

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE)	CASE NO.
BRACKEN COUNTY WATER DISTRICT)	2002-00395

ORDER

On November 26, 2002, Bracken County Water District (Bracken) filed its application for Commission approval of proposed water rates. Commission Staff, having performed a limited financial review of Bracken s operations, prepared a Staff Report that was issued by Commission Order dated May 9, 2003. The Order allowed 10 days to respond to the Staff Report. On May 15, 2003, Bracken submitted a request for an informal conference.

An informal conference, with all parties present, was held on June 16, 2003 to discuss the application and Staff Report. During the conference Staff noted a correction to the attached Cost of Service Study that warrants amendments to the original Staff Report. Accordingly, Staff has prepared an Amended Staff Report, which is attached to this Order. All parties should review the report carefully and provide any written comments or requests for a hearing or informal conference no later than 10 days from the date of this Order.

IT IS THEREFORE ORDERED that all parties shall have no more than 10 days from the date of this Order to provide written comments regarding the attached Staff Report or requests for hearing or informal conference. If no request for a hearing or

informal conference is received, this case will be submitted to the Commission for a decision.

Done at Frankfort, Kentucky, this 27th day of June, 2003.

By the Commission

ATTEST:


Executive Director

AMENDED STAFF REPORT
ON
BRACKEN COUNTY WATER DISTRICT
CASE NO. 2002-00395

On November 26, 2002, Bracken County Water District (Bracken) filed its application seeking to increase rates pursuant to 807 KAR 5:001, Section 10. Staff issued a report on May 9, 2003 that recommended that the Commission approve rates that generate the revenue requested by Bracken in its application.

On May 15, 2003, Bracken responded to the report requesting that a conference be held to discuss the Staff Report and the recommended rates.

A conference was held on June 16, 2003. During the conference Staff notified the representatives of Bracken and the Attorney General s Office of an error concerning the number of bills in the Staff Report. Therefore, Staff has made those corrections that were discovered and revised the Cost of Service Study of the Staff Report.

Attachment A is the amended cost of service study of the required revenue determined by Staff s review. Attachment B is the amended cost of service study of the revenue requirement proposed by Bracken s application and includes the rates recommended by Staff.

Bracken may choose to amend its application and request rates that will produce revenues up to but not exceeding the \$785,494 as calculated by Staff. If Bracken decides to amend its application, it should so state in its response to this report. Bracken would be required to notice its customers of the revised rate change as required by 807 KAR 5:011, Section 8.

Signatures

Prepared by: Jack Scott Lawless, CPA
Financial Analyst, Water and Sewer
Revenue Requirements Branch
Division of Financial Analysis

Prepared by: Eddie Beavers
Rate Analyst, Communications, Water,
and Sewer Rate Design Branch
Division of Financial Analysis

Bracken County Water District
Case No. 2002-00395

Attachment A

Amended Cost of Service Study

TOTAL WATER SOLD		
Bracken County Water District		
	GALLONS	Percent
Line Loss ¹	18,594,700	11.43%
Sales to Retail Customers ²	108,858,100	
Sales to Wholesale Customers ²	27,467,900	
Plant Use ¹	7,740,300	4.76%
Total Water Produced and Purchased ¹	162,661,000	
Total Water Sold ²	136,326,000	

Source: 2001 PSC Annual Report¹
Staff Billing Analysis²

Jointly Used Mains					
Bracken County Water District					
Main Size	Feet	Total miles of line	Inch Miles	Jointly used	
				Miles of line	Inch Miles
12	10560	2	24		
10	19536	3.7	37		
8	77088	14.6	116.8	0.75	6
6	174768	33.1	198.6	1	6
4	417120	79	316		
3	157344	29.8	89.4		
2.5	7920	1.5	3.75		
2	44880	8.5	17		
	909216	172.2	802.55	1.75	12
Percentage of jointly used line - inch miles					0.0150

