

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

RECEIVED

Name of Utility	LEVEE ROAD WATER ASSOCIATION	OCT 21 2015
Date	09/21/2015	PUBLIC SERVICE COMMISSION
Address	P.O. BOX 770	
City, State, Zip	MT. STERLING,	KY 40353
Telephone Number	859-498-6980	
Official Email Address	leveerdwater@gmail.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
Mt. Sterling Water Company	\$ 2.77 / 1000 gallons	\$ 2.85 / 1000 gal.

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

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of the proposed effective date).

From	2014	through	2015
	June 1		June 1
	(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)	N/A	Gallons Purchased during 12 month period
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MT. Sterling Water Company	49,009,899 gallons				
TOTAL PURCHASES	49,009,899 gallons				
4. Total gallons sold for the 12 month period					
5. Increased water cost	<table border="0"> <tr> <td style="text-align: center;">Base</td> <td style="text-align: center;">New Rate</td> </tr> <tr> <td style="text-align: center;">135,757.42</td> <td style="text-align: center;">139,934.71</td> </tr> </table>	Base	New Rate	135,757.42	139,934.71
Base	New Rate				
135,757.42	139,934.71				
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. 4,177.29					
6. Purchased water adjustment factor:	.092 / 1000 gallons				
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. 45,371,670					
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. Proposed effective date	10-01-2015				
NOTE: The next 2-steps only apply to water districts.					
8. Date reported to the appropriate governing body	N/A				
9. Date attended (or scheduled to attend) meeting with the appropriate governing body	N/A				
 Signature of Utility Officer					
SECRETARY/TREASURER	BOARD DIRECTOR				
Title					

MT. STERLING WATER & SEWER SYSTEMPOST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40363-0392

June 24, 2015

Brenda Murphy
Levee Road Water District
P.O. Box 770
Mount Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Brenda,

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

Levee Road WA 2013

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Mt Sterling	\$2.8500	\$2.7700

TWELVE MONTH TEST PERIOD: June 2014 thru May 2015

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Mt Sterling	49,009,899

TOTAL 49,009,899

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Mt Sterling	139,678.21	135,757.42	
	\$0.00	\$0.00	
	\$0.00	\$0.00	
TOTAL	\$139,678.21	\$135,757.42	= \$3,920.79

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 45,371,670

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$3,920.79 / 45,371,670 /1000 = 0.086414979

ROUNDED	0.09
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NEW RATE		OLD RATE
SUPPLIER	(per 1,000)	(per 1,000)
Mt Sterling	\$2.8500	\$2.7700

TWELVE MONTH TEST PERIOD: **June 2014 thru May 2015**

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Mt Sterling	49,009,899

TOTAL 49,009,899

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE
Mt Sterling	139,678.21	135,757.42

10/5/2015

Gmail - Excel & Comparison Table

	\$0.00		\$0.00		INCREASED
	\$0.00		\$0.00		<u>WATER COST</u>
TOTAL	\$139,678.21	-	\$135,757.42	=	\$3,920.79

TOTAL GALLONS SOLD FOR THE TEST PERIOD :

45,371,670

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

$$\$3,920.79 / 45,371,670 / 1000 = 0.086414979$$

	ROUNDED	0.09	
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Levee Road Water 2015

Comparison of Rates

			Current	Proposed	
First	1,000	Gallons	10.95	11.04	Minimum Bill
Next	2,000	Gallons	4.55	4.64	per 1000 gallons
Next	3,000	Gallons	3.85	3.94	per 1000 gallons
Next	19,000	Gallons	3.10	3.19	per 1000 gallons
Next	25,000	Gallons	2.75	2.84	per 1000 gallons
Over	50,000	Gallons	2.45	2.54	per 1000 gallons
Commercial Hauler			4.83	4.92	per 1000 gallons
Any Individual who has a Private Loading Unit			4.83	4.92	per 1000 gallons
All Water purchased from Water Coin Vendor			5.33	5.42	per 1000 gallons

Eddie Beavers

Rate Analyst V

KY PSC

PSC Main Line(502) 564-3940

Direct Dial Line (502) 782-2647

PSC Consumer Complaint Hotline 1-800-772-4636

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September 10, 2015

Levee Road Water monthly meeting was held at Water Office at 4969 Levee Road, Mt. Sterling Ky, 40353. All directors were present. A special board resolution is needed by directors to ask for a pass through on the raise in water costs by our distributor Mt. Sterling Water Company.

This request will be sent to PSC of Ky. for approval of rate increase for November bills to our customers.

All monthly bills were discussed and paid.

