

Secrest & Secrest

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9 July 2009

MR. DANIEL E. HINTON
PUBLIC SERVICE COMMISSION
P O BOX 615
FRANKFORT KY 40602-0615

RECEIVED
JUL 13 2009
PUBLIC SERVICE
COMMISSION

IN RE: TARIFFS - ALLEN COUNTY WATER DISTRICT
Case No. 2009-00189

Dear Mr. Hinton:

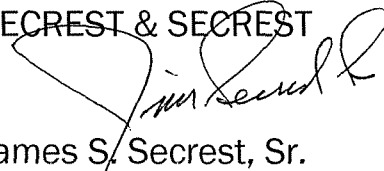
As requested in your e-mail, we have made the correction and return herewith ten (10) copies, together with the corrected Resolution.

Thank you for bringing this to our attention. We thought we had proofed it two or three times but apparently we overlooked that particular figure.

If you need anything else, don't hesitate to let us know. Thank you.

Yours truly,

SECRET & SECRET


James S. Secrest, Sr.

JSS;CBR
Enclosure
cc: ACWD

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00189

SHEET NO. _____

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

TARIFF AS TO INCREASE IN WHOLESALE WATER RATE

KRS 278.015(2) AND 807 KAR 5:068 provides essentially the manner in which a Water District may implement a Purchase Water Adjustment designed to recover the actual cost of water purchased by a Water District from a wholesale supplier.

The Allen County Water District purchases substantially all of its water from the Glasgow Water and Sewer Commission of Glasgow, Kentucky. By its Ordinance No. 2633, the City of Glasgow, Kentucky, established new rates for the Glasgow Water and Sewer Commission to charge increased new wholesale rates to be charged to its customers, including the Allen County Water District, effective July 1, 2008 (\$1.40 per 1,000 gallons to \$1.75 per 1,000 gallons) AND effective July 1, 2009 (\$1.75 per 1000 gallons to \$1.95 per 1,000 gallons). A copy of said Ordinance is attached hereto as a part hereof.

The Allen County Water District was notified of this increase by a letter from the Glasgow Water Company, dated May 16, 2008. A copy of said letter is filed herewith as a part hereof.

By Letter to the Allen County Water District from its Engineer, Kenvirons, Inc., dated July 25, 2008, the Water District t was informed as follows:

"The indication is that the district could absorb the increased purchased water cost relative to the \$1.75 per thousand gallons rated along with the adjustments to the 2007 expenses. Next year the rate will increase to \$1.95. Based on the same parameters, the purchased water cost will increase an additional \$69,092, which would cause a negative net income of approximately \$41,000. The above calculations do not consider any customer growth, which would generate a small amount of additional revenues. The conclusion is that the district would absorb the initial \$1.75 per thousand rate, but not the \$1.95 that is proposed to be effective next year. The \$1.75 rate results in an increase in customer rate of \$0.41 per thousand gallons. The \$1.95 rate result in an additional \$0.23 per thousand gallons for a total of \$0.64 per thousand gallons."

DATE OF ISSUE 06/17/09
Month / Date / Year

DATE EFFECTIVE 07/01/2009
Month / Date / Year

ISSUED BY John H. Jones
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00189 DATED _____

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00189

SHEET NO. _____

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

The current wholesale base rate of the City of Glasgow is \$1.75 per thousand gallons. The changed rate of the City of Glasgow is \$1.95 per thousand gallons, effective July 1, 2009, as shown on the City of Glasgow's Ordinance No. 2633.

The twelve month period upon which the purchased water adjustment is April, 2008 through March, 2009.

Gallons purchased by Allen County Water District from City of Glasgow during the 12 month period is 347,791,400; from the City of Scottsville is 8,943,800; a total of 356,735,200 gallons.

Total gallons sold by Allen County Water District for the 12 month period is 295,078,700. The annual increased water cost is \$69,558.28 [347,791,400 gallons x \$0.20 per 1000 gallons = \$69,558.28]. (\$1.95 less \$1.75 = \$0.20)

The purchased water adjustment factor is, therefore, \$0.24 per 1000 gallons (\$69,558.28 divided by 295,078.700 gallons = \$0.24 per 1000 gallons)

The adjusted rates effective July 1, 2009, are as follows:

	<u>ADJUSTED RATE</u>
First 2,000 gallons	\$17.47 (Min.)
Next 3,000 gallons	\$ 6.86 Per 1,000 Gals.
Next 5,000 gallons	\$ 5.81 Per 1,000 Gals.
Next 60,000 gallons	\$ 5.31 per 1,000 Gals.
Over 70,000 gallons	\$ 4.86 per 1,000 Gals.
 <u>Corps of Engineers</u>	
First 55,000 gallons	\$330.55 Minimum Bill
Next 15,000 gallons	\$ 5.31 per 1,000 gallons
Over 70,000 gallons	\$ 4.86 per 1,000 gallons