WHOLESALE ALLOCATION FACTORS		
Bracken County Water District		
		FACTOR
Line Loss Percentage		0.1143
Plant Use Percentage		0.0476
Allowable Line Loss & Plant Use	$0.1143+0.0476$	0.1619
Production Multiplier	$1/1-0.1619$	1.1932
Inch Mile Ratio	$12/802.55$	0.0150
Wholesale Share of Line Loss	$0.0150*0.1143$	0.0017
Joint Share Line Loss/Plant Use	$0.0017+0.0476$	0.0493
Wholesale Production Multiplier	$1/1-0.0493$	1.0519
Production Allocation Factor	$27,467,900/136,326,000*(1.0519/1.1932)$	0.1776
Pipeline Transmission Factor	$27,467,900/136,326,000*0.0150$	0.0030
Use Factor	$27,467,900/136,326,000$	0.2015

Allocation of Plant Value							
Bracken County Water District							
	Total	Allocation Factor1	Wholesale	Retail	Commodity	Demand	Customer
Organization	\$1,122	0.0030	\$3	\$1,119		\$1,119	
Land & Land Rights	9,126	0.0030	27	9,099		9,099	
Structures and Improvements	12,359	0.1776	2,195	10,164		10,164	
Collecting & Impounding Res.	36,900	0.1776	6,553	30,347		30,347	
Lakes, Rivers & Other Intakes	110,873	0.1776	19,691	91,182		91,182	
Generation Equipment	281,559	0.1776	50,005	231,554		231,554	
Pumping Equipment	39,060	0.0030	117	38,943		38,943	
Distribution Reservoirs & Standpipes	30,535	0.0030	92	30,443		30,443	
Transmission & Distribution Mains	2,934,638	0.0030	8,804	2,925,834		2,925,834	
Meters & Meter Installations	220,018						\$220,018
Other Plant & Misc Equipment	7,725	0.0030	23	7,702		7,702	
Subtotal	\$3,683,915		\$87,510	\$3,596,405		\$3,376,387	\$220,018
Wholesale Allocation Percentages	100%		2.4%	97.6%			
Retail Allocation Percentages						93.9%	6.1%
Office Furniture & Equipment	\$52,285	0.0030	\$157	\$52,128		\$49,096	\$3,189
Transportation Equipment	7,725	0.0030	23	7,702		7,254	471
Tools, Shop & Garage Equipment	417	0.0030	1	416		392	25
Communication Equipment	88,267	0.0030	265	88,002		82,883	5,384
Subtotal	\$148,694		\$446	\$148,248		\$139,625	\$9,069
Total	\$3,832,609		\$87,956	\$3,744,653		\$3,516,012	\$229,087

Wholesale Allocation Percentages	100%		2.4%	97.6%			
Retail Allocation Percentages	100%					93.9%	6.1%
Source: 2001 PSC Annual Report							
1Allocation Factor used to determine Wholesale Customer Share of Plant Value.							

Allocation of Depreciation							
Bracken County Water District							
	Total	Allocation Factors ¹	WHOLE SALE	RETAIL	Commodity	Demand	Customer
Organization	\$508	0.0030	\$2	\$506		\$506	
Land & Land Rights	4,921	0.0030	15	4,906		4,906	
Structures & Improvements	7901	0.1776	1,403	6,498		6,498	
Wells & Springs	66,845	0.1776	11,872	54,973		54,973	
Collecting & Impounding	33,225	0.1776	5,901	27,324		27,324	
Power Generating Equipment	171,468	0.0030	514	170,954		170,954	
Water Treatment Equipment	2,941	0.1776	522	2,419		2,419	
Dist. Reservoirs & Standpipes	8,940	0.0030	27	8,913		8,913	
Transmission & Distribution Mains	1,277,082	0.0030	3,831	1,273,251		1,273,251	
Other Plant	4,858	0.0030	15	4,843		4,843	
Meters	118,453			118,453			\$118,453
Subtotal	\$1,697,142		\$24,102	\$1,673,040		\$1,554,587	\$118,453
Wholesale Allocation Percentages	100%		1.4%	98.6%			
Retail Allocation Percentages	100%					92.9%	7.1%
Office Furniture & Equipment	\$19,973	0.0030	\$60	\$19,913		\$18,499	\$1,414
Transportation Equipment	2,839	0.0030	9	2,830		2,629	201
Tools, Shop & Garage Equip	417	0.0030	1	416		386	30
Power Operated Equip	5,803	0.0030	17	5,786		5,375	411
Subtotal	\$29,032		\$87	\$28,945		\$26,889	\$2,056
Total	\$1,726,174		\$24,189	\$1,701,985		\$1,581,476	\$120,509
Wholesale Allocation Percentages	100%		1.4%	98.6%			

