

ELECTRONICALLY FILED ON 10/20/14

Harry Lanphear
Administrative Director
Public Utility Commission
State House Station #18
Augusta, Maine 04333-0018

**RE: Kittery Water District, Proposed Rate Change Pursuant to 35-A
M.R.S.A. § 6104 (\$68,349.00 or 2.40% Increase in Revenue)**

Dear Mr. Lanphear:

We are submitting this informational rate filing pursuant to 35-A, M.R.S.A., Section 6104, on behalf of the Kittery Water District. We have also included a copy of the draft public notice and a proposed rate schedule. A copy of supporting material will be available to its customers at the Kittery Water District, and on its web site at www.kitterywater.org.

Please note that the increased public fire protection charges do not meet the required charges resulting from the application of Chapter 69. The District plans to request that the Commission waive the requirements of Chapter 69, pursuant to Section 7 of the Rule, when it makes its rate filing.

Please do not hesitate to call us or the District for additional information or clarification. Inquiries should be directed to Cathy Robinson at 846-4155, Kirsten Hebert at 737-4092, or Michael Rogers or Linda Johnson, Kittery Water District at 439-1128.

Sincerely,

/s/Cathy Robinson

Cathy Robinson
Financial Analyst

Cc: Richard Davies, Public Advocate
Mike Rogers, Kittery Water District
Linda Johnson, Kittery Water District
Kirsten Hebert, Maine Rural Water Association

**KITTERY WATER DISTRICT
KITTERY, MAINE 03904**

INFORMATIONAL RATE FILING

EXHIBITS AND SCHEDULES

FILED UNDER 35-A M.R.S.A. SECTION 6104

Submitted: October 20, 2014
Proposed Hearing Date: November 20, 2014
Proposed Effective Date: January 1, 2015

Prepared by: Maine Rural Water Association
254 Alexander Reed Road
Richmond, Maine 04357
207/737-7144

**KITTERY WATER DISTRICT
KITTERY, MAINE 03904**

**STATE OF MAINE
PUBLIC UTILITIES COMMISSION**

SCHEDULE OF RATES

**NO SUPPLEMENT WILL BE ISSUED
CHANGES WILL BE MADE BY REVISED
OR ADDITIONAL SHEETS**

**Submitted: October 20, 2014
Proposed Effective Date: January 1, 2015**

**ROBERT P. WYMAN
TREASURER**

**KITTERY WATER DISTRICT
KITTERY, MAINE 03904**

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APPENDICES:

