

**Bronston Water Association, Inc.**  
**PO Box 243**  
**Bronston, KY 42518**  
**606 561-5209**  
**Fax 606 561-0102**

July 8, 2008

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

**RECEIVED**  
JUL 11 2008  
PUBLIC SERVICE  
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

Dear Ms. Stumbo:

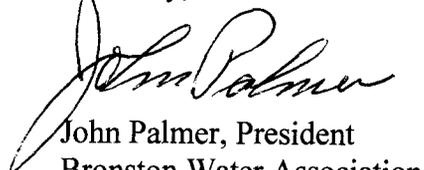
2008-269

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Bronston Water Association, Inc. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of the 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 and an affidavit verifying publication will be forwarded to you upon publication.

The Bronston Water Association, Inc. has previously filed income statements and balance sheets with the Public Service Commission. These income states and balance sheets are currently on file with the Commission.

Sincerely,

  
John Palmer, President  
Bronston Water Association

Enclosures

Bronston Water Association, Inc.  
Water Board Meeting  
June 2, 2008

Directors Present: John Palmer, Charles Cassada, Eric Keith, Jerry Hanks.

Also Present: J. C. New, Jesse Canada, David Slagle, and Vickie Ramsey

Meeting was called to order; minutes of previous meeting were read. Motion made by Eric Keith and seconded by Jerry Hanks to approve the minutes as read. All votes yea.

A motion was made by Jerry Hanks to approve the proposed rate increase to be submitted to the Public Service Commission for approval. The motioned was seconded by Eric Keith. All votes yea. Motion approved.

A handwritten signature in cursive script, appearing to read "Charles Cassada", with a long horizontal flourish extending to the right.

Charles Cassada, Secretary

FOR Pulaski County

Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 4

Bronston Water Association  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 4

RATES AND CHARGES

Monthly Water Rates:

5/8 X 3/4 Inch Meter

First 1,500 Gallons \$14.62 Minimum Bill  
All Over 1,500 Gallons \$6.30 Per 1,000 Gallons

1-Inch Meter

First 5,000 Gallons \$36.67 Minimum Bill  
All Over 5,000 Gallons \$6.30 Per 1,000 Gallons

2-Inch Meter

First 20,000 Gallons \$104.90 Minimum Bill  
All Over 20,000 Gallons \$6.30 Per 1,000 Gallons

4- Inch Meter

First 50,000 Gallons \$249.80 Minimum Bill  
All Over 50,000 Gallons \$6.30 Per 1,000 Gallons

Hydrants \$4.17 per hydrant/month

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE June 26, 2008

ISSUED BY John Palmer \_\_\_\_\_  
Month / Date / Year  
(Signature of Officer)

TITLE President

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

FOR Pulaski County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 8

Bronston Water Association, Inc.  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

---

RATES AND CHARGES

---

E. PURCHASED WATER RATES:

	<u>Rate</u>
City of Monticello	\$2.40 per 1,000 Gallons

F. LEAK ADJUSTMENT RATE: \$3.70 per 1,000 Gallons

G. WHOLESALE WATER RATES:

Non Applicable

---

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE June 26, 2008

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

TITLE PRESIDENT

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

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

Name of Utility	BRONSTON WATER ASSOCIATION	
Date		
Address	Po Box 243	
City, State, Zip	Bronston, Kentucky	42518
Telephone Number	606-561-5209	

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.

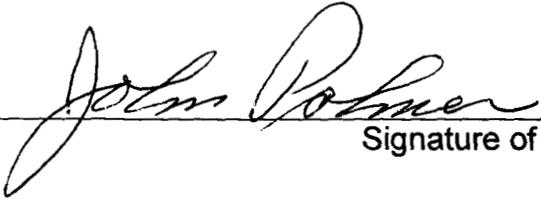
Supplier(s)	Base Rate	Changed Rate
Monticello Utility Commission	\$2.02	\$2.40

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 2007	through	April 2008
	(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
Monticello Utility Commission	113,691,800
<b>TOTAL PURCHASES</b>	113,691,800
4. Total sales for the 12 month period	75,115,876
5. Increased water cost	\$43,202,884.00
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.58
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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	June 26, 2008
 Signature of Utility Officer	
President	
Title	

**Increased Water Cost Calculation:** 113,691,800\* \$2.40 = \$272,860,320.00

$$113,691,800 * \$2.02 = \$229,657,436.00$$

---

$$\text{Increased Water Cost} = \$ 43,202,884.00$$

**Purchased Water Adjustment Factor Calculation:**

$$\text{Increased Cost of Water} = \$ 43,202,884.00$$

$$\text{Total Gallons Sold} = 75,115,876$$

$$\$43,202,884 / 75,115,876 = \$0.58$$

## NOTICE

Monticello Utility Commission ("MUC") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Bronston Water Association, Inc.	\$2.02 per 1000 gallons	\$2.40 per 1000 gallons	18.8% Increase

The proposed effective date is June 26, 2008.

The rates contained in this notice are the rates proposed by MUC and agreed to by Bronston Water Association, Inc. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by MUC by contacting Gene Jones at the offices of MUC, 1100 N. Main St. in Monticello, Kentucky; Telephone (606) 348-8473.

Any person may examine the rate application and other filings made by MUC by visiting the offices of MUC at 1100 N. Main St. in Monticello, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

MONTICELLO UTILITY COMMISSION  
(Name of Utility)

---

RATES AND CHARGES

---

WHOLESALE WATER SERVICE

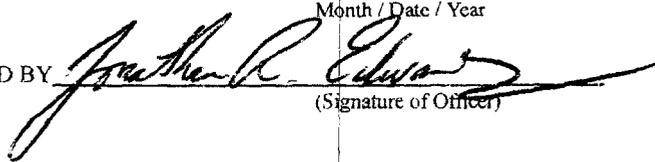
Bronston Water Association, Inc.

\$2.40 per 1,000 gallons

---

DATE OF ISSUE May 27, 2008  
Month / Date / Year

DATE EFFECTIVE June 26, 2008  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE General Counsel, Monticello Utility Commission

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_