Retail Allocation Percentages	100%					92.9%	7.1%
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Source: 2001 PSC Annual Report

1 Allocation Factor used to determine Wholesale Customer Share of Depreciation.

Allocation of Operation & Maintenance Expense for Wholesale Customer				
Bracken County Water District				
	Total	Allocation Factor	Wholesale	Retail
Salaries:				
Meter Reading/Collection	\$32,474			\$32,474
Trans/Dist.	85,150	0.0030	\$255	84,895
Purchased Water	262,615	0.2015	52,917	209,698
Purchased Power	19,031	0.2015	3,835	15,196
Chemicals	89	0.2015	18	71
Contract Services	4,300			4,300
Bad Debt Expense	2,556			2,556
Materials and Supplies	65,107	0.0030	195	64,912
Transportation	17,331	0.0030	52	17,279
Insurance				
Health Insurance				
Meter Reading/Collection	7,710			7,710
Trans/Dist.	19,567	0.0030	59	19,508
Life Insurance				
Meter Reading/Collection	118			118
Trans/Dist.	297	0.0030	1	296
Workers Comp				
Meter Reading/Collection	711			711
Trans/Dist.	1,805	0.0030	5	1,800
Misc. Expense	5,528	0.0030	17	5,511
Salaries & Wages-Admin	8,118	0.0030	24	8,094
Salaries & Wages-Officers	7,200	0.0030	22	7,178
Insurance Property	9,159	0.0030	27	9,132
Contract Services Accounting	2,800	0.0030	8	2,792
Misc. Expense	15,556	0.0030	47	15,509
Rental of Bldg/Real Property	7,200	0.0030	22	7,178
Insurance Other		0.0030		
Health	1,927	0.0030	6	1,921
Workers Comp	178	0.0030	1	177
Life	29	0.0030	0	29
Payroll Taxes	11,432	0.0030	34	11,398
Total Operating Expenses	\$587,988		\$57,545	\$530,443
Depreciation ¹	129,364	0.0140	1,811	127,553
Debt Service ²	176,748		4,065	172,683
LESS:Other Operating Revenue	(20,461)			(20,461)
Surcharged Debt Payments ³	(75,996)			(75,996)
Interest Income	(12,149)			(12,149)

Bulk Sales	(7,470)			(7,470)
Total Revenue Required from Rates	\$778,024		\$63,421	\$714,603
1Wholesale Depreciation based on the Wholesale Allocation Percentage shown on depreciation allocation sheet.				
2Wholesale Debt Service based on percentage shown on plant value allocation sheet.				
3Allocation Factor used to determine Wholesale Customer Share of O&M Expenses.				
Whole Sale Rate = Wholesale Revenue Required/Sales to Wholesale Customers.				\$2.31