**PROPOSED SCHEDULE
DRAFT CUSTOMER NOTICE
TARIFF SHEETS NOS. 1, 2, 3 AND 4**

**Kittery Water District
Water Utility Expense Accounts**

Acct	Account Name	2011	2012	2013	adjustment	Pro Forma 2014/15	
601	Salaries and Wages - Employees	\$653,811	\$656,622	\$706,490	1	\$28,510	\$735,000
603	Salaries and Wages - Officers, Directors	\$92,408	\$97,759	\$102,805	2	\$4,195	\$107,000
604	Employee Pensions and Benefits	\$266,796	\$288,140	\$343,843	3	\$36,157	\$380,000
615	Purchased Power	\$84,800	\$73,294	\$85,701	4	\$4,299	\$90,000
618	Chemicals	\$88,729	\$76,306	\$86,679	5	\$3,321	\$90,000
620	Materials & Supplies	\$154,017	\$47,581	\$123,062	6	\$1,938	\$125,000
631	Contractual Services - Engineering	\$53,272	\$2,416	\$6,026	7	\$53,974	\$60,000
632	Contractual Services - Acct	\$14,980	\$15,375	\$13,855	8	-\$855	\$13,000
633	Contractual Services - Legal	\$1,160	\$5,767	\$6,114	9	\$3,886	\$10,000
635	Contractual Services - Other	\$3,958	\$0	\$0	10	\$10,000	\$10,000
641	Rental of Building	\$0	\$0	\$0		\$0	\$0
642	Rental of Equipment	\$0	\$0	\$0		\$0	\$0
650	Transportation Expenses	\$65,746	\$60,469	\$63,549	11	\$1,451	\$65,000
656	Insurance - Vehicle	\$11,890	\$10,959	\$9,328	12	\$2,672	\$12,000
657	Insurance - General Liability	\$9,861	\$8,759	\$7,873	13	\$4,127	\$12,000
658	Insurance - Workman's Comp	\$18,853	\$19,173	\$14,808	14	\$1,492	\$16,300
659	Insurance - Other	\$10,785	\$10,794	\$10,713	15	\$1,287	\$12,000
660	Advertising	\$0	\$0	\$0		\$0	\$0
666	Normalization of Rate Case Expense	\$0	\$0	\$0	16	\$750	\$750
667	Regulatory Commission Expense	\$0	\$0	\$0		\$0	\$0
670	Bad Debt Expense	\$0	\$0	\$0		\$0	\$0
675	Miscellaneous Expenses	\$268,592	\$330,957	\$305,786	17	-\$21,786	\$284,000
	TOTAL EXPENSES	\$1,799,658	\$1,704,371	\$1,886,632	A	\$135,418	\$2,022,050
	Interest Expense	\$117,879	\$102,492	\$82,514	B	-\$19,947	\$62,567
	Principal Repayment	\$224,952	\$230,566	\$260,458	C	\$13,410	\$273,868
	Fees	\$1,672	\$2,729	\$2,504	D	-\$342	\$2,162
	TOTAL EXPENSES PLUS DEBT	\$2,144,161	\$2,040,158	\$2,232,108		\$128,539	\$2,360,647

Contingency Allowance		
Operating Expense	\$ 2,022,050	
Depreciation	\$ 453,000	2014 Pro Forma
Amortization	\$ -	-
Taxes other than Income	\$ 114,015	2,013
Miscellaneous Non Utility Expenses	\$ 15,000	2,013
Income Items	\$ (153,896)	2,014 projected
Debt Service:		
Interest	\$ 62,567	Average 2015-2016
Principal	\$ 273,868	Average 2015-2016
Fees	\$ 2,162	Average 2015-2016
TOTAL BASE	\$ 2,788,766	
Contingency Allowance	5.0%	
	\$ 139,438	E

GROSS REVENUE	
All expenses	\$ 2,788,766
Contingency Allowance	\$ 139,438
Gross Revenue	\$ 2,928,204

PRO FORMA ADJUSTMENTS

<u>Operation and Maintenance</u>	<u>Adjustment</u>	<u>Pro Forma</u>
1 Salaries	\$ 28,510	\$ 735,000
2 Salaries and Wages - Officers, Directors	\$ 4,195	\$ 107,000
3 Employee Pensions and Benefits	\$ 36,157	\$ 380,000
4 Purchased Power	\$ 4,299	\$ 90,000
5 Chemicals	\$ 3,321	\$ 90,000
6 Materials & Supplies	\$ 1,938	\$ 125,000
7 Contractual Services - Engineering Projected Annual Expenses	\$ 53,974	\$ 60,000
8 Contractual Services - Accounting	\$ (855)	\$ 13,000
9 Contractual Services-Legal Projected Annual Increase	\$ 3,886	\$ 10,000
10 Contractual Services - Other Projected Annual Increase	\$ 10,000	\$ 10,000
Rental of Building	\$ -	\$ -
Rental of Equipment	\$ -	\$ -
11 Transportation Expenses	\$ 1,451	\$ 65,000
12 Insurance - Vehicle Projected Increase	\$ 2,672	\$ 12,000
13 Insurance - General Liability Projected Increase	\$ 4,127	\$ 12,000
14 Insurance - Workman's Comp Projected Increase	\$ 1,492	\$ 16,300
15 Insurance - Other Projected Increase	\$ 1,287	\$ 12,000
Advertising Expense	\$ -	\$ -
16 Normalization of Rate Case Expense Rate Case Amortized over 2 years	\$ 750	\$ 750
Bad Debt Expense	\$ -	\$ -
17 Miscellaneous Expenses Projected	\$ (21,786)	\$ 284,000
A Operating Expense Adjustments	<u>\$ 135,418</u>	<u>\$ 2,022,050</u>
B Interest Expenses 2 year projected payment average	\$ (19,947)	\$ 62,567
C Principal Payment 2 year projected payment average	\$ 13,410	\$ 273,868
D SRF Fees 2 year projected payment average	\$ (342)	\$ 2,162
	<u>\$ 128,539</u>	<u>\$ 2,360,647</u>

