

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NICHOLAS	)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE	)	2021-00455
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

On January 4, 2022, Nicholas County Water District (Nicholas District) filed an application with the Commission, pursuant to 807 KAR 5:076, requesting to adjust its rates for water service.<sup>1</sup> The application was filed pursuant to the Commission’s Order in Case No. 2020-00145, which explained that Nicholas District had not sought a general base rate adjustment since 1985, and the lack of Commission insight into Nicholas District’s financial records indicated that the utility should file an application for a traditional adjustment in rates or an alternative rate adjustment.<sup>2</sup> In its application, Nicholas District requested rates that would increase annual water sales revenues by \$192,735, or a 26.52 percent across-the-board increase to pro forma present rate water sales revenues.

To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated January 18, 2022. Nicholas District responded to two discovery requests from Commission Staff. On February 8, 2022, Nicholas District

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<sup>1</sup> Nicholas District tendered an application on December 15, 2021 that was rejected for filing due to certain filing deficiencies. On January 4, 2022, Nicholas District submitted information to cure the filing deficiencies and the application was deemed filed as of January 4, 2022.

<sup>2</sup> Case No. 2020-00145, *Electronic Purchased Water Adjustment Filing of Nicholas County Water District* (Ky. PSC May 11, 2020) at 3, ordering paragraph 5.

filed a motion requesting an additional 14 days to respond to Commission Staff's First Request for Information (Staff's First Request), which was granted by the Commission's Order dated February 21, 2022.

On May 10, 2022, the Commission amended the procedural schedule and set a new procedural date of May 20, 2022, for the issuance of the Commission Staff's Report. On May 20, 2022, the procedural date for the issuance of the Commission Staff's Report was amended to June 15, 2022, to afford Commission Staff an opportunity to conduct an additional round of discovery that was deemed necessary. Nicholas District responded to Commission Staff's Third Request for Information (Staff's Third Request) on May 31, 2022.

In the Commission Staff's Report, Commission Staff found that Nicholas District's adjusted test-year operations support an overall revenue requirement of \$951,673 and that an annual revenue increase of \$161,340, or 20.88 percent to the retail base rate, is necessary to generate the overall revenue requirement. Commission Staff noted that Nicholas District did not make any pro forma adjustments to amortize any costs attributable to the preparation of its case. Commission Staff requested that Nicholas District identify any additional rate case expense incurred in its response to Commission Staff's Report.

On June 28, 2022, Nicholas District filed with the Commission its comments on the Commission Staff's Report in which it accepted all adjustments contained in Commission Staff's report but indicated it did not agree with the removal of certain labor expenses from nonrecurring charges. In its response, Nicholas District did not identify any rate case

expense. With its comments, Nicholas District did not request that a conference or hearing be held.<sup>3</sup>

### LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by Commission regulation 807 KAR 5:076, which establishes a simplified process for small utilities to use to request rate adjustments, with the process designed to be less costly to the utility and the utility ratepayers. The Commission's standard review of a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, Nicholas District is allowed to charge its customers "only fair, just and reasonable rates."<sup>4</sup> Further, Nicholas District bears the burden of proof to show that the proposed rate increase is just and reasonable under KRS 278.190(3).

### WATER LOSS

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced and purchased, excluding water consumed by a utility in its own operations. In Nicholas District's 2020 Annual Report, Nicholas District reported a water loss of 24.35 percent.<sup>5</sup> At 24.35 percent water loss, the annual cost to Nicholas District

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<sup>3</sup> Letter from Monica Pryor, office manager for Nicholas District (filed June 28, 2022).

<sup>4</sup> *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Pub. Serv. Comm'n v. Com. of Kentucky v. Dewitt Water District*, 720 S.W.2d 725 (Ky. 1986).

<sup>5</sup> *Annual Report of Nicholas District to the Public Service Commission for the Year Ended December 31, 2020* (2020 Annual Report) at 57.

of water above the allowable 15 percent is \$30,934<sup>6</sup> while the annual cost to Nicholas District is \$80,561.<sup>7</sup>

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold. The Commission strongly encourages Nicholas District to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Nicholas District to make significant progress towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

### BACKGROUND

Nicholas District is a water district organized pursuant to KRS Chapter 74. It owns and operates a water distribution system through which it provides water service to approximately 1,589 residential customers and 6 commercial customers that reside in Nicholas County, Kentucky.<sup>8</sup> Nicholas District does not produce any of its own water; rather, it purchases its water from Western Fleming Water District and the city of Carlisle. A review of the Commission's records indicated that Nicholas District has never sought a general base rate adjustment prior to the application filed in this case.