Respectfully Submitted,
Patricia Kraf, Director
Brenda Mungley, Secretary

Customer History Report

Service Type All **Use Reading Factor** **Print Transaction In Descending Order**
AR Code All **Start Balance With Zero**
Beginning Date 06/01/2014 **Print Breakdown By** Transaction Service Taxes Totals Only
Ending Date 06/01/2015

History For Account 0019-00300-001 Water, Levee

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
05/09/14	05/09/14	WTR	Water Billing	WATER	02	\$9,088.89	\$0.00	\$0.00		
	connie			① 3,684,671		\$0.00	\$0.00	\$0.00	\$0.00	\$19,051.08
05/23/14	05/27/14	PAY	Payment	WATER	02	(\$9,088.89)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$9,962.19
06/09/14	06/09/14	WTR	Water Billing	WATER	02	\$11,144.44	\$0.00	\$0.00		
	kayes			② 4,530,262		\$0.00	\$0.00	\$0.00	\$0.00	\$21,106.63
06/20/14	06/23/14	PAY	Payment	WATER	02	(\$9,962.19)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$11,144.44
07/09/14	07/09/14	WTR	Water Billing	WATER	02	\$10,797.40	\$0.00	\$0.00		
	ilsam			③ 4,389,189		\$0.00	\$0.00	\$0.00	\$0.00	\$21,941.84
08/05/14	08/05/14	PAY	Payment	WATER	02	(\$11,144.44)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$10,797.40
08/08/14	08/08/14	WTR	Water Billing	WATER	02	\$10,841.02	\$0.00	\$0.00		
	connie			④ 4,406,917		\$0.00	\$0.00	\$0.00	\$0.00	\$21,638.42
08/26/14	08/26/14	PAY	Payment	WATER	02	(\$10,797.40)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$10,841.02
09/09/14	09/09/14	WTR	Water Billing	WATER	02	\$10,374.92	\$0.00	\$0.00		
	kayes			⑤ 3,745,460		\$0.00	\$0.00	\$0.00	\$0.00	\$21,215.94
10/09/14	10/09/14	WTR	Water Billing	WATER	02	\$12,009.08	\$0.00	\$0.00		
	kayes			⑥ 4,335,408		\$0.00	\$0.00	\$0.00	\$0.00	\$33,225.02
10/15/14	10/15/14	PAY	Payment	WATER	02	(\$10,374.92)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$22,850.10
11/07/14	11/07/14	WTR	Water Billing	WATER	02	\$10,235.90	\$0.00	\$0.00		
	kayes			⑦ 3,685,270		\$0.00	\$0.00	\$0.00	\$0.00	\$33,086.00
11/13/14	11/13/14	PAY	Payment	WATER	02	(\$12,009.08)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$21,076.92
12/01/14	12/02/14	PAY	Payment	WATER	02	(\$10,841.02)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$10,235.90
12/08/14	12/08/14	WTR	Water Billing	WATER	02	\$10,803.20	\$0.00	\$0.00		
	kayes			⑧ 3,900,072		\$0.00	\$0.00	\$0.00	\$0.00	\$21,039.10
12/12/14	12/12/14	PAY	Payment	WATER	02	(\$10,235.90)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$10,803.20
01/08/15	01/08/15	WTR	Water Billing	WATER	02	\$9,974.83	\$0.00	\$0.00		
	kayes			⑨ 3,601,022		\$0.00	\$0.00	\$0.00	\$0.00	\$20,778.03
01/21/15	01/21/15	PAY	Payment	WATER	02	(\$10,803.20)	\$0.00	\$0.00		
	☐ kayes			0		\$0.00	\$0.00	\$0.00	\$0.00	\$9,974.83
02/09/15	02/09/15	WTR	Water Billing	WATER	02	\$11,319.12	\$0.00	\$0.00		
	kayes			⑩ 4,086,324		\$0.00	\$0.00	\$0.00	\$0.00	\$21,293.95

History For Account 0019-00300-001 Water, Levee

Tran	Date	Post Date	Code	Description	Service Desc	Service Usage	Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance	
03/04/15	03/04/15		PAY	Payment	WATER	02	(\$9,974.83)	\$0.00	\$0.00			
			<input type="checkbox"/>	kayes		0	\$0.00	\$0.00	\$0.00	\$0.00	\$11,319.12	
03/09/15	03/09/15		WTR	Water Billing	WATER	02	\$13,039.28	\$0.00	\$0.00			
				kayes	(11) 4,707,314		\$0.00	\$0.00	\$0.00	\$0.00	\$24,358.38	
04/01/15	04/02/15		PAY	Payment	WATER	02	(\$11,319.12)	\$0.00	\$0.00			
			<input type="checkbox"/>	kayes		0	\$0.00	\$0.00	\$0.00	\$0.00	\$13,039.26	
04/09/15	04/09/15		WTR	Water Billing	WATER	02	\$13,063.29	\$0.00	\$0.00			
				lisam	(12) 4,715,990		\$0.00	\$0.00	\$0.00	\$0.00	\$26,102.55	
05/08/15	05/08/15		WTR	Water Billing	WATER	02	\$9,943.96	\$0.00	\$0.00			
				kayes	4,715,990		\$0.00	\$0.00	\$0.00	\$0.00	\$36,046.51	
05/18/15	05/19/15		PAY	Payment	WATER	02	(\$13,039.26)	\$0.00	\$0.00			
			<input type="checkbox"/>	lisam		0	\$0.00	\$0.00	\$0.00	\$0.00	\$23,007.31	
Total For Selection							\$13,045.12	\$0.00	\$0.00	\$0.00	\$13,045.12	
Ending Balance							0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,358.08