

Union County Water District

**P.O. Box 146
Morganfield, Kentucky 42437
389-3868**

RECEIVED

DEC 26 2012

PUBLIC SERVICE
COMMISSION

December 18, 2012

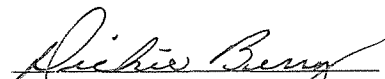
Executive Director
KY Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Union County Water District. The adjustment is necessary to pass through an increase in the cost of water attributable to our supplier's new wholesale rates.

The District will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely,


Dickie Berry, Manager

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

| | | |
|------------------|--|-------|
| Name of Utility | Union County Water District | |
| Date | December 18, 2012 | |
| Address | P.O. Box 146 409 North Court Street | |
| City, State, Zip | Morganfield, KY | 42437 |
| Telephone Number | 270-389-3868 | |

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.

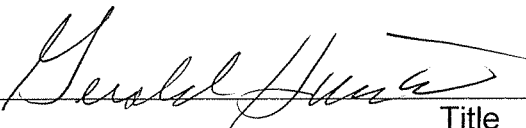
| Supplier(s) | Base Rate | Changed Rate |
|---------------------|-----------|--------------|
| City of Morganfield | 1.5035 | 1.6617 |
| | | |
| | | |
| | | |

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

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 | December 2011 | through | November 2012 |
| | (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 |
|---|---|--|
| City of Morganfield | | 335,848,500 gals |
| | | |
| | | |
| TOTAL PURCHASES | | |
| 4. Total sales for the 12 month period | | 316,280,820 gals |
| 5. Increased water cost | | \$53,131.23 |
| The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. | | |
| 6. Purchased water adjustment factor | | \$0.17 |
| 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. | | |
| 7. Proposed effective date | | January 1, 2013 |
| Signature of Utility Officer | | |
| Chairman |  | |
| | Title | |

FOR Union County Water District
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 1

Union County Water District
(Name of Utility)

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

SHEET NO. _____

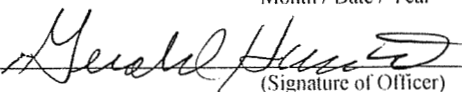
RATES AND CHARGES

| | | | |
|------------|-----------------|------------------------|------------------------|
| 5/8" Meter | First | 2,000 gallons | \$11.41 minimum bill |
| | Next | 3,000 gallons | 5.70 per 1,000 gallons |
| | Next | 5,000 gallons | 5.30 per 1,000 gallons |
| | Next | 15,000 gallons | 4.95 per 1,000 gallons |
| | Next | 25,000 gallons | 4.65 per 1,000 gallons |
| | Next | 50,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.45 per 1,000 gallons |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |
| 3/4" Meter | First | 5,000 gallons | \$28.50 minimum bill |
| | Next | 5,000 gallons | 5.30 per 1,000 gallons |
| | Next | 15,000 gallons | 4.95 per 1,000 gallons |
| | Next | 25,000 gallons | 4.65 per 1,000 gallons |
| | Next | 50,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| All over | 300,000 gallons | 3.05 per 1,000 gallons | |
| 1" Meter | First | 10,000 gallons | \$55.00 minimum bill |
| | Next | 15,000 gallons | 4.95 per 1,000 gallons |
| | Next | 25,000 gallons | 4.65 per 1,000 gallons |
| | Next | 50,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| All over | 300,000 gallons | 3.05 per 1,000 gallons | |

| | | | |
|--------------|-----------------|------------------------|-------------------------|
| 1 1/2" Meter | First | 25,000 gallons | \$129.25 minimum bill |
| | Next | 25,000 gallons | 4.65 per 1,000 gallons |
| | Next | 50,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |
| 2" Meter | First | 50,000 gallons | \$245.50 minimum bill |
| | Next | 50,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| All over | 300,000 gallons | 3.05 per 1,000 gallons | |
| 2 1/2" Meter | First | 75,000 gallons | \$351.74 minimum bill |
| | Next | 25,000 gallons | 4.25 per 1,000 gallons |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |
| 3" Meter | First | 100,000 gallons | \$457.99 minimum bill |
| | Next | 100,000 gallons | 3.85 per 1,000 gallons |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |
| 4" Meter | First | 200,000 gallons | \$842.98 minimum bill |
| | Next | 100,000 gallons | 3.42 per 1,000 gallons |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |
| 6" Meter | First | 300,000 gallons | \$1,187.97 minimum bill |
| | All over | 300,000 gallons | 3.05 per 1,000 gallons |

DATE OF ISSUE December 18, 2012
Month / Date / Year

DATE EFFECTIVE January 1, 2013
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

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



CITY OF MORGANFIELD

220 North Morgan Street
P.O. Box 420
Morganfield, Kentucky 42437-0420

Tel. (270)389-2525
Fax (270)389-2157
e-mail cityadm@att.net

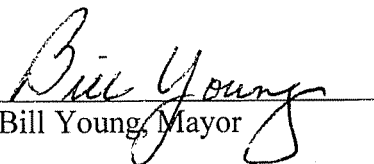
Joseph R. Berry
Manager, Union County Water District
P.O. Box 146
Morganfield, Kentucky 42437

December 14, 2012

Dear Dickie;

Please find enclosed your revised water rates for the calendar year 2013. The rate has been computed by the City's auditing firm using the criteria in the contract. The new rate is \$1.6617. I have enclosed a copy of the calculation, if you have any questions regarding this matter, please feel free to contact me or David Presser.

