



Kentucky Rural Water Association

Helping water and wastewater utilities help themselves

April 8, 2022

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Case No. 2021-00475
Carroll County Water District #1

Dear Ms. Bridwell:

The attached file is being submitted to provide additional detail regarding the Cost of Service Study included in the referenced application. These are the same figures originally submitted, but in Excel format.

A cost of service analysis is used to allocate revenue requirements to the various customer classes (e.g., levels of usage) served by the utility. Based on the usage data for Carroll County, it was determined that a declining block rate structure with three rate blocks accomplishes this objective. The three blocks are: 0 – 10,000 gallons; 10,001 – 50,000 gallons; and all over 50,000 gallons.

The District's existing rate schedule includes 1,000 gallons in the minimum bill for a 5/8 x 3/4" meter. Therefore, in the new rate design the first 1,000 gallons from the 0 – 10,000 gallon block is added to the lump sum customer charge to compute the proposed minimum bill. Similarly, the usage proposed in the minimum bills for larger meters is the same as in the existing rate schedule.

If we can provide additional information to assist with this review, please let us know.

Sincerely,

Alan Vilines

Enclosure