



RECEIVED

JUN 29 2015

PUBLIC SERVICE
COMMISSION

South 641 Water District

PO Box 126, Hazel, KY 42049

(270)492-8857

June 22, 2015

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

RE: TFS2015-00341

Wholesale Provider: City of Murray Water and Sewer System

Wholesale Purchaser: South 641 Water District

Dear Mr. Derouen:

The South 641 Water District (District) has received written notice from the City of Murray Water and Sewer System (Murray) of Murray's intent to increase its Wholesale Rate, effective July 1, 2015.

The District does **not** plan to file a Motion for Intervention in this matter.

Yours truly,

A handwritten signature in black ink that reads "John Paschall". The signature is written in a cursive style.

John Paschall, Chairman
South 641 Water District

RECEIVED

Purchased Water Adjustment Form 408
 JUN 29 2015
 July 2014
 PUBLIC SERVICE
 COMMISSION

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

Name of Utility	South 641 Water District	
Date	June 23, 2015	
Address	207 Main Street, P.O. Box 126	
City, State, Zip	Hazel, KY 42049	
Telephone Number	(270) 492-8857	
Email Address	so641@wk.net	

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
Murray Water & Sewer System	\$ 1.66	\$ 1.83

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 2014	through	April 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.

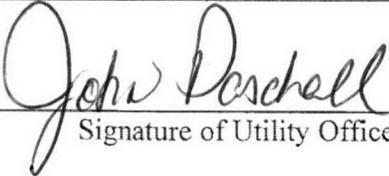
Supplier(s)	Gallons Purchased during 12 month period
Murray Water & Sewer System	17,988,450
TOTAL PURCHASES	17,988,450
4. Total gallons sold for the 12 month period	
	16,090,350
5. Increased water cost	
	\$3,058.04
The increased water cost is the cost difference between purchases at base (current rate) 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 B	
6. Purchased water adjustment factor	
	0.20
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit c	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	
	July 1, 2015
 Signature of Utility Officer	
Chairman	
Title	

Exhibit A

NOTICE

Murray Water & Sewer System hereby provides notice that it filed with the Public Service Commission on May 27, 2015, to increase its wholesale water rate to Dexter-Almo Heights Water District, Murray Water District #2, and South 641 Water District. New rates are proposed to be implemented in seven incremental steps, the first to become effective for water service rendered on and after July 1, 2015 with a new rate to become effective each subsequent six months as set forth below:

<u>Monthly Rate Per 1,000 Gallons</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Effective 07/01/2015	\$1.83	\$1.66	\$0.17	10%
Effective 01/01/2016	\$2.01	\$1.83	\$0.18	10%
Effective 07/01/2016	\$2.21	\$2.01	\$0.20	10%
Effective 01/01/2017	\$2.43	\$2.21	\$0.22	10%
Effective 07/01/2017	\$2.67	\$2.43	\$0.24	10%
Effective 01/01/2018	\$2.94	\$2.67	\$0.27	10%
Effective 07/01/2018	\$3.23	\$2.94	\$0.29	10%

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

This filing may be examined at the utility's office inside Murray City Hall located at 104 North 5th Street in Murray, Kentucky; Monday – Friday from 7:30 am and 4:30 pm.

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 Public Service Commission's 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, Kentucky 40602; or through its website at <http://psc.ky.gov>.

While the proposed rates are the rates proposed by Murray Water & Sewer System, the Public Service Commission may order rates that differ from these 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, Kentucky 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.

South 641 Water District

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)		<u>OLD RATE</u> (per 1,000)	
Murray Water	\$1.8300		\$1.6600	
TWELVE MONTH TEST PERIOD:		May 2014 through April 2015		
		<u>GALLONS PURCHASED</u> <u>DURING TEST PERIOD</u>		
<u>SUPPLIER</u>				
Murray Water			17,988,450	
TOTAL			17,988,450	
<u>SUPPLIER</u>	<u>COST AT</u> <u>NEW RATE</u>		<u>COST AT</u> <u>OLD RATE</u>	
Murray Water	\$32,918.86		\$29,860.83	
TOTAL	\$32,918.86	-	\$29,860.83	=
				<u>INCREASED</u> <u>WATER COST</u>
				\$3,058.04
TOTAL GALLONS SOLD FOR THE TEST PERIOD :			16,090,350	
Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor				
\$3,058.04	/	16,090,350	/1000	=
				0.19005407
			ROUNDED	0.20

EXHIBIT B

MONTH	MURRAY BILLING PERIOD	WATER PURCHASED	ADJUSTED	SOUTH 641 BILLING PERIOD	WATER SOLD	CUSTOMERS
Apr-15	3/12/15-4/13/15	1,518,000	1,503,250	4/1/15-4/30/15	1,210,210	349
Mar-15	2/13/15-3/12/15	1,365,000	1,441,500	3/1/15-3/31/15	1,195,570	352
Feb-15	1/13/15-2/13/15	1,490,500	1,427,750	2/1/15-2/28/15	1,488,430	354
Jan-15	12/11/14-1/13/15	1,528,200	1,509,350	1/1/15-1/31/15	1,346,290	361
Dec-14	11/12/14-12/11/14	1,384,500	1,456,350	12/1/14-12/31/14	1,208,210	362
Nov-14	10/14/14-11/12/14	1,373,000	1,378,750	11/1/14-11/30/14	1,310,080	366
Oct-14	9/12/14-10/14/14	1,507,000	1,440,000	10/1/14-10/31/14	1,248,860	367
Sep-14	8/13/14-9/12/14	1,570,000	1,538,500	9/1/14-9/30/14	1,437,950	366
Aug-14	7/14/14-8/13/14	1,563,000	1,566,500	8/1/14-8/31/14	1,564,600	367
Jul-14	6/11/14-7/14/14	1,720,000	1,641,500	7/1/14-7/31/14	1,328,560	362
Jun-14	5/15/14-6/11/14	1,454,000	1,587,000	6/1/14-6/30/14	1,358,290	361
May-14	4/14/14-5/14/14	1,542,000	1,498,000	5/1/14-5/31/14	1,393,300	359
			17,988,450			16,090,350
New Rate		1.83	\$32,918.86			
Base Rate		1.66	\$29,860.83			
			\$3,058.04	÷	16,090,350	= 0.1900541
						OR ROUNDUP TO
			<u>INCREASE PER 1,000 GALLONS</u>		\$0.19	\$0.20

