

RECEIVED

SEP 08 2010

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF WATER RATES FOR)
MUHLENBERG COUNTY WATER) CASE NO. _____
DISTRICT #3)

Comes the Applicant, Muhlenberg County Water District #3, pursuant to KRS 278.180 and 807 KAR 5:001, Sections 8 and 10, gives notice to the Kentucky Public Service Commission of its intent to increase its water rates so as to raise in total additional annual revenues the principal sum of \$45,122. In support of this application, Applicant files the following information as required by the applicable KAR as so stated.

807 KAR 5:001:

Section 8(1)

Pursuant to KRS 278.180, Applicant with the mailing address of Muhlenberg County Water District #3, PO Box 67, Bremen, Kentucky, 42325 is hereby requesting that the Commission allow it to increase its rates charged for water service.

Section 8(2)

Included herein are the original and ten (10) copies of the application.

Section 10(1)(b)(1)

The rate adjustment is needed to provide financial resources to pay operating costs and service long-term debt.

Section 10(1)(b)(2)

Applicant has filed its 2009 annual report with the Commission as well as annual reports for all prior years of operation.

Section 10(1)(b)(3)

Applicant is a water district organized pursuant to KRS Chapter 74 and has no articles of incorporation.

Section 10(1)(b)(4) and (5)

Applicant is not a limited partnership.

Section 10(1)(b)(6)

A certified copy of a certificate of assumed name is not necessary in this instance.

Section 10(1)(b)(7)

The proposed tariffs are attached hereto as Attachment I.

Section 10(1)(b)(8)

A comparison of the present and proposed tariffs is attached hereto as Attachment H.

Section 10(1)(b)(9)

Applicant has provided notice to its customers as required by 807 KAR 5:001, Sections (3) and (4).

Section 10(2)

30 day prior notice to the Public Service Commission is not required. The gross annual revenues of the Applicant do not exceed \$1,000,000.

Section 10(6)(a)

A complete description and quantified explanation for all proposed adjustments to test year operations is included as a part of this application as Attachment B.

Section 10(6)(b) and (c)

No testimony is required. Applicant's gross annual revenues do not exceed \$1,000,000. Applicant does not intend to submit testimony.

Section 10(6)(d)

The proposed rates will produce additional annual revenues of \$45,122 over normalized revenues.

Section 10(6)(e)

The impact of the rate increase on a residential customer using 5,000 gallons is calculated in Attachment F of this application.

Section 10(6)(f)

Applicant is not a local exchange company.

Section 10(6)(g)

A summary of Applicant's billing analysis is attached hereto as Attachments D and E. Attachment F is the cost of service study used to determine the proposed rate structure.

Section 10(6)(h)

Applicant's revenue requirement was determined using the operating ratio as detailed in Attachment A.

Section 10(6)(i)

Rate base and weighted cost of capital calculations were not performed as Applicant used the operating ratio to determine its revenue requirements.

Section 10(6)(j)

Applicant's chart of accounts is not more detailed than those contained in the applicable Uniform Systems of Accounts.

Section 10(6)(k)

The 2008 auditor's report with the required reports on internal controls was filed with the Commission.

Section 10(6)(l)

Applicant does not file with the Federal Energy Regulatory Commission.

Section 10(6)(m)

Applicant does not file with the Federal Energy Regulatory Commission.

Section 10(6)(n)

A formal depreciation study has never been performed by Muhlenberg County; however, during the process of preparing this application Muhlenberg County reviewed the depreciable lives assigned to each asset category and compared them to the lives recommended by the National Association of Regulatory Utility Commissioners ("NARUC"). This comparison revealed that some of the lives used by Muhlenberg County were not within the NARUC recommended ranges. Muhlenberg County has revised its depreciation schedule to bring all depreciable lives into the NARUC recommended ranges. To account for these changes in depreciable lives Muhlenberg County applied the remaining life method for determining the annual depreciation expense in the pro forma. The calculation appears in Attachment C, Page 1. The original depreciation schedule is included in this application at Attachment C, Pages 2-11.

Section 10(6)(o)

Microsoft Word and Excel were used to develop this application.

Section 10(6)(p)

No prospectus has ever been prepared.

Section 10(6)(q)

All annual reports have been filed with the Commission.

Section 10(6)(r)

Applicant does not prepare monthly managerial reports.

Section 10(6)(s)

Applicant does not file with the Securities and Exchange Commission.

Section 10(6)(t)

Applicant had no transactions with affiliates during the test year or the two years previous.

Section 10(6)(u)

Applicant's revenues are less than \$5,000,000.

Section 10(6)(v)

Applicant is not a local exchange carrier.

Section 10(7)(a)

A pro forma operating statement is attached hereto as Attachment B.

Section 10(7)(b)

Applicant has not prepared a capital construction budget.

Section 10(7)(c)

All plant and related depreciation adjustments are detailed in Attachments B and C as attached hereto.

Section 10(7)(d)

Applicant does not prepare monthly operating budgets.

Section 10(7)(e)

All revenue adjustments are detailed in Attachment B as attached hereto.

Section 10(3)(a)

See Attachment F as attached hereto for a comparison of the increase in each rate increment.

Section 10(3)(b)

See Attachment F of this Application for a comparison of present and proposed rates.

Section 10(3)(c)

See Attachment F as attached hereto for the effect upon the average bill for each customer class.

Section 10(3)(d)

Applicant is not a local exchange company.

Section 10(4)

A copy of the customer notice is included as Attachment G. The notice will run for three consecutive weeks in the prominent publications of our service territory.

Wherefore, Applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its order authorizing Applicant to increase its water rates so as to raise \$45,122 in additional annual revenue.

Respectfully submitted,

Donald F. Garrett

Muhlenberg County Water District #3
PO Box 67
Bremen, Kentucky, 42325



Hon. Steve Lamb, Attorney for
Muhlenberg County Water District #3

ATTACHMENT A
MUHLENBERG COUNTY WATER DISTRICT #3
REVENUE REQUIREMENT

Muhlenberg Water District #3
 Calculation of Revenue Requirement
 TYE 12/31/08

Attachment A

Pro forma operating expenses before taxes	\$ 869,546
Divide by: Operating ratio	<u>88%</u>
Total revenue required before taxes	988,121
Less: Pro forma operating expenses before taxes	<u>(869,546)</u>
Net income allowed after taxes	118,575
Multiply by: Tax gross up factor	<u>1</u>
Net operating income before taxes	118,575
Plus: Operating expenses before taxes	<u>869,546</u>
Revenue Requirement	<u>\$ 988,121</u>
Revenue Requirement	\$ 988,121
Less: Normalized Other Operating Revenue	(29,857)
Non-Operating Income	<u>(20,296)</u>
Required Operating Revenue from Rates	<u>\$ 937,968</u>
Less: Normalized Revenue from Rates	<u>\$ 892,846</u>
Recommended Increase/(Decrease)	\$ 45,122
Percent Increase	<u>5.05%</u>

ATTACHMENT B
MUHLENBERG COUNTY WATER DISTRICT #3
PRO FORMA OPERATING STATEMENT

	Test Year	Adjustment	Ref.	Pro forma
Operating Revenues				
Sales of Water				
Residential Customers	543,850	88,593	A	632,443
Commercial Customers	140,082	-		140,082
Sales for Resale	120,321	-		120,321
Total Sales of Water	804,253	88,593		892,846
Other Revenue				
Forfeited Discounts	17,680	-		17,680
Misc Service Revenues	12,177	-		12,177
Other Water Revenues	93	(93)	B	0
Total Other Revenue	29,950	(93)		29,857
Total Operating Revenues	834,203	88,500		922,703
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	189,639	18,715	C	208,354
Salaries and Wages - Officers	18,000	-		18,000
Employee Pensions and Benefits	68,574	2,119	D	70,693
Purchased Water	375,745	9,352	E	385,097
Purchased Power	20,453	437	F	20,890
Materials and Supplies	23,048	1,347	G	24,395
Contractual Services - Acct.	5,500	500	H	6,000
Contractual Services - Other	23,197	(9,679)	I	13,518
Rental Equipment	31	(31)	J	(0)
Transportation Expenses	13,565	(3,595)	K	9,970
Insurance - Vehicle	3,389	48	L	3,437
Insurance - General Liability	6,288	42	M	6,330
Insurance - Worker's Comp	6,051	(624)	N	5,427
Insurance - Other	102	-		102
Advertising Expenses	1,785	(1,105)	O	680
Bad Debt	1,249	2,708	P	3,957
Miscellaneous Expenses	11,759	(1,442)	Q	10,317
Total Operation and Maintenance Expenses	768,375	18,792		787,167
Depreciation	77,735	(13,694)	R	64,041
Taxes Other than Income	20,094	(1,756)	S	18,338
Total Operating Expenses	866,204	3,342		869,546
Utility Operating Income	(32,001)	85,158		53,157
Plus: Interest and Dividend Income	31,313	(11,017)	T	20,296
Income Available to Service Debt	\$ (688)	74,141		\$ 73,453

A
Normalized revenue as determined by Staff

B
Normalized revenue as determined by Staff

C
Increase in cost of the Salaries and Wages - Employees account from the 2008 Annual Report to the 2009 Annual Report, along with the addition of a new hire at \$7.25/hr times 20 hours weekly which comes out to \$7,540 for the year.

2009 Salaries and Wages - Employees	\$ 200,814
2008 Salaries and Wages - Employees	<u>189,639</u>
Increase in cost of Salaries and Wages - Employees	<u>11,175</u>
New Hire @ \$7.25/hr X 20 hrs weekly	7,540
Total increase in Salaries and Wages - Employees	<u><u>\$ 18,715</u></u>

D
Increase in the cost of the Employee Pensions and Benefits account from the 2008 Annual Report to the 2009 Annual Report.

2009 Employee Pensions and Benefits expense	\$ 70,693
2008 Employee Pensions and Benefits expense	<u>68,574</u>
Increase in cost of Employee Pensions and Benefits	<u><u>\$ 2,119</u></u>

E
This adjustment eliminates the cost of water purchased in excess of the Commission's allowable lines loss limitation of 15 percent.

