

Kirksville Water Association

297 Michelle Dr.

P O Box 670 ♦ Richmond KY 40476-0670 ♦ 859-624-1735 ♦ Fax 859-623-8220

June 16, 2009

Executive Director
Kentucky Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602-0615

Office of the Attorney General
Rate Intervention Division
100 Perimeter Park
Frankfort, KY 40602

Re: Purchased Water Adjustment Filing

Kirksville Water Association is requesting a Purchase Water Adjustment. Enclosed are the filing forms and supporting documentation. This filing is made pursuant a rate increase from our wholesale provider Richmond Utilities. Kirksville Water Association will publish the enclosed notice no later than June 18, 2009.

Should you have questions or require additional information please feel free to contact me at 859-624-1735.

Sincerely,



Bobby W. Powell
General Manager

2009 - 00223

RECEIVED

JUN 17 2009

PUBLIC SERVICE
COMMISSION

RECEIVED

JUN 17 2009

PUBLIC SERVICE
COMMISSION

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

2009-00223

Name of Utility	Kirksville Water Association	
Date	June 9, 2009	
Address	P.O. Box 670	
City, State, Zip	Richmond, KY	40476-0670
Telephone Number	859.624-1735	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

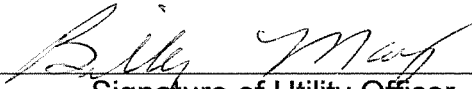
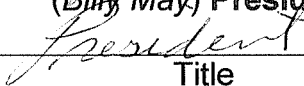
Supplier(s)	Base Rate	Changed Rate
Richmond Utilities	\$2.08 per 100 cu ft	\$2.14 per 100 cu ft

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit #1

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	June 2008	through	May 2009
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Richmond Utilities	111,910,524
TOTAL PURCHASES	111,910,524
4. Total sales for the 12 month period	\$827,544,.49
5. Increased water cost	\$8,976.78
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.08 per 1000 gals
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	July 1, 2009
	
Signature of Utility Officer	
(Billy May) President	
 Title	

List of Exhibits

Exhibit #1 – Suppliers Notice

Exhibit #2 – Water Purchased

Exhibit #3 – Kirksville Water Association 12 Month History

Exhibit #4 – Calculations

Exhibit #5 – Proposed Billing Rates



300 Hallie Irvine St.
P.O. Box 700
Richmond, KY 40476-0700

May 19, 2009

Kirksville Water Association
Attn: Bobby Powell
PO BOX 670
Richmond, KY 40476-0670

Dear Mr. Powell/KWA Board:

NOTICE

Richmond Utilities ("RU") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Kirksville Water Association	\$2.08/100 Cu Ft	\$2.14/100 Cu Ft	3.0% Increase
Madison County Utility District	\$2.08/100 Cu Ft	\$2.14/100 Cu Ft	3.0% Increase

The proposed effective date is July 1, 2009.

The rates contained in this notice are the rates proposed by RU. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by RU by contacting Scott Althausser at the offices of RU, 300 Hallie Irvine Street in Richmond, Kentucky: telephone 859-623-2323.

Any person may examine the rate application and other filings made by RU by visiting the offices of RU at 300 Hallie Irvine Street or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

Sincerely,

Scott Althausser
General Manager

Cc: Greg Puckett, Counsel
Madison County Fiscal Court

Enclosure: Ordinance No. 09-08 (City of Richmond)

ORDINANCE NO. 09-08

AN ORDINANCE OF THE CITY OF RICHMOND, KENTUCKY, REVISING THE RATES TO BE CHARGED BY THE WATER SYSTEM OF RICHMOND FOR WHOLESALE USERS

WHEREAS, water rates now charged to the wholesale users were established by Ordinance No. 02-13, and these rates were increased by Ordinance No. 07-13; and

WHEREAS, inflation, increased costs of operation, and costs of capital improvements make it necessary to raise rates charged by the Richmond Water, Gas and Sewage Works to Wholesale Users, and the Richmond Utilities Board has recommended a fair and reasonable increase in the rates.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF RICHMOND, KENTUCKY, THAT:

(A) Definitions. For purposes of this rate ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

1. Wholesale Purchasers. Wholesale purchasers shall mean Madison County Utility District and Kirksville Water Association, and water districts of a similar nature and purpose.