Allocation of Operation & Maintenance Expense for Retail Customers				
Bracken County Water District				
	Total	Commodity	Demand	Customer
Salaries:				
Meter Reading/Collection	\$32,474			\$32,474
Trans/Dist.	84,895		\$84,895	
Purchased Water	209,698	209,698		
Purchased Power	15,196	15,196		
Chemicals	71	71		
Bad Debt Expense	2,556			2,556
Materials and Supplies	64,912		64,912	
Insurance				
Health Insurance				
Meter Reading/Collection	7,710			7,710
Trans/Dist.	19,508		19,508	
Life Insurance				
Meter Reading/Collection	118			118
Trans/Dist.	296		296	
Workers Comp				
Meter Reading/Collection	711			711
Trans/Dist.	1,800		1,800	
Misc. Expense	5,511		5,511	
Taxes other than Income				
Meter Reading/Collection	3,009			3,009
Trans/Dist.	7,637		7,637	
SUBTOTAL	456,102	224,965	184,559	46,578
Less Commodity	224,965			
TOTAL	\$231,137	\$224,965	\$184,559	\$46,578
PERCENTAGE	100%		79.8%	20.2%
Salaries & Wages-Admin	\$8,094		\$6,459	\$1,635
Salaries & Wages-Officers	7,178		5,728	1,450
Insurance Property	9,132		7,287	1,845
Contract Services Accounting	2,792		2,228	564
Contract Services Other	4,300		3,431	869
Transportation	17,279		13,789	3,490
Misc. Expense	15,509		12,376	3,133
Rental of Bldg/Real Property	7,178		5,728	1,450
Insurance Other				
Health	1,921		1,533	388
Workers Comp	177		141	36
Life	29		23	6

Taxes other than Income				
Administrative Personnel	752		600	152
Subtotal	74,341		59,323	15,018
Total Operating Expenses	\$530,443	\$224,965	\$243,882	\$61,596

Allocation of Cost of Service For Retail Customers				
Bracken County Water District				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$530,443	\$224,965	\$243,882	\$61,596
Debt Service ¹	172,683		162,149	10,534
Depreciation ²	127,553		118,497	9,056
General Water Service Cost	\$830,679	\$224,965	\$524,528	\$81,186
Less:				
Other Operating Revenue	(\$20,461)			(\$20,461)
Surcharged Debt Service ¹	(75,996)		(71,360)	(4,636)
Interest Income	(12,149)			(12,149)
Bulk Sales	(7,470)	(7,470)		
Revenue Required from Rates for Retail Customers	\$714,603	\$217,495	\$453,168	\$43,940
NOTES:				
1Debt Service has been allocated on the Retail Allocation Percentage of Plant Value from plant value allocation sheet.				
2Depreciation has been allocated on the Retail Allocation Percentage of Depreciation from depreciation allocation sheet.				

Calculation of Water Rates			
Bracken County Water District			
	Total	First 2,000 gallons	Over 2,000 gallons
Actual Water Sales:			
Thousand Gallons	107,596,110	35,051,600	72,544,510
Percent	100%	32.6%	67.4%
Weighted Sales for Demand:		1.5	1
Thousand Gallons	125,121,910	52,577,400	72,544,510
Percent	100%	42.0%	58.0%
Allocation of Volumetric Costs:			
Commodity	\$217,495	\$70,903	\$146,592
Demand	453,168	190,331	262,837
Customer	43,940	43,940	
Total	\$714,603	\$305,174	\$409,429
Number of Bills	20,699		
Double Hook-Up Customers	672		
	21,371		
Cost of Service Rates¹		\$14.30	\$5.64

¹\$0.02 added to minimum bill rate to establish rates that generate the required revenue requirement.

Verification of Cost of Service Rates				
Bracken County Water District				
	Bills	Gallons	Rate	Revenue
First 2,000 gallons	20,699	35,051,600	\$14.30	\$295,996
Over 2,000 gallons		72,544,510	5.64	409,151
Double Hook-Up Customers	672		14.30	9,610
Wholesale Rate		27,467,900	2.31	63,451
Total Revenue from Rates				\$778,208
Other Income:				
Bulk Sales Rate		1,333,900	5.60	\$7,470
Other Operating Revenue				20,461
Surcharged Debt Payments				75,996
Interest Income				12,149
Total Operating Revenue	20,699	136,397,910		\$894,284

Cost of Service Monthly Water Rates		
Bracken County Water District		
First 2,000 gallons	\$14.30	Minimum bill
Over 2,000 gallons	5.65	per 1,000 gallons
Double Hook-up Customers	14.30	per customer
Wholesale Rate	2.31	per 1,000 gallons