Unaccounted for Water Loss Percentage

Water Sales	208,491,000
Water Treatment Plant	1,000
System Flushing	23,000
Fire Department	69,000
Other	0
Total Water Sold and Used	<u>208,584,000</u>
Unaccounted for Water Loss - Gallons	<u>(208,584,000)</u>
Percentage of Unaccounted for Water Loss	<u>21.268%</u>
Percentage Water Loss in Excess of 15 Percent	<u><u>6.268%</u></u>

Determination of Pro Forma Purchased Water

Pro Forma Water Sales	208,491,000
Add: System Flushing	1,000
Subtotal	<u>208,492,000</u>
Divided by: 15% Line Loss Reciprocal	85.00%
Allowable Purchases/Production	<u><u>245,284,706</u></u>
Test-Period Purchases	264,928,000
Divided by: Water Produced/Purchased	<u>264,928,000</u>
Percentage of Purchases	<u>100.000%</u>

Allowable Purchases/Production	245,284,706
Multiplied by: Percentage of Purchases	<u>100.000%</u>
Allowable Purchases	<u>245,284,706</u>

Purchased Water Cost per 1,000 Gal

Allowable Purchases	245,284.706
Multiplied by: Purchased Water per 1,000 Gallons	<u>1.57</u>
Pro Forma Purchased Water Expense	<u>\$ 385,097</u>
2009 Pro Forma Purchased Water Expense	\$ 385,097
2008 Purchased Water expense	<u>375,745</u>
Increase in the cost of Purchased Water	<u>\$ 9,352</u>

F

Increase in the cost of the Purchased Power account from the 2008 Annual Report to the 2009 Annual Report.

2009 Purchased Power expense	\$ 20,890
2008 Purchased Power expense	<u>20,453</u>
Increase in the cost of Purchased Power	<u>\$ 437</u>

G

Increase in the cost of the Materials and Supplies account from the 2008 Annual Report to the 2009 Annual Report.

2009 Materials and Supplies expense	\$ 24,395
2008 Materials and Supplies expense	<u>23,048</u>
Increase in cost of Materials and Supplies	<u>\$ 1,347</u>

H

Increase in the cost of the Contractual Services - Acct. account from the 2008 Annual Report to the 2009 Annual Report.

2009 Contractual Services - Acct. expense	\$ 6,000
2008 Contractual Services - Acct. expense	<u>5,500</u>
Increase in the cost of Contractual Services - Acct.	<u>\$ 500</u>

I

Decrease in the cost of the Contractual Services - Other account from the 2008 Annual Report to the 2009 Annual Report. For 2009, the expenses associated with Contractual Services - Other were relocated to Contractual Services - Water Testing.

2009 Contractual Services - Water Testing expense	\$ 13,518
2008 Contractual Services - Other expense	<u>23,197</u>
Decrease in the cost of Contractual Services - Other	<u>\$ (9,679)</u>

J

Decrease in the cost of the Rental Equipment account from the 2008 Annual Report to the 2009 Annual Report.

2009 Rental Equipment expense	\$ -
2008 Rental Equipment expense	<u>31</u>
Decrease in the cost of Rental Equipment	<u><u>\$ (31)</u></u>

K

Decrease in the cost of the Transportation Expenses account from the 2008 Annual Report to the 2009 Annual Report.

2009 Transportation Expenses	\$ 9,970
2008 Transportation Expenses	<u>13,565</u>
Decrease in the cost of Transportation Expenses	<u><u>\$ (3,595)</u></u>

L

Increase in the cost of the Insurance - Vehicle account from the 2008 Annual Report to the 2009 Annual Report.

2009 Insurance - Vehicle expense	\$ 3,437
2008 Insurance - Vehicle expense	<u>3,389</u>
Increase in cost of Insurance - Vehicle	<u><u>\$ 48</u></u>

M

Increase in the cost of the Insurance - General Liability account from the 2008 Annual Report to the 2009 Annual Report.

2009 Insurance - General Liability expense	\$ 6,330
2008 Insurance - General Liability expense	<u>6,288</u>
Increase in the cost of Insurance - General Liability	<u><u>\$ 42</u></u>

N

Decrease in the cost of the Insurance - Worker's Comp account from the 2008 Annual Report to the 2009 Annual Report.

2009 Insurance - Worker's Comp expense	\$ 5,427
2008 Insurance - Worker's Comp expense	<u>6,051</u>
Decrease in the cost of Insurance - Worker's Comp	<u><u>\$ (624)</u></u>

O

Decrease in the cost of the Advertising Expenses account from the 2008 Annual Report to the 2009 Annual Report.

2009 Advertising Expenses	\$ 680
2008 Advertising Expenses	<u>1,785</u>
Decrease in the cost of Advertising Expenses	<u><u>\$ (1,105)</u></u>

P

Increase in the cost of Bad Debt from the 2008 Annual Report to the 2009 Annual Report.

2009 Bad Debt expense	\$ 3,957
2009 Bad Debt expense	<u>1,249</u>
Increase in the cost of Bad Debt	<u><u>\$ 2,708</u></u>

Q

Decrease in the cost of the Miscellaneous Expenses account from the 2008 Annual Report to the 2009 Annual Report.

2009 Miscellaneous Expenses	\$ 10,317
2008 Miscellaneous Expenses	<u>11,759</u>
Decrease in the cost of Miscellaneous Expenses	<u><u>\$ (1,442)</u></u>

R

Test year depreciation has been decreased by \$13,694. A decrease of \$5,976 is due to the change in the estimated service lives and the remaining decrease of \$7,718 is due to the decrease in depreciation expense from the 2008 Annual Report to the 2009 depreciation schedule as provided by the utility. The adjustments were made to the average life as recommended by the National Association of Regulatory Utility Commissioners (NARUC) using the straight line, remaining life method.

2009 Depreciation Expense, according to the depreciation schedule as provided by the utility	70,017
2008 Depreciation Expense	<u>77,735</u>
Decrease in Depreciation Expense	<u>(7,718)</u>
Adjustment made to the 2009 Depreciation Expense	(5,976)
Total decrease in Depreciation Expense	<u><u>(13,694)</u></u>

S

Decrease in the cost of the Taxes Other than Income account from the 2008 Annual Report to the 2009 Annual Report.

2009 Taxes Other than Income expense	\$ 18,338
2008 Taxes Other than Income expense	<u>20,094</u>
Increase in the cost of Taxes Other than Income	<u><u>\$ (1,756)</u></u>

T

Decrease in the Interest and Dividend Income from the 2008 Annual Report to the 2009 Annual Report.

2009 Interest and Dividend Income	\$ 20,296
2008 Interest and Dividend Income	<u>31,313</u>
Decrease in Interest and Dividend Income	<u><u>\$ (11,017)</u></u>

ATTACHMENT C
MUHLENBERG COUNTY WATER DISTRICT #3
DEPRECIATION

Muhlenberg County Water District #3
 Depreciation Schedule
 TYPE 12/31/09

	Date	Life	Cost	Acc Dep	Dep Expense	Left to be Depreciated	Years Depreciated	New Life	Years Left	New Dep Expense	Dep taken in 2009	Difference
304 - Structures & Improvements												
Impeller Pump/Labor	7/1/03	10	969	630	97	339	5.50	20	14.50	23	97	(74)
Three A/C Units-Pumpstations	8/10/05	10	897	396	90	501	5.58	20	14.42	35	90	(55)
311 - Pumping Equipment												
Pump/Installation	3/15/04	10	1,471	858	147	613	4.16	20	15.84	39	147	(108)
Tapping Valve	8/6/08	10	1,183	168	118	1,015	1.42	20	18.58	55	118	(64)
Pump - Cherry Hills	5/6/09	15	5,260	234	351	5,026	0.66	20	19.34	260	234	(190)*
330 - Distribution Reservoir & Standpipe												
Tank 1 Refurbishment	10/11/09	20	102,495	1,281	5,125	101,214	0.16	40	39.84	2,541	1,281	(858)*
Tank 2 Refurbishment	10/11/09	20	103,480	1,294	5,174	102,186	0.16	40	39.84	2,565	1,294	(867)*
304 - Structures and Improvements												
Roof - Office Building	10/5/05	12	2,734	968	228	1,766	4.25	20	15.75	112	228	(116)
343 - Tools, Shop, Garage Equipment												
Bobcat 250 Welder	7/27/05	10	2,854	1,284	285	1,570	4.50	15	10.50	149	285	(136)
5 X 10 A Frame Trail	9/7/05	10	585	254	59	332	4.33	15	10.67	31	59	(27)
Acetylene Torch & Accesories	5/17/06	5	789	566	158	224	3.58	15	11.42	20	158	(138)
Bushhog	8/23/06	10	1,000	333	100	667	3.33	15	11.67	57	100	(43)
Acetylene Torch & Accesories	12/18/07	5	647	259	129	388	3.00	15	12.00	32	129	(97)
Metal Detector	1/23/08	5	150	58	30	92	1.92	15	13.08	7	30	(23)
347 - Miscellaneous Equipment												
Cub Cadet Mower	9/19/07	5	1,840	828	368	1,012	2.25	10	7.75	131	368	(237)
341 - Transportation												
2007 Ford Ranger	2/28/07	5	12,016	6,809	2,403	5,207	2.83	7	4.17	1,249	2,403	(1,155)
2008 F350 Truck	4/23/08	5	23,794	7,931	4,759	15,863	1.66	7	5.34	2,971	4,759	(1,788)
Net decrease in Depreciation											(4,060)	

*For the three items added to the depreciation schedule in 2009, the difference in depreciation was calculated by taking the new depreciation expense and prorating it for the same amount of time as the item has been in service, then subtracting the new expense from the expense taken at the end of 2009.

