



**Breathitt County**  
**Water District**

*Making Breathitt County*

*A Better Place One Drop at a Time.*

RECEIVED

JUN 22 2015

PUBLIC SERVICE  
COMMISSION

June 12, 2015

Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: Formal Application for a Purchased Water Rate Adjustment

Dear Mr. Derouen,

Enclosed is an original and ten copies of an application for a purchased water rate adjustment for Breathitt County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that become effective on or after July 12, 2015. The District is seeking to make this effective with the August 2015 billing for July's usage.

The District will publish the enclosed public notice of these requested rate revision in the local weekly 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.

Sincerely,

Bobby Thorpe  
Chairman

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

Name of Utility	Breathitt County Water District	
Date	June 12, 2015	
Address	1137 Main Street Suite 305	
City, State, Zip	Jackson, KY 41339	
Telephone Number	(606)666-3800, Ext. 250	
Email Address	breathittwater@yahoo.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.

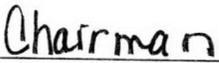
Supplier(s)	Base Rate	Changed Rate
City of Jackson	\$3.32/1000 Gallons	\$3.42/1000 Gallons
City of Campton	\$3.32	No change

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	June 2014	through	May 2015
	(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 Jackson (Exhibit C)	85,459,000
City Of Campton (Exhibit B)	188,600
<b>TOTAL PURCHASES</b>	
4. Total gallons sold for the 12 month period	66,416,000
5. Increased water cost	8,545.90
<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>	
6. Purchased water adjustment factor	$\frac{\$8545.90}{66,416,000 \div 1000G} = .13 \text{ Cents}/1000G$
<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>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	July 12, 2015
	
Signature of Utility Officer	
	
Title	

## Breathitt County Water

### Comparison of Rates

			Current	Proposed	
<b>5/8" x 3/4" Meter</b>					
First	2,000	Gallons	\$23.66	23.92	Minimum Bill
Over	2,000	Gallons	11.83	11.96	per 1000 gallons
Leak Adjustment			\$6.83	\$6.96	per 1,000 gallons
<b>Wholesale Rate</b>					
Village of Buckhorn			\$4.38	\$4.51	per 1,000 gallons
<b>Kentucky Mountain Bible College</b>					
First	10,000	Gallons	\$118.30	\$119.60	Minimum Bill
Next	190,000	Gallons	6.86	6.99	per 1000 gallons
Over	200,000	Gallons	5.68	5.81	per 1000 gallons

## NOTICE

Notice is hereby given that the City of Jackson proposes to increase its rate for wholesale water service effective July 12, 2015. Documentation will be filed with the Kentucky Public Service Commission to increase the rate as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Water Rate per 1,000 gallons	\$3.32	\$3.42	\$0.10	3%

The proposed effective date is July 12, 2015. Water flowing through the meter(s) before the effective date will be charged at the current rate. Water flowing through the meter(s) on and after the effective date will be charged at the proposed new rate.

The rates contained in this notice are the rates proposed by the City of Jackson but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing by visiting the Jackson Mayor's Office located at 333 Broadway in Jackson, Kentucky; telephone 606-666-7069.

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

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the PSC. The Public Service Commission may take final action on the filing if a written request for intervention is not received within 30-days of the date notice was given.

## **MINUTES**

**DATE: September 22, 2014**

Breathitt County Water District  
10:00 a.m.

The Breathitt County Water District met in Special Session on the 22<sup>nd</sup> day of September, 2014 at 10:00 a.m. in the Fiscal Court Room. Members present and presiding were Chairman Thorpe, Kash Noble, Sammie Turner and Eva Fugate. Eugene Turner was late for the meeting. Also present were Magistrates Ellis Tincher & Ray Moore, Mayor Rose Wolfe, Estill McIntosh and Kay Barnett.

The meeting was called to order by Chairman Thorpe. Prayer was given by Treasurer Kash Noble.