DATE OF ISSUE 06/17/09
Month / Date / Year

DATE EFFECTIVE 07/01/2009
Month / Date / Year

ISSUED BY John A. Jones
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00189 DATED _____

FOR ALLEN COUNTY, KENTUCKY
Community, Town or City

P.S.C. KY. NO. 2009-00189

SHEET NO. _____

ALLEN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

Mobile Home Parks

First 10,000 gallons	\$ 61.20 Minimum Bill
Next 60,000 gallons	\$ 5.31 per 1,000 gallons
Over 70,000 gallons	\$ 4.86 1,000 gallons

The calculation of the Wholesale Water Rate increase is attached hereto as a part hereof, marked Exhibit No. 1.

A copy of the Glasgow Water Company's Notices, dated May 16, 2008 and May 29, 2009 of the changed rates showing the effective dates of the increase are attached as Exhibit No. 2.

DATE OF ISSUE 06/17/09
Month / Date / Year

DATE EFFECTIVE 07/01/2009
Month / Date / Year

ISSUED BY John St. Jones
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2009-00189 DATED _____

CITY OF GLASGOW

ORDINANCE NO. 2633

AN ORDINANCE ESTABLISHING NEW RATES FOR THE GLASGOW WATER AND SEWER COMMISSION FOR WHOLESALE WATER RATE

THAT, WHEREAS, increasing operating expenses and capital demands have rendered the existing schedule of rates inadequate to properly provide for the operation, maintenance and expansion of the Glasgow Water and Sewer Commission; and

WHEREAS, the Glasgow Water and Sewer Commission has unanimously recommended that the wholesale water rate be increased, over a two (2) year period, to properly provide for the operation, maintenance and expansion of the Glasgow Water and Sewer Commission, a copy of the Commission's Resolution relating to same is attached hereto as Exhibit A;

NOW, THEREFORE, BE IT HEREBY ORDAINED by the City of Glasgow, Kentucky, as follows:

SECTION 1. The wholesale water rate set forth in Section 2 of this Ordinance shall become effective, and applied to, all bills rendered by the Glasgow Water and Sewer Commission for wholesale water purchases described in this Ordinance on and after July 1, 2008.

SECTION 2. On and after July 1, 2008, the wholesale water rate to be charged for wholesale water purchases are as follows:

All used: \$1.75 -- [~~\$1.40~~] per one thousand (1000) gallons.

SECTION 3. The wholesale water rate set forth in Section 4 of this Ordinance shall become effective, and applied to, all bills rendered by the Glasgow Water and Sewer Commission for wholesale water purchases described in this Ordinance on and after July



FOR Glasgow, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

Glasgow Water Company
(Name of Municipal Utility)

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

Original SHEET NO. 1

RATES AND CHARGES

WHOLESALE WATER RATE:

Effective July 1, 2008

Allen County Water District	\$1.75 per 1000 gallons
Fountain Run Water District	\$1.75 per 1000 gallons
Green River Valley Water District	\$1.75 per 1000 gallons
Warren County Water District	\$1.75 per 1000 gallons

Effective July 1, 2009

Allen County Water District	\$1.95 per 1000 gallons
Fountain Run Water District	\$1.95 per 1000 gallons
Green River Valley Water District	\$1.95 per 1000 gallons
Warren County Water District	\$1.95 per 1000 gallons

NOTE: This tariff page revises the rate of \$1.40 per 1000 gallons listed on the tariff page stamped effective by the PSC on May 1, 2003.

DATE OF ISSUE June 1, 2008
Month / Date / Year

DATE EFFECTIVE July 1, 2008
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

GLASGOW WATER COMPANY

BOARD OF COMMISSIONERS:
JERRY A. BOTTS, CHAIRMAN
BUDDY UNDERWOOD, VICE CHAIRMAN
WOODFORD L. GARDNER, JR., SECRETARY
JIM MARION, COUNCIL REPRESENTATIVE
DARRELL G. PICKETT, MEMBER-MAYOR

Glasgow Water and Sewer Commission

May 16, 2008

Allen County Water District
P.O. Box 58
Scottsville, KY 42164

RE: Wholesale Rate Increase

Dear Wholesale Customer:

Due to increased operating expenses the Glasgow Water and Sewer Commission has determined that our wholesale water rate must be increased. The current wholesale rate of \$1.40 per one thousand gallons has been in effect for over five years. The new rate will be an increase of 55 cents per one thousand gallons. However, the new rate will be phased over a two year period as follows: On July 1, 2008, the wholesale rate to be charged for water purchased on and after that date shall be \$1.75 per one thousand gallons. On July 1, 2009, the wholesale rate to be charged for water purchased on and after that date shall be \$1.95 per one thousand gallons.