- The depreciable lives of the following highlighted items have been adjusted

Attachment B
2 of 11

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 1

Am	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 1 304.2 STRUCT & IMPRV/SRC												
1	1	STRUCTURES & IMPROVEMENTS	07/01/80	N	SL	40	2,265.94	0.00	0.00	1,615.58	56.65	1,672.23
2	1	AIR CONDITIONER/PUMPSTATION	07/01/97	N	SL	10	477.00	0.00	0.00	477.00	0.00	477.00
3	1	PUMP/PUMPSTATION	07/01/98	N	SL	10	120.00	0.00	0.00	120.00	0.00	120.00
4	1	SOUTH CARROLTON PUMP STATION	07/01/99	N	SL	40	17,769.39	0.00	0.00	4,220.22	444.23	4,664.45
5	1	IMPELLER PUMP/LABOR	07/01/03	N	SL	10	969.24	0.00	0.00	533.07	96.92	629.99
6	1	THREE A/C UNITS-PUMPSTATIONS	08/10/05	N	SL	10	897.00	0.00	0.00	306.48	89.70	396.18
Group # 1 Total							<u>22,498.57</u>	<u>0.00</u>	<u>0.00</u>	<u>7,272.35</u>	<u>687.50</u>	<u>7,959.85</u>
Group # 2 311.2 PUMPING EQUIPMENT												
1	1	ELECTRIC PUMPING EQUIPMENT	07/01/78	N	SL	40	23,475.00	0.00	0.00	22,888.02	586.88	23,474.90
2	1	ELECTRIC PUMPING EQUIPMENT	07/01/79	N	SL	40	1,971.00	0.00	0.00	1,703.62	49.28	1,752.90
3	1	CONTROL PANEL FOR BOOSTER	07/01/95	N	SL	20	7,690.59	0.00	0.00	5,191.15	384.53	5,575.68
4	1	TWO PUMPS/ACCESSORIES	07/01/98	N	SL	20	7,950.50	0.00	0.00	4,174.03	397.53	4,571.56
5	1	BOOSTER STATION PUMP	07/01/98	N	SL	10	169.64	0.00	0.00	169.15	0.00	169.15
6	1	BOOSTER STATION MOTOR	07/01/99	N	SL	10	168.43	0.00	0.00	160.00	8.00	168.00
7	1	BOOSTER STATION PUMPS	07/01/00	N	SL	10	801.95	0.00	0.00	681.67	80.20	761.87
8	1	PUMPS/PACKING	07/01/00	N	SL	10	383.36	0.00	0.00	325.87	38.34	364.21
9	1	PUMPING EQUIPMEN	07/01/01	N	SL	10	1,119.12	0.00	0.00	839.33	111.91	951.24
10	1	2HP PUMP MOTOR-GISHTON BOOSTER	07/01/03	N	SL	10	276.71	0.00	0.00	152.19	27.67	179.86
11	1	SUMP PUMP-CHERRY HILL STATION	07/01/03	N	SL	10	123.09	0.00	0.00	67.70	12.31	80.01
12	1	RADIO TELEMETRY SYSTEM	11/15/89	N	*SOLD*	20	4,250.00	0.00	0.00	4,072.92	123.96	4,196.88
13	1	PUMP/INSTALLATION	03/15/04	N	SL	10	1,470.96	0.00	0.00	710.97	147.10	858.07
14	1	TAPPING VALVE	08/06/08	N	SL	10	1,182.84	0.00	0.00	49.29	118.28	167.57
15	1	PUMP-CHERRY HILL S	05/06/09	N	SL	15	5,259.78	0.00	0.00	0.00	233.77	233.77
16	1	IMPELLER	11/02/09	N	SL	10	278.00	0.00	0.00	0.00	4.63	4.63
17	1	IMPELLER	11/24/09	N	SL	10	291.84	0.00	0.00	0.00	2.43	2.43
Sub-Total							<u>56,862.81</u>	<u>0.00</u>	<u>0.00</u>	<u>41,185.91</u>	<u>2,326.82</u>	<u>43,512.73</u>
Less: Assets Sold							<u>4,250.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,072.92</u>	<u>123.96</u>	<u>4,196.88</u>
Group # 2 Total							<u>52,612.81</u>	<u>0.00</u>	<u>0.00</u>	<u>37,112.99</u>	<u>2,202.86</u>	<u>39,315.85</u>
Group # 3 304.4 STRUCT & IMPRV/TRAN												
1	1	STRUCTURES & IMPROVEMENTS	07/01/78	N	SL	40	5,976.00	0.00	0.00	5,820.60	149.40	5,970.00
2	1	STRUCTURE & IMPROVEMENT	07/01/79	N	SL	40	21,505.00	0.00	0.00	15,808.02	537.63	16,345.65
3	1	STRUCTURE & IMPROVEMENT	07/01/81	N	SL	40	714.00	0.00	0.00	491.40	17.85	509.25

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 2

am	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 3 304 4 STRUCT & IMPRV/TRAN (Continued)												
4	1	STRUCTURE & IMPROVEMENT	07/01/82	N	SL	40	953.73	0.00	0.00	632.15	23.84	655.99
5	1	TWO BOOSTER STATIONS & PUMPS	09/15/96	N	SL	20	29,179.11	0.00	0.00	17,993.80	1,458.96	19,452.76
6	1	ADDITION BOOSTER STATION COST	07/01/97	N	SL	20	185.86	0.00	0.00	106.86	9.29	116.15
Group # 3 Total							58,513.70	0.00	0.00	40,852.83	2,196.97	43,049.80
Group # 4 330 4 DIST RESER & STDPIP												
1	1	DIST & RESERVOIRS	07/01/78	N	SL	40	23,488.00	0.00	0.00	22,897.80	587.20	23,485.00
2	1	DIST RESERVOIR	07/01/79	N	SL	40	75,289.94	0.00	0.00	55,336.98	1,882.25	57,219.23
3	1	PAINTING TWO TAN	07/01/90	N	*SOLD*	10	13,700.00	0.00	0.00	13,700.00	0.00	13,700.00
4	1	TANK REFURBISHED	07/01/03	N	SL	40	16,420.00	0.00	0.00	2,257.75	410.50	2,668.25
5	1	TANK REFURBISHED	07/01/03	N	SL	40	16,420.00	0.00	0.00	2,257.75	410.50	2,668.25
6	1	TANK 1 REFURBISHE	10/11/09	N	SL	20	102,495.00	0.00	0.00	0.00	1,281.19	1,281.19
7	1	TANK 2 REFURBISHE	10/11/09	N	SL	20	103,480.00	0.00	0.00	0.00	1,293.50	1,293.50
Sub-Total							351,292.94	0.00	0.00	96,450.28	5,865.14	102,315.42
Less: Assets Sold							13,700.00	0.00	0.00	13,700.00	0.00	13,700.00
Group # 4 Total							337,592.94	0.00	0.00	82,750.28	5,865.14	88,615.42
Group # 5 331 4 TRANS & DIST MAINS												
1	1	TRANS & DIST MAINS	07/01/78	N	SL	65	307,795.00	0.00	0.00	290,095.56	640.99 F	290,736.55
2	1	TRANS & DIST MAINS	07/01/79	N	SL	65	377,695.00	0.00	0.00	267,745.51	3,215.56 F	270,961.07
3	1	TRANS & DIST MAINS	07/01/80	N	SL	65	11,165.00	0.00	0.00	7,667.69	99.16 F	7,766.85
4	1	TRANS & DIST MAINS	07/01/81	N	SL	65	18,664.00	0.00	0.00	12,359.50	173.16 F	12,532.66
5	1	TRANS & DIST MAINS	07/01/82	N	SL	65	136,079.00	0.00	0.00	86,760.24	1,318.26 F	88,078.50
6	1	TRANS & DIST MAINS	07/01/83	N	SL	65	58,154.00	0.00	0.00	35,645.46	585.08 F	36,230.54
7	1	TRANS & DIST MAINS	07/01/84	N	SL	65	52,911.00	0.00	0.00	31,127.25	551.17 F	31,678.42
8	1	TRANS & DIST MAINS	07/01/85	N	SL	65	12,153.22	0.00	0.00	6,850.05	130.72 F	6,980.77
9	1	TRANS & DIST MAINS	07/01/86	N	SL	65	40,295.29	0.00	0.00	21,717.71	446.45 F	22,164.16
10	1	TRANS & DIST MAINS	07/01/87	N	SL	65	26,379.76	0.00	0.00	13,566.41	300.44 F	13,866.85
11	1	TRANS & DIST MAINS	07/01/88	N	SL	65	26,483.74	0.00	0.00	12,965.63	309.46 F	13,275.09
12	1	FIRE MAINS	07/01/78	N	SL	65	16,460.00	0.00	0.00	15,634.06	30.83 F	15,664.89
13	1	TRANS & DIST MAINS	07/01/89	N	SL	65	71,915.80	0.00	0.00	33,430.26	860.69 F	34,290.95
14	1	TRANS & DIST MAINS	07/01/90	N	SL	65	21,015.02	0.00	0.00	9,249.23	257.21 F	9,506.44
15	1	TRANS & DIST MAINS	07/01/92	N	SL	65	8,281.27	0.00	0.00	3,234.95	105.59 F	3,340.54
16	1	TRANS & DIST MAINS	07/01/93	N	SL	65	11,948.00	0.00	0.00	4,371.48	155.21 F	4,526.69
17	1	TRANS & DIST MAINS	07/01/94	N	SL	65	4,409.80	0.00	0.00	1,504.21	58.30 F	1,562.51
18	1	TRANS & DIST MAINS	07/01/95	N	SL	65	5,380.43	0.00	0.00	1,701.99	72.33 F	1,774.32
19	1	TRANS & DIST MAINS	07/01/96	N	SL	65	6,942.13	0.00	0.00	2,023.92	94.81 F	2,118.73
20	1	SACRAMENTO WATER LINE	09/15/96	N	SL	65	48,879.27	0.00	0.00	14,050.47	671.34 F	14,721.81
21	1	TRANS & DIST MAINS	07/01/97	N	SL	65	9,049.30	0.00	0.00	2,413.89	125.46 F	2,539.35
22	1	GISHTON LINE	07/01/97	N	SL	65	2,822.10	0.00	0.00	752.79	39.12 F	791.91
23	1	TRANS & DIST MAINS	07/01/98	N	SL	65	15,547.30	0.00	0.00	3,761.62	218.63 F	3,980.25
24	1	TRANS & DIST MAINS	07/01/99	N	SL	65	14,902.36	0.00	0.00	3,235.88	212.42 F	3,448.30
25	1	SWAMP REPLACEME LINE	07/01/99	N	SL	65	32,571.34	0.00	0.00	7,072.50	464.28 F	7,536.78
26	1	TRANS & DIST MAINS	07/01/00	N	SL	65	22,205.34	0.00	0.00	4,270.62	320.64 F	4,591.26
27	1	TRANS & DIST MAINS	07/01/01	N	SL	65	16,702.64	0.00	0.00	2,797.75	244.17 F	3,041.92
28	1	TRANS & DIST MAINS	07/01/02	N	SL	65	19,995.04	0.00	0.00	2,852.83	295.76 F	3,148.59
29	1	TRANS & DIST MAINS	07/01/03	N	SL	65	16,384.40	0.00	0.00	1,930.80	245.09 F	2,175.89
30	1	TRANS & DIST MAINS	07/01/04	N	SL	65	10,149.71	0.00	0.00	943.97	153.47 F	1,097.44