Discussion was held on water rates. Mayor Wolfe stated the City was willing to accept the .42 increase offered by the County effective November 1<sup>st</sup> and a 3% annual increase effective July 1, 2015. Further discussion was held. Discussion was held on electric bills on Hwy. 30 West and Hwy. 52. Mayor Wolfe reminded the Board that the City pays for the ten customers on Town Hill, not the County. Chairman Thorpe stated he had no problem with the 3% increase but had a problem with the .42 increase. Further discussion was held. Sammie Turner stated he also had a problem with the .42 increase. Kash Noble asked how much would this raise the rate to. Supt. Estill McIntosh stated his goal was to keep the people's monthly bill to less than \$25.00. He stated the electric bill for Town Hill was approximately \$1,500.00 per month to pump over Town Hill to their master meter and down Hwy. 30 West and Hwy. 52. Mayor Wolfe stated that if the County was asking the City to pay a set fee toward the electric bill, then to tell her. "Are you asking for \$300.00 monthly?" Mayor Wolfe reminded the Board that the City wanted a .80 increase, but the County offered a .42 increase. Mayor Wolfe stated there was no money available to help with their pumps and waterlines. No grant money for existing lines and pumps are available. Sammie Turner stated he didn't think it was fair, for County customers to pay so much more than City customers. Mayor Wolfe asked if they wanted a study done. Chairman Thorpe asked when the study would be available. Mayor Wolfe stated she would call today and find out. Discussion was held on trying to call Eugene Turner and see if he could possibly attend the meeting. Chairman Thorpe asked for a vote to take a 10 minute break while contacting Eugene Turner.

Motion by Chairman Thorpe, seconded by Kash Noble to take a 10 minute break. Vote is as follows: Chairman Thorpe-aye, Kash Noble-aye, Sammie Turner-aye and Eva Fugate-aye. Motion carried.

Eugene Turner arrived. Chairman Thorpe called the meeting back to order

Discussion continued on the water rates and the contract.

**Motion by Eugene Turner, seconded by Eva Fugate to pay a .42 increase one time and then annually whatever percent the City raises their customer rates, then the County will raise the same rate for the County customers for the remainder of the contract of 39 years and adjust accordingly for the electric bill for Town Hill pending the Fiscal Court and PSC approval. Vote is as follows: Chairman Thorpe-nay, Kash Noble-aye, Sammie Turner-nay, Eva Fugate-aye and Eugene Turner-aye. Motion carried.**

**Chairman Thorpe adjourned the meeting.**



---

**Bobby Thorpe, Jr., Chairman**



<b>BCWD'S PURCHASED FROM CITY OF JACKSON</b>			
<b>Date</b>	<b>Gallon Purchased</b>		
June, 2014	7,956,000		
July, 2014	6,717,000		
August, 2014	6,703,000		
September, 2014	7,722,000		
October, 2014	6,639,000		
November, 2014	6,591,000		
December, 2014	7,169,000		
January, 2015	6,840,000		
February, 2015	7,867,000		
March, 2015	7,964,000		
April, 2015	7,288,000		
May, 2015	6,003,000		
<b>Total</b>	<b>85,459,000</b>		
85,459,000 gal ÷ 1000 gal = 85,459			
85,459 gal x 3.32 (current) = \$283,723.88 + \$626.15 (Campton) = \$284,350.03			
85,459 gal x 3.42 (new rate) = \$292,269.78 + \$626.15 (Campton) = \$292,895.93			
<b>Increased Water Cost</b>			
<b>\$292,895.93 - \$28,4350.03 = \$8,545.90</b>			

<b>BCWD's Gallons Sold from June 2014 to May 2015</b>					
<b>Date</b>	<b>Gallon Sold</b>				
June, 2014	4,601,000				
July, 2014	5,398,000				
August, 2014	4,453,000				
September, 2014	4,699,000				
October, 2014	8,218,000				
November, 2014	4,490,000				
December, 2014	4,679,000				
January, 2015	4,808,000				
February, 2015	9,397,000				
March, 2015	5,804,000				
April, 2015	5,477,000				
May, 2015	4,392,000				
<b>Total</b>	<b>66,416,000</b>				