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<sup>6</sup> Total Cost of Water \$330,848 times 9.35% (percentage of water loss above 15%) = \$30,934.

<sup>7</sup> Total Cost of Water \$330,848 times 24.35% (percentage of water loss) = \$80,561.

Adjusted Purchased Water Expense	\$ 306,831
Purchased Power	<u>24,017</u>
Total Cost of Water	330,848
Times: Total Water Loss	24.35%
Total Cost of Water Loss	<u>\$ 80,561</u>

<sup>8</sup> *Annual Report of Nicholas District to the Public Service Commission for the Calendar Year Ended December 31, 2020* (2020 Annual Report) at 12 and 49.

## TEST PERIOD

The calendar year ended December 31, 2020, was used as the test year to determine the reasonableness of Nicholas District's existing and proposed water rates, as required by 807 KAR 5:076, Section 9.

## SUMMARY OF REVENUE AND EXPENSES

The Commission Staff's Report summarizes Nicholas District's pro forma income statement as follows:

	2020 Test Year	Pro Forma Adjustments	Staff Report Pro Forma
Operating Revenues	\$ 715,847	\$ 73,661	\$ 789,508
Operating Expenses	<u>854,384</u>	<u>(77,734)</u>	<u>776,650</u>
Net Operating Income	(138,537)	151,395	12,858
Interest Income	<u>825</u>		<u>825</u>
Income available for Debt Service	<u>\$ (137,712)</u>	<u>\$ 151,395</u>	<u>\$ 13,683</u>

## REVIEW AND MODIFICATIONS TO COMMISSION STAFF'S FINDINGS

Nicholas District's proposed adjustments to revenues and expenses to reflect current and expected operating conditions. In the Commission Staff's Report, Commission Staff proposed additional adjustments. The Commission accepts the findings contained in the Commission Staff's Report. Regarding any further modifications, the Commission has none.

## REVENUE REQUIREMENTS

Nonrecurring Charges. In the Commission Staff's Report, Commission Staff discussed Nicholas District's Nonrecurring Charges, in which estimated labor costs, previously included in determining the amount of Nonrecurring Charges, are removed.

Nicholas District had incorrectly included nonrecurring charges revenue in its retail sales revenue. Commission Staff recommended revised Nonrecurring Charges and a reduction to Retail Sales of Water of \$7,180 and an increase to Other Operating Revenues of \$655.<sup>9</sup> The Commission continues to follow its previous decisions regarding Nonrecurring Charges: personnel are paid during normal business hours and their salaries are recovered through rates.<sup>10</sup> Allowing a utility to recover the same labor expense twice is not fair, just, and reasonable. Therefore, estimated labor costs previously included in determining the amount of Nonrecurring Charges shall be eliminated from the charges. The Commission finds that the calculation of Nonrecurring Charges shall be revised and only the marginal costs related to the service should be recovered through a special nonrecurring charge for service provided during normal working hours. The Commission requires that charges be directly related to the actual cost incurred to provide the service. It is unreasonable to allocate an expense already incurred as a day-to-day cost of maintaining a system, such as the salary of a distribution operator, to a nonrecurring service such as the connection and reconnection of a meter during normal working hours. The perceived unfairness from removal of these costs does not outweigh the mismatch of costs and revenues. This approach to ratemaking is entirely consistent with the Commission's history of ensuring that rates reflect, to a reasonable degree, the principle of cost causation while simultaneously taking into account the health of the utility and the ability of the utility to provide the adequate, efficient and reasonable

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<sup>9</sup> Commission Staff's Report at 9-10, Adjustment A.

<sup>10</sup> Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020).

provision of service. The implementation of rates that significantly deviate from the actions and expenses underlying the service provided can create material issues with a utility's ability to meet its approved revenue requirement, particularly a utility with razor thin margins. In keeping with precedent, the Commission finds this adjustment to be reasonable.

