

Madison County Utilities District

P.O. Box 670 ♦ Richmond, Kentucky 40476

859-624-1735

2007-00454

October 16, 2007

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

RECEIVED

OCT 17 2007

PUBLIC SERVICE
COMMISSION

Office of the Attorney General
Rate Intervention Division
100 Perimeter Park
Frankfort, KY 40602

RE: Formal Application for Increase in Non-recurring Charges

This is an application to revise language and certain non-recurring charges for the Madison County Utilities District. Attached are the non-recurring charge cost justifications, proposed new tariff, meeting minutes and customer notice.

Madison County is not requesting a water rate increase at this time. However, the District can no longer absorb increased costs attributable to certain non-recurring charges. The customers affected by these increases will be the customers that cause the District to incur these additional expenses.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

The District will publish the enclosed public notice of these requested rate revisions in the local newspaper. An affidavit from the newspaper verifying that the notice was published for three consecutive weeks will be forwarded to you.

A copy of this application and related filings has been given to the Office of the Attorney General, 100 Perimeter Park, Frankfort, KY 40601.

Very truly yours,



John Clark, Manager
Madison County Utilities District

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Reading Recheck

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

.5 hours at \$20 \$ 10.00

Total Field Expense \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

Total Clerical and Office Expense \$ **5.00**

3. Miscellaneous Expense

A. Transportation 50 miles @ .47 \$ 23.50

B. Other (Itemize)

_____ \$ _____
Total Miscellaneous Expense \$ **23.50**

Total Nonrecurring Charge Expense \$ **38.50**
USE \$ 38.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Charge

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

.5 hours at \$20 \$ 10.00

Total Field Expense \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

Total Clerical and Office Expense \$ **5.00**

3. Miscellaneous Expense

A. Transportation 50 miles @ .47 \$ 23.50

B. Other (Itemize)

Total Miscellaneous Expense \$ **23.50**

Total Nonrecurring Charge Expense \$ **38.50**
USE \$ 38.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection Fee – After Hours

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

1.0 hours at \$20 \$ 20.00

Total Field Expense \$ 20.00

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

Total Clerical and Office Expense \$ 5.00

3. Miscellaneous Expense

A. Transportation 100 miles @ .47 \$ 47.00

B. Other (Itemize)

Total Miscellaneous Expense \$ 47.00

Total Nonrecurring Charge Expense \$ 72.00

USE \$ 72.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection Fee

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

.5 hours @ \$20 \$ 10.00

Total Field Expense \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

Total Clerical and Office Expense \$ **5.00**

3. Miscellaneous Expense

A. Transportation 50 miles @ .47 \$ 23.50

B. Other (Itemize)

Total Miscellaneous Expense \$ **23.50**

Total Nonrecurring Charge Expense \$ **38.50**
USE \$ 38.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Returned Check

1. Field Expense:

A. Materials (Itemize)

_____ \$ _____

B. Labor (Time and Wage)

Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

Total Clerical and Office Expense \$ 5.00

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

Bank Charge 15.00

Total Miscellaneous Expense \$ 15.00

Total Nonrecurring Charge Expense \$ 20.00

USE \$ 20.00

AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION

Name of Utility: Madison County Utilities District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8 - inch 1-inch 1 1/2-inch 2-inch

Other (specify) _____

B. Materials Expense

	Quantity	Unit Cost	Total Cost
1. Water Meter	<u>1</u>	\$ <u>35.00</u>	\$ <u>35.00</u>
2. Meter Yoke	<u>1</u>	\$ <u>111.05</u>	\$ <u>111.05</u>
3. Corporation Stop	<u>1</u>	\$ <u>27.25</u>	\$ <u>27.25</u>
4. Meter Box and Top	<u>1</u>	\$ <u>81.25</u>	\$ <u>81.25</u>
5. Miscellaneous Fittings	<u>1</u>	\$ <u>29.32</u>	\$ <u>29.32</u>
6. Other (Itemize) saddle	<u>1</u>	\$ <u>41.05</u>	\$ <u>41.05</u>
Total Materials Expense (add total cost)			\$ <u>324.92</u>