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 3

Am	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 5 331 4 TRANS & DIST MAINS (Continued)												
31	1	TRANS & DIST MAINS	07/01/05	N	SL	65	38,155.30	0.00	0.00	2,600.75	582.93 F	3,183.68
32	1	TRANS & DIST MAINS	07/01/06	N	SL	65	26,475.86	0.00	0.00	1,146.78	408.51 F	1,555.29
33	1	LINES-CHERRY HILL POINTE	07/01/06	N	SL	65	9,404.82	0.00	0.00	407.36	145.11 F	552.47
34	1	LINE INSTALLATION	07/01/06	N	SL	65	4,984.00	0.00	0.00	215.88	76.90 F	292.78
35	1	TRANS & DIST MAINS	07/01/07	N	SL	65	9,168.58	0.00	0.00	211.59	141.06	352.65
36	1	TRANS & DIST MAINS	07/01/07	N	SL	65	1,896.48	0.00	0.00	43.77	29.18	72.95
37	1	431 PROJECT	10/18/07	N	SL	65	20,727.31	0.00	0.00	372.03	318.88	690.91
38	1	HWY 175 PROJECT	12/01/07	N	SL	65	246,235.20	0.00	0.00	4,103.92	3,788.23	7,892.15
39	1	TRANS & DIST MAINS	07/01/08	N	SL	65	3,442.34	0.00	0.00	26.48	52.96	79.44
40	1	HWY 175 PROJECT	07/01/08	N	SL	65	10,660.18	0.00	0.00	82.00	164.00	246.00
41	1	TRANS & DIST MAINS	07/01/09	N	SL	65	3,467.24	0.00	0.00	0.00	26.67	26.67
Group # 5 Total							1,797,953.57	0.00	0.00	910,944.79	18,130.23	929,075.02
Group # 6 334 4 METERS & INSTALL												
1	1	METERS & INSTALLATION	07/01/78	N	SL	40	91,036.00	0.00	0.00	88,760.60	2,275.00	91,035.60
2	1	METERS & INSTALLATION	07/01/79	N	SL	40	58,875.00	0.00	0.00	43,274.02	1,471.88	44,745.90
3	1	METERS & INSTALLATIONS	07/01/79	N	SL	40	9,322.00	0.00	0.00	6,851.20	233.05	7,084.25
4	1	METERS & INSTALLATION	07/01/80	N	SL	40	5,896.00	0.00	0.00	4,199.60	147.40	4,347.00
5	1	METERS & INSTALLATION	07/01/81	N	SL	40	4,499.00	0.00	0.00	3,091.42	112.48	3,203.90
6	1	METERS & INSTALLATION	07/01/82	N	SL	40	11,601.00	0.00	0.00	7,685.62	290.03	7,975.65
7	1	METERS & INSTALLATION	07/01/83	N	SL	40	11,227.00	0.00	0.00	7,158.22	280.68	7,438.90
8	1	METERS & INSTALLATION	07/01/84	N	SL	40	8,203.00	0.00	0.00	5,024.82	205.08	5,229.90
9	1	METERS & INSTALLATION	07/01/85	N	SL	40	12,879.90	0.00	0.00	7,566.95	322.00	7,888.95
10	1	METERS & INSTALLATION	07/01/86	N	SL	40	6,843.27	0.00	0.00	3,849.34	171.08	4,020.42
11	1	METERS & INSTALLATION	07/01/87	N	SL	40	9,433.29	0.00	0.00	9,433.08	0.21 F	9,433.29
12	1	METERS & INSTALLATION	07/01/88	N	SL	40	3,994.88	0.00	0.00	3,809.40	14.27 F	3,823.67
13	1	METERS & INSTALLATION	07/01/89	N	SL	40	4,663.48	0.00	0.00	4,223.63	26.50 F	4,250.13
14	1	METERS & INSTALLATION	07/01/90	N	SL	40	4,644.43	0.00	0.00	3,983.11	35.34 F	4,018.45
15	1	METERS & INSTALLATION	07/01/91	N	SL	40	3,799.44	0.00	0.00	3,075.17	35.62 F	3,110.79
16	1	METERS & INSTALLATION	07/01/92	N	SL	40	5,209.51	0.00	0.00	3,964.44	57.30 F	4,021.74
17	1	METERS & INSTALLATION	07/01/93	N	SL	40	8,293.34	0.00	0.00	5,910.01	104.67 F	6,014.68
18	1	METERS & INSTALLATION	07/01/94	N	SL	40	4,670.81	0.00	0.00	3,100.90	64.87 F	3,165.77
19	1	METERS & INSTALLATION	07/01/95	N	SL	40	13,576.07	0.00	0.00	8,351.70	206.07 F	8,557.77
20	1	METERS & INSTALLATION	07/01/96	N	SL	40	9,983.75	0.00	0.00	5,654.59	163.53 F	5,818.12

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 4

Am	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 6 334 4 METERS & INSTALL (Continued)												
23	1	METERS & INSTALLATION	07/01/99	N	SL	40	11,365.97	0.00	0.00	4,768.38	221.99 F	4,990.37
24	1	FOUR INCH METE-CAL MAINE	07/01/99	N	SL	40	2,977.88	0.00	0.00	1,249.31	58.16 F	1,307.47
25	1	METERS & INSTALLATION	07/01/00	N	SL	40	15,717.41	0.00	0.00	5,822.59	321.49 F	6,144.08
26	1	METERS & INSTALLATION	07/01/01	N	SL	40	13,391.80	0.00	0.00	4,303.11	285.56 F	4,588.67
27	1	METERS 7 INSTALLATION	07/01/02	N	SL	40	26,036.06	0.00	0.00	7,085.52	576.51 F	7,662.03
28	1	METERS & INSTALLATION	07/01/03	N	SL	40	12,262.42	0.00	0.00	2,733.49	281.01 F	3,014.50
29	1	METERS & INSTALLATION	07/01/04	N	SL	40	11,021.72	0.00	0.00	3,254.38	223.41 F	3,477.79
30	1	METERS & INSTALLATION	07/01/05	N	SL	40	15,986.59	0.00	0.00	3,155.24	357.59 F	3,512.83
31	1	METERS & INSTALLATION	07/01/06	N	SL	40	22,548.16	0.00	0.00	2,240.36	549.25 F	2,789.61
32	1	METERS & INSTALL	07/01/07	N	SL	40	16,274.68	0.00	0.00	610.30	406.87	1,017.17
33	1	431 PROJECT	10/18/07	N	SL	40	275.82	0.00	0.00	8.05	6.90	14.95
34	1	METERS & INSTALLATION	07/01/97	N	SL	40	8,082.97	0.00	0.00	4,182.93	141.45 F	4,324.38
36	1	METERS & INSTALLATIONS	07/01/08	N	SL	40	16,375.57	0.00	0.00	204.69	409.39	614.08
37	1	METERS & INSTALLA	07/01/98	N	SL	40	8,433.21	0.00	0.00	3,951.37	156.42 F	4,107.79
38	1	METERS & INSTALLA	07/01/98	N	*SOLD*	40	8,800.00	0.00	0.00	4,123.22	81.62 F	4,204.84
39	1	METERS & INSTALLA	07/01/09	N	SL	40	18,500.62	0.00	0.00	0.00	231.26	231.26
Sub-Total							496,702.05	0.00	0.00	276,660.76	10,525.94	287,186.70
Less: Assets Sold							8,800.00	0.00	0.00	4,123.22	81.62	4,204.84
Group # 6 Total							487,902.05	0.00	0.00	272,537.54	10,444.32	282,981.86
Group # 7 335 4 HYDRANTS												
1	1	HYDRANTS	07/01/78	N	SL	40	443.00	0.00	0.00	430.82	11.08	441.90
2	1	FIRE HYDRANT	07/01/86	N	SL	40	915.00	0.00	0.00	514.70	22.88	537.58
3	1	HYDRANTS	07/01/88	N	SL	40	1,259.49	0.00	0.00	645.49	31.49	676.98
4	1	HYDRANTS	07/01/89	N	SL	40	3,495.32	0.00	0.00	1,703.96	87.38	1,791.34
5	1	HYDRANTS	07/01/90	N	SL	40	2,273.00	0.00	0.00	1,051.28	56.83	1,108.11
6	1	HYDRANTS	07/01/91	N	SL	40	1,737.42	0.00	0.00	760.14	43.44	803.58
7	1	HYDRANT	07/01/92	N	SL	40	482.28	0.00	0.00	198.95	12.06	211.01
8	1	HYDRANT	07/01/97	N	SL	40	315.00	0.00	0.00	90.58	7.88	98.46
9	1	REBUILT 4 1/2" HYDRANT	07/01/01	N	SL	40	425.00	0.00	0.00	79.70	10.63	90.33
10	1	5 1/2" HYDRANT	07/01/01	N	SL	40	1,360.63	0.00	0.00	255.13	34.02	289.15
11	1	4" HYDRANT	07/01/01	N	SL	40	872.49	0.00	0.00	163.59	21.81	185.40
12	1	FIRE HYDRANT	07/01/01	N	SL	40	500.00	0.00	0.00	93.75	12.50	106.25
13	1	TWO FIRE HYDRANT	07/01/02	N	SL	40	1,740.58	0.00	0.00	282.83	43.51	326.34
14	1	3WAY, 3FT BURY HYDRANT	07/01/03	N	SL	40	911.60	0.00	0.00	125.35	22.79	148.14
15	1	TWO 4FT BURY, 3WAY HYDRANTS	10/15/04	N	SL	40	1,603.08	0.00	0.00	170.34	40.08	210.42
16	1	4'6" BURY, 3WAY HYDRANT	12/15/04	N	SL	40	984.56	0.00	0.00	100.49	24.61	125.10
17	1	HYDRANTS	07/12/06	N	SL	40	3,442.86	0.00	0.00	215.18	86.07	301.25
18	1	HYDRANTS	09/05/06	N	SL	40	408.91	0.00	0.00	23.85	10.22	34.07