The nonrecurring charges shall each be reduced by the estimated labor costs stated in the cost justification sheets. The Commission finds the revised nonrecurring charges set out in Appendix B and the adjustment of \$655 to Other Water Revenue is reasonable.

Billing Analysis Adjustment. In the Commission Staff Report, Commission Staff recommended the Commission accept Nicholas District's proposed increase of \$64,174 to Total Metered Water Sales,<sup>11</sup> based on Nicholas District's current billing analysis, adjustment for meter misreads and water leaks, an increase in rates during the test year due to a purchase water adjustment (PWA),<sup>12</sup> and an increase in rates due to another PWA during the pendency of this case.<sup>13</sup> The Commission finds that this adjustment is reasonable as an examination of Nicholas District's billing analysis was completed by Commission Staff and a normalized revenue was based on the information provided.

Late Payment Charges. In the Commission Staff's Report, Commission Staff recommended an increase to Nicholas District's test year Other Water Revenues by

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<sup>11</sup> Commission Staff's Report at 10-11, Adjustment B.

<sup>12</sup> Case No. 2020-00185, *Electronic Purchased Water Adjustment Filing of Nicholas County Water District* (Ky. PSC May 11, 2020).

<sup>13</sup> Case No. 2022-00132, *Electronic Purchased Water Adjustment Filing of Nicholas County Water District* (Ky. PSC May 18, 2022).

\$16,012<sup>14</sup> to reflect the normalization of Late Payment Fees to account for the moratorium regarding the collection of late payment fees from March through December 2020 due to the COVID-19 pandemic. Commission Staff noted that Nicholas District had included forfeited discount revenue within the total sales revenue and reduced retail water sales by \$2,525 as part of its \$7,180 adjustment as discussed under the Nonrecurring Charge section.

The Commission finds that this adjustment, which is the average of the previous three years' late payment fees, is a known and measurable change<sup>15</sup> to Other Water Revenues, is reasonable, and should be accepted.

Salaries and Wages – Commissioners. In the Commission Staff's Report, Commission Staff recommended a decrease to Nicholas Districts Salaries and Wages – Commissioners of \$2,400.<sup>16</sup> This adjustment was the net effect of the following: (1) a \$9,400 reclassification of wages from the employee wage and salary category to the commissioner wage and salary category; and (2) to reflect a reduction in commission salary to \$7,000 as the board chair was no longer accepting payment. The Commission

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<sup>14</sup> Commission Staff's Report at 12, Adjustment C.

<sup>15</sup> See 807 KAR 5:001, Section 16.1.(a); Case No. 2001-00211, *The Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefor; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018); and Case No. 2019-00080, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of the City of Pikeville to Mountain Water District* (Ky. PSC Dec. 19, 2019).

<sup>16</sup> Commission Staff's Report at 13, Adjustment D.

finds that this adjustment is a known and measurable change to Salaries and Wages – Commissioners, is reasonable, and is accepted

Governmental Account Standards Board Statement No. 68. In the Commission Staff's Report, Commission Staff recommended that the Commission accept Nicholas District's proposal to reduce Employee Pensions and Benefits by \$34,838 to normalize expenses related to Nicholas District's contributions to the County Employees' Retirement System.<sup>17</sup> The Commission finds that this adjustment is a known and measurable change to test year operations, is reasonable, and is accepted.

Purchased Water Adjustment. In the Commission Staff's Report, Commission Staff recommended that the Commission accept Nicholas District's proposed increase of \$13,444 to reflect a purchased water adjustment approved in Case No. 2020-00145.<sup>18</sup> Commission Staff further recommended an additional \$35,865 increase to Purchased Water expense to reflect the impact of the purchased water adjustment filed subsequently in Case No. 2022-00132.<sup>19</sup> The Commission finds that this adjustment, a total of \$49,309 is a known and measurable change to Purchased Water, is reasonable, and is accepted.<sup>20</sup>

Water Loss. Nicholas District's test year water loss was 24.35 percent.<sup>21</sup> Commission regulation 807 KAR 5:066, Section 6(3), limits water loss to 15 percent for

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<sup>17</sup> Commission Staff's Report at 13-14, Adjustment E.