C. Service Pipe Expense

Type of Service Pipe PE Size of Service Pipe 3/4

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>15</u>	\$ <u>.35</u>	\$ <u>5.25</u>
2. Long Side Service	<u>65</u>	\$ <u>.35</u>	\$ <u>22.75</u>
3. Long Side Service Casing	<u>40</u>	\$ <u>.59</u>	\$ <u>23.60</u>
Average Cost (Add total cost and divide by 2)			\$ <u>25.80</u>

D. Installation Expense

	<u>Labor</u>	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service		<u>2</u>	\$ <u>20.00</u>	\$ <u>40.00</u>
2. Long Side Service		<u>6</u>	\$ <u>20.00</u>	\$ <u>120.00</u>
Average Cost (Add total cost and divide by 2)				\$ <u>80.00</u>

	<u>Equipment</u>	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service (backhoe)		<u>2</u>	\$ <u>50.00</u>	\$ <u>100.00</u>
2. Long Side Service		<u>2</u>	\$ <u>175.00</u>	\$ <u>350.00</u>
Average Cost (Add total cost and divide by 2)				\$ <u>225.00</u>

Installation Expense continued

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	<u>2</u>	\$ <u>20.00</u>	\$ <u>40.00</u>
2. Site Clean-up	<u>3</u>	\$ <u>20.00</u>	\$ <u>60.00</u>
3. Other (itemize) Backfill, straw, seed	<u>1</u>	\$ <u>12.00</u>	\$ <u>12.00</u>
Total Miscellaneous (add total cost)			\$ <u>112.00</u>

E. Overhead Expense

1. Installation expense (\$ <u>350.72</u>) times overhead rate (<u>5%</u>).	\$ <u>17.54</u>
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F. Administrative Expense

1. Office expense for establishing a new account and billing record.	\$ <u>10.00</u>
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G. Total Expense

1. Total of all items:

Materials Expense	\$ <u>324.92</u>
Service Pipe Expense	\$ <u>25.80</u>
Installation Labor Expense	\$ <u>80.00</u>
Installation Equipment Expense	\$ <u>225.00</u>
Miscellaneous Expense	\$ <u>324.00</u>
Overhead Expense	\$ <u>112.10</u>
Administrative Expense	\$ <u>10.00</u>
Total Connection Expense	\$ <u>795.26</u>
USE	\$ 795.00

FOR Madison County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Madison County Utilities District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

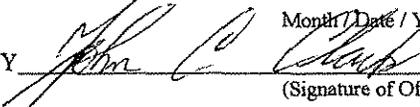
Connection Fee 5/8 inch meter \$ 795.00

Connection Fee – Other size meters is actual cost.

If the Utility encounters rock during the installation of a service, the customer shall be charged actual cost for said rock removal.

DATE OF ISSUE October 16, 2007
Month / Date / Year

DATE EFFECTIVE November 19, 2007

ISSUED BY  Month / Date / Year
(Signature of Officer)

TITLE Manager

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

FOR Madison County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Madison County Utilities District
(Name of Utility)

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

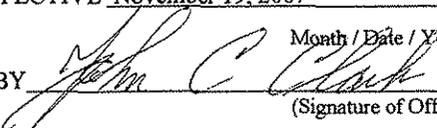
_____ SHEET NO. _____

RATES

Reconnect/After Hours	\$ 72.00
Reconnection/During Hours	\$ 38.00
Meter Reading Recheck	\$ 38.00
Service Charge	\$ 38.00
Returned Check	\$ 20.00

DATE OF ISSUE October 16, 2007
Month / Date / Year

DATE EFFECTIVE November 19, 2007
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Manager

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

**MINUTES OF THE MEETING OF THE BOARD OF COMMISSIONERS
OF THE MADISON COUNTY UTILITIES BOARD
SEPTEMBER 27, 2007**

The Board of Commissioners of the Madison County Utilities District held its regular monthly meeting on September 27, 2007 at the District's office at 155 North Keeneland Drive, Richmond, Kentucky. Present at the meeting were Mr. Walter Cornelison, Ms. Wanda Pennington, Mr. Marty Sizemore and Mr. James R. Carr, Board members, Mr. John Clark, Manager, Mr. Kerry Odle, Mr. David Smith, Magistrate Bill Tudor and Mr. Chuck Hardin.