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 5

um	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 7 335 4 HYDRANTS (Continued)												
19	1	THREE FIRE HYDRANTS-CHERRY HILL	07/01/06	N	SL	40	3,135.75	0.00	0.00	195.98	78.39	274.37
20	1	HWY 175 PROJECT	12/01/07	N	SL	40	3,527.00	0.00	0.00	95.53	88.18	183.71
21	1	ADAPTOR	05/21/09	N	SL	10	67.62	0.00	0.00	0.00	3.94	3.94
Group # 7 Total							29,900.59	0.00	0.00	7,197.64	749.79	7,947.43
Group # 8 304 5 STRUCT & IMPRV/GEN												
1	1	OFFICE BUILDING	07/01/80	N	SL	40	18,007.00	0.00	0.00	12,829.22	450.18	13,279.40
2	1	OFFICE BLDG ADDITION	07/01/86	N	SL	40	22,025.05	0.00	0.00	12,389.10	550.63	12,939.73
3	1	CHAIN LINK FENCE	07/01/86	N	SL	20	800.29	0.00	0.00	800.25	0.00	800.25
4	1	NEW ROOF	10/15/89	N	SL	12	4,350.00	0.00	0.00	4,350.00	0.00	4,350.00
5	1	BUILDING IMPROVEMENTS	07/01/91	N	SL	40	11,692.70	0.00	0.00	5,115.57	292.32	5,407.89
6	1	STORAGE BUILDING	07/01/91	N	SL	20	6,390.41	0.00	0.00	5,591.61	319.52	5,911.13
7	1	STEEL WORK BENCH	10/15/93	N	SL	10	130.68	0.00	0.00	130.68	0.00	130.68
8	1	STORAGE BLDG IMPROVEMENTS	07/01/97	N	SL	20	281.38	0.00	0.00	161.80	14.07	175.87
9	1	FURNACE	07/01/98	N	SL	10	2,775.00	0.00	0.00	2,775.00	0.00	2,775.00
10	1	SHOP GAS FURNACE/INSTALLATION	07/01/01	N	SL	10	1,198.00	0.00	0.00	898.50	119.80	1,018.30
11	1	ROOF-OFFICE BUILDING	10/05/05	N	SL	12	2,734.26	0.00	0.00	740.53	227.86	968.39
12	1	DOOR-BUILDING	05/05/05	N	SL	20	170.00	0.00	0.00	31.17	8.50	39.67
13	1	NEW ROOF-OFFICE BLDG	10/15/08	N	SL	20	4,700.00	0.00	0.00	58.75	235.00	293.75
Group # 8 Total							75,254.77	0.00	0.00	45,872.18	2,217.88	48,090.06
Group # 9 340 5 OFFICE FURN & EQUIP												
1	1	DESK & FILE	07/01/78	N	SL	10	551.00	0.00	0.00	551.00	0.00	551.00
2	1	CHAIRS, TABLE, STOOL	07/01/80	N	SL	10	58.00	0.00	0.00	58.00	0.00	58.00
3	1	EIGHT CHAIRS	07/01/80	N	SL	10	766.00	0.00	0.00	766.00	0.00	766.00
4	1	DESK	07/01/80	N	SL	10	60.00	0.00	0.00	60.00	0.00	60.00
5	1	CONFERENCE TABLE	07/01/80	N	SL	10	265.00	0.00	0.00	265.00	0.00	265.00
6	1	COAT RACK	07/01/80	N	*SOLD*	10	55.00	0.00	0.00	55.00	0.00	55.00
7	1	DESK & PEDESTAL	07/01/81	N	SL	10	85.00	0.00	0.00	85.00	0.00	85.00
8	1	FILE CABINET	07/01/82	N	SL	10	155.00	0.00	0.00	155.00	0.00	155.00
9	1	FILE CABINET	07/01/84	N	SL	10	145.00	0.00	0.00	145.00	0.00	145.00
10	1	FIRE PROOF FILE	07/01/84	N	SL	10	785.00	0.00	0.00	785.00	0.00	785.00
11	1	COMPUTER TABLE	07/01/85	N	SL	10	50.00	0.00	0.00	50.00	0.00	50.00
12	1	CHAIR	08/15/85	N	SL	10	35.00	0.00	0.00	35.00	0.00	35.00
13	1	FOUR CHAIRS	07/01/86	N	SL	10	80.00	0.00	0.00	80.00	0.00	80.00
14	1	TABLE	07/01/86	N	SL	5	25.00	0.00	0.00	25.00	0.00	25.00
15	1	CARD CABINET	07/01/86	N	SL	10	50.00	0.00	0.00	50.00	0.00	50.00
16	1	DRAFTING TABLE	07/01/86	N	SL	5	35.00	0.00	0.00	35.00	0.00	35.00
17	1	SHOP DESK	07/01/87	N	SL	5	50.00	0.00	0.00	50.00	0.00	50.00
18	1	HEATER FAN	03/15/88	N	SL	3	15.00	0.00	0.00	15.00	0.00	15.00
19	1	ANSWERING MACHIN	09/15/88	N	*SOLD*	3	94.46	0.00	0.00	94.46	0.00	94.46
22	1	REALISTIC TAPE RECORDER	07/01/94	N	*SOLD*	5	39.99	0.00	0.00	39.99	0.00	39.99
23	1	TWO SECRETARIAL CHAIRS	07/01/94	N	SL	7	226.18	0.00	0.00	226.18	0.00	226.18

3/2010
1:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 6

um	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 9 340.5 OFFICE FURN & EQUIP (Continued)												
24	1	MISC A/R SOFTWARE	07/01/94	N	SL	5	395.00	0.00	0.00	395.00	0.00	395.00
25	1	COMSHARE 750 SWITCHER	07/01/94	N	*SOLD*	5	132.44	0.00	0.00	132.44	0.00	132.44
26	1	CASH REGISTER	07/01/95	N	SL	5	571.90	0.00	0.00	571.90	0.00	571.90
27	1	CALCULATOR	07/01/95	N	SL	5	49.87	0.00	0.00	49.87	0.00	49.87
28	1	CARPET & TILE	06/15/96	N	SL	10	1,429.18	0.00	0.00	1,429.18	0.00	1,429.18
29	1	SAFE WHEELS	08/15/96	N	SL	5	169.00	0.00	0.00	169.00	0.00	169.00
30	1	TIME CLOCK	11/15/96	N	*SOLD*	5	279.99	0.00	0.00	279.99	0.00	279.99
31	1	CANON COPIER	07/01/97	N	SL	5	658.31	0.00	0.00	658.31	0.00	658.31
33	1	OKIDATA 395 PRINTER	07/01/98	N	*SOLD*	5	1,395.00	0.00	0.00	1,395.00	0.00	1,395.00
34	1	HP DESKJET 722C	07/01/98	N	SL	5	299.99	0.00	0.00	299.99	0.00	299.99
35	1	TWO OFFICE CHAIRS	07/01/00	N	SL	5	159.98	0.00	0.00	159.98	0.00	159.98
36	1	HEWLETT PACKARD FAX MACHINE	07/01/01	N	SL	5	407.00	0.00	0.00	407.00	0.00	407.00
37	1	DESK	07/01/02	N	SL	5	55.00	0.00	0.00	55.00	0.00	55.00
38	1	OLYMPIA TYPEWRIT	07/01/03	N	SL	5	499.00	0.00	0.00	499.00	0.00	499.00
39	1	ALTOS 301 COMPUTE	07/01/03	N	SL	5	2,995.00	0.00	0.00	2,995.00	0.00	2,995.00
40	1	LASER T630 PRINTER	07/01/03	N	SL	5	1,695.00	0.00	0.00	1,695.00	0.00	1,695.00
41	1	COMPUTER	07/01/03	N	SL	5	1,295.00	0.00	0.00	1,295.00	0.00	1,295.00
42	1	UTILITY MGT SYS/HARDWARE	10/15/04	N	SL	4	8,831.50	0.00	0.00	8,831.50	0.00	8,831.50
43	1	SOFTWARE	12/15/04	N	SL	10	4,615.00	0.00	0.00	1,884.44	461.50	2,345.94
44	1	SOFTWARE	12/15/04	N	SL	10	347.00	0.00	0.00	141.69	34.70	176.39
45	1	COMPUTER	12/15/04	N	SL	4	625.59	0.00	0.00	625.23	0.00	625.23
46	1	UTILITY MGT SYS/SOFTWARE	10/15/04	N	SL	10	8,137.50	0.00	0.00	3,458.44	813.75	4,272.19
47	1	FIRE PROOF FILE CABINET	01/19/05	N	SL	20	1,598.95	0.00	0.00	319.80	79.95	399.75
48	1	HP 1040 INKJET FAX MACHINE	08/30/05	N	SL	5	99.98	0.00	0.00	68.33	20.00	88.33
49	1	COMPAC PRESARIO DESKTOP COMPUTER	01/25/06	N	SL	5	611.88	0.00	0.00	356.94	122.38	479.32
50	1	ACER NOTEBOOK COMPUTER	03/29/06	N	SL	5	692.14	0.00	0.00	380.68	138.43	519.11
51	1	CANON D320 COPIER	03/29/06	N	SL	5	317.97	0.00	0.00	174.88	63.59	238.47
52	1	FIRE PROOF FILE CABINET	04/05/06	N	SL	20	865.00	0.00	0.00	118.94	43.25	162.19
53	1	MONITOR	04/17/07	N	SL	5	139.99	0.00	0.00	46.67	28.00	74.67
54	1	HP COMPUTER	03/19/08	N	SL	5	1,541.39	0.00	0.00	231.21	308.28	539.49
55	1	COMPUTER HARDDRIVE	05/07/08	N	SL	5	215.33	0.00	0.00	28.71	43.07	71.78
56	1	DRAFTING STOOL	05/28/08	N	SL	10	102.50	0.00	0.00	5.98	10.25	16.23
57	1	MONITOR	06/25/08	N	SL	5	214.97	0.00	0.00	21.50	42.99	64.49
58	1	COMPUTER ACCESSORY	03/25/09	N	SL	5	270.96	0.00	0.00	0.00	40.64	40.64
59	1	TIME CLOCK	05/06/09	N	SL	10	244.52	0.00	0.00	0.00	16.30	16.30
Sub-Total							45,584.46	0.00	0.00	32,807.23	2,267.08	35,074.31
Less: Assets Sold							1,996.88	0.00	0.00	1,996.88	0.00	1,996.88
Group # 9 Total							43,587.58	0.00	0.00	30,810.35	2,267.08	33,077.43