<sup>18</sup> Case No. 2020-00145, *Electronic Purchased Water Adjustment Filing of Nicholas County Water District* (Ky. PSC May 11, 2020).

<sup>19</sup> Case No. 2022-00132, *Electronic Purchased Water Adjustment Filing of Nicholas County Water District* (Ky. PSC May 18, 2022).

<sup>20</sup> Commission Staff's Report at 14, Adjustment F.

<sup>21</sup> Application, Attachment 5, Adjustment E.

ratemaking purposes unless the Commission finds an alternative level is reasonable. In the Commission Staff's Report, Commission Staff recommended that the Commission accept the calculation of the Purchased Water and Purchased Power expense where the calculation of the disallowed water loss was based upon the pro forma Purchased Water. Based upon that calculation, Commission Staff reduced Nicholas District's Purchased Water and Purchased Power expense by \$28,689 and \$2,246, respectively.<sup>22</sup> The Commission finds that this adjustment is a known and measurable change to Purchased Water, is reasonable, and is accepted.

Depreciation Expense. In Commission Staff's Report, Commission Staff agreed with Nicholas District's decrease to Depreciation Expense of \$58,871 to reflect the adjustment of the useful life of capital assets to the midpoint of the National Association of Regulatory Utility Commissioners (NARUC) depreciation study. The Commission finds that this adjustment is a known and measurable change to Depreciation expense, is reasonable, and is accepted.

Rate Case Expense. Nicholas District did not request to amortize any costs expended in the preparation of this case. Commission Staff did not make an adjustment in the Commission Staff's Report but did request that if any costs were incurred, to provide them in the comments to the Commission Staff's Report. In the comments, Nicholas District did not identify any additional costs that were incurred in the preparation for the instant case. Therefore, the Commission will not make an additional pro forma adjustment.

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<sup>22</sup> Commission Staff Report, at 15, Adjustment G.

Based on the Commission's findings discussed above, the following table summarizes Nicholas District's adjusted pro forma operations.<sup>23</sup>

	Staff Report Pro Forma	Commission Adjustments	Final Pro Forma
Operating Revenues	\$ 789,508	N/A	\$ 789,508
Operating Expenses	<u>776,650</u>	<u>N/A</u>	<u>776,650</u>
Net Operating Income	12,858	N/A	12,858
Interest Income	<u>825</u>	<u>N/A</u>	<u>825</u>
Income available for Debt Service	<u>\$ 13,683</u>	<u>N/A</u>	<u>\$ 13,683</u>

### REVENUE REQUIREMENTS

Based upon the Commission's findings and determinations herein, Nicholas District requires an increase in revenues of \$161,340, or 20.88 percent above pro forma present rate revenues, as shown below. This increase is required for Nicholas District to remain operational and financially sound and have an opportunity to provide adequate, efficient, and reasonable service to its customers.<sup>24</sup>

Pro Forma Operating Expenses	\$ 776,650
Plus: Average Annual Principal and Interest Payments	145,853
Additional Working Capital	<u>29,171</u>
Overall Revenue Requirement	951,673
Less: Other Operating Revenue	(16,667)
Interest Income	<u>(825)</u>
Revenue Required from Rates	934,181
Less: Pro Forma Present Rate Service Revenues	<u>(772,841)</u>
Required Revenue Increase	<u>\$ 161,340</u>
Percentage Increase	20.88%

### RATE DESIGN

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<sup>23</sup> See Appendix A for a complete pro forma income statement.

<sup>24</sup> See Appendix A for a complete pro forma income statement.

Nicholas District proposed to increase its monthly retail water service rates evenly across the board by approximately 26.52 percent. Nicholas District has not performed a cost of service study (COSS). Nicholas District stated that it did not complete a COSS because there has not been any material change in the water system to warrant a COSS.<sup>25</sup>

The Commission finds that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. In the Commission Staff Report, Commission Staff followed the method proposed by Nicholas District and allocated Commission Staff's calculated revenue increase across the board to Nicholas District's monthly retail water service rates.