Kittery Water District
Billing Analysis

Test Year		Ended: 2013				Pro Forma		Increase	
Residential									
	Minimums	Bills		Rate	Gross	Rate	Gross	Amount	%
461.1	5/8"	15,852	1,200	\$31.41	497,911	\$32.35	512,849		
	3/4"	1,575	2,100	\$50.63	79,742	\$52.06	81,995		
	1"	289	3,600	\$79.31	22,921	\$81.49	23,608		
	1 1/2"	44	7,500	\$148.04	6,514	\$152.08	6,709		
	2"	46	12,000	\$227.35	10,458	\$233.53	10,772		
	3"	4	22,500	\$378.24	1,513	\$389.26	1,557		
	4"	2	37,500	\$576.91	1,154	\$594.76	1,190		
	6"	8	75,000	\$1,073.58	8,589	\$1,108.51	8,868		
	8"	4	120,000	\$1,669.59	6,678	\$1,725.01	6,900		
Seasonal	5/8"	61	3,000	\$125.61	7,662	\$130.25	7,945		
Seasonal	3/4"	8	5,500	\$179.02	1,432	\$185.00	1,480		
Useage		55,318	hcf	\$ 2.13	117,826	\$2.19	121,361		
		34,971	hcf	\$ 1.76	61,549	\$1.81	63,396		
		23,352	hcf	\$ 1.33	31,058	\$1.37	31,990		
					855,008		880,619	25,611	3.00%
Commercial									
461.2	5/8"	579	1,200	\$31.41	18,186	\$32.35	18,732		
	3/4"	165	2,100	\$50.63	8,354	\$52.10	8,598		
	1"	142	3,600	\$79.31	11,262	\$81.58	11,600		
	1 1/2"	82	7,500	\$148.04	12,139	\$152.28	12,503		
	2"	101	12,000	\$227.35	22,962	\$233.85	23,651		
	3"	4	22,500	\$378.24	1,513	\$389.65	1,559		
	4"	4	37,500	\$576.91	2,308	\$595.13	2,381		
Useage		1,214	hcf	\$ 2.13	2,585	\$2.19	2,663		
		18,924	hcf	\$ 1.76	33,306	\$1.81	34,306		
		22,210	hcf	\$ 1.33	29,540	\$1.37	30,426		
					142,156		146,419	4,263	3.00%
Industrial									
461.3	2"	8	12,000	\$227.35	1,819	\$233.85	1,873.00		
	10"	4	180,000	\$2,464.26	9,857	\$2,547.24	10,153.00		
Useage		-	hcf	\$ 2.13	-	\$2.19	-		
		-	hcf	\$ 1.76	-	\$1.81	-		
		33,970	hcf	\$ 1.33	45,180	\$1.37	46,535.000		
					56,856		58,561	1,705	3.00%
Governmental									
461.4	5/8"	772	1,200	\$31.41	24,249	\$32.35	24,976		
	5/8"	46	1,200	\$31.41	1,445	\$32.35	1,488		
	3/4"	16	2,100	\$50.63	810	\$52.06	833		
	1"	24	3,600	\$79.31	1,903	\$81.49	1,956		
	1 1/2"	4	7,500	\$148.04	592	\$152.08	608		
	2"	43	12,000	\$227.35	9,776	\$233.53	10,042		
	3"	6	22,500	\$378.24	2,269	\$389.26	2,336		
Useage		587,916	hcf	\$ 2.13	1,252,261	\$2.19	1,289,829		
		775	hcf	\$ 1.76	1,364	\$1.81	1,405		
		11,281	hcf	\$ 1.33	15,004	\$1.37	15,454		
					1,309,673		1,348,926	39,253	3.00%
TOTAL METERED					2,363,693		2,434,525	70,832	3.00%
Private Fire Protection			462.2		89,323		92,003	2,680	3.00%
Other Revenues			471,474		71,410		50,841	(20,569)	-28.80%
Public Fire Protection			462.1		318,547		333,953	15,406	4.84%
TOTAL REVENUES					2,842,973		2,911,322	68,349	2.40%