3/2010
1:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 7

Item	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 10 343 5 TOOLS, SHOP, GRG EQ												
1	1	TOOLS, SHOP, GARAGE EQUIP	07/01/78	N	SL	10	2,178.00	0.00	0.00	2,178.00	0.00	2,178.00
2	1	METER CLEANING VATS	07/01/81	N	SL	10	47.00	0.00	0.00	47.00	0.00	47.00
3	1	CI 8" PIPE CUTTER	07/01/82	N	SL	10	554.00	0.00	0.00	554.00	0.00	554.00
4	1	TORCH	07/01/82	N	SL	4	69.00	0.00	0.00	69.00	0.00	69.00
5	1	LAWN MOWER	07/01/82	N	*SOLD*	4	110.00	0.00	0.00	110.00	0.00	110.00
6	1	TAPPING MACHINE	07/01/84	N	SL	10	250.00	0.00	0.00	250.00	0.00	250.00
7	1	SMALL HAND TOOLS	07/01/86	N	SL	5	303.39	0.00	0.00	303.39	0.00	303.39
8	1	DOLLY	07/01/86	N	SL	10	57.05	0.00	0.00	57.05	0.00	57.05
9	1	VALVE BOX LOCATOR	03/15/87	N	SL	10	265.00	0.00	0.00	265.00	0.00	265.00
10	1	GAS ENGINE PUMP	08/15/87	N	SL	5	328.46	0.00	0.00	328.46	0.00	328.46
11	1	LAWN MOWER	09/15/87	N	*SOLD*	4	120.00	0.00	0.00	120.00	0.00	120.00
12	1	WEEDEATER	07/01/89	N	SL	4	162.46	0.00	0.00	162.46	0.00	162.46
13	1	GRINDER	07/01/91	N	SL	5	226.71	0.00	0.00	226.71	0.00	226.71
14	1	USED REFRIGERATOR	07/01/92	N	SL	5	50.00	0.00	0.00	50.00	0.00	50.00
15	1	DRILL PRESS	11/15/93	N	SL	5	238.45	0.00	0.00	238.45	0.00	238.45
16	1	WELDER	11/15/93	N	SL	5	211.99	0.00	0.00	211.99	0.00	211.99
18	1	MISC TOOLS & SHOP EQUIP	07/01/96	N	SL	5	1,886.24	0.00	0.00	1,886.24	0.00	1,886.24
19	1	MISC TOOLS & SHOP EQUIP	07/01/97	N	SL	5	1,952.66	0.00	0.00	1,952.66	0.00	1,952.66
20	1	VARIOUS TOOLS	07/01/99	N	SL	5	478.00	0.00	0.00	478.00	0.00	478.00
21	1	TRUCK TOOL BOX	07/01/00	N	SL	5	199.99	0.00	0.00	199.99	0.00	199.99
22	1	PUMP	07/01/00	N	SL	5	277.13	0.00	0.00	277.13	0.00	277.13
23	1	LINE FINDER	07/01/00	N	SL	5	1,910.50	0.00	0.00	1,910.50	0.00	1,910.50
24	1	TOOLBOX	07/01/01	N	SL	5	129.74	0.00	0.00	129.74	0.00	129.74
25	1	16' TRAILER	07/01/01	N	SL	10	975.00	0.00	0.00	731.25	97.50	828.75
26	1	WEEDEATER	07/01/01	N	SL	5	216.40	0.00	0.00	216.40	0.00	216.40
27	1	DIG CHAIN	07/01/02	N	SL	5	1,895.40	0.00	0.00	1,895.40	0.00	1,895.40
28	1	TRACTOR COVERING	07/01/02	N	SL	5	1,413.71	0.00	0.00	1,413.34	0.00	1,413.34
29	1	GENERATOR	07/01/95	N	SL	5	699.99	0.00	0.00	699.99	0.00	699.99
30	1	3" TRASH PUMP	05/18/05	N	SL	5	300.00	0.00	0.00	220.00	60.00	280.00
31	1	2" PUMP	06/01/05	N	SL	5	262.97	0.00	0.00	188.45	52.59	241.04
32	1	BOBCAT 250 WELDER	07/27/05	N	SL	10	2,853.64	0.00	0.00	998.76	285.36	1,284.12
33	1	5X10 A FRAME TRAIL	09/07/05	N	SL	10	585.00	0.00	0.00	195.00	58.50	253.50
34	1	ACETYLENE TORCH & ACCESSORIES	05/17/06	N	SL	5	789.28	0.00	0.00	407.80	157.86	565.66
35	1	BUSHHOG	08/23/06	N	SL	10	1,000.00	0.00	0.00	233.33	100.00	333.33
36	1	ACETYLENE TORCH ACCESSORIES	12/18/07	N	SL	5	647.24	0.00	0.00	129.45	129.45	258.90
37	1	METAL DETECTOR	01/23/08	N	SL	5	149.98	0.00	0.00	27.50	30.00	57.50
38	1	WELDER PLUG	03/04/09	N	SL	5	30.00	0.00	0.00	0.00	5.00	5.00
Sub-Total							23,824.38	0.00	0.00	19,362.44	976.26	20,338.70
Less. Assets Sold							230.00	0.00	0.00	230.00	0.00	230.00
Group # 10 Total							23,594.38	0.00	0.00	19,132.44	976.26	20,108.70
Group # 11 346 5 COMMUNICATION EQUIP												
1	1	TRUCK ANTENNA	07/01/80	N	*SOLD*	10	50.00	0.00	0.00	50.00	0.00	50.00
2	1	MOBILE RADIO	07/01/83	N	*SOLD*	10	605.00	0.00	0.00	605.00	0.00	605.00
3	1	TK 200 RADIO	12/15/87	N	*SOLD*	10	649.43	0.00	0.00	649.43	0.00	649.43
4	1	RH256 RADIO	07/01/90	N	*SOLD*	10	395.00	0.00	0.00	395.00	0.00	395.00

/2010
27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 8

am	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add SDA	Prior Depr.	Current Depr.	Ending Depr.
Group # 11 346 5 COMMUNICATION EQUIP (Continued)												
5	1	MOTOROLA PAGER	07/01/92	N	SL	5	313.00	0.00	0.00	313.00	0.00	313.00
6	1	CELLULAR PHONE	07/01/92	N	*SOLD*	5	634.00	0.00	0.00	634.00	0.00	634.00
7	1	RADIO	07/01/96	N	SL	5	155.30	0.00	0.00	155.30	0.00	155.30
8	1	MOBILE RADIO & ANTENNA	08/15/96	N	SL	5	1,826.17	0.00	0.00	1,826.17	0.00	1,826.17
9	1	CELLULAR PHONE	09/15/96	N	*SOLD*	5	39.95	0.00	0.00	39.95	0.00	39.95
10	1	DECODER	07/01/97	N	SL	5	86.34	0.00	0.00	86.34	0.00	86.34
11	1	TRUCK RADIO	07/01/98	N	SL	5	481.68	0.00	0.00	481.68	0.00	481.68
12	1	RADIO	07/01/00	N	SL	5	486.85	0.00	0.00	486.85	0.00	486.85
13	1	ANTENNA & CONNECTOR	07/01/00	N	SL	5	127.18	0.00	0.00	127.18	0.00	127.18
14	1	MOBILE RADIO	07/01/01	N	SL	5	514.95	0.00	0.00	514.46	0.00	514.46
15	1	TWO PAGERS	07/01/01	N	SL	5	756.00	0.00	0.00	756.00	0.00	756.00
16	1	RADIO TELEMETRY SYSTEM	07/01/03	N	*SOLD*	20	4,932.92	0.00	0.00	1,356.57	143.88	1,500.45
17	1	GRAPH-TELEMETRY	07/01/03	N	SL	20	499.00	0.00	0.00	137.23	24.95	162.18
18	1	NOKIA PHONE	05/17/06	N	SL	3	54.98	0.00	0.00	47.35	7.63	54.98
19	1	RADIO IN BACKHOE	05/17/06	N	SL	3	252.38	0.00	0.00	217.33	35.05	252.38
20	1	TRANSDUCER	01/18/07	N	SL	5	375.00	0.00	0.00	143.75	75.00	218.75
21	1	SCADA TELEMETRY	08/01/09	N	SL	20	142,185.01	0.00	0.00	0.00	2,962.19	2,962.19
22	1	TELEPHONE	09/23/09	N	SL	3	205.73	0.00	0.00	0.00	17.14	17.14
23	1	RADIO BATTERY	11/02/09	N	SL	3	43.22	0.00	0.00	0.00	2.40	2.40
Sub-Total							155,669.09	0.00	0.00	9,022.59	3,268.24	12,290.83
Less: Assets Sold							7,306.30	0.00	0.00	3,729.95	143.88	3,873.83
Group # 11 Total							148,362.79	0.00	0.00	5,292.64	3,124.36	8,417.00
Group # 12 347 5 MISCELLANEOUS EQUIP												
1	1	STOVE, SINK, REFRIG COMBO	07/01/80	N	SL	10	537.00	0.00	0.00	537.00	0.00	537.00
2	1	KITCHEN CABINETS	07/01/80	N	SL	10	381.00	0.00	0.00	381.00	0.00	381.00
3	1	DOOR BELL	07/01/80	N	SL	5	18.00	0.00	0.00	18.00	0.00	18.00
4	1	WATER HEATER	07/01/80	N	SL	10	77.00	0.00	0.00	77.00	0.00	77.00
5	1	MISC EQUIP	03/15/87	N	SL	10	95.92	0.00	0.00	95.92	0.00	95.92
6	1	CUB CADET MOWER	09/19/07	N	SL	5	1,839.99	0.00	0.00	460.00	368.00	828.00
Group # 12 Total							2,948.91	0.00	0.00	1,568.92	368.00	1,936.92
Group # 13 320 3 WATER TREATMENT EQ												
1	1	WATER TREATMENT EQUIPMENT	10/15/85	N	*SOLD*	3	329.94	0.00	0.00	329.94	0.00	329.94
Sub-Total							329.94	0.00	0.00	329.94	0.00	329.94
Less: Assets Sold							329.94	0.00	0.00	329.94	0.00	329.94
Group # 13 Total							0.00	0.00	0.00	0.00	0.00	0.00
Group # 14 344 5 METER TESTING EQUIP												
1	1	METER TESTING EQUIPMENT	07/01/86	N	SL	10	4,388.48	0.00	0.00	4,388.48	0.00	4,388.48
Group # 14 Total							4,388.48	0.00	0.00	4,388.48	0.00	4,388.48
Group # 15 345 5 POWER OPERATED EQ												
2	1	KUBOTA TRACTOR	07/01/00	N	SL	10	21,480.00	0.00	0.00	18,258.00	2,148.00	20,406.00
3	1	LIGHTS FOR KUBOTA	07/01/01	N	SL	10	182.00	0.00	0.00	136.50	18.20	154.70