During review of the Commission Staff Report, it was determined that the water service rates contained in the Appendix to the Staff Report were incorrect as they were overstated due to not adjusting for the net billing adjustments.<sup>26</sup> The Commission finds that revising these rates to reflect the net billing adjustments related to meter misread and water leaks to be reasonable. Further, in an effort to avoid a significant hardship on Nicholas District's customers, the Commission finds that a two-year phase-in approach is appropriate. Although applying a two-year phase-in will not allow for depreciation reserves to be fully funded in the first year, it will allow for adequate revenues to cover expenses and debt service and a portion of the depreciation reserves. The rates set forth in Appendix B to this Order are based upon the revenue requirement the Commission

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<sup>25</sup> Nicholas District's Response to Commission Staff's First Request (filed Feb. 22, 2022), Item 4.

<sup>26</sup> Commission Staff Report, Adjustment B at 11.

has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$934,181 Revenue Required from Rates, an approximate 20.88 percent increase. The rates in Phase 1 will increase a typical residential customer's monthly water bill from \$37.26 to \$41.13, an increase of \$3.87, or approximately 10.39 percent.<sup>27</sup> The rates in Phase 2 will increase a typical residential customer's monthly water bill from the Phase 1 rates from \$41.13 to \$45.00, an increase of \$3.87, or approximately 9.41 percent.

### SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the findings contained in the Commission Staff's Report and discussed above are supported by the evidence of record and are reasonable. The Commission has historically used a Debt Service Coverage (DSC) method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Therefore, applying the DSC method to Nicholas District's pro forma operations results in an Overall Revenue Requirement of \$951,673 and, based upon pro forma present rate service revenues of \$772,841, a revenue increase of \$161,340 from water service rates is necessary to generate the overall revenue requirement. The Commission further finds that allocating the calculated revenue increase across the board to Nicholas District's monthly retail water service rates and to phase this increase over two years to be fair, just and reasonable.

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<sup>27</sup> The typical residential customer uses approximately 4,000 gallons per month.

IT IS THEREFORE ORDERED that:

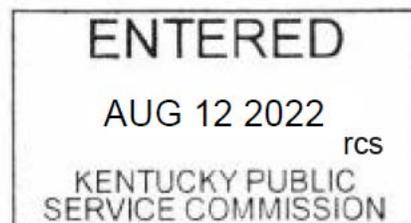
1. The findings contained in the Commission Staff's Report are adopted and modified and are incorporated by reference into this Order.
2. The water service rates proposed by Nicholas District are denied.
3. Phase 1 rates set forth in Appendix B to this Order are approved for services rendered by Nicholas District on and after the date of this Order.
4. Phase 2 rates set forth in Appendix B to this Order are approved for services rendered by Nicholas District one year following the date of this Order.
5. Within 20 days of the date of service of this Order, Nicholas District shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.
6. Nicholas District shall use the midpoint of the depreciable lives of the NARUC ranges, as proposed in the application and agreed upon by Staff, to depreciate water plant assets for accounting purposes in all future reporting periods. No adjustment to accumulated depreciation or retained earnings should be made to account for this change in the accounting estimate.
7. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Commissioner



ATTEST:

  
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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00455 DATED AUG 12 2022

	Test Year	Staff Report Adjustment	Commission Adjustments	Final Pro Forma
Operating Revenues				
Sales of Water	\$ 715,847	\$ (7,180)		
		64,174		\$ 772,841
Late Payment Penalties		16,012		16,012
Other Water Revenues		655		655
Total Operating Revenues	<u>715,847</u>	<u>73,661</u>		<u>789,508</u>
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	153,331	(9,400)		143,931
Salaries and Wages - Commissioners	2,400	7,000		9,400
Employee Pensions and Benefits	94,517	(34,838)		59,679
Purchased Water	257,522	49,309		
		(28,689)		278,142
Purchased Power for Pumping	24,017	(2,246)		21,771
Chemicals				-
Materials and Supplies	33,244			33,244
Contractual Services	36,164			36,164
Water Testing	7,715			7,715
Transportation Expense				-
Insurance	15,344			15,344
Regulatory Commission Expense				-
Bad Debt Expense				-
Miscellaneous Expense	26,177			26,177
Total Operation and Maintenance Expenses	650,431	(18,863)		631,568
Taxes Other Than Income	1,460			1,460
Depreciation	202,493	(58,871)		143,622
Total Operating Expenses	<u>854,384</u>	<u>(77,734)</u>		<u>776,650</u>
Net Operating Income	(138,537)	151,395		12,858
Interest Income	825			825
Income Available to Service Debt	<u>\$ (137,712)</u>	<u>\$ 151,395</u>		<u>\$ 13,683</u>