Sincerely,


Bill Young, Mayor

Union County Water District
 Schedule of water production costs and rates
 For the period beginning Dec 2012

Based on costs for fiscal year
 ended June 30, 2012

Exhibit A

| Expenses-Breck Plant: | | Gross earnings | | Fy 6/12 | Fy 6/11 | Fy 6/10 | Fy 6/09 | Fy 6/08 | |
|---|-------------|----------------|---------|----------------|---------------|---------------|---------------|---------------|---------------|
| Salaries: | | | | | | | | | |
| John Coffman | Super | \$ | 44,533 | 100.00% | \$ 44,533 | \$ 42,805 | \$ 42,889 | \$ 41,090 | \$ 38,971 |
| Tommy Menser | Labor | | 38,725 | 100.00% | 38,725 | 39,028 | 31,308 | 29,916 | 28,425 |
| William K. Buckman | Mechanic | | 44,766 | 60.00% | 26,860 | 25,826 | 25,960 | 24,878 | 23,888 |
| Dale Pierce | Mechanic | | 29,637 | 40.00% | 11,855 | 11,298 | - | - | - |
| Donald Beaven | PT Operator | | - | 100.00% | - | - | 8,986 | 10,780 | 11,593 |
| Randy McMain/Wm J Leigh (09) | Labor | | 28,766 | 100.00% | 28,766 | 25,288 | 19,370 | 832 | 1,911 |
| Ted Morse | PT Operator | | 25,384 | 100.00% | 25,384 | 3,304 | - | - | - |
| Isaac Garnet | PT Operator | | - | 100.00% | - | 2,496 | 1,344 | - | - |
| Thomas R Clements | Labor | | - | 100.00% | - | - | 10,128 | 11,800 | 11,893 |
| Thomas Horton | Operator | | 31,378 | 100.00% | 31,378 | 31,225 | 27,000 | 25,014 | 21,067 |
| Jeremy S. Martin | Operator | | 37,206 | 100.00% | 37,206 | 35,358 | 33,342 | 30,556 | 29,328 |
| Damian Alvey | Operator | | 35,710 | 100.00% | 35,710 | 34,697 | 32,065 | 28,119 | 26,041 |
| Jerry Brantley | Operator | | - | 100.00% | - | - | 8,022 | 9,337 | 9,213 |
| Miles Clevidence | Operator | | - | 100.00% | - | - | - | - | 1,664 |
| Total Salaries | | | 316,105 | | 280,417 | 251,325 | 240,414 | 212,322 | 203,994 |
| Telephone | | | | | \$ 3,245 | \$ 4,057 | \$ 3,276 | \$ 2,329 | \$ 1,788 |
| Office and postage | | | | | 6,393 | 8,052 | 5,149 | 5,743 | 5,673 |
| Rental/lease expense | | | | | 1,060 | 976 | 779 | 696 | 637 |
| Retirement/Payroll tax | | | | | 76,318 | 66,678 | 58,225 | 40,178 | 46,214 |
| Allocated Benefits | | | | | 3,894 | 3,851 | - | - | - |
| Advertising | | | | | 1,117 | 912 | 453 | 557 | 15 |
| Equip repairs | | | | | 57,871 | 59,886 | 19,739 | 19,849 | 21,199 |
| Filter cleaning | | | | | - | - | 45,528 | - | - |
| Lake dredging/cleaning | | | | | - | 67,028 | - | - | - |
| Insurance | | | | | 21,362 | 23,314 | 23,084 | 21,765 | 29,355 |
| Legal and accounting | | | | | 2,528 | 2,528 | 2,695 | 2,000 | 1,930 |
| Travel | | | | | 894 | 1,184 | 746 | 1,122 | 633 |
| Gas and Oil | | | | | 11,601 | 6,897 | 8,200 | 5,762 | 5,468 |
| Health & Disability | | | | | 123,713 | 95,978 | 90,952 | 81,750 | 71,669 |
| Chemicals | | | | | 162,537 | 156,781 | 136,290 | 123,747 | 113,801 |
| Electricity | | | | | 121,283 | 117,255 | 95,761 | 87,664 | 89,294 |
| Engineering | | | | | 28,484 | 8,692 | 11,395 | 15,627 | 16,265 |
| Uniforms | | | | | 2,249 | 1,836 | 1,851 | 1,850 | 1,885 |
| Maint supplies | | | | | 9,293 | 9,941 | 13,701 | 2,324 | 5,851 |