Calculation of Percent Increase	
Revenue Requirement	2,928,204
Less Public Fire Protection	333,953
Amount Generated by Other Users	2,594,251
Divided by:	2,501,781
Equals:	1.03696
Increase for District	1.03000
Metered Increase	3.00% over 2013
Overall Increase	2.40%

Kittery Water District Long Term Debt

Issuer	Date of Issue	Date of Maturity	Par Value Authorized	Principal Forgiveness/Grant	Loan Outstanding 12/31/2013	Rate
TD Bank	12/14/2012	12/14/2017	\$ 590,000	\$ -	\$590,000.00	2.06%
MMBB	05/1999	11/2019	\$ 1,000,000	\$ -	\$403,263.00	var
MMBB	07/2009	04/2024	\$ 350,000	\$ -	\$261,713.00	1.00%
MMBB	10/2009	11/2029	\$ 1,200,000	\$ -	\$1,028,885.00	var
Gail Deperrio	12/2010	12/2020	\$ 190,400	\$ -	\$139,127.13	3.00%

Maturity schedule of the above bonds:

Principal						Totals
Years Ending	TD	MMBB	MMBB	DWSRF	Deperrio	
31-Dec	Bank	1999C	2009G	2009LA	2010	
2013	\$118,000.00	\$56,113.00	\$46,338.00	\$22,403.00	\$17,604.25	
2014	\$118,000.00	\$58,989.00	\$48,786.00	\$22,626.00	\$18,138.34	
2015	\$118,000.00	\$62,057.00	\$49,762.00	\$22,852.00	\$18,688.65	
2016	\$118,000.00	\$65,283.00	\$50,757.00	\$23,081.00	\$19,255.64	
2017	\$118,000.00	\$68,678.00	\$51,772.00	\$23,312.00	\$19,839.84	
2018	\$0.00	\$72,250.00	\$52,808.00	\$23,545.00	\$20,441.77	
Average	\$118,000.00	\$63,670.00	\$50,259.50	\$22,966.50	\$18,972.15	\$273,868.15

Interest						
Years Ending	TD	MMBB	MMBB	DWSRF	Deperrio	
31-Dec	Bank	1999C	2009G	2009LA	2010	
2013	\$7,191.12	\$24,024.64	\$38,701.16	\$2,729.20	\$4,505.13	
2014	\$9,669.19	\$21,126.96	\$36,253.14	\$2,504.05	\$3,971.02	
2015	\$7,292.40	\$18,036.52	\$35,277.42	\$2,276.66	\$3,420.74	
2016	\$4,861.60	\$14,785.36	\$34,282.18	\$2,046.99	\$2,853.72	
2017	\$2,430.80	\$11,365.18	\$33,267.04	\$1,815.02	\$2,269.52	
2018	\$0.00	\$7,767.14	\$32,231.60	\$1,580.73	\$1,667.61	
2 year average	\$6,077.00	\$16,410.94	\$34,779.80	\$2,161.83	\$3,137.23	\$62,566.80