Bracken County Water District				
Comparison of Rates				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
2,000	\$11.24	\$14.30	\$3.06	27.2%
3,000	14.79	19.94	5.15	34.8%
4,000	18.34	25.58	7.24	39.5%
5,000	21.89	31.22	9.33	42.6%
6,000	25.44	36.86	11.42	44.9%
7,000	28.99	42.50	13.51	46.6%
8,000	32.54	48.14	15.60	47.9%
9,000	36.09	53.78	17.69	49.0%
10,000	39.64	59.42	19.78	49.9%
15,000	57.39	87.62	30.23	52.7%
20,000	75.14	115.82	40.68	54.1%
25,000	92.89	144.02	51.13	55.0%
30,000	110.64	172.22	61.58	55.7%
35,000	128.39	200.42	72.03	56.1%
40,000	146.14	228.62	82.48	56.4%
50,000	181.64	285.02	103.38	56.9%
75,000	270.39	426.02	155.63	57.6%
100,000	359.14	567.02	207.88	57.9%
150,000	536.64	849.02	312.38	58.2%
200,000	714.14	1,131.02	416.88	58.4%
250,000	891.64	1,413.02	521.38	58.5%
300,000	1,069.14	1,695.02	625.88	58.5%
350,000	1,246.64	1,977.02	730.38	58.6%

Comparison of Rates		
Block Usage	Current Rates	Cost of Service Rates
First 2,000 gallons	\$11.24	\$14.30
Over 2,000 gallons	3.55	5.64
Wholesale Rate	3.03	\$2.31

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Cost of Service Rates	Amount Increase	% Increase
\$21.89	\$31.22	\$9.33	42.60%

Bracken County Water District
Case No. 2002-00395

ATTACHMENT B

Amended Cost of Service Study

TOTAL WATER SOLD		
Bracken County Water District		
	GALLONS	Percent
Line Loss ¹	18,594,700	11.43%
Sales to Retail Customers ²	108,858,100	
Sales to Wholesale Customers ²	27,467,900	
Plant Use ¹	7,740,300	4.76%
Total Water Produced and Purchased ¹	162,661,000	
Total Water Sold ²	136,326,000	

Source: 2001 PSC Annual Report¹
Staff Billing Analysis²

Jointly Used Mains					
Bracken County Water District					
				Jointly used	
Main Size	Feet	Total miles of line	Inch Miles	Miles of line	Inch Miles
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2	44880	8.5	17		
	909216	172.2	802.55	1.75	12
Percentage of jointly used line - inch miles					0.0150

WHOLESALE ALLOCATION FACTORS		
Bracken County Water District		
		FACTOR
Line Loss Percentage		0.1143
Plant Use Percentage		0.0476
Allowable Line Loss & Plant Use	$0.1143+0.0476$	0.1619
Production Multiplier	$1/1-0.1619$	1.1932
Inch Mile Ratio	$12/802.55$	0.0150
Wholesale Share of Line Loss	$0.0150*0.1143$	0.0017
Joint Share Line Loss/Plant Use	$0.0017+0.0476$	0.0493
Wholesale Production Multiplier	$1/1-0.0493$	1.0519
Production Allocation Factor	$27,467,900/136,326,000*(1.0519/1.1932)$	0.1776
Pipeline Transmission Factor	$27,467,900/136,326,000*0.0150$	0.0030
Use Factor	$27,467,900/136,326,000$	0.2015