| Other | | | | | 5,643 | 7,258 | 7,557 | 3,806 | 3,823 |
| Small tools & equip | | | | | - | - | 8,721 | 4,467 | 61,273 |
| Small capital items | | | | | - | 13,149 | 32,255 | 24,605 | - |
| | | | | Orig Cost | | | | | |
| Cap recovery (incl interest) | | | | | | | | | |
| Equipment (1999) | A | Thru 2015 | 34,817 | 2,418 | 2,418 | 2,418 | 2,418 | 2,418 | 2,418 |
| Raw water line, Bldg imp (2000) | B | Thru 2017 | 513,897 | 49,527 | 49,527 | 49,527 | 49,527 | 49,527 | 49,527 |
| Collector well, | C | Thru 2018 | 272,683 | 24,370 | 24,370 | 24,370 | 24,370 | 24,370 | 24,370 |
| 2002 Cap exp | D | Thru 2019 | 42,082 | 3,815 | 3,815 | 3,815 | 3,815 | 3,815 | 3,815 |
| 2004 Cap exp (equipment) | E | Thru 2021 | 32,531 | 2,785 | 2,785 | 2,785 | 2,785 | 2,785 | 2,785 |
| 2004 Cap exp (Raw water line net UCFC grant) | F | Thru 2022 | 617,839 | 49,756 | 49,756 | 49,756 | 49,756 | 49,756 | 49,756 |
| 2010 Cap exp (generator net of UCFC grant) | G | Thru 2027 | 73,762 | 5,998 | 234 | 11,762 | - | - | - |
| 2010 Cap exp (wash valves) | H | Thru 2027 | 18,895 | 1,536 | 1,536 | 1,536 | - | - | - |
| 2011 Cap Exp (build improv. equip, truck) | I | Thru 2028 | 89,008 | 7,325 | 7,325 | - | - | - | - |
| 2012 Cap Exp (build improv. equip) | J | Thru 2029 | 270,371 | 21,253 | - | - | - | - | - |
| Debt service: | | | | | | | | | |
| Principal on bonds | | | | Thru 2008 | - | - | - | - | - |
| Interest on bonds | | | | Not incl amort | - | - | - | - | - |
| Change in interest rate factor | | | | | (8,785) | (4,065) | (6,231) | (2,287) | (3,931) |
| Grand total | | | | | \$ 1,079,900 | \$ 1,045,279 | \$ 946,509 | \$ 788,547 | \$ 609,507 |
| Water rate per 1000 gallon (Cost / Production) | | | | | 1.6617 | 1.5035 | 1.4980 | 1.3816 | 1.3487 |
| Percentage change | | | | | 11.849% | | | | |
| Production 000's | | | | | | | | | |
| Total gallons produced | | | | | 655,640 | 700,031 | 637,964 | 574,082 | 603,884 |
| Less: Used for plant operation | | | | | (5,765) | (4,797) | (6,113) | (3,334) | (3,649) |
| Net Production | | | | | 649,875 | 695,234 | 631,851 | 570,748 | 600,235 |
| | | | | Rem debt | Cost factor | | | | |
| | | | | per amort | Base | Increase | | for chg in | |
| O/S Debt @ 6/30/2012 | | | | sched | Rate | Rate this yr | (Decrease) | | rates |
| 1999 Capital items | A | | 6,528 | 5.98% | 3.94% | -2.04% | (133) | | |
| Raw water line | B | | 208,739 | 5.98% | 3.94% | -2.04% | (4,258) | | |
| Collector well | C | | 121,490 | 5.49% | 3.94% | -1.55% | (1,883) | | |
| 2002 Cap exp | D | | 21,751 | 5.28% | 3.94% | -1.34% | (291) | | |
| 2004 Cap exp | E | | 19,787 | 5.01% | 3.94% | -1.07% | (212) | | |
| 2005 Cap exp | F | | 398,790 | 4.24% | 3.94% | -0.30% | (1,196) | | |
| 2010 Cap exp- generator | G | | 65,038 | 4.36% | 3.94% | -0.42% | (273) | | |
| 2010 Cap exp- valves | H | | 16,660 | 4.36% | 3.94% | -0.42% | (70) | | |
| 2011 Cap exp- improv, equip, truck | I | | 82,226 | 4.51% | 3.94% | -0.57% | (469) | | |
| 2012 Cap exp- build improv, equip | J | | 259,770 | 3.94% | 3.94% | 0.00% | - | | |
| Total debt | | | | | 1,200,779 | | (8,785) | | |