3/2010
:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 9

um	Loc	Property Description	Acquired	T	Method	Life	Cost/Basis	179 Exp/AFD	Add.SDA	Prior Depr.	Current Depr.	Ending Depr.	
Group # 15 345 5 POWER OPERATED EQ (Continued)													
5	1	CASE SERIES II BACKHOE	03/28/06	N	SL	10	57,350.00	0.00	0.00	15,771.25	5,735.00	21,506.25	
6	1	FORKS FOR BACKHOE	06/06/07	N	SL	10	1,395.39	0.00	0.00	220.94	139.54	360.48	
7	1	3700 DITCH WITCH TRENCHER	04/23/08	N	SL	10	35,296.67	0.00	0.00	2,353.11	3,529.67	5,882.78	
							Group # 15 Total	115,704.06	0.00	0.00	36,739.80	11,570.41	48,310.21
Group # 16 339 4 OTHR PLANT & MSC EQ													
1	1	CHLORINE TESTER	09/15/96	N	SL	5	305.00	0.00	0.00	305.00	0.00	305.00	
2	1	2" PUMP	07/01/97	N	SL	5	259.97	0.00	0.00	259.97	0.00	259.97	
3	1	TANK OVERFLOW CLOCK	07/01/97	N	SL	5	520.00	0.00	0.00	520.00	0.00	520.00	
4	1	TWO CHLOROMETER	07/01/00	N	SL	5	620.00	0.00	0.00	620.00	0.00	620.00	
5	1	PUMP	07/01/00	N	SL	5	263.00	0.00	0.00	263.00	0.00	263.00	
6	1	60 GAL AIR COMPRESSOR	07/01/02	N	SL	5	423.44	0.00	0.00	423.10	0.00	423.10	
7	1	POCKET CHLOROME	07/01/02	N	SL	5	255.44	0.00	0.00	255.44	0.00	255.44	
8	1	POCKET CHLOROME	07/01/03	N	SL	5	335.30	0.00	0.00	335.30	0.00	335.30	
9	1	PVC CUTTERS	07/01/03	N	SL	5	396.80	0.00	0.00	396.80	0.00	396.80	
10	1	COMPRESSOR	04/12/06	N	SL	5	379.99	0.00	0.00	209.00	76.00	285.00	
							Group # 16 Total	3,758.94	0.00	0.00	3,587.61	76.00	3,663.61
Group # 17 341 5 TRANSPORTATION EQ													
2	1	1994 FORD ONE TON TRUCK	07/01/00	N	SL	5	13,006.00	0.00	0.00	13,006.00	0.00	13,006.00	
3	1	2001 CHEV 1500 PICK UP TRUCK	07/01/01	N	SL	5	14,533.43	0.00	0.00	14,533.09	0.00	14,533.09	
4	1	TRUCK TOOLBOX	07/01/01	N	SL	5	199.99	0.00	0.00	199.99	0.00	199.99	
5	1	TRUCK TOOLBOX	07/01/01	N	SL	5	199.99	0.00	0.00	199.99	0.00	199.99	
6	1	TRAILER	07/01/02	N	SL	5	1,200.00	0.00	0.00	1,200.00	0.00	1,200.00	
8	1	2004 FORD RANGER	09/15/04	N	SL	5	13,100.00	0.00	0.00	11,353.38	1,747.00	13,100.38	
10	1	2007 FORD RANGER	02/28/07	N	SL	5	12,016.00	0.00	0.00	4,405.87	2,403.20	6,809.07	
11	1	HALOGEN LIGHT MIN	03/14/07	N	SL	5	110.98	0.00	0.00	40.70	22.20	62.90	
12	1	HALOGEN LIGHT MIN	09/19/07	N	SL	5	236.97	0.00	0.00	59.24	47.39	106.63	
13	1	TRUCK TOOLBOX	10/15/04	N	SL	5	204.99	0.00	0.00	174.25	30.74	204.99	
15	1	2008 F350 TRUCK	04/23/08	N	SL	5	23,794.00	0.00	0.00	3,172.53	4,758.80	7,931.33	
16	1	LIGHTS ON F350	04/29/08	N	SL	5	110.98	0.00	0.00	14.80	22.20	37.00	
17	1	NERF BARS ON F350	10/16/08	N	SL	5	250.00	0.00	0.00	8.33	50.00	58.33	
18	1	100 GAL TANK/PUMP	07/15/09	N	SL	5	584.98	0.00	0.00	0.00	58.50	58.50	
							Group # 17 Total	79,548.31	0.00	0.00	48,368.17	9,140.03	57,508.20
Group # 18 303 2 LAND&LN RIGHTS/PUMP													
1	1	LAND & LAND RIGHT	07/01/78	N			99.00	0.00	0.00	0.00	0.00	0.00	
							Group # 18 Total	99.00	0.00	0.00	0.00	0.00	
Group # 19 303 4 LAND&LN RIGHTS/TRAN													
1	1	LAND & LAND RIGHT	07/01/78	N			1,500.00	0.00	0.00	0.00	0.00	0.00	
							Group # 19 Total	1,500.00	0.00	0.00	0.00	0.00	
Group # 20 303 5 LAND&LN RIGHTS/TRAN													
1	1	LAND & LAND RIGHT	07/01/78	N			20,681.50	0.00	0.00	0.00	0.00	0.00	

3/2010
1:27

Muhlenberg County Water District #3
Federal ID #:
Asset Summary - Book Basis
Period Ended 12/31/09

Company: M68
Page: 10

<u>Item</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AFD</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 20 Total							<u>20,681.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Grand Total							3,343,016.07	0.00	0.00	1,582,611.92	70,366.29	1,652,978.21
Less: Assets Sold							<u>36,613.12</u>	<u>0.00</u>	<u>0.00</u>	<u>28,182.91</u>	<u>349.46</u>	<u>28,532.37</u>
Net Grand Total							<u>3,306,402.95</u>	<u>0.00</u>	<u>0.00</u>	<u>1,554,429.01</u>	<u>70,016.83</u>	<u>1,624,445.84</u>

$$70016.83 \div 12 = 5834.73$$

ATTACHMENT D
MUHLENBERG COUNTY WATER DISTRICT #3
BILLING ANALYSIS
CURRENT RATES

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 8,000	NEXT 10,000	NEXT 30,000	OVER 50000
FIRST	2,000	6436	6,220,800	6,220,800				
NEXT	8,000	17682	81,771,700	35,364,000	46,407,700			
NEXT	10,000	1330	17,383,000	2,660,000	10,640,000	4,083,000		
NEXT	30,000	337	9,396,700	674,000	2,696,000	3,370,000	2,656,700	
OVER	50,000	169	109,382,000	338,000	1,352,000	1,690,000	5,070,000	100,932,000
		25954	224,154,200	45,256,800	61,095,700	9,143,000	7,726,700	100,932,000

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	25954	45,256,800	\$12.21	\$316,898
NEXT	8,000		61,095,700	4.35	\$265,766
NEXT	10,000		9,143,000	3.75	\$34,286
NEXT	30,000		7,726,700	3.05	\$23,566
OVER	50,000		100,932,000	2.50	\$252,330
TOTAL		25954	224,154,200		\$892,847

ATTACHMENT E

MUHLENBERG COUNTY WATER DISTRICT #3

BILLING ANALYSIS

PROPOSED RATES

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 8,000	NEXT 10,000	NEXT 30,000	OVER 50000
FIRST	2,000	6436	6,220,800	6,220,800				
NEXT	8,000	17682	81,771,700	35,364,000	46,407,700			
NEXT	10,000	1330	17,383,000	2,660,000	10,640,000	4,083,000		
NEXT	30,000	337	9,396,700	674,000	2,696,000	3,370,000	2,656,700	
OVER	50,000	169	109,382,000	338,000	1,352,000	1,690,000	5,070,000	100,932,000
		25954	224,154,200	45,256,800	61,095,700	9,143,000	7,726,700	100,932,000

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	25954	45,256,800	\$13.73	\$356,348
NEXT	8,000		61,095,700	3.77	\$230,331
NEXT	10,000		9,143,000	3.51	\$32,092
NEXT	30,000		7,726,700	3.18	\$24,571
OVER	50,000		100,932,000	2.92	\$294,721
TOTAL		25954	224,154,200		\$938,063

ATTACHMENT F
MUHLENBERG COUNTY WATER DISTRICT #3
COST OF SERVICE STUDY

Allocation of Plant Value				
Muhlenberg County Water District #3				
	Total	Commodity	Demand	Customer
Land & Land Rights	\$22,281		\$22,281	
Structures and Improvements	156,269		156,269	
Pumping Equipment	51,033		51,033	
Water Treatment Equipment	330		330	
Distribution Reservoirs & Standpipes	145,318		145,318	
Transmission & Distribution Mains	1,794,486		1,794,486	
Meters & Meter Installations	478,201			478,201
Hydrants	29,833			29,833
Subtotal	\$2,677,751		\$2,169,717	\$508,034
Allocation Percentages	100%		81.0%	19.0%
Other Plant and Misc. Equip.	\$3,759		\$3,045	\$714
Office Furniture & Equipment	45,069		36,506	8,563
Transportation Equipment	78,963		63,960	15,003
Tools, Shop & Garage Equipment	23,794		19,273	4,521
Laboratory Equipment	4,388		3,554	834
Power Operated Equipment	115,704		93,720	21,984
Communication Equipment	13,235		10,720	2,515
Misc. Equipment	2,948		2,388	560
Subtotal	\$287,860		\$233,166	\$54,694
Total	\$2,965,611		\$2,402,883	\$562,728
Percentages	100%		81.0%	19.0%

