

BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

December 23, 2014

RECEIVED

DEC 29 2014

Public Service Commission
Tariff Review Branch
Post Office Box 615
Frankfort, Kentucky 40602-0615

PUBLIC SERVICE
COMMISSION

RE: Purchase Water Adjustment Case No. 2014-00449

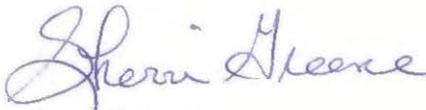
Morehead Utility Plant Board and Mount Sterling Water have given the Bath County Water District official notice of rate increases effective January 1, 2015 for Morehead and August 1, 2014 for Mount Sterling. Enclosed you will find an application for a Purchase Water Adjustment in order to pass this increase on to the Districts customers. A Notice will be published in the local newspaper showing the proposed changes before any bills with the new rates. A letter has been sent to our Wholesale Customers with the proposed changes.

The following documents are attached:

1. Purchase Water Adjustment Form
2. Notice from supplier showing increase and effective date;
 - A. Morehead Utility Plant Board
 - B. Mount Sterling Water
3. Tariff Sheets;
 - A. Tariff Sheet Monthly Water Rates
 - B. Tariff Sheet Wholesale Water Rates, Bulk Rate and Leak Adjustments

If you need additional information or if you have any questions please call our office.

Thank you,



Sherri Greene
Co-Manager

Enclosures

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

RECEIVED
DEC 29 2014
PUBLIC SERVICE
COMMISSION

Case No. 2014-00449

Name of Utility	Bath County Water District	
Date	December 22, 2014	
Address	PO Box 369	
City, State, Zip	Salt Lick, Kentucky	40371
Telephone Number	(606) 683-6363	
Email Address	sgreenebathwater@roadrunner.com	

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.

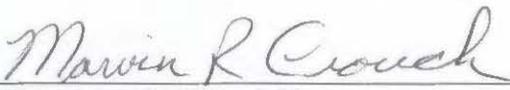
Supplier(s)	Base Rate	Changed Rate
Morehead Utility Plant Board	1.113 per 1,000	1.196 per 1,000
Morehead Utility Plant Board	17,082.63 per month	17,258.68 per month
Mt. Sterling Water	2.46 per 1,000	2.77 per 1,000

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

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 1, 2013	through	November 30, 2014
	(month and year)		(month and year)

3. Statement of purchases. If 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
Morehead Utility Plant Board	387,293,000
Mt. Sterling Water	14,721,000
TOTAL PURCHASES	402,014,000
<hr/>	
4. Total gallons sold for the 12 month period	371,668,000
<hr/>	
5. Increased water cost	38,821.43
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
<hr/>	
6. Purchased water adjustment factor	.10
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <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.</p>	
<hr/>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
<hr/>	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
<hr/>	
9. Proposed effective date	January 15, 2015
<hr/>	
 Signature of Utility Officer	
Title	

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 4

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

RATE
PER UNIT

A. MONTHLY WATER RATES

5/8 Inch X 3/4 Inch Meter:

First	2,000 Gallons	\$15.76 Minimum Bill
Next	3,000 Gallons	6.03 Per 1,000 Gallons
Next	5,000 Gallons	4.60 Per 1,000 Gallons
Next	10,000 Gallons	3.94 Per 1,000 Gallons
Next	30,000 Gallons	3.72 Per 1,000 Gallons
Over	50,000 Gallons	3.60 Per 1,000 Gallons

1 Inch Meter:

First	10,000 Gallons	\$56.85 Minimum Bill
Next	10,000 Gallons	3.94 Per 1,000 Gallons
Next	30,000 Gallons	3.72 Per 1,000 Gallons
Over	50,000 Gallons	3.60 Per 1,000 Gallons

2 Inch Meter:

First	50,000 Gallons	\$207.85 Minimum Bill
Over	50,000 Gallons	3.60 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE January 15, 2015

Month/Date/Year

ISSUED BY Marvin R Crouch

(Signature of Officer)

TITLE Chairperson Marvin R Crouch

By Authority of Order of the Public Service Commission

In Case No. _____ Dated _____

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 9

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

	RATE PER UNIT
F. <u>LEAK ADJUSTMENT RATE:</u>	\$ 2.83 Per 1,000 Gallons
G. <u>WHOLESALE WATER RATES:</u>	
Sharpsburg Water District	\$ 3.31 Per 1,000 Gallons
City of Frenchburg	\$ 2.86 Per 1,000 Gallons
City of Owingsville	
Monthly Debt Service Payment	\$ 4,733.91 Minimum Bill
All Usage	2.45 Per 1,000 Gallons
Bulk Sales	\$ 8.39 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE January 15, 2015

Month/Date/Year

ISSUED BY Marvin R Crouch

(Signature of Officer)

TITLE Chairperson

By Authority of Order of the Public Service Commission
In Case No. _____ Dated _____.



MOREHEAD UTILITY PLANT BOARD

Serving You Over 50 Years

December 9, 2014

Ms. Sherry Green
Bath County Water
PO Box 369
Salt Lick KY 40371

Re: Water Rates for 2015

Dear Ms. Green:

Attached for your information and review are copies of our accountant's letter and his computation of the cost for water we will furnish to you during calendar year 2015.

Should you have any questions or desire additional information regarding this computation please advise.