Exhibit C

SCHEDULE OF CURRENT AND PROPOSED RATES FOR SOUTH 641 WATER DISTRICT

Monthly Water Rates

		Current Rates	Proposed Rates*
First	2,000 gallons	\$17.78 Minimum Bill	\$18.18 Minimum Bill
Next	3,000 gallons	6.66 per 1,000 gallons	6.86 per 1,000 gallons
Next	5,000 gallons	5.75 per 1,000 gallons	5.95 per 1,000 gallons
Over	10,000 gallons	4.86 per 1,000 gallons	5.06 per 1,000 gallons

*Effective: July 1, 2015

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE SOUTH 641 WATER DISTRICT ADJUSTING WATER
RATES AND CHARGES TO OFFSET THE CITY OF
MURRAY WHOLESALE RATE INCREASE**

WHEREAS, the City of Murray Water & Sewer System (“Murray”) is South 641 Water District’s (“District”) wholesale water provider;

WHEREAS, on May 27, 2015, Murray filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that Murray charges the District from \$1.66 to \$1.83 per 1,000 gallons effective July 1, 2015. (See PSC Case TFS2015-00341);

WHEREAS, based upon the water purchases from Murray during the previous 12 months the estimated annual increased cost to the District will be \$3,058.04;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with Murray’s wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with Murray’s wholesale rate increase via a Purchased Water Adjustment (“PWA”);

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF SOUTH 641 WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$0.20** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.20** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A**, are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after July 1, 2015.

Section 5. The Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The Chairman, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF SOUTH 641 WATER DISTRICT at a meeting held on June 22, 2015, signed by the Chairman, and attested by the Secretary.

ATTEST:



SECRETARY



CHAIRMAN

CERTIFICATION

I, Secretary of the South 641 Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on June 22, 2015, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 22nd day of June, 2015;



SECRETARY

APPENDIX A

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Third Revised SHEET NO. 4

South 641 Water District
(Name of Utility)

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

Second Revised SHEET NO. 4

Rates and Charges

Monthly Water Rates

All Meter Sizes

First 2,000 Gallons	\$ 18.18 Minimum Bill
Next 3,000 Gallons	\$ 6.86 Per 1,000 Gallons
Next 5,000 Gallons	\$ 5.95 Per 1,000 Gallons
Over 10,000 Gallons	\$ 5.06 Per 1,000 Gallons

5/8" X 3/4" meter	\$750.00
All larger meters	Actual Cost

Rock Clause

An additional charge shall be made for meter connections where rock is encountered. The charge shall be applied per linear foot and shall not exceed the actual cost of excavation.

Water sold from District owned
well untreated for irrigation:
\$2.00 per 2,000 gallons

DATE OF ISSUE 06/22/2015
Month / Date / Year

DATE EFFECTIVE 07/01/2015
Month / Date / Year

ISSUED BY *John Paschell*
(Signature of Officer)

TITLE Chairman

By Authority Of Order Of The Public Service Commission
IN CASE NO. _____ DATED 6-22-15

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Third Revised SHEET NO. 4

South 641 Water District
(Name of Utility)

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

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\$2.00 per 2,000 gallons

DATE OF ISSUE 06/22/2015
Month / Date / Year

DATE EFFECTIVE 07/01/2015
Month / Date / Year

ISSUED BY John Paschall
(Signature of Officer)

TITLE Chairman

By Authority Of Order Of The Public Service Commission
IN CASE NO. _____ DATED 6-22-15

CUSTOMER NOTICE

Due to a rate increase from the City of Murray Water & Sewer System, notice is hereby given that the South 641 Water District has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Customer rates will increase by \$0.20 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2015.

Monthly Water Rates

		Current Rates	Proposed Rates	\$ Increase	% Increase
First	2,000 gallons	\$17.78 Minimum Bill	\$18.18 Minimum Bill	\$0.40	2.25%
Next	3,000 gallons	6.66 per 1,000 gallons	6.86 per 1,000 gallons	\$0.20	3.00%
Next	5,000 gallons	5.75 per 1,000 gallons	5.95 per 1,000 gallons	\$0.20	3.48%
Over	10,000 gallons	4.86 per 1,000 gallons	5.06 per 1,000 gallons	\$0.20	4.12%

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$37.76 to \$38.76. This is an increase of \$1.00 or 2.65%.

The rates contained in this notice are the rates proposed by South 641 Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

South 641 Water District has available for inspection at its office the application which it submitted to the Public Service Commission. South 641 Water District's office is located at 207 Main Street, Hazel, KY 42049. You may contact the office at 270-492-8857.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. You may contact the Public Service Commission at 502-564-3940.