



RECEIVED

JUL 1 2015

PUBLIC SERVICE
COMMISSION

June 26, 2015

Public Service Commission
Executive Director
P.O. Box 615
Frankfort, KY 40602-0615

RE: Purchase Water Adjustment for Judy Water Association

Dear Executive Director:

Judy Water Association has received notification from one of its suppliers (Mount Sterling Water and Sewer) of increases to water rates. Please find enclosed 1 (one) original and 10 (ten) copies of the proper documentation to file for a purchase water adjustment. Judy Water Association has requested a proposed effective date of August 1, 2015.

All income sheets and balance statements are current and on file with the PSC. If you have any additional questions, I can be contacted at 859-398-1009.

Thank you,

A handwritten signature in black ink, appearing to read "Billy Ray Fawns", written over a horizontal line.

Billy Ray Fawns
Manager

2010 Maysville Road, PO Box 781, Mt. Sterling, KY 40353-0781
(859) 498-4809 Telephone & FAX
E-Mail - judyh20@adelphia.net

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

Name of Utility	JUDY WATER ASSOCIATION	
Date	6-26-15	
Address	P.O. BOX 781	
City, State, Zip	MOUNT STERLING, KY	40353
Telephone Number	859-498-4809	

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
MT. STERLING WATER	2.77 PER THOUSAND	2.85 PER THOUSAND
CITY OF NORTH MIDDLETOWN	4.77 PER THOUSAND (FIRST 2 MILLION) 4.87 PER THOUSAND (OVER 2 MILLION)	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

Supplier(s)	Gallons Purchased during 12 month period
MT. STERLING WATER	117,292,100
CITY OF NORTH MIDDLETOWN	24,000,000 (4.77) 12,367,000 (4.87)
TOTAL PURCHASES	153,659,100
4. Total gallons sold for the 12 month period	134,396,600
5. Increased water cost	\$9,384
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.07
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<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. 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	AUGUST 1, 2015
	
Signature of Utility Officer	
Title	

FOR Montgomery, Clark, Bourbon, and Bath _____
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Judy Water Association
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

RATE SCHEDULE

First 1,000 gallons \$12.90 Minimum bill

Next 4,000 gallons \$8.53 per 1,000 gallons

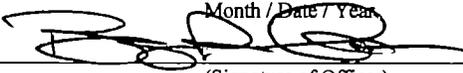
Next 5,000 gallons \$7.63 per 1,000 gallons

Over 10,000 gallons \$6.73 per 1,000 gallons

A \$16.77 surcharge will be added to the bills of customers on the Bourbon County Waterline Extension.
Therefore, the minimum bill for those customers will be \$29.67 (12.90 + 16.77 = 29.67)

DATE OF ISSUE 6-26-15
Month / Date / Year

DATE EFFECTIVE 8-1-15

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

TITLE MANAGER

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

MT. STERLING WATER & SEWER SYSTEM

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

June 24, 2015

Billy Ray Fawns
Judy Water Association
P.O. Box 781
Mount Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Billy,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), is in the process of requesting 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 conducted in June of last year, 2014, on our behalf by Norbourne and Associates. At the time this particular study indicated a rate increase of 29.23% was justifiable, although we elected only to increase rates by a factor of 12.6%. This left a revenue shortfall a 16.6% when compared to anticipated expenses and depreciation costs.

In an effort to avoid adding to our budget deficit the board of commissioners, at the June 15th meeting, elected to approve a water rate increase of 3% for the 2015/2016 fiscal year. As a result our utility has petitioned the PSC to consider an increase of that amount to the wholesale water rate. A rate modification request has been filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.77/1,000 gallons up to \$2.85. We have requested approval that this increase be effective August 1, 2015. 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. Included please find a copy of the tariff in question, PSC notification and an excerpt of the findings from the cost of service and rate study referenced.

In closing, thank you for your understanding as well as your cooperation concerning this matter. As an operator of a water utility, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle, not to mention the enormous cost associated with the upkeep and replacement of aging infrastructure. However, should you have questions or comments related to this increase please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

FOR Mt. Sterling, Kentucky
Name of Municipality

P.S.C. KY. NO. 6

SHEET NO. _____

Mt. Sterling Water and Sewer Commission
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 5

SHEET NO. _____

Monthly Wholesale Water Rate:

- Levee Road Water District
- Reid Village Water District
- Montgomery County Water District
- Judy Water Association
- Bath County Water District

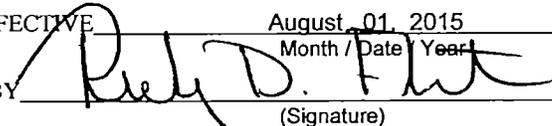
All usage

2.85 Per 1,000 Gallons

NOTE: Revises previous rate of \$2.77 per 1,000 gallons effective on August 1, 2014.

DATE OF ISSUE June 22, 2015
Month / Date / Year

DATE EFFECTIVE August 01, 2015
Month / Date / Year

ISSUED BY 
(Signature)

TITLE Manager, Mt. Sterling Water and Sewer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A