRIL 13, 2009
MONTH / DATE / YEAR

ISSUED BY *Steve Leed*
(SIGNATURE OF OFFICER)

TITTLE Treasurer