

ORIGINAL

**MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: (859) 498-0521

Fax: (859) 498-0872

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

RECEIVED
JUN 17 2013
PUBLIC SERVICE
COMMISSION

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective July 01, 2013.

The District's notice will be printed on previous bills before the new bills are issued.

Sincerely;



enclosure

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

May 24, 2013

Sandra Cole
Montgomery County Water District
4412 Camargo Road
Mount Sterling, Kentucky 40353

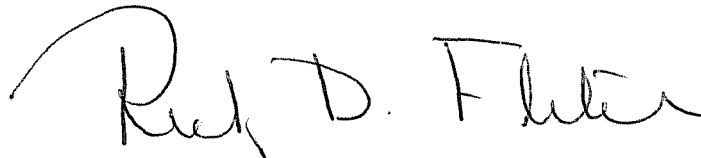
Re: Wholesale Rate Increase

Sandra,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, has requested approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on the Consumer Price Index (CPI). The CPI indicated that from March 2012 to March 2013 the measure of inflation was 5.2% related to water sewer and trash collection services (see enclosure), however the requested increase from PSC is 2.0%. A tariff has been filed with PSC asking for approval to alter our current wholesale rates from \$2.41/1,000 gallons to \$2.46. We have requested approval that this increase be effective July 1, 2013, should this increase be approved it will be reflected in the August billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. In closing thank you for your understanding and cooperation concerning this matter, should you have questions or comments please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

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

Name of Utility	Montgomery County Water District #1	
Date	June 14, 2013	
Address	4412 Camargo Road	
City, State, Zip	Mt. Sterling, Ky. 40353	
Telephone Number	(859) 498-0521	

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
Mt. Sterling Water & Sewer	2.41	2.46

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	May 2012	through	April 2013
	(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
Mt. Sterling Water & Sewer	42,378,989
TOTAL PURCHASES	42,378,989
4. Total gallons sold for the 12 month period	35,574,240
5. Increased water cost	2118.95
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.06
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 01, 2013
	
Signature of Utility Officer Chairman	
Title	

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: 859-498-0521

Fax Phone 859-498-0872

MINUTES
June 11, 2013

The regular meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. at the water office by Chairman Greg Wilson.

Roll Call:

Staff members present at meeting were Greg Wilson, Steve Hall, Junior Holley, Sandra Cole, and Patrick Dailey.

Approval of May 14, 2013 Minutes:

Junior Holley made a motion to approve minutes for the May 14, 2013 meeting. Steve Hall seconded the Motion. Motion carried.

Guests Present:

None

Comments:

None

Old Business:

A. ACH debit

Sandra let commissioners know that she is still working on the ACH debit software.

B. KY Wi-Fi

Greg Wilson made the motion not to allow KY Wi-Fi to install their equipment on the water tower at this time. Steve Hall seconded the motion. Motion carried.

New Business:

A. Rate Increase

Greg Wilson made the motion to approve the Rate Increase. Steve Hall seconded the motion. Motion carried. (See attachment.)

B. Approve Managers Report, Financial Report, Adjustments, Billing Summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills

Junior Holley made the motion to approve the Managers/Treasurers Report. Steve Hall seconded the Motion. Motion carried.

C. Additional Comments

Patrick let commissioners know that he had spoken with Travis and all the work at Lake Road has been completed.

Sandra let commissioners know that she is still looking for a camera for the water office.

D. Adjourn

Steve Hall made the Motion to adjourn. Junior Holley seconded the Motion. Motion carried. Time 5:30 p.m.

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

May 24, 2013

Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Blvd.
Frankfort, Kentucky 40602

Re: Wholesale Rate Increase

Dear Sir/Madam,

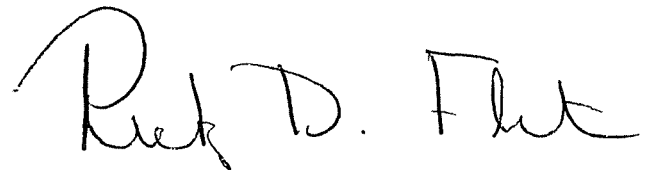
Please allow this letter to serve as our request that approval be granted to increase the wholesale rate, charged to our wholesale water customers, based on the Consumer Price Index (CPI) as of March 2013 (see enclosure). The specific CPI category that relates to our business is Water, Sewer and Trash Collection Services. Based on the CPI numbers for this category the percentage increase from March 2012 to March 2013 was 5.2%, however the proposed increase we are requesting is only 2.0%. The effective date in which we plan to implement this increase is July 1, 2013, which will be reflected in the August billing.

Wholesale users which will be affected by this increase are Levee Road Water District, Reid Village Water District, Montgomery County Water District, Judy Water Association and the Bath County Water District.

Enclosed please find a tariff sheet, copies of each of the wholesale customer notices and the CPI sheet obtained from the Bureau of Labor Statistics.

Should you have questions or comments concerning this rate modification request please contact me at (859) 498-0166. Thanks, your time and attention concerning this matter is greatly appreciated.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

FOR CAMARGO AND SURROUNDING
AREA SERVED

Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. _____

MONTGOMERY COUNTY WATER DISTRICT #1

CANCELLING P.S.C KY. NO. _____

(Name of Utility)

SHEET NO. _____

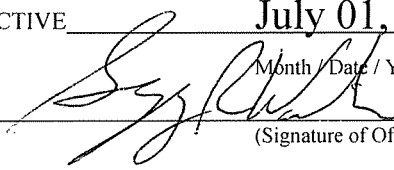
CONTENTS

Monthly Water Rates

First 2,000 Gallons	\$21.89 Minimum Bill
Next 3,000 Gallons	\$ 6.80 Per 1,000 Gallons
Next 5,000 Gallons	\$ 6.08 Per 1,000 Gallons
Over 10,000 Gallons	\$ 5.36 Per 1,000 Gallons
Wholesale Customers	\$ 2.66 Per 1,000 Gallon

DATE OF ISSUE July 01, 2013
Month / Date / Year

DATE EFFECTIVE July 01, 2013
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____