Sincerely,

R. Mike Nickell
General Manager

RMN:bh

enclosures



Eldridge, Jackson & Leedy, PLLC
 CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2014

Robert M Nickell
 Morehead Utility Plant Board
 135 South Wilson Avenue
 Morehead, KY 40351

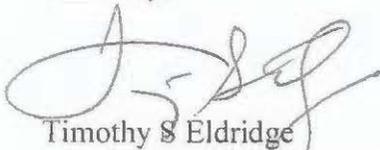
Dear Mr. Nickell:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2015 shall be as follows:

	Rowan Water Incorporated	Bath County Water District
Monthly Capital Costs	\$ 23,621.12	\$ 17,258.68
Meter and Billing Charges \$ 10.00 per meter	70.00	10.00
Per Thousand Gallons of Water Sold	\$1.196	\$1.196

If I can be of further assistance, please feel free to contact me at any time.

Sincerely,



Timothy S Eldridge
 Certified Public Accountant



MUPB
WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT
CALENDAR YEAR 2015 RATE CALCULATION

1. Cash Operation and Maintenance Expense	(a) Amount x	Percent /	(b) Total Billed Gals (1,000's)	equals	Rate per 1,000 gals.
Water Utility Operating Expense	1,787,268	74%	1,313,422	equals	1.007
General & Admin Expense	828,806	30%	1,313,422	equals	0.189
Total rate per 1,000 gallons to Rowan and Bath Water					1.196

2. Capital Cost including Part C meter and billing charges

<u>Part A</u>	<u>Rowan</u>	<u>Bath</u>
Fixed Capital Charge per Month to Dec 2021 From Original 1979 Water Contract	3,378.75	1,822.25
Raw Water Intake Capital Charge to Dec 2023	1,370.60	584.13
Sludge Dewatering Project:		
Debt Service to Dec 2013-completed	0.00	0.00
Debt Reserve to June 2001 - completed	0.00	0.00
[c] Additional Unfunded Capital Expenditures adjusted annually 41,035.08 divided by 12	35.3671% Rowan 1,209.41	27.0323% Bath 924.39
<u>Part B</u>		
Fixed Capital Charge per Month-adjusted Jan 2024	17,662.36	13,927.91
Debt Reserve to Dec 2013-completed	0.00	0.00
Total Monthly Capital Cost	23,621.12	17,258.68
<u>Part C</u>		
Monthly Charge (\$10.00 per meter)	70.00	10.00

- (a) Expense amounts taken from the annual audited financial statements
- (b) Water Consumption (billed gallons) furnished by the Morehead Utility Plant Board
- (c) Represents annual depreciation expense amounts for unfunded capital expenditures

MT. STERLING WATER & SEWER SYSTEM

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

June 19, 2014

Sherri Greene
Bath County Water District
P.O. Box 369
Salt Lick, Kentucky 40371

Re: Wholesale Rate Increase

Sherri,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), will soon request approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on both a Rate and Cost of Service study which was recently completed on our behalf, by a Louisville based company, Norbourne and Associates. The driving factor behind what prompted this study was the fact that Mt. Sterling has struggled to keep up with not only expenditures, but the depreciation of fixed assets as well. Being in the utility business yourself, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle not to mention the enormous cost associated the upkeep and replacement of aging infrastructure. Although this study indicated a much greater increase was justifiable, 29.23%, after much debate and deliberation an increase of 12.6% was approved by our water and sewer board at our June 16th meeting. A rate modification request will soon be filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.46/1,000 gallons to \$2.77. We have requested approval that this increase be effective August 1, 2014, should this increase be approved it will be reflected in the September billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers receive notice of any increase a minimum of 30 days prior to the implementation of said increase. Also included is a notice from PSC related to this request. In closing, thank you for your understanding as well as your 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

NOTICE

Mt. Sterling Water & Sewer System ("Mt. Sterling") is providing notice that it plans to file with the Public Service Commission, on or before July 1, 2014, to increase the wholesale rates it charges effective for water service on and after August 1, 2014. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Levee Road Water Association	\$2.46 per 1,000 gallons	\$2.77 per 1,000 gallons	\$0.31 Increase	12.6% Increase
Reid Village Water District	\$2.46 per 1,000 gallons	\$2.77 per 1,000 gallons	\$0.31 Increase	12.6% Increase
Montgomery County Water District	\$2.46 per 1,000 gallons	\$2.77 per 1,000 gallons	\$0.31 Increase	12.6% Increase
Judy Water Association	\$2.46 per 1,000 gallons	\$2.77 per 1,000 gallons	\$0.31 Increase	12.6% Increase
Bath County Water District	\$2.46 per 1,000 gallons	\$2.77 per 1,000 gallons	\$0.31 Increase	12.6% Increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to both the Commission and Mt. Sterling's wholesale customers.

This filing may be examined at the offices of Mt. Sterling located at 300 East Main Street in Mt. Sterling, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Mt. Sterling in its filing but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

BATH COUNTY WATER DISTRICT
OF COMMISSIONERS MEETING
December 22, 2014

The Board of Commissioners for the Bath County Water District met in regular session on December 22, 2014 at 7:00 p. m. at the District Office in Salt Lick, Kentucky. The following Commissioners were present: Rodney Donathan, Marvin Crouch, Mike Ginter, and L. W. Patton. Virginia Clark was absent. Also present was Sherri Greene and Kenny Barber, Co-Managers, Jim Thompson, Engineer for the Water District, Dudley Rogers, Employees for the Water District, and Linda Copher, Recording Secretary for the Board.

Chairman Crouch called the meeting to order at 7:00 p.m.

Chairman Crouch appointed Ginter acting Chief Financial Officer in the absence of Clark.

Greene reported to the Board on the increase water rates for 2105. Commissioner Patton made a motion to do a past through purchase water adjustment of 10 cents per thousand. Ginter seconded. Motion carried.

Commissioner Ginter made a motion to adjourn. Patton seconded. Motion carried.

CHAIRMAN

SECRETARY