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DAMON R. TALLEY

ATTORNEY AT LAW

November 24, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED
NOV 24 2010
PUBLIC SERVICE
COMMISSION

RE: LaRue County Water District No. 1
Purchased Water Adjustment

Dear Mr. Derouen:

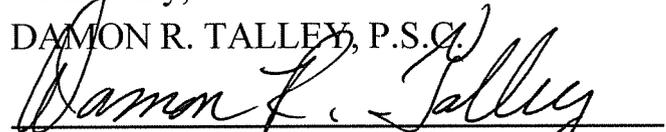
Enclosed for filing are the original and ten (10) copies of the Application for a Purchased Water Adjustment (PWA) of the LaRue County Water District No. 1.

Attached as **Exhibit 5** to the PWA Application is the Customer Notice which will be published in the local newspaper prior to the rendering of the first bill at the increased rate.

Should you need any additional information, please let me know.

Yours truly,

DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY, ATTORNEY FOR
Larue County Water District No. 1

DRT:ms

Enclosures

cc: LaRue County Water District No. 1

RECEIVED

NOV 24 2010

PUBLIC SERVICE
COMMISSION

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

Name of Utility	LaRue County Water District No. 1		
Date	November 23, 2010		
Address	6215 North L & N Turnpike		
City, State, Zip	Buffalo, KY	42716	
Telephone Number	270-325-3242		

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
Green River Valley Water District	\$1.58 per 1,000 gallons	\$2.14 per 1,000 gallons
City of Hodgenville	\$1.98 per 1,000 gallons	Unchanged
City of Bardstown	\$1.70 per 1,000 gallons	Unchanged
City of New Haven	\$1.98 per 1,000 gallons	Unchanged
City of Campbellsville	\$1.97 per 1,000 gallons	Unchanged
Green-Taylor Water District	\$2.55 per 1,000 gallons	Unchanged

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** (PSC Order dated 11-5-10).

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	November 2009	through	October 2010
	(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. See **Exhibit 2**.

Supplier(s)	Gallons Purchased during 12 month period
Green River Valley Water District	86,793,600
City of Hodgenville	47,101,000
City of Bardstown	35,031,800
City of New Haven	12,552,300
City of Campbellsville	5,279,600
Green-Taylor Water District	1,998,800
TOTAL PURCHASES	188,757,100 Gallons

4. Total sales (see Exhibit 3) for the 12 month period	165,033,570 Gallons
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5. Increased water cost	\$48,604
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The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor	\$0.29 per 1,000 Gallons
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The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

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. See **Exhibit 4** for revised tariff sheet. The Public Notice is attached as **Exhibit 5**.

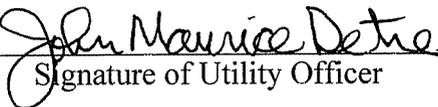
7. Proposed effective date		November 8, 2010
JOHN MAURICE DETRE		
	Signature of Utility Officer	
Title: CHAIRMAN		

EXHIBIT LIST

1. SUPPLIER'S NOTICE OF INCREASED WHOLESALE RATE
(PSC Order in Case No. 2010-00354)
2. WATER PURCHASES
3. WATER SALES
4. TARIFF SHEET
5. CUSTOMER NOTICE

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER VALLEY WATER)	
DISTRICT, HART AND BARREN COUNTIES,)	
KENTUCKY (1) SEEKING APPROVAL OF)	
REVISED WATER SERVICE RATES AND)	CASE NO.
CHARGES; AND (2) SEEKING APPROVAL OF THE)	2010-00354
ISSUANCE OF CERTAIN SECURITIES,)	
PURSUANT TO THE PROVISIONS OF KRS)	
278.023 AND 807 KAR 5:069)	

O R D E R

On September 2, 2010, Green River Valley Water District ("Green River Valley") applied for an adjustment of its water rates and authorization to issue securities. On September 20, 2010, Green River Valley amended its application to include a request for a Certificate of Public Convenience and Necessity ("CPCN") for the construction of facilities.¹

In Case No. 2009-00162,² Green River Valley sought, and the Commission approved, a CPCN to construct a 1,000,000-gallon ground-level storage tank and

¹ In its application, Green River Valley requested a deviation from the publication of notice requirement set forth in 807 KAR 5:069, Section 2. Finding that 807 KAR 5:069 did not enable the Commission to grant deviations with respect to the filing requirements of a case submitted pursuant to KRS 278.023, the Commission denied Green River Valley's request. On October 25, 2010, Green River Valley filed its notice of publication.

² Case No. 2009-00162, Application of Green River Valley Water District for a Certificate of Public Convenience and Necessity to Construct and Finance a Water Improvements Project Pursuant to KRS 278.020 (Ky. PSC Aug. 26, 2009).

approximately 75,640 linear feet of 16-inch diameter, 1,650 linear feet of 12-inch diameter, and 800 linear feet of 8-inch diameter PVC pipe and related appurtenances. The total cost of the project was estimated to be \$4,067,193 and was initially financed through a short-term loan from Kentucky Rural Water Finance Corporation ("KRWFC") which did not require Commission approval.³

In the same proceeding, Green River Valley initially requested a CPCN for the construction of two clearwells, approximately 74,800 feet of 4-inch water distribution mains, and two booster stations, but subsequently withdrew these projects from that application because construction bids had not been received. Having since received the construction bids for these projects, Green River Valley now seeks a CPCN for them. The estimated cost for these projects is \$2,590,405.

