



**GERALD WUETCHER**  
DIRECT DIAL: (859) 231-3017  
DIRECT FAX: (859) 258-3517  
gerald.wuetcher@skofirm.com

2000 PNC PLAZA  
500 WEST JEFFERSON STREET  
LOUISVILLE, KY 40202-2828  
MAIN: (502) 333-6000  
FAX: (502) 333-6099

**RECEIVED**

**JAN 16 2018**

**PUBLIC SERVICE  
COMMISSION**

January 11, 2017

Ms. Gwen R. Pinson, Esq.  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

**Re: *Tariff Filing of Grayson County Water District to Revise Its Wholesale Rate  
Case No. 2017-00379***

Dear Ms. Pinson:

Enclosed for filing in the above referenced case are the original and ten copies of the "Notice of Filing of First Amendment to Water Purchase Contract."

Very truly yours,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink, appearing to read "Gerald Wuetcher", with a long horizontal flourish extending to the right.

Gerald Wuetcher

GEW  
Enclosures

RECEIVED

JAN 16 2018

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF GRAYSON COUNTY )  
WATER DISTRICT TO REVISE ITS ) CASE NO. 2017-00379  
WHOLESALE RATE )

**NOTICE OF FILING OF FIRST AMENDMENT TO  
WATER PURCHASE CONTRACT**

Grayson County Water District ("Grayson District"), by counsel, gives notice of its filing of "First Amendment to Water Purchase Contract," a copy of which is attached. This amendment revises and amends the Water Purchase Contract between Grayson District and the City of Caneyville, Kentucky. More specifically, the amendment addresses concerns that Commission Staff raised in telephone conference calls with counsel for Grayson District on August 30, 2017 and on November 29-30, 2017 regarding the Water Purchase Contract's quantity and arbitration provisions. Commission Staff indicated that the revisions contained in the First Amendment to Water Purchase Contract would resolve its concerns.

Dated: January 11, 2017

Respectfully submitted,



Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
gerald.wuetcher@skofirm.com  
Telephone: (859) 231-3017  
Fax: (859) 259-3517

*Counsel for Grayson County Water District*

**FIRST AMENDMENT TO  
WATER PURCHASE CONTRACT**

This **First Amendment to Water Purchase Contract** is made and entered into this 9 day of January 2018 by and between Grayson County Water District (“Grayson District”) and the city of Caneyville, Kentucky (“Caneyville”) (collectively “the Parties”).

WITNESSETH:

WHEREAS, the Parties executed the Water Purchase Contract on August 21, 2017 to govern Grayson District’s provision of water service to Caneyville;

WHEREAS, the Parties submitted the Water Purchase Contract to the Kentucky Public Service Commission on August 24, 2017 for its review and approval;

WHEREAS, on September 20, 2017, the Kentucky Public Service Commission entered an Order in which it suspended the operation of the Water Purchase Contract and initiated an administrative proceeding to review the reasonableness of the Water Purchase Contract; and,

WHEREAS, the Staff of the Kentucky Public Service Commission has recently advised the Parties of certain concerns regarding the Water Purchase Contract and the Parties wish to address those concerns;

NOW THEREFORE, the Parties agree as follows:

1. Paragraph 1 of the Water Purchase Contract, which the Parties executed on August 21, 2017, is amended to read follows:

2. **Quality and Quantity of Water.** During the term of this Water Purchase Contract and any renewal or extension thereof, Grayson District agrees to furnish to Caneyville at agreed points of delivery a volume of potable treated water that complies with all federal and state laws and regulations not to exceed 125,000 gallons per day (“agreed maximum allowable volume”). In the event that Caneyville’s total volume of water in any billing period exceeds an average daily usage of 137,500 gallons (or 10 percent of the agreed maximum allowable volume), Caneyville shall for the volume of water in that billing period exceeding the agreed maximum allowable volume pay a rate that is equal to 105 percent of the established rate for service under this Water Purchase Contract.

**[Remainder of Page Intentionally Left Blank]**

3. The Water Purchase Contract is amended to include the following paragraph:

1A. **Points of Delivery.** Grayson District shall deliver water to Caneyville at the following delivery points:

- a. Highway 736 Meter located at 5435 Yeaman Road in Caneyville, Kentucky;
- b. Highway 62 Meter located at 11063 Beaver Dam Road in Caneyville, Kentucky; and,
- c. Hopewell Road Meter located at 5113 Hopewell Road in Caneyville, Kentucky.

4. Paragraph 13 of the Water Purchase Contract is amended to read follows:

13. **Arbitration.** In the event District and Caneyville are unable to agree on the applicability or allocation of expenses or data used in calculating the adjusted rate as calculated in accordance with the terms of this Water Purchase Contract, each party shall submit to the other a list of three individuals who would be acceptable to such party to act as an independent party to assist the auditor in determining the applicability of various expenses and the allocation of same. Each party shall exercise the right to strike any two of the other party's suggested names. The remaining two individuals shall jointly work together to arrive at a resolution. These individuals, who may be engineers, accountants, or managers of a water treatment system, shall consult with Grayson District's engineer and Caneyville's engineer whereupon these individuals shall advise the auditor of Grayson District as to the appropriate applicability of expenses and allocation of same. The vote of any three of the four individuals shall be controlling in the establishment of said allocation or applicability of expenses. Following a determination of the allocation or applicability of expenses, the auditor shall then calculate the revised rate in accordance with the terms of this Water Purchase Contract. The Parties expressly acknowledged that the arbitrators' decisions are not binding on or limit the jurisdiction of the Kentucky Public Service Commission.

5. All other provisions of the Water Purchase Contract not specifically addressed in this First Amendment are ratified and affirmed.

**[Remainder of Page Intentionally Left Blank]**

**IN WITNESS WHEREOF**, the Parties, acting under the authority of their respective governing bodies, have caused this First Amendment to Water Purchase Contract to be duly executed in multiple counterparts, each of which shall constitute an original.

GRAYSON COUNTY WATER DISTRICT

By: John R. Tomes  
JOHN R. TOMES, CHAIRMAN

ATTEST:

Kevin Shaw

CITY OF CANEYVILLE, KENTUCKY

By: James P. Embry  
JAMES P. EMBRY, MAYOR

ATTEST:

[Signature]