Allocation of Plant Value							
Bracken County Water District							
Requested Revenue							
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Land & Land Rights	9,126	0.0030	27	9,099		9,099	
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Allocation of Operation & Maintenance Expense for Wholesale Customer				
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Insurance				
Health Insurance				
Meter Reading/Collection	7,710			7,710
Trans/Dist.	19,567	0.0030	59	19,508
Life Insurance				
Meter Reading/Collection	118			118
Trans/Dist.	297	0.0030	1	296
Workers Comp				
Meter Reading/Collection	711			711
Trans/Dist.	1,805	0.0030	5	1,800
Misc. Expense	5,528	0.0030	17	5,511
Salaries & Wages-Admin	8,118	0.0030	24	8,094
Salaries & Wages-Officers	7,200	0.0030	22	7,178
Insurance - Property	9,159	0.0030	27	9,132
Contract Services - Accounting	2,800	0.0030	8	2,792
Misc. Expense	15,556	0.0030	47	15,509
Rental of Bldg/Real Property	7,200	0.0030	22	7,178
Insurance - Other		0.0030		
Health	1,927	0.0030	6	1,921
Workers Comp	178	0.0030	1	177
Life	29	0.0030	0	29
Payroll Taxes	11,432	0.0030	34	11,398
Total Operating Expenses	\$587,988		\$57,545	\$530,443
Depreciation ¹	0	0.0140	0	0
Debt Service ²	157,993		3,634	154,359
LESS:Other Operating Revenue	(20,461)			(20,461)
Surcharged Debt	(75,996)			(75,996)
Payments ³				

Interest Income	(12,149)			(12,149)
Bulk Sales	(7,470)			(7,470)
Total Revenue Required from Rates	\$629,905		\$61,179	\$568,726
1Wholesale Depreciation based on the Wholesale Allocation Percentage shown on depreciation allocation sheet.				
2Wholesale Debt Service based on percentage shown on plant value allocation sheet.				
3Allocation Factor used to determine Wholesale Customer Share of O&M Expenses.				
Whole Sale Rate = Wholesale Revenue Required/Sales to Wholesale Customers.				\$2.23

Allocation of Operation & Maintenance Expense for Retail Customers				
Bracken County Water District				
Requested Revenue				
	Total	Commodity	Demand	Customer
Salaries:				
Meter Reading/Collection	\$32,474			\$32,474
Trans/Dist.	84,895		\$84,895	
Purchased Water	209,698	209,698		
Purchased Power	15,196	15,196		
Chemicals	71	71		
Bad Debt Expense	2,556			2,556
Materials and Supplies	64,912		64,912	
Insurance				
Health Insurance				
Meter Reading/Collection	7,710			7,710
Trans/Dist.	19,508		19,508	
Life Insurance				
Meter Reading/Collection	118			118
Trans/Dist.	296		296	
Workers Comp				
Meter Reading/Collection	711			711
Trans/Dist.	1,800		1,800	
Misc. Expense	5,511		5,511	
Taxes other than Income				
Meter Reading/Collection	3,009			3,009
Trans/Dist.	7,637		7,637	
SUBTOTAL	456,102	224,965	184,559	46,578
Less Commodity	224,965			
TOTAL	\$231,137	\$224,965	\$184,559	\$46,578
PERCENTAGE	100%		79.8%	20.2%
Salaries & Wages-Admin	\$8,094		\$6,459	\$1,635
Salaries & Wages-Officers	7,178		5,728	1,450
Insurance - Property	9,132		7,287	1,845
Contract Services - Accounting	2,792		2,228	564
Contract Services - Other	4,300		3,431	869
Transportation	17,279		13,789	3,490
Misc. Expense	15,509		12,376	3,133
Rental of Bldg/Real Property	7,178		5,728	1,450
Insurance - Other				
Health	1,921		1,533	388
Workers Comp	177		141	36
Life	29		23	6

Taxes other than Income				
Administrative Personnel	752		600	152
Subtotal	74,341		59,323	15,018
Total Operating Expenses	\$530,443	\$224,965	\$243,882	\$61,596

Allocation of Cost of Service for Retail Customers				
Bracken County Water District				
Requested Revenue				
	Total	Commodity	Demand	Customer
Operation & Maintenance	\$530,443	\$224,965	\$243,882	\$61,596
Debt Service ¹	154,359		144,943	9,416
Depreciation ²	0		0	0
General Water Service Cost	\$684,802	\$224,965	\$388,825	\$71,012
Less:				
Other Operating Revenue	(\$20,461)			(\$20,461)
Surcharged Debt Service ¹	(75,996)		(71,360)	(4,636)
Interest Income	(12,149)			(12,149)
Bulk Sales	(7,470)	(7,470)		
Revenue Required from Rates for Retail Customers	\$568,726	\$217,495	\$317,465	\$33,766
NOTES:				
1Debt Service has been allocated on the Retail Allocation Percentage of Plant Value from plant value allocation sheet.				
2Depreciation has been allocated on the Retail Allocation Percentage of Depreciation from depreciation allocation sheet.				