Kittery Water District Operating Statement

		2011	2012	2013	Adjustment		Pro Forma
					From		
					Page 1		
	Utility Operating Income						
400	Operating Revenues	2,756,107	2,487,519	2,842,973		68,349	2,911,322
401	Operating Expenses	1,799,658	1,704,371	1,886,632	A	135,418	2,022,050
403	Depreciation Expenses	435,180	399,174	399,127		53,873	453,000
407	Amortization Expense	-	-	-		-	-
408.1	Taxes Other Than Income	102,305	109,714	114,015		-	114,015
	Utility Operating Expenses	2,337,143	2,213,259	2,399,774		189,291	2,589,065
	Utility Operating Income	418,964	274,260	443,199		(120,942)	322,257
413	Income from Utility Plant Leased to Others	117,569	130,406	136,201		7,799	144,000
414	Gains (Losses) From Disposition of Utility Property	12,010	12,116	24,805		(17,805)	7,000
	Total Utility Operating Income	548,543	416,782	604,205		(130,948)	473,257
	Other Income and Deductions					-	
	Other Income:					-	
415	Revenues from Merchandising, Jobbing (net of costs)	12,085	2,896	8,105		(5,209)	2,896
419	Interest Income	6,422	3,986	-		-	-
421	Non Utility Income	-	-	-		-	-
	Deductions:						
	Debt Retirement Provision	224,952	230,566	260,458	C	13,410	273,868
	Debt Service Fees	1,672	2,729	2,504	D	(342)	2,162
	Total Other Income and Deductions	(208,117)	(226,413)	(254,857)		(18,277)	(273,134)
426	Miscellaneous Nonutility Expense	12,734	4,159	22,537		(7,537)	15,000
427	Interest Expense	117,879	102,492	82,514	B	(19,947)	62,567
428	Amortization of Debt Discount & Expense	1,187	-	-		-	-
	Total Interest Expense	131,800	106,651	105,051		(27,484)	77,567
	Net Income (for rates)	208,626	83,718	244,297	E	(121,741)	122,556

Kittery Water District Water Operating Revenues

		2011	2012	2013	Adjustment	Pro Forma
	OPERATING REVENUES					
	SALES OF WATER					
460	Unmetered Sales to Residential Customers	-	-	-	-	
461	Metered Sales to General Customers					
461.1	Residential	813,202	817,235	855,008	25,611	880,619
461.2	Commercial	128,315	132,650	142,156	4,263	146,419
461.3	Industrial	56,650	57,231	56,856	1,705	58,561
461.4	Public Authorities	1,339,563	1,053,402	1,309,673	39,253	1,348,926
	Total	2,337,730	2,060,518	2,363,693	70,832	2,434,525
462.1	Public Fire-Protection Services	290,195	295,547	318,547	15,406	333,953
462.2	Private Fire-Protection Services	79,083	83,286	89,323	2,680	92,003
	Other Sales to Public Authorities	-	-	-	-	
	Total Sales of Water	2,707,008	2,439,351	2,771,563	88,918	2,860,481
	OTHER OPERATING REVENUES					
471	Miscellaneous Service Revenue	2,453	10,693	14,641	-	14,641
474	Other Water Revenues	46,646	37,475	56,769	(20,569)	36,200
	TOTAL OPERATING REVENUES	2,756,107	2,487,519	2,842,973	68,349	2,911,322

Kittery Water District

APPLICATION OF CHAPTER 6910, DETERMINATION OF FIRE PROTECTION REVENUE (PUC DOCKET 87-5) AUG 10, 1987

POPULATION IS: 9,543 X= 9.543

REQUIRED FIRE FLOW FORMULA:

1020 * X times (1-0.01 X) = GPM

1,020 * 9.543 times 1-0.01* 9.543

1,020 * 3.089174647 X 1-0.01* 3.089175

3150.96 X 0.969108254 = GALLONS PER MINUTE 3054 GPM

PEAK FLOW

AVERAGE DAILY FLOW EQUALS $\frac{\text{GALLONS PER YEAR}}{365 \text{ DAYS X } 24 \text{ HRS X } 60 \text{ MIN.}}$ X 2-1/2

TOTAL FOR TOWN $\frac{1,001,515,000}{525,600}$ = 1,905.47 X 2-1/2 = 4763.675 GPM

RATIO

TOTAL FOR TOWN $\frac{4763.674848}{3054}$ = 1.5600093 TO BE APPLIED TO CHART = 12%

TOTAL PERCENTAGE CHARGE LIMITED TO 30% PER CHAPTER 69.