Green River Valley intends to refinance its short-term loan from KRWFC and finance the project for which approval for a CPCN is sought herein from the following sources: the proceeds of the issuance of \$3,200,000 of Waterworks Revenue Bonds, Series 2010; a grant totaling \$1,100,000 from Rural Development ("RD"), an agency of the U.S. Department of Agriculture; a grant of \$500,000 from the Kentucky Infrastructure Authority; a grant of \$956,000 from the Environmental Protection Agency; and connection fees from the cities of Horse Cave and Cave City, Kentucky totaling \$1,084,869. RD has committed to purchasing all revenue bonds that Green River Valley proposes to issue.

³ See KRS 278.300(8).

Green River Valley's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary Orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in the case on October 25, 2010, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. The records of Cases No. 2009-00162 and No. 2009-00455⁴ are incorporated by reference into the record of this case.
2. Green River Valley is granted a CPCN for the proposed construction of a 500,000-gallon concrete clearwell, backwash pump, high-service pumps, approximately 75,000 feet of 4-inch and 3-inch diameter water mains, and related appurtenances.
3. Green River Valley's proposed plan of financing is accepted.
4. Green River Valley is authorized to issue \$3,200,000 of Waterworks Revenue Bonds that mature over a 40-year period at an interest rate not to exceed 2.5 percent.
5. The proceeds from the bond issuance shall be used only for the purposes specified in Green River Valley's application.

⁴ Green River Valley filed an application for adjustment of rates which was docketed as Case No. 2009-00455. The rates approved by this Order are the same as those proposed by Green River Valley in that case. The Commission will address the unresolved issues presented in Case No. 2009-00455 by separate Order.

6. Notwithstanding ordering paragraph 5, if surplus funds remain after the approved construction has been completed, Green River Valley may use such surplus to construct additional plant facilities if RD approves of the use and the additional construction will not result in a change in Green River Valley's rates for service. Green River Valley shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 3.

7. Green River Valley shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

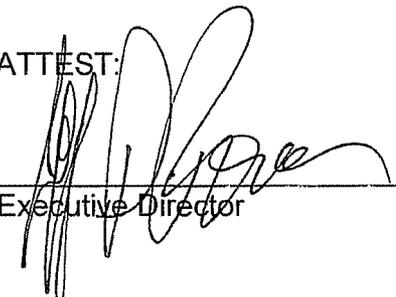
8. The rates set forth in the Appendix to this Order are approved for water service rendered by Green River Valley on and after the date of this Order.

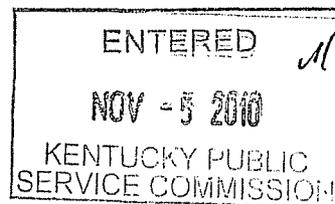
9. Within 20 days of the date of this Order, Green River Valley shall file its revised tariff sheets setting out the rates approved herein.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission

ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00354 DATED NOV - 5 2010

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

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$ 17.21	Minimum bill
Next	8,000 gallons	4.71	per 1,000 gallons
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 31.34	Minimum bill
Next	8,000 gallons	4.71	per 1,000 gallons
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

1.5" Meter

First	10,000 gallons	\$ 54.89	Minimum bill
Next	10,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

2" Meter

First	16,000 gallons	\$ 78.47	Minimum bill
Next	4,000 gallons	3.93	per 1,000 gallons
Next	30,000 gallons	3.39	per 1,000 gallons
Next	50,000 gallons	3.06	per 1,000 gallons
All Over	100,000 gallons	2.96	per 1,000 gallons

Wholesale Rate

2.14 per 1,000 gallons

EXHIBIT 2

EXHIBIT 2 WATER PURCHASES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
MONTH	SUPPLIER						TOTALS
	Green River Valley Water District	Hodgenville	Bardstown	New Haven	Campbellsville	Green-Taylor Water District	
Nov. 2009	6,124,100	3,540,000	2,261,200	1,042,800	374,200	193,000	13,535,300
Dec. 2009	6,284,900	3,889,000	2,527,100	934,400	481,800	122,300	14,239,500
Jan. 2010	7,083,400	3,827,000	3,010,700	1,108,800	425,200	128,700	15,583,800
Feb. 2010	6,687,600	3,615,000	2,693,200	1,060,000	446,000	136,800	14,638,600
Mar. 2010	6,778,100	2,972,000	2,843,600	888,700	460,700	116,700	14,059,800
Apr. 2010	7,015,000	3,427,000	2,865,900	1,012,800	400,900	161,500	14,883,100
May 2010	7,905,100	4,087,000	2,627,000	941,400	347,800	157,500	16,065,800
Jun. 2010	7,499,400	3,585,000	3,728,500	1,214,000	447,000	219,700	16,693,600
Jul. 2010	8,100,000	4,522,000	3,304,500	1,181,700	538,500	203,300	17,850,000
Aug. 2010	7,962,900	5,261,000	3,433,100	1,130,200	574,500	213,200	18,574,900
Sep. 2010	7,784,100	4,056,000	2,915,300	1,096,400	435,500	165,800	16,453,100
Oct. 2010	7,569,000	4,320,000	2,821,700	941,100	347,500	180,300	16,179,600
TOTALS	86,793,600	47,101,000	35,031,800	12,552,300	5,279,600	1,998,800	188,757,100

