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Campbellsburg, KY 40011  
Telephones:  
(502) 532-6279 • (502) 532-6280  
1-800-256-2350  
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(502) 532-0027



Water Treatment Plant:  
3278 Morton Ridge Road  
Bedford, Ky 40006  
Telephone:  
(502) 255-0126  
Fax:  
(502) 255-0347

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40601

2009-00445

RECEIVED  
NOV 16 2009  
PUBLIC SERVICE  
COMMISSION

RE: Application for Approval of Non-recurring Charges

Enclosed please find an original and ten (10) copies of an application from Henry County Water District #2 to increase certain nonrecurring charges. These charges are assessed only to customers who cause the utility to incur the expense. An example is a reconnection fee for a customer that had their service disconnected for nonpayment of a bill.

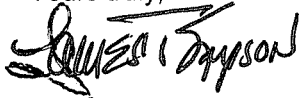
As set out in KRS 5:001, Section 10 the following information is included below in support of the application:

- (1) Cost justification for the proposed rates and description of the service provided is included in this filing. The proposed rates cover incremental costs.
- (2) A copy of the public notice is enclosed along with an affidavit wherein the newspaper will publish the notice for 3 (three) consecutive weeks.
- (3) A copy of the notice and this application has been mailed to the Office of the Attorney General, 1024 Capital Center Drive, Frankfort, Ky 40401.
- (4) Henry County's last rate case was in 1996. Henry County is planning to file a general rate case in November of this year. Henry County is installing radio read meters which necessitates this request. The current 5/8-inch connection fee is \$575.00. In order to recover the cost of the radio read meters, the proposed charge is \$1,250.00. Henry County cannot afford to wait until a Commission decision is made on the general rate case for its increase in non-recurring charges.
- (5) The customers that will be affected by this increase in connection fee are new connections made by Henry County. Other proposed non-recurring charges in this application will have an impact only on those customers who cause Henry County to incur the expense.
- (6) A copy of Henry County's annual report showing its income statement and balance sheet is included in this filing. The 2008 annual report is on file with the Kentucky Public Service Commission.
- (7) The additional revenue from this filing will not exceed five (5) percent of total revenues provided by all miscellaneous and non-recurring charges for the recent twelve (12) month period.
- (8) No more than two (2) tariff filings under this procedure has been filed with the PSC.

Page 2 of 2  
Non-recurring charge application

Henry County cannot absorb the increased cost of the radio read meters, the connection/turn on fee and the reconnect fee, therefore, Henry County requests that the non-recurring charges set out in this application be approved on and after January 1, 2010.

Yours truly,

A handwritten signature in black ink, appearing to read "James T. Simpson". The signature is stylized with a large, sweeping initial "J" and "S".

James T. Simpson  
Chief Operating Officer  
Henry County Water District #2

## NOTICE

Henry County Water District No. #2 has filed an application with the Public Service Commission to increase certain non-recurring charges for water service, on and after January 1, 2010. The increased charges are the connection/turn on fee, the reconnection fee and the 5/8 inch meter installation fee.

ALL NON-RECURRING CHARGES	Current	Proposed
Connection/Turn On	25.00	35.00
Late Payment Penalty	10%	10%
Collection of Delinquent Accounts	25.00	25.00
Meter Relocation	Actual Cost	Actual Cost
Meter Reread	25.00	25.00
Meter Test	20.00	20.00
Reconnection	25.00	35.00
Returned Check/Bank Draft	25.00	25.00
Broken Lock Fee		Actual Cost
New Meter Installation Fee 5/8"	575.00	1,250.00
Larger than 5/8 Inch	Actual Cost	Actual Cost

The rates contained in this notice are the rates proposed by Henry County Water District #2. However, the Public Service Commission may order rates to be charged that are higher or lower than these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person may by motion within thirty days after publication of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Blvd., PO Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application by contacting the applicant at the District's office at (502) 532-6280. A copy of the application shall be made available for public inspection at the office of the utility.