Mr. James Carr, Chairman, called the meeting to order at 1:00 p.m. The first order of business was to recognize the visitors which were in attendance. Mr. David Smith was in attendance to discuss his annual audit. Mr. Smith advised the Board that the audit was complete and that it was another unqualified opinion. He informed the Board that the audit was very good but there had been several misclassifications that had to be corrected. He informed the District that it had assets of @ 15 million, liabilities of @ 6 million which resulted in book equity of \$8.3 million. Mr. Marty Sizemore made a motion to accept the audit which was seconded by Mr. Walter Cornelison and unanimously approved by the Board.

After taking care of the Business of the visitors which were in attendance, the District then reviewed the minutes of its meeting of August 30, 2007. Following review, Mr. Marty Sizemore made a motion to approve the minutes and Ms. Wanda Pennington seconded the motion. The Board then unanimously approved the minutes of August 30, 2007. The Board then reviewed the financial statement and water loss statement. The District's financial statement reflected a \$34,673 profit for the month and an 18 % water loss for the year. Mr. Clark advised the members that he estimated that 40% of the water loss was due to flushing.

During the next order of business the District discussed line breaks and flushings. The District lost approximately 707,000 gallons of water due to breaks and flushings for the month.

Mr. Kerry Odle of CMW addressed the Board Members concerning the new project. He advised the members that he needed approval of pay request #1 on the project in the amount of \$75,534.08. Mr. Walter Cornelison made a motion to approve pay request #1 which was seconded by Ms. Wanda Pennington and unanimously approved by the Board.

Mr. James Carr then updated the Board on the tank site. He advised the members that he had met with Okonite and made an offer to purchase a 150x150 site for \$25,000.00 as previously discussed and that Okonite should respond within the next couple of weeks.

The next issue to be addressed was presented by Mr. John Clark. He presented the Board with a handout containing Non-recurring charges and the cost justification. Mr. Marty Sizemore made a motion to approve the increase in the non-recurring charges and for the District to submit an application to PSC for approval. Said motion was seconded by Mr. James Carr and unanimously approved by the Board.

The District then discussed the non-payment of several accounts on Adam Morton and Randall McIntosh. Mr. Hardin advised the members that he had made one last attempt to settle with Mr. McIntosh to no avail.

Mr. Hardin advised the Board that he had contacted Mr. Jud Patterson with Kirksville regarding the increase and that Mr. Patterson acknowledged that Kirksville was aware that an increase was in order.

Mr. Carr advised the members that the Building was proceeding on schedule and below projected costs. He informed the members that he expected that the Building should be complete around November 1, 2007.

Mr. Clark informed the members that G&R Springs had been over charged around \$600.00. The District advised Mr. Clark to refund the money or give a credit depending on customer's request.

In conclusion, Mr. Clark informed the District that Larry Jones was wanting to extend the water main to his farm at his own expense and that Johnny McIntosh had buried the water line by more than 10 feet on the property surrounding his residence. The members advised Mr. Clark to contact Mr. McIntosh and advise him that the line would have to be relocated and the meter raised.

With no further business to come before the Board, the meeting was unanimously adjourned at 2:10 p.m.

**WANDA PENNINGTON, SEC.
MADISON CO. UTILITIES DISTRICT**

NOTICE

Madison County Utility District has filed an application with the Public Service Commission to increase its non-recurring charges for water service, within 30 days from filing its application as follows:

Charge	Current	Proposed
Reconnect/After Hours	30.00	72.00
Reconnection/During Hours	25.00	38.00
Meter Reading Recheck	15.00	38.00
Service Charge	15.00	38.00
Returned Check	12.00	20.00
Connection Fee 5/8 Inch	625.00	795.00
Connection Fee – Other Size Meters is Actual Cost		

The rates contained in this notice are the rates proposed by Madison County Utilities District. However, the Public Service Commission may order rates to be charged that are different than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed change is given. A motion to intervene shall be made in writing and submitted to the Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at Richmond, Kentucky. Customers may contact the District at 859-624-1735. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.