EXHIBIT 3

WATER SALES

(1) MONTH	(2) GALLONS SOLD
Nov. 2009	12,809,650
Dec. 2009	12,297,210
Jan. 2010	12,561,230
Feb. 2010	13,337,860
Mar. 2010	11,152,170
Apr. 2010	12,688,770
May 2010	14,167,360
Jun. 2010	14,376,200
Jul. 2010	18,812,610
Aug. 2010	12,529,510
Sep. 2010	16,539,660
Oct. 2010	13,761,340
TOTAL	165,033,570

EXHIBIT 4

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Ninth Revised _____ SHEET NO. 1

LaRue County Water District No. 1.
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

Eighth Revised _____ SHEET NO. 1

RATES AND CHARGES

Monthly Water Rates

5/8" x 3/4" Meter

First	1,000 gallons	\$12.79 Minimum Bill
Next	4,000 gallons	5.69 per 1,000 gallons
Next	5,000 gallons	5.04 per 1,000 gallons
Over	10,000 gallons	4.04 per 1,000 gallons

3/4" Meter

First	3,000 gallons	\$24.17 Minimum Bill
Next	2,000 gallons	5.69 per 1,000 gallons
Next	5,000 gallons	5.04 per 1,000 gallons
Over	10,000 gallons	4.04 per 1,000 gallons

1" Meter

First	5,000 gallons	\$35.55 Minimum Bill
Next	5,000 gallons	5.04 per 1,000 gallons
Over	10,000 gallons	4.04 per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$60.75 Minimum Bill
Over	10,000 gallons	4.04 per 1,000 gallons

2" Meter

First	20,000 gallons	\$101.15 Minimum Bill
Over	20,000 gallons	4.04 per 1,000 gallons

DATE OF ISSUE November 8, 2010
Month / Date / Year

DATE EFFECTIVE November 8, 2010
Month / Date / Year

ISSUED BY John Maurice Dettre
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

EXHIBIT 5

CUSTOMER NOTICE

Due to a rate increase from the Green River Valley Water District, notice is hereby given that the LaRue County Water District No. 1 has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Customer rates will increase by \$0.29 per 1,000 gallons used. The proposed change will be effective for service rendered on and after November 8, 2010.

Monthly Water Rates

	Current Rates	Proposed Rates
5/8" x 3/4" Meter		
First 1,000 gallons	\$12.50 Minimum Bill	\$12.79 Minimum Bill
Next 4,000 gallons	5.40 per 1,000 gallons	5.69 per 1,000 gallons
Next 5,000 gallons	4.75 per 1,000 gallons	5.04 per 1,000 gallons
Over 10,000 gallons	3.75 per 1,000 gallons	4.04 per 1,000 gallons
3/4" Meter		
First 3,000 gallons	\$23.30 Minimum Bill	\$24.17 Minimum Bill
Next 2,000 gallons	5.40 per 1,000 gallons	5.69 per 1,000 gallons
Next 5,000 gallons	4.75 per 1,000 gallons	5.04 per 1,000 gallons
Over 10,000 gallons	3.75 per 1,000 gallons	4.04 per 1,000 gallons
1" Meter		
First 5,000 gallons	\$34.10 Minimum Bill	\$35.55 Minimum Bill
Next 5,000 gallons	4.75 per 1,000 gallons	5.04 per 1,000 gallons
Over 10,000 gallons	3.75 per 1,000 gallons	4.04 per 1,000 gallons
1 1/2" Meter		
First 10,000 gallons	\$57.85 Minimum Bill	\$60.75 Minimum Bill
Over 10,000 gallons	3.75 per 1,000 gallons	4.04 per 1,000 gallons
2" Meter		
First 20,000 gallons	\$95.35 Minimum Bill	\$101.15 Minimum Bill
Over 20,000 gallons	3.75 per 1,000 gallons	4.04 per 1,000 gallons

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$34.10 to \$35.55. This is an increase of \$1.45 or 4.3%.

The rates contained in this notice are the rates proposed by LaRue County Water District No. 1. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

LaRue County Water District No. 1 has available for inspection at its office the application which it submitted to the Public Service Commission. LaRue County Water District No. 1's office is located at 6215 North L & N Turnpike, Buffalo, KY 42716. You may contact the office at 270-325-3242.