**Kittery Water District
BALANCE SHEETS**

ASSETS		2013	2012	2011
UTILITY PLANT				
101-105	Utility plant	\$31,101,135	\$30,322,308	\$28,734,704
108-110	Less accumulated depreciation	<u>\$11,645,956</u>	<u>\$11,245,470</u>	<u>\$9,296,634</u>
	Net Plant	<u>\$19,455,179</u>	<u>\$19,076,838</u>	<u>\$19,438,070</u>
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	\$0	\$0	\$0
122	Less: Accumulated Depreciation and Amortization	\$0	\$0	\$0
125	Other Investments	\$0	\$0	\$248,309
127	Other Special Funds	<u>\$488,752</u>	<u>\$734,750</u>	<u>\$791,977</u>
	Total Other Property and Investments	<u>\$488,752</u>	<u>\$734,750</u>	<u>\$1,040,286</u>
CURRENT AND ACCRUED ASSETS:				
131	Cash	\$141,813	\$117,270	\$49,038
132	Special Deposits	\$0	\$0	\$0
134	Working Funds	\$1,315	\$1,628	\$1,853
141-144	Accounts and Notes Receivable, Less Uncollectible Accounts	\$253,666	\$204,319	\$186,439
151	Materials and Supplies	\$331,113	\$326,285	\$427,872
162	Prepayments	\$34,782	\$33,838	\$32,239
174	Misc. Current and Accrued Assets	<u>\$141,775</u>	<u>\$132,052</u>	<u>\$129,140</u>
	Total Current and Accrued Assets	<u>\$904,464</u>	<u>\$815,392</u>	<u>\$826,581</u>
181-190	DEFERRED DEBITS	<u>\$0</u>	<u>\$0</u>	<u>\$15,416</u>
	TOTAL ASSETS AND OTHER DEBITS	<u>\$20,848,395</u>	<u>\$20,626,980</u>	<u>\$21,320,353</u>
LIABILITIES & EQUITY				
EQUITY CAPITAL				
211	Other Paid-In Capital	\$0	\$0	\$0
214	Appropriated Retained Earnings	\$13,179,880	\$12,919,422	\$12,812,544
215	Unappropriated Retained Earnings	<u>\$2,537,632</u>	<u>\$2,290,831</u>	<u>\$3,717,923</u>
	Total Equity Capital	<u>\$15,717,512</u>	<u>\$15,210,253</u>	<u>\$16,530,467</u>
LONG TERM DEBT				
221	Bonds	\$2,165,861	\$2,408,715	\$2,558,195
224	Other Long-Term Debt	\$0	\$0	\$0
	Total Long Term Debt	<u>\$2,165,861</u>	<u>\$2,408,715</u>	<u>\$2,558,195</u>
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable	\$41,680	\$44,250	\$165,405
232	Notes Payable	\$139,127	\$156,731	\$173,817
233	Accounts Payable to Associated Companies	\$0	\$0	\$7,533
236	Accrued Taxes	\$3,896	\$11,332	\$3,303
237	Accrued interest	\$11,016	\$11,873	\$21,302
241	Misc Current and Accrued Liabilities	<u>\$63,156</u>	<u>\$65,171</u>	<u>\$65,171</u>
	Total Current and Accrued Liabilities	<u>\$258,875</u>	<u>\$289,357</u>	<u>\$436,531</u>
252	Advances for Construction	\$2,323	\$662	\$1,544
253	Other Deferred Credits	<u>\$1,550</u>	<u>\$1,550</u>	<u>\$16,778</u>
	Total Deferred Credits	<u>\$3,873</u>	<u>\$2,212</u>	<u>\$18,322</u>
CONTRIBUTION IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	\$3,419,952	\$3,380,809	\$2,258,262
272	Accumulated Amortization of CIAC	<u>\$717,678</u>	<u>\$664,366</u>	<u>\$481,424</u>
	Total Net CIAC	<u>\$2,702,274</u>	<u>\$2,716,443</u>	<u>\$1,776,838</u>
	TOTAL EQUITY CAPITAL AND LIABILITIES	<u>\$20,848,395</u>	<u>\$20,626,980</u>	<u>\$21,320,353</u>