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00455 DATED AUG 12 2022

The following rates and charges are prescribed for the customers in the area served by Nicholas County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Phase 1

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	1,000 Gallons	\$16.98	Minimum Bill
Next	2,000 Gallons	0.00851	Per Gallon
Next	2,000 Gallons	0.00713	Per Gallon
Next	5,000 Gallons	0.00586	Per Gallon
Next	15,000 Gallons	0.00537	Per Gallon
Over	25,000 Gallons	0.00511	Per Gallon

1-Inch Meter

First	3,000 Gallons	\$34.02	Minimum Bill
Next	2,000 Gallons	0.00713	Per Gallon
Next	5,000 Gallons	0.00586	Per Gallon
Next	15,000 Gallons	0.00537	Per Gallon
Over	25,000 Gallons	0.00511	Per Gallon

1 1/2-Inch Meter

First	5,000 Gallons	\$48.28	Minimum Bill
Next	5,000 Gallons	0.00586	Per Gallon
Next	15,000 Gallons	0.00537	Per Gallon
Over	25,000 Gallons	0.00511	Per Gallon

2-Inch Meter

First	10,000 Gallons	\$77.61	Minimum Bill
Next	15,000 Gallons	0.00537	Per Gallon
Over	25,000 Gallons	0.00511	Per Gallon

3-Inch Meter

First	15,000 Gallons	\$104.44	Minimum Bill
Next	10,000 Gallons	0.00537	Per Gallon
Over	25,000 Gallons	0.00511	Per Gallon

4-Inch Meter

First	25,000 Gallons	\$158.12	Minimum Bill
Over	25,000 Gallons	0.00511	Per Gallon

Wholesale Rates

Harrison County Water Association	\$0.00379	Per Gallon
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Phase 2

To be implemented one year after Phase 1

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	1,000 Gallons	\$18.58	Minimum Bill
Next	2,000 Gallons	0.00931	Per Gallon
Next	2,000 Gallons	0.00780	Per Gallon
Next	5,000 Gallons	0.00641	Per Gallon
Next	15,000 Gallons	0.00586	Per Gallon
Over	25,000 Gallons	0.00559	Per Gallon

1-Inch Meter

First	3,000 Gallons	\$37.23	Minimum Bill
Next	2,000 Gallons	0.00780	Per Gallon
Next	5,000 Gallons	0.00641	Per Gallon
Next	15,000 Gallons	0.00586	Per Gallon
Over	25,000 Gallons	0.00559	Per Gallon

1 1/2-Inch Meter

First	5,000 Gallons	\$52.85	Minimum Bill
Next	5,000 Gallons	0.00641	Per Gallon
Next	15,000 Gallons	0.00586	Per Gallon
Over	25,000 Gallons	0.00559	Per Gallon

2-Inch Meter

First	10,000 Gallons	\$84.94	Minimum Bill
Next	15,000 Gallons	0.00586	Per Gallon
Over	25,000 Gallons	0.00559	Per Gallon

3-Inch Meter

First	15,000 Gallons	\$114.32	Minimum Bill
Next	10,000 Gallons	0.00586	Per Gallon
Over	25,000 Gallons	0.00559	Per Gallon

4-Inch Meter

First	25,000 Gallons	\$173.06	Minimum Bill
Over	25,000 Gallons	0.00559	Per Gallon

Wholesale Rates

Harrison County Water Association	\$0.00415 Per Gallon
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Nonrecurring Charges

5/8- x 3/4-Inch Water Tap On	\$1,000.00
Disconnection Charge	\$ 8.00
Reconnection Charge	\$ 8.00
Returned Payment Charge	\$ 0.00
Service Call/Investigation	\$ 8.00
Service Call/Investigation After Hours	\$ 57.00
Meter Test Request	\$ 23.00
Lock Replacement	\$ 15.00
Damage to Meter, Meter Setting or Lid	Actual Cost
Meter Relocation	Actual Cost

\*David P. Foster  
Rural Community Assistance Partnership  
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\*Monica Pryor  
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