(B) The schedule of rates to be charged to customers on bills mailed after July 1, 2009 shall be as follows:

1. Wholesale Rates. The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewage Works shall be as follows:

Flat Rate	\$2.14/100 Cu Ft
-----------	------------------

(C) This Ordinance shall be effective upon its second reading and its legal publication.

Date of First Reading: April 28, 2009

Motion By: Commissioner Blythe

Seconded By: Commissioner Brewer

Date of Second Reading: May 12, 2009

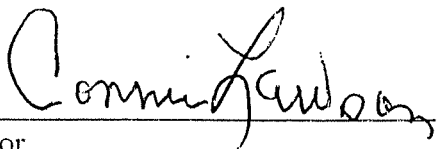
Motion By: Commissioner Strong

Seconded By: Commissioner Smart

Vote:	Yes	No
Commissioner Blythe	x	
Commissioner Brewer	Absent	

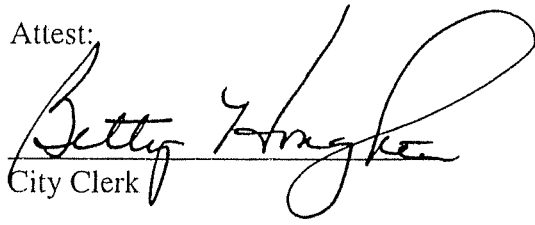
Commissioner Smart
Commissioner Strong
Mayor Lawson

x
x
x



Mayor

Attest:



City Clerk

Exhibit #2 (12 Month Water Purchase/Sold History)

Kirksville Water Association

Purchased/Gals		Billed/Gals	
----------------	--	-------------	--

May			
June	9,700,064		7,755,601
July	9,839,940		9,182,800
Aug	10,404,680		9,162,490
Sept	11,138,468		9,190,709
Oct	10,282,008		9,490,395
Nov	10,133,904		10,271,271
Dec	8,201,820		8,481,970
08 TOTAL	69,700,884		63,535,236

2009 Water Purchased / Billed

Purchased/Gals		Usage/Gals	
----------------	--	------------	--

Jan	9,068,752		7,842,798
Feb	8,744,120		8,843,208
Mar	9,183,944		8,315,694
Apr	7,190,524		7,526,598
May	8,022,300		8,034,470
June			
July			
Aug			
Sept			
Oct			
Nov			
Dec			
09 TOTAL	42,209,640		40,562,768
08 TOTAL	69,700,884		63,535,236
12 Month Totals	111,910,524		104,098,004

EXHIBIT #3

Kirksville Water Association
297 Michelle Drive
PO Box 670
Richmond, KY 40476-0670

<u>12 Month Histroy</u>	<u>Billed</u>	
June 08	62,572.81	(May Water)
July 08	70,884.73	
Aug 08	72,592.72	
Sept 08	72,905.82	
Oct. 08	73,908.70	
Nov. 08	79,002.96	
Dec. 08	67,568.99	
Jan. 09	69,405.54	
Feb. 09	66,566.22	
Mar 09	65,178.88	
April 09	62,267.93	
May 09	<u>64,689.19</u>	(April Water)
TOTAL (12 mos.)	\$ 827,544.49	

Exhibit #4

KWA Calculations

5. Increased Water Cost:

\$2.08/100 cu ft to \$2.14/100 cu ft

111,910,524 gals / 7.48 = 14,961,300 cu.ft.

14,961,300 cu.ft. x 2.14 = 320,171.82 / 100 cu.ft.

14,961,300 cu.ft. x 2.08 = 311,195.04 / 100 cu.ft.

\$8,976.78 Increased Water Purchase Cost

6. Purchase Water Adjustment Factor:

\$8,976.78 / 104,098,004 gallons (Convert gallons to cu ft (1 cu ft = 7.48 gallons)

\$8,976.78 / 13,916,845.45 cu ft (per 100) = 0.06 per 100 cu.ft.

0.06 per 748 gallons (1.3369)

= **\$0.08 per 1,000 gallons**

Exhibit 5

Kirksville Proposed Water Rates

First	2,000 gallons	\$16.84	Minimum Bill
Next	3,000 gallons	\$8.10	per 1,000 gallons
Next	5,000 gallons	\$6.76	per 1,000 gallons
Over	10,000 gallons	\$5.65	per 1,000 gallons