APPENDIX

KITTERY WATER DISTRICT

**PROPOSED SCHEDULE
DRAFT CUSTOMER NOTICE
TARIFF SHEETS NOS. 1, 2, 3 AND 4**

KITTERY WATER DISTRICT

RATE FILING

PROPOSED SCHEDULE FOR RATE FILING

	<u>On or before:</u>
Submit rate case information package to: Public Utilities Commission Public Advocate	October 20, 2014
Send notices to all customers and Publish the legal notice	No later than: November 5, 2014
Hold public hearing	November 20, 2014
File final rate case documents	December 1, 2014
Proposed Effective date	January 1, 2015

Kittery Water District Legal Notice

The Kittery Water District gives notice to the public that on **November 20, 2014, 7:00 p.m. at the Kittery Water District Office, 17 State Road, Kittery**, a public hearing will be held to discuss and hear comments on a proposed water rate increase.

	Effective on January 1, 2015	
	<u>% Increase</u>	<u>\$ Increase</u>
Metered Customers	3.00%	\$70,832
Other Revenues	(28.80%)	(\$20,569)
Private Fire Protection	3.00%	\$ 2,680
Public Fire Protection	<u>4.84%</u>	<u>\$15,406</u>
Overall Increase	2.40%	\$68,349

Public Fire protection rates are determined pursuant to Chapter 69 of the Public Utilities Commission Rules. At the present time, the District has determined to allocate an overall public fire protection increase of 4.84%, which will allow for a per hydrant increase of 3% for each municipality served. The District plans to request that the Commission waive the requirements of Chapter 69.

Rates are to become effective on January 1, 2015. The District's last rate increase for metered customers and fire protection was effective January 1, 2014. The District continues to face increasing expenses and multiple capital improvement projects to replace aging infrastructure (water mains) to increase the reliability of the distribution system and also to improve water quality.

Pursuant to 35-A MRSA Section (6104), a customer has the right to request additional information relating to the present and proposed rates from the District, the right to an open and fair hearing, and the right to assistance from the Public Advocate. Customers also have the right under 35-A MRSA Section (6104) to petition the Maine Public Utilities Commission to suspend and investigate the District's rates pursuant to 35-A MRSA Section 310, if, on or before **December 20, 2014, seven hundred and fifty-four (754)** of the District's customers (15% of customers or 1000 customers, whichever is less) file with the Office Manager, Kittery Water District, Kittery, Maine and with the Public Utilities Commission, c/o Administrative Director, State House Station #18, Augusta, ME 04333-0018, a petition or petitions demanding review by the PUC of the proposed rate changes. Signatures on the petitions filed pursuant to Section 7 are invalid unless accompanied by the printed names and addresses of the signers. Upon request the District will provide customers with petition forms that include space for the signatures and the printed names and addresses of the signers.

A copy of material supporting the proposed rate changes will be available at the Kittery Water District and on its web site, www.kitterywater.org, for inspection on and after **October 20, 2014**. If you have any questions or desire additional information, you may call Michael Rogers, Superintendent, or Linda Johnson, Office Manager, Kittery Water District, at (207)-439-1128, or the Administrative Director of the PUC at (207)-287-3831. For additional assistance, contact the Public Advocate, State House Station #112, Augusta, ME 04333-0112, (207)-287-2445.