FOR Henry County  
Community, Town or City

P.S.C. KY. NO. 2

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

Henry County Water District #2  
(Name of Utility)

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

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

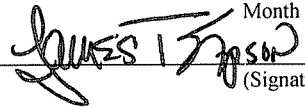
CONTENTS

Non-recurring Charges

Connection/turn On	\$35.00	(I)
Field Charge	25.00	
Collection of Delinquent Accounts	25.00	
Meter Relocation	Actual Cost	
Meter Reread	25.00	
Meter Test	20.00	
Reconnection	35.00	(I)
Returned Check	25.00	
Broken Lock Fee	Actual Cost	
New Meter Installation 5/8"	\$1,250.00	(I)
Larger than 5/8 Inch	Actual Cost	

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

DATE EFFECTIVE January 1, 2010

ISSUED BY   
Month / Date / Year  
(Signature of Officer)

TITLE CHIEF OPERATING OFFICER

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

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection Charge  
CONNECTION/TURN ON

1. Field Expense:

A. Materials (Itemize)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

B. Labor (Time and Wage)

1 hr labor @ \$20.00 20.00

Total Field Expense \$ 20.00

2. Clerical and Office Expense

A. Supplies \$ \_\_\_\_\_

B. Labor 3.00

Total Clerical and Office Expense \$ 3.00

3. Miscellaneous Expense

A. Transportation \$ 9.00

B. Other (Itemize)

gas  
2 gallons @ \$2.50 each 5.00

Total Miscellaneous Expense \$ 12.00

Total Nonrecurring Charge Expense \$ 35.00

**AVERAGE METER CONNECTION EXPENSE  
COST JUSTIFICATION**

Name of Utility HENRY Co. WATER DISTRICT #2

The following is an itemization of expenses for providing a metered service connection.

**A. Meter Size**

5/8-Inch     3/4-Inch     1-Inch     1 1/2 -Inch     2-Inch

Other (specify) \_\_\_\_\_

**B. Materials Expense**

	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1. Water Meter BADGER - Radio READ	<u>1</u>	<u>148</u>	<u>148</u>
2. Meter Yoke	<u>1</u>	<u>105.10</u>	<u>105.10</u>
3. Corporation Stop	<u>1</u>	<u>34.40</u>	<u>34.40</u>
4. Meter Box and Top	<u>1</u>	<u>51.50</u>	<u>51.50</u>
5. Miscellaneous Fittings TAPPING SADDLE & INSERT STIFFENERS	<u>1</u>	<u>41.00</u>	<u>41.00</u>
6. Other (Itemize)			
_____			
_____			
_____			

TOTAL MATERIALS EXPENSE \$ 386.00  
(add total cost)

**C. Service Pipe Expense**

Type of Service Pipe P.E. TUBING Size of Service Pipe 1"

	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>30'</u>	<u>11.70</u>	<u>11.70</u>
2. Long Side Service	<u>100'</u>	<u>36.00</u>	<u>36.00</u>
AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2)			<u>\$ 23.85</u>

**D. Installation Labor Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service (2) EMPLOYEES	<u>2</u>	<u>48.54</u>	<u>97.08</u>
2. Long Side Service (3) EMPLOYEES	<u>5</u>	<u>74.31</u>	<u>371.85</u>
AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2)			<u>\$ 234.46</u>

**E. Installation Equipment Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2</u>	<u>122</u>	<u>244</u>
2. Long Side Service	<u>5</u>	<u>122</u>	<u>610</u>
AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2)			<u>\$ 427</u>

**F. Installation Miscellaneous Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	_____	_____	_____
2. Site Clean-Up (2) EMPLOYEES & EQUIPMENT	<u>1</u>	<u>160.54</u>	<u>160.54</u>
3. Other	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE \$ \_\_\_\_\_  
(add total cost)