Calculation of Water Rates			
Bracken County Water District			
Requested Revenue			
	Total	First 2,000 gallons	Over 2,000 gallons
Actual Water Sales:			
Thousand Gallons	107,596,110	35,051,600	72,544,510
Percent	100%	32.6%	67.4%
Weighted Sales for Demand:			
Thousand Gallons	125,121,910	52,577,400	72,544,510
Percent	100%	42.0%	58.0%
Allocation of Volumetric Costs:			
Commodity	\$217,495	\$70,903	\$146,592
Demand	317,465	133,335	184,130
Customer	33,766	33,766	
Total	\$568,726	\$238,004	\$330,722
Number of Bills	20,699		
Double Hook-Up Customers	672		
	21,371		
Cost of Service Rates¹		\$11.14	\$4.56

¹\$0.01 added to minimum bill to establish rates that generate the requested revenue requirement.

Verification of Cost of Service Rates				
Bracken County Water District				
Requested Revenue				
	Bills	Gallons	Rate	Revenue
First 2,000 gallons	20,699	35,051,600	\$11.14	\$230,587
Over 2,000 gallons		72,544,510	4.56	330,803
Double Hook-Up Customers	672		11.14	7,486
Wholesale Rate		27,467,900	2.23	61,253
Total Revenue from Rates				\$630,129
Other Income:				
Bulk Sales Rate		1,333,900	5.60	\$7,470
Other Operating Revenue				20,461
Surcharged Debt Payments				75,996
Interest Income				12,149
Total Operating Revenue	20,699	136,397,910		\$746,205

Cost of Service Monthly Water Rates		
Bracken County Water District		
Requested Revenue		
First 2,000 gallons	\$11.14	Minimum bill
Over 2,000 gallons	4.56	per 1,000 gallons
Double Hook-up Customers	11.14	per customer
Wholesale Rate	2.23	per 1,000 gallons

Bracken County Water District				
Comparison of Rates				
Requested Revenue				
Gallon Usage	Current Rates	Cost of Service Rates	Increase	Percentage
2,000	\$11.24	\$11.14	-\$0.10	-0.9%
3,000	14.79	15.70	0.91	6.2%
4,000	18.34	20.26	1.92	10.5%
5,000	21.89	24.82	2.93	13.4%
6,000	25.44	29.38	3.94	15.5%
7,000	28.99	33.94	4.95	17.1%
8,000	32.54	38.50	5.96	18.3%
9,000	36.09	43.06	6.97	19.3%
10,000	39.64	47.62	7.98	20.1%
15,000	57.39	70.42	13.03	22.7%
20,000	75.14	93.22	18.08	24.1%
25,000	92.89	116.02	23.13	24.9%
30,000	110.64	138.82	28.18	25.5%
35,000	128.39	161.62	33.23	25.9%
40,000	146.14	184.42	38.28	26.2%
50,000	181.64	230.02	48.38	26.6%
75,000	270.39	344.02	73.63	27.2%
100,000	359.14	458.02	98.88	27.5%
150,000	536.64	686.02	149.38	27.8%
200,000	714.14	914.02	199.88	28.0%
250,000	891.64	1,142.02	250.38	28.1%
300,000	1,069.14	1,370.02	300.88	28.1%
350,000	1,246.64	1,598.02	351.38	28.2%

Comparison of Rates		
Block Usage	Current Rates	Cost of Service Rates
First 2,000 gallons	\$11.24	\$11.14
Over 2,000 gallons	3.55	4.56
Wholesale Rate	3.03	\$2.23

Effect on Customer Average Bill - 5,000 Gallons Usage			
Current Rates	Cost of Service Rates	Amount Increase	% Increase
\$21.89	\$24.82	\$2.93	13.40%