KITTERY WATER DISTRICT
KITTERY, MAINE 03904

SHEET #1
SEVENTH REVISION

RATES FOR WATER
TO METERED CUSTOMERS

Quarterly:

For the first	1,200	Cu. Ft. or less	\$ 32.35
Next	1,500	Cu. Ft. per quarter	\$ 2.19 per 100 cubic feet
Next	12,000	Cu. Ft. per quarter	\$ 1.81 per 100 cubic feet
For all in excess of	14,700	Cu. Ft. per quarter	\$ 1.37 per 100 cubic feet

MINIMUM CHARGES

For each customer served through a single meter, there shall be a Minimum Charge, based on the size of the meter installed:

<u>Size of Meter</u>	<u>Quarterly Allowance</u>	<u>Charge</u>
5/8"	1,200	\$32.35
3/4"	2,100	\$52.06
1"	3,600	\$81.49
1-1/2"	7,500	\$152.08
2"	12,000	\$233.53
3"	22,500	\$389.26
4"	37,500	\$594.76
6"	75,000	\$1,108.51
8"	120,000	\$1,725.01
10"	180,000	\$2,547.01

Issued: October 20, 2014
Effective: January 1, 2015
Docket No. 2014-

Robert P Wyman - Treasurer
Kittery Water District

KITTERY WATER DISTRICT
KITTERY, MAINE 03904

SHEET #2
SEVENTH REVISION

SEASONAL RATES
TO METERED CUSTOMERS

Per Season:

For the first	3,000	Cu. Ft. or less	\$ 130.25
Next	12,000	Cu. Ft. per quarter	\$ 2.19 per 100 cubic feet
Next	15,000	Cu. Ft. per quarter	\$ 1.81 per 100 cubic feet
For all in excess of	30,000	Cu. Ft. per quarter	\$ 1.37 per 100 cubic feet

MINIMUM CHARGES

For each customer served through a single meter, there shall be a Minimum Charge, based on the size of the meter installed:

<u>Size of Meter</u>	<u>Seasonal Allowance</u>	<u>Charge</u>
5/8"	3,000	\$130.25
3/4"	5,500	\$185.00
1"	13,700	\$364.58
1-1/2"	27,800	\$624.73
2"	54,500	\$1,000.20

Issued: October 20, 2014
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Robert P Wyman - Treasurer
Kittery Water District

**KITTERY WATER DISTRICT
KITTERY, MAINE 03904**

**SHEET #3
SEVENTH REVISION**

PORTSMOUTH NAVAL SHIPYARD

By Contract at the Following Meter Rate:

\$16.26 per one thousand cubic feet per month

PRIVATE FIRE PROTECTION RATES

AVAILABLE:

To customers using the District's service for private fire protection. The following rates apply to fire protection only and include no allowance of water or other than fire fighting purposes.

RATE:

Each private hydrant furnished, installed and maintained by the user for private fire protection,

PER YEAR: \$827.10

Private fire service rate for automatic sprinklers, standpipes, or hose connections to be used only for fire protection inside of buildings, a charge per inch of service pipe diameter;

PER INCH: \$144.45

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Robert P Wyman - Treasurer
Kittery Water District

KITTERY WATER DISTRICT
KITTERY, MAINE 03904

SHEET #4
SEVENTH REVISION

PUBLIC FIRE PROTECTION

Available:

For the public hydrants connected to the Water District's system on January 1, 2015, there shall be paid to the Water District by the municipality served an annual fire protection charge as follows:

Rate:

Town of Kittery

For the existing 262 hydrants,
a total annual amount of: \$224,348

Town of Eliot

For the existing 82 hydrants,
a total annual amount of: \$70,216

Town of York

For the existing 46 hydrants,
a total annual amount of: \$39,389

Total Annual Charge: \$333,953

Rate for hydrants installed after January 1, 2015, shall be determined in accordance with the Public Utilities Commission Rules and Regulations Chapter 69.

All public fire hydrants now existing or to be installed will be cared for and maintained in good working order (unavoidable accidents excepted) by the District. Once any fire hydrant is actually installed and in operation, the total annual fire protection service charge then in effect will not be reduced should the municipality served order one or more hydrants discontinued.

Should the municipality served order any hydrant or hydrants moved to a different location, the municipality served shall pay to the District all costs of moving said hydrant or hydrants.

Payment Terms:

Charges for these services shall be due and payable annually.

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Robert P Wyman - Treasurer
Kittery Water District