Source: 2008 PSC Annual Report

Allocation of Depreciation				
Muhlenberg County Water District #3				
	Total	Commodity	Demand	Customer
Structures and Improvements	93,998		93,998	
Pumping Equipment	41,186		41,186	
Water Treatment Equipment	329		329	
Distribution Reservoirs & Standpipes	96,450		96,450	
Transmission & Distribution Mains	910,945		910,945	
Meters & Meter Installations	276,661			276,661
Hydrants	7,198			7,198
Subtotal	\$1,426,767		\$1,142,908	\$283,859
Allocation Percentages	100%		80.1%	19.9%
Other Plant and Misc. Equip.	\$3,589		\$2,875	\$714
Office Furniture & Equipment	32,809		26,280	6,529
Transportation Equipment	48,372		38,746	9,626
Tools, Shop & Garage Equipment	19,363		15,510	3,853
Laboratory Equipment	4,388		3,515	873
Power Operated Equipment	36,739		29,428	7,311
Communication Equipment	9,022		7,227	1,795
Misc. Equipment	1,569		1,257	312
Subtotal	\$155,851		\$124,838	\$31,013
Total	\$1,582,618		\$1,267,746	\$314,872

Source: 2008 PSC Annual Report

Allocation of Operation & Maintenance Expense				
	Total	Commodity	Demand	Customer
Salaries - Employees	\$178,240		\$94,366	\$83,874
Employee Pensions & Benefits	\$60,089		31,812	\$28,277
Purchased Water	385,097	385,097		
Purchased Power	20,890	18,262		2,628
Materials and Supplies	18,727		10,423	8,304
Transportation	7,155		3,879	3,276
Contractual Services - Other	7,066		7,066	
Insurance - Vehicle	2,853		1,547	1,306
Insurance - General Liability	5,245		2,872	2,373
Insurance - Workers Comp	4,505		2,442	2,063
Bad Debt	3,957			3,957
Subtotal	\$693,824	\$403,359	\$154,407	\$136,058
Less Commodity	\$403,359			
Total	\$290,465		\$154,407	\$136,058
Allocation Percentages	100%		53.2%	46.8%
Salaries & Wages- Emp - Gen & Admin	30,114		16,021	14,093
Salaries & Wages-Officers	18,000		9,576	8,424
Employee P & B - Gen & Admin	10,604		5,641	4,963
Transportation	2,815		1,498	1,317
Materials and Supplies - MISC	5,668		3,015	2,653
Insurance - Vehicle	584		311	273
Insurance - General Liability	1,085		577	508
Insurance - Workers Comp	922		491	431
Insurance - Other	102		54	48
Contact Services - Accounting	6,000		3,192	2,808
Contact Services - Other	6,452		3,432	3,020
Advertising Expense	680		362	318
Misc. Expense	10,317		5,489	4,828
Taxes Other than Income Taxes	18,338		9,756	8,582
Subtotal	\$111,681		\$59,415	\$52,266
Operating Expenses	\$805,505	\$403,359	\$213,822	\$188,324

Allocation of Cost of Service				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$805,505	\$403,359	\$213,822	\$188,324
Operating Ratio	118,574		96,045	22,529
Depreciation	64,041		51,297	12,744
General Water Service Cost	988,120	\$403,359	361,164	223,597
Less Other Revenues:				
Non-Operating Revenue	(20,296)			(20,296)
Other Operating Revenue	(29,857)			(29,857)
Revenue Required from Rates	\$937,967	\$403,359	\$361,164	\$173,444

NOTES:

Operating Ratio has been allocated by the percentage from Plant Value Sheet.

Depreciation has been allocated by the percentage from Depreciation Sheet.

Calculation of Water Rates

	Total	First 2,000 gallons	Next 8,000 gallons	Next 10,000 gallons	Next 30,000 gallons	Over 50,000 gallons
Actual Water Sales:						
Thousand Gallons	224,154,200	45,256,800	61,095,700	9,143,000	7,726,700	100,932,000
Percent	100%	20.2%	27.3%	4.1%	3.4%	45.0%
Weighted Sales for Demand:						
Thousand Gallons	321,735,950	90,513,600	106,917,475	13,714,500	9,658,375	100,932,000
Percent	100%	28.1%	33.2%	4.3%	3.0%	31.4%
Allocation of Volumetric Costs:						
Commodity	\$403,359	\$81,479	\$110,117	\$16,538	\$13,714	\$181,512
Demand	361,164	101,487	119,906	15,530	10,835	113,405
Customer	173,444	173,444				
Total	\$937,967	\$356,410	\$230,023	\$32,068	\$24,549	\$294,917
Customer Bills	25954					
Proposed Rates						
		\$13.73	\$3.76	\$3.51	\$3.18	\$2.92

Verification of Rates				
	Bills	Gallons	Rate	Revenue
First 2,000 gallons	25,954	45,256,800	\$13.73	356,348
Next 8,000 gallons*		61,095,700	3.77	230,331
Next 10,000 gallons		9,143,000	3.51	32,092
Next 30,000 gallons		7,726,700	3.18	24,571
Over 50,000 gallons		100,932,000	2.92	294,721
Total Revenue from Rates				938,063
Other Income:				
Non-Operating Revenue				20,296
Other Operating Revenue				29,857
Total Operating Revenue	25,954	224,154,200		\$988,216
NOTE:	*Rate has been increased by \$0.01 to generate the appropriate revenue to meet the required revenue requirement.			

Comparison of Rates				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
1,000	\$12.21	\$13.73	1.52	12.4%
1,500	12.21	13.73	1.52	12.4%
2,000	12.21	13.73	1.52	12.4%
3,000	16.56	17.50	0.94	5.7%
3,500	18.74	19.39	0.65	3.5%
4,000	20.91	21.27	0.36	1.7%
5,000	25.26	25.04	(0.22)	-0.9%
6,000	29.61	28.81	(0.80)	-2.7%
7,000	33.96	32.58	(1.38)	-4.1%
8,000	38.31	36.35	(1.96)	-5.1%
9,000	42.66	40.12	(2.54)	-6.0%
10,000	47.01	43.89	(3.12)	-6.6%
15,000	65.76	61.44	(4.32)	-6.6%
20,000	84.51	78.99	(5.52)	-6.5%
25,000	99.76	94.89	(4.87)	-4.9%
30,000	115.01	110.79	(4.22)	-3.7%
35,000	130.26	126.69	(3.57)	-2.7%
40,000	145.51	142.59	(2.92)	-2.0%
50,000	176.01	174.39	(1.62)	-0.9%
75,000	238.51	247.39	8.88	3.7%
100,000	301.01	320.39	19.38	6.4%
150,000	426.01	466.39	40.38	9.5%
200,000	551.01	612.39	61.38	11.1%
250,000	676.01	758.39	82.38	12.2%
300,000	801.01	904.39	103.38	12.9%
400,000	1,051.01	1,196.39	145.38	13.8%
500,000	1,301.01	1,488.39	187.38	14.4%

Comparison of Rates		
Block Usage	Current Rates	Proposed rates
First 2,000 gallons	\$12.21	\$13.73
Next 8,000 gallons	4.35	3.77
Next 10,000 gallons	3.75	3.51
Next 30,000 gallons	3.05	3.18
Over 50,000 gallons	2.50	2.92

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Proposed Rates	Amount Increase	% Increase
\$25.26	\$25.04	(\$0.22)	-0.90%

ATTACHMENT G
MUHLENBERG COUNTY WATER DISTRICT #3
CUSTOMER NOTICE

NOTICE

Muhlenberg Water District #3 has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is 1 October, 2010.

Monthly Rate:

	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
First 2,000 Gallons	\$12.21	\$13.73	12.4%
Next 8,000 Gallons	4.35	3.77	-13.3%
Next 10,000 Gallons	3.75	3.51	-6.4%
Next 30,000 Gallons	3.08	3.18	3.3%
Over 50,000 Gallons	2.50	2.92	16.8%

The monthly bill for a customer using an average of 5,000 gallons per month will decrease \$0.22 from \$25.26 to \$25.04 or -0.9%.

The rates contained in this notice are the rates proposed by Muhlenberg Water District #3. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice.

Any corporation, association, body politic or person may request leave to intervene by motion within 30 days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, 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 and testimony by contacting Muhlenberg Water District #3 at 4789 Main Street, Bremen, Kentucky 42325, (270) 525-6333 or the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602, (502) 564-3940. A copy of the application and testimony shall be available for public inspection at the utility's offices.

ATTACHMENT H
MUHLENBERG COUNTY WATER DISTRICT #3
STRIKE THROUGH TARIFF

FOR Muhlenberg County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

Muhlenberg County Water District #3
(Name of Utility)

RATES

Monthly Water Rates:

			Current	Proposed	
First	2,000	Gallons	\$12.24	\$13.73	Minimum Bill
Next	8,000	Gallons	4.35	3.77	per 1,000 gallons
Next	10,000	Gallons	3.75	3.51	per 1,000 gallons
Next	30,000	Gallons	3.05	3.18	per 1,000 gallons
Over	50,000	Gallons	2.50	2.92	per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

ATTACHMENT I
MUHLENBERG COUNTY WATER DISTRICT #3
TARIFF

FOR Muhlenberg County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

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

Muhlenberg County Water District #3
(Name of Utility)

SHEET NO. _____

RATES

Monthly Water Rates:

			Proposed	
First	2,000	Gallons	\$13.73	Minimum Bill
Next	8,000	Gallons	3.77	per 1,000 gallons
Next	10,000	Gallons	3.51	per 1,000 gallons
Next	30,000	Gallons	3.18	per 1,000 gallons
Over	50,000	Gallons	2.92	per 1,000 gallons

DATE OF ISSUE September 3, 2010
Month / Date / Year

DATE EFFECTIVE 1 October 2010
Month / Date / Year

ISSUED BY Donald F. Garrett
(Signature of Officer)

TITLE Chairman

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