**G. Overhead Expense**

1. Installation expense (\$ \_\_\_\_\_) times  
overhead rate (\_\_\_\_%) \$ -0-

**H. Administrative Expense**

1. Office expense for establishing a new account  
and billing record. \$ 25.00

**I. Total Expenses**

Materials Expense	\$ <u>386.00</u>
Service Pipe Expense	<u>23.85</u>
Installation Labor Expense	<u>234.46</u>
Installation Equipment Expense	<u>421.00</u>
Installation Miscellaneous Expense	<u>160.54</u>
Overhead Expense	_____
Administrative Expense	<u>25.00</u>

**TOTAL CONNECTION EXPENSE \$ 1256.85**



## KY Public Service Commission

### **Utility Type: Water Districts Period: 1/1/2008**

#### Henry County Water District #2

- Balance Sheet - Assets and Other Debits
- Balance Sheet - Equity Capital and Liabilities
- Comparative Operating Statement

**23000 Henry County Water District #2**

**Balance Sheet - Assets and Other Debits (Ref Pg. 7)**

	<b>Previous Year</b>	<b>Current Year</b>
<b>UTILITY PLANT</b>		
Utility Plant (101-106)	\$25,277,525.00	\$26,221,163.00
Less: Accumulated Depreciation and Amortization (108-110)	\$10,527,962.00	\$11,269,572.00
<b>Net Plant</b>	<b>\$14,749,563.00</b>	<b>\$14,951,591.00</b>
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
<b>Total Net Utility Plant</b>	<b>\$14,749,563.00</b>	<b>\$14,951,591.00</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
<b>Net Nonutility Property</b>		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)	\$1,242,354.00	\$1,549,693.00
Other Special Funds (127)		
<b>Total Other Property and Investments</b>	<b>\$1,242,354.00</b>	<b>\$1,549,693.00</b>
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash (131)	\$929,023.00	\$729,547.00
Special Deposits (132)		
Other Special Deposits (133)	\$986,326.00	\$420,336.00
Working Funds (134)		
Temporary Cash Investments (135)	\$560,982.00	\$183,958.00
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$429,784.00	\$422,805.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	\$72,798.00	\$74,868.00
Stores Expense (161)		
Prepayments (162)	\$14,212.00	\$20,525.00
Accrued Interest and Dividends Receivable (171)	\$27,269.00	\$10,921.00
Rents Receivable (172)		
Accrued Utility Revenues (173)		

Misc. Current and Accrued Assets (174)		\$348,250.00
<b>Total Current and Accrued Assets</b>	<b>\$3,020,394.00</b>	<b>\$2,211,210.00</b>
<b>DEFERRED DEBITS</b>		
Unamortized Debt Discount and Expense (181)	\$249,708.00	\$242,255.00
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
<b>Total Deffered Debits</b>	<b>\$249,708.00</b>	<b>\$242,255.00</b>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$19,262,019.00</b>	<b>\$18,954,749.00</b>

## 23000 Henry County Water District #2

### Balance Sheet - Equity Capital and Liabilities (Ref Pg. 9)

	Previous Year	Current Year
<b>EQUITY CAPITAL</b>		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	\$3,320,323.00	\$3,065,634.00
Donated Capital (215.2)	\$5,264,872.00	\$5,745,582.00
<b>Total Equity Capital</b>	<b>\$8,585,195.00</b>	<b>\$8,811,216.00</b>
<b>LONG-TERM DEBT</b>		
Bonds (221)	\$9,888,000.00	\$9,556,000.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$526,000.00	\$217,808.00
<b>Total Long Term Debt</b>	<b>\$10,414,000.00</b>	<b>\$9,773,808.00</b>
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Accounts Payable (231)	\$61,845.00	\$213,698.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$102,945.00	\$77,500.00
Accrued Taxes (236)		
Accrued Interest (237)	\$20,901.00	\$1,091.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$20,259.00	\$18,947.00
Misc. Current and Accrued Liabilities (242)	\$47,784.00	\$57,289.00
<b>Total Current and Accrued Liabilities</b>	<b>\$253,734.00</b>	<b>\$368,525.00</b>
<b>DEFERRED CREDITS</b>		
Unamortized Premium on Debt (251)		
Advances for Construction (252)	\$9,090.00	\$1,200.00
Other Deferred Credits (253)		
<b>Total Deferred Credits</b>	<b>\$9,090.00</b>	<b>\$1,200.00</b>
<b>OPERATING RESERVES</b>		
<b>Accumulated Provision For:</b>		
Property Insurance (261)		

Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
<b>Total Operating Reserves</b>		<b>\$0.00</b>
<b>Total Equity Capital and Liabilities</b>	<b>\$19,262,019.00</b>	<b>\$18,954,749.00</b>

## 23000 Henry County Water District #2

### Comparative Operating Statement (Ref Pg. 11)

	Previous Year	Current Year
<b>UTILITY OPERATING INCOME</b>		
Operating Revenues (400)	\$3,191,579.00	\$3,001,054.00
Operating Expenses (401)	\$1,973,105.00	\$2,005,373.00
Depreciation Expenses (403)	\$812,907.00	\$807,322.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$52,985.00	\$56,345.00
<b>Utility Operating Expenses</b>	<b>\$2,838,997.00</b>	<b>\$2,869,040.00</b>
<b>Utility Operating Income</b>	<b>\$352,582.00</b>	<b>\$132,014.00</b>
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)	\$3,746.00	
<b>Total Utility Operating Income</b>	<b>\$356,328.00</b>	<b>\$132,014.00</b>
<b>OTHER INCOME AND DEDUCTIONS</b>		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$117,432.00	\$111,787.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		
Miscellaneous Nonutility Expenses (426)		
<b>Total Other Income and Deductions</b>	<b>\$117,432.00</b>	<b>\$111,787.00</b>
<b>TAXES APPLICABLE TO OTHER INCOME</b>		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
<b>INTEREST EXPENSE</b>		
Interest Expense (427)	\$523,908.00	\$491,037.00
Amortization of Debt Discount and Exp. (428)	\$7,453.00	\$7,453.00
Amortization of Premium on Debt (429)		
<b>Total Interest Expense</b>	<b>\$531,361.00</b>	<b>\$498,490.00</b>
<b>EXTRAORDINARY ITEMS</b>		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

<b>Total Extraordinary Items</b>		<b>\$0.00</b>
<b>NET INCOME BEFORE CONTRIBUTIONS</b>	<b>(\$57,601.00)</b>	<b>(\$254,689.00)</b>

**Affidavit of Publication**

I, Jonna Spelbring Priester, do hereby certify that I am the General Manager of the Henry County Local, a newspaper published weekly in New Castle, Kentucky. I further certify that the following advertisement(s) appeared in the Henry County Local:

Henry Co. Water Dist #2

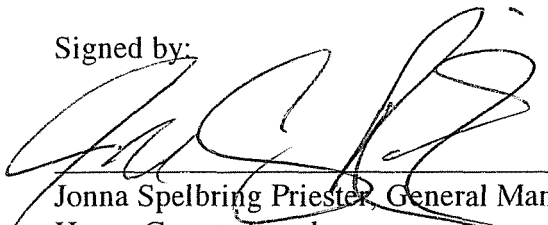
Said items were published on the following date(s):

10-28-09

11-4-09

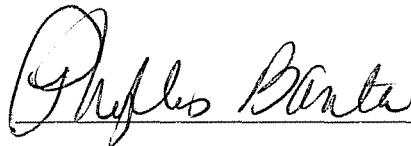
11-11-09

Signed by:

  
\_\_\_\_\_  
Jonna Spelbring Priester, General Manager  
Henry County Local

11/11/09  
\_\_\_\_\_  
Date

Subscribed and sworn before me this 11 day of November, 2009.

  
\_\_\_\_\_

Notary Public

My commission expires on 8-20-2010.



