

Proposed Rate Study

Levee Road Water Association

Prepared by: **Kentucky Rural Water Association**

The Kentucky Rural Water Association (KRWA) will perform a rate study for the Levee Road Water Association (LRWA) upon approval of this proposal. LRWA provides water service to approximately 860 residential and commercial customers in Montgomery County. LRWA purchases its drinking water from the Mt. Sterling Water & Sewer.

Retail water rates are currently: First 2,000 gallons - \$23.25; Next 5,000 gallons - \$8.00 per 1,000 gallons; Next 13,000 gallons - \$6.00 per 1,000 gallons; and Over 20,000 gallons- \$5.50 per 1,000 gallons. A residential customer using 4,000 gallons per month currently pays \$39.25.

Scope of Work

The Alternative Rate Filing (ARF) rate study will include completing: Schedule of Adjusted Operations; Revenue Requirement Calculations; Current and Proposed Rates; and Current/Proposed Billing Analyses. KRWA will also provide a written summary, presentation to the Board of Directors (if requested), a proposed board resolution, customer notices, Kentucky Public Service Commission (PSC) application filings, and response to PSC inquiries. This proposal does not include attendance at any PSC informal conferences or public hearings.

Qualifications

The rate analysis will be performed by Bob Miller. Gary Larimore, KRWA Executive Director will coordinate the PSC filing submissions.

Proposed Cost

The rate study will be subsidized through a grant from the Appalachian Regional Commission.

ARF Rate Study:

Estimated research, analysis, and meetings:	\$6,000
---	---------

Public Service Commission Filing:

Estimated compilation, filing, and follow-up:	\$1,500
---	---------

Travel:

Two round trips from Louisville to Mt. Sterling:	\$600
--	-------

Total:	\$8,100
---------------	----------------

ARC grant	-\$8,100
------------------	-----------------

LRWA	\$0
-------------	------------