

Form for filing Rate Schedules

For Community, Town or City

P.S.C. NO. 1

1 1<sup>ST</sup> REVISED SHEET NO. 1

CANCELLING P.S.C. NO. 1

1 ORIGINAL SHEET NO. 1

City of Leitchfield  
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

	RATE PER UNIT
Grayson County Water District per 1,000 gallons	<del>\$1.273</del> <u>\$1.274</u>

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE JUL 24 1997

ISSUED BY \_\_\_\_\_  
Name of Officer

TITLE \_\_\_\_\_ PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

Issued by authority of an Order of the Public Service Commission  
in Case No. \_\_\_\_\_ dated \_\_\_\_\_  
BY: Phyllis Lanning  
DIRECTOR, RATES & RESEARCH DIV.

July 19, 1997

#1.274

Sam L. McIlwain, P.E.  
Water Management Services  
PO Box 17650  
Nashville TN 37217

Alan H. Vilines, P.E.  
Grayson County Water District  
PO Box 1118  
Bowling Green KY 42102

June 4, 1997

MR JOE BILL GREEN, CHAIRMAN  
LEITCHFIELD UTILITIES COMMISSION  
CITY OF LEITCHFIELD  
PO BOX 398  
LEITCHFIELD KY 42754

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MR ED NICHOLS, CHAIRMAN  
GRAYSON COUNTY WATER DISTRICT  
111 SOUTH LEE AVE  
LEITCHFIELD KY 42755

JUL 24 1997

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)  
BY: Stephan D. Bell  
SECRETARY OF THE COMMISSION

RE: Wholesale Water Rate Calculation for Water Purchased by  
Grayson County Water District from the City of Leitchfield

Gentlemen:

In accordance with the Second Supplemental Agreement dated June 9, 1994; the "Joint Report on Wholesale Water Rate Calculations for Water Purchased by Grayson County Water District from the City of Leitchfield" dated December 1993; and all prior written agreements and reports relative to charges by the City of Leitchfield (City) to Grayson County Water District (District) as referenced in the documents listed above; the respective engineers of the City and District have met and have agreed on the new rate.

However, because of the recent completion of the City's latest construction project and the unique need to include the debt service for this project in the rate to the District as soon as possible, the following exceptions to the methods included in the above documents were taken:


1. A malfunction of the City's high service meter at its water treatment plant prevented the City from accumulating this data for 5 months of the subject fiscal year. Therefore the quantity of "water pumped" was calculated as specified in the "Wholesale Water Rate Study for Water Purchased by GCWD from the City of Leitchfield" dated March, 1988. The metering equipment at the water plant has now been repaired and accurate data is being recorded.

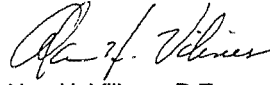
2. Operating expenses as contained in the City's audit report for Fiscal Year 1996, and other operating data for the same period were used in the rate calculations. However, because debt service on the "1995 Revenue Bonds", which financed the recent construction project, did not accrue in that fiscal year, 1997 debt service for that bond issue is used in the calculations. In the future, debt service and operating expenses for the same fiscal year should be used.

The calculations which were performed to determine the new rate are attached. The recommended rate is \$1.274 per 1,000 gallons of water purchased by the District from the City.

We are pleased to be of service to the Leitchfield Utilities Commission and the Grayson County Water District in this joint undertaking. If we can provide additional information or answer any questions regarding this rate study, we will be happy to do so.

Respectfully Submitted,

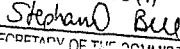
  
Sam L. McIlwain, P.E.  
Water Management Services  
City of Leitchfield

  
Alan H. Vilines, P.E.  
Staff Engineer  
Grayson County Water District

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 24 1997

PURSUANT TO 807 KAR 5011,  
SECTION 9 (1)

BY:   
STEPHAN D. BELL  
SECRETARY OF THE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF        )  
GRAYSON COUNTY WATER DISTRICT        ) CASE NO. 97-307

O R D E R

On July 8, 1997, Grayson County Water District ("Grayson") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Grayson purchases water from the City of Leitchfield Utilities Commission ("Leitchfield").

2. Effective July 19, 1997, Leitchfield increased its rates for wholesale water from \$1.156 per 1,000 gallons to \$1.274 per 1,000 gallons.

3. Grayson proposed to increase the rates to its customers effective July 19, 1997.

4. During the 12 months ending April 30, 1997, Grayson purchased 208,483,900 gallons of water and sold 180,543,319 gallons.

5. Grayson's calculations are correct and show an increase in purchased water cost of \$24,601, resulting in a purchased water adjustment of 14 cents per 1,000 gallons.

Based on an average monthly usage of 5,000 gallons, the average bill of Grayson's customers would increase 70 cents from \$31.79 to \$32.49 or 2 percent.

6. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

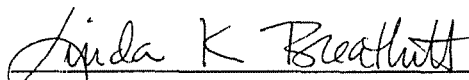
1. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after July 19, 1997.

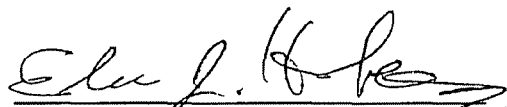
2. Grayson's proposed tariff is approved.

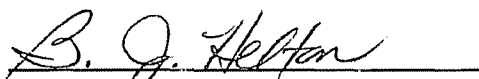
3. Within 30 days of the date of this Order, Grayson shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 5th day of August, 1997.


PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO.97-307 DATED AUGUST 5, 1997

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

#### MONTHLY RATES

##### 5/8 x 3/4-Inch Meter

First	1,500	Gallons	\$12.75	Minimum Bill
Next	8,500	Gallons	5.64	Per 1,000 Gallons
Next	40,000	Gallons	4.65	Per 1,000 Gallons
Next	100,000	Gallons	3.88	Per 1,000 Gallons
Over	150,000	Gallons	3.11	Per 1,000 Gallons

\$12.75 minimum applicable only to 5/8"x3/4" meter. The following minimums apply to other meter sizes.

##### Meter Size

3/4 Inch	First	3,000	Gallons	\$ 21.66	Minimum Bill
1 Inch	First	5,000	Gallons	33.41	Minimum Bill
1-1/2 Inch	First	10,000	Gallons	67.18	Minimum Bill
2 Inch	First	16,000	Gallons	96.46	Minimum Bill
3 Inch	First	30,000	Gallons	186.69	Minimum Bill
4 Inch	First	50,000	Gallons	285.20	Minimum Bill
6 Inch	First	100,000	Gallons	529.41	Minimum Bill
8 Inch	First	160,000	Gallons	800.95	Minimum Bill
10 Inch	First	550,000	Gallons	2,040.79	Minimum Bill