The rate change will be effective July 1, 2008, however it will not appear on your bill until August, because it will apply only to water used after July 1, 2008.

A detailed rate analysis was performed to determine the necessary rate increase. The analysis addresses both wholesale and retail rates independently and examines expenses attributed to the wholesale rate. Approximately 34% of all water sold by the Glasgow Water Company provides service to our wholesale customers. The rate analysis indicates that the current rate is among the lowest in the state of Kentucky while the proposed rate is below the \$1.97 average of wholesale rates available on the Public Service Commission's website.

Enclosed you will find a Public Service Commission tariff sheet, a copy of the wholesale water rate ordinance, and a copy of the cost study analysis used to determine the new wholesale rate.

The Glasgow Water Company appreciates the great working relationship with your utility and will always work diligently with you in the supply of water to your customers. If you have any questions regarding the matter please contact me anytime.

Respectfully,



Scott Young, Manager
Glasgow Water Company

Received

MAY 20 2008

Allen Co. Water District



Glasgow Water Company

126 East Public Square - P.O. Box 819 - Glasgow, KY 42142-0819
Phone (270) 651-3727 - Fax (270) 651-1651 - www.glasgowh2o.com

May 29, 2009

Allen County Water District
PO Box 58
Scottsville, KY 42164

RE: Wholesale Rate Increase (Phase 2)

Dear Allen County Water District:

Last year the Glasgow Water Company had a wholesale rate increase due to increased operating expenses. The old rate of \$1.40 per one thousand gallons was raised by 55 cents per one thousand gallons of water. However, the rate increase was phased over a two year period as follows: On July 1, 2008, the wholesale rate was increased to \$1.75 per one thousand gallons to be charged for water purchased on and after that date. On July 1, 2009, the wholesale rate will increase to \$1.95 per one thousand gallons to be charged for water purchased on and after that date.

You are currently being charged the rate of \$1.75 per one thousand gallons and the second phase of the rate increase will raise the charge to \$1.95 per one thousand gallons. However it will not appear on your bill until August, because it will apply only to water used on or after July 1, 2009

A detailed rate analysis was performed to determine the necessary rate increase. The analysis addresses both wholesale and retail rates independently and examines expenses attributed to the wholesale rate. Approximately 34% of all water sold by the Glasgow Water Company provides service to our wholesale customers. The rate analysis indicates that the current rate is among the lowest in the state of Kentucky while the proposed rate is below the \$1.97 average of wholesale rates available on the Public Service Commission's website. The rate adjustment will allow the Glasgow Water Company to continue to provide quality, uninterrupted service to our wholesale customers.

Enclosed you will find an approved copy of a Public Service Commission tariff sheet

The Glasgow Water Company appreciates the great working relationship with your utility and will always work diligently with you in the supply of water to your customers. If you have any questions regarding the matter please contact me anytime.

Respectfully,

Jeffrey Reed, Finance Manager
Glasgow Water Company

Received
JUN 1 2009
Allen County Water District

FOR Glasgow, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

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

Original SHEET NO. 1

Glasgow Water Company
(Name of Municipal Utility)

RATES AND CHARGES

WHOLESALE WATER RATE:

Effective July 1, 2008

Allen County Water District	\$1.75 per 1000 gallons
Fountain Run Water District	\$1.75 per 1000 gallons
Green River Valley Water District	\$1.75 per 1000 gallons
Warren County Water District	\$1.75 per 1000 gallons

Effective July 1, 2009

Allen County Water District	\$1.95 per 1000 gallons
Fountain Run Water District	\$1.95 per 1000 gallons
Green River Valley Water District	\$1.95 per 1000 gallons
Warren County Water District	\$1.95 per 1000 gallons

NOTE: This tariff page revises the rate of \$1.40 per 1000 gallons listed on the tariff page stamped effective by the PSC on May 1, 2003.

DATE OF ISSUE June 1, 2008
Month / Date / Year

DATE EFFECTIVE July 1, 2008
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. n/a DATED n/a

Received
JUN 1 2009

Allen County Water District

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2008
PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

By [Signature]
Executive Director

RESOLUTION/ORDER OF THE BOARD OF COMMISSIONERS OF THE ALLEN COUNTY WATER DISTRICT FINALLY ADOPTING PURCHASED WATER ADJUSTMENT TARIFF, ADOPTED AT A SPECIAL MEETING OF THE ALLEN COUNTY WATER DISTRICT HELD ON JUNE 23, 2009 AT 11:00 A.M:

At its regular meeting on May 19, 2009, the Board of Commissioners adopted the following TARIFFS:

1. Purchased Water Adjustment Tariff increasing the Water Rates of the Allen County Water District commensurate with the increase in rates of its wholesale supplier, Glasgow Water Company (Glasgow's increase effective July 1, 2008) to recover the actual cost of water purchased. This ACWD increase is effective June 30, 2009. KRS 278.015 AND 807 KAR 5:068. This Tariff was approved by the Public Service Commission of Kentucky by its Order dated June 16, 2009, Case No. 2009-00188.

2. Purchased Water Adjustment Tariff increasing the Water Rates of the Allen County Water District commensurate with the increase in rates of its wholesale supplier, Glasgow Water Company (Glasgow's increase effective July 1, 2009) to recover the actual cost of water purchased. This ACWD increase is effective July 1, 2009. KRS 278.015 AND 807 KAR 5:068. This Tariff was approved by the Public Service Commission of Kentucky by its Order dated June 17, 2009, Case No. 2009-00189.

NOW, THEREFORE, the Purchased Water Adjustment Tariffs originally adopted by the Board of Commissioners of the Allen County Water District on May 19, 2009, having been approved by the Public Service Commission of Kentucky by Orders entered on June 16, 2009 (Case No. 2009-00188) and on June 17, 2009 (Case No. 2009-00189) are hereby finally adopted by the Board of Commissioners of the Allen County Water District.

Pursuant to KRS 275.015 (2) AND 807 KAR 5:068(3) and the Orders of the Public Service Commission, the Allen County Water District shall file within 20 days with the Public Service Commission of Kentucky revised Tariff Sheets containing the approved rates.

The adjusted monthly rates effective **June 30, 2009**, are as follows:

<u>All Meter Sizes</u>	<u>EXISTING RATE</u>	<u>ADJUSTED RATE</u>
First 2,000 gallons	\$16.17 (Min.)	\$16.99 (Min)
Next 3,000 gallons	\$ 6.21 Per 1,000 Gals.	\$ 6.62 Per 1,000 Gals.
Next 5,000 gallons	\$ 5.16 per 1,000 Gals.	\$ 5.57 Per 1,000 Gals.
Next 60,000 gallons	\$ 4.66 per 1,000 Gals.	\$ 5.07 per 1,000 Gals.
Over 70,000 gallons	\$ 4.21 per 1,000 Gals.	\$ 4.62 per 1,000 Gals.
 <u>Corps of Engineers</u>		
First 55,000 gallons		\$317.35 Minimum Bill
Next 15,000 gallons		\$ 5.07 per 1,000 gallons
Over 70,000 gallons		\$ 4.62 per 1,000 gallons
 <u>Mobile Home Parks</u>		
First 10,000 gallons		\$ 58.80 Minimum Bill
Next 60,000 gallons		\$ 5.07 per 1,000 gallons
Over 70,000 gallons		\$ 4.62 per 1,000 gallons

The adjusted monthly rates effective July 1, 2009, are as follows:

All Meter Sizes

First 2,000 gallons
Next 3,000 gallons
Next 5,000 gallons
Next 60,000 gallons
Over 70,000 gallons

ADJUSTED RATE

\$17.47 (Min.)
\$ 6.86 Per 1,000 Gals.
\$ 5.81 Per 1,000 Gals.
\$ 5.31 per 1,000 Gals.
\$ 4.86 per 1,000 Gals.

Corps of Engineers

First 55,000 gallons
Next 15,000 gallons
Over 70,000 gallons

\$330.55 Minimum Bill
\$ 5.31 per 1,000 gallons
\$ 4.86 per 1,000 gallons

Mobile Home Parks

First 10,000 gallons
Next 60,000 gallons
Over 70,000 gallons

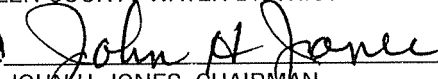
\$ 61.20 Minimum Bill
\$ 5.31 per 1,000 gallons
\$ 4.86 1,000 gallons

The Chairman of the Board, Mr. John H. Jones, is hereby authorized, directed and empowered to sign the revised Tariff Sheets containing the approved rates..

The Resolution was put to a vote. There 4 ayes and 0 nays, and the Chairman declared the Resolution adopted.

ALLEN COUNTY WATER DISTRICT

BY



JOHN H. JONES, CHAIRMAN

ATTEST



SECRETARY