

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

Purchased Water Adjustment
of Sandy Valley Water District

) Case No. 2004-00156
)

MAY 07 2004

PUBLIC SERVICE
COMMISSION

MOTION TO INTERVENE

Mountain Water District, by counsel, moves for an order granting full intervention in this matter pursuant to 807 KAR 5:001(3)(8).

1. Mountain is a regulated water district serving customers in Pike County, Kentucky. Its Superintendent is Will Brown, Box 3157, Pikeville, Ky. 41501-3157.

2. Mountain purchases a portion of its wholesale water from Sandy Valley Water District pursuant to contract.

3. Mountain received notice from Sandy Valley of an adjustment of the wholesale water rate to \$2.45 per 1000 gallons, copy attached.

4. The water that Mountain purchases from Sandy Valley is provided exclusively by the city of Pikeville, Ky. None is provided by the city of Prestonsburg, Ky. Further, the increase to the wholesale rate proposed by SVWD is greater than the retail increase being proposed. There is no justification for the inequitable allocation of the rate increase, and such increase violates 807 KAR 5:068(2)(2).

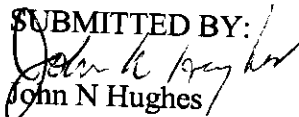
5. Because the rate for water that is resold to Mountain by Sandy Valley is not affected by the increase in rates from Prestonsburg, Mountain believes that it should not be included in the purchased water adjustment pending in this matter. In the alternative, the increase in the wholesale rate should not exceed that of the retail customer class or that shown by a valid cost of service study for wholesale customers..

6. Any order issued in this matter will have a direct and material effect upon the legal rights, duties, privileges, immunities or other legal interests of Mountain.

7. Mountain has a substantial and special interest in a Commission determination with respect to the issues raised that is not otherwise adequately represented. Full intervention by Mountain is likely to present issues or develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

8. Mountain requests that it be granted full intervention with the right to participate in this proceeding as a party and that it be served with filed testimony, exhibits, pleadings, correspondence and all other documents submitted by parties and be certified as a party for the purposes of receiving service of any petition for rehearing or petitions for judicial review.

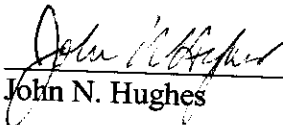
SUBMITTED BY:


John N Hughes
124 W. Todd St.
Frankfort, KY 40601
502 227-7270

Attorney for Mountain
Water District

Certificate:

I certify that a copy of this Motion was served on Pat Layne, Box 127 Betsy Layne, KY 41605 the 7th day of May, 2004.



John N. Hughes

NOTICE

Due to a rate increase from the City of Prestonsburg, the Sandy Valley Water District has filed an application with the Public Service Commission to implement the following rate schedule. The proposed change will affect all usage incurred on and after April 30, 2004.

Monthly Rate:

<u>5/8 inch x 3/4 Inch Meter</u>		<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
First	2,000 gallons	\$11.00	\$11.10	0.91%
Next	3,000 gallons	4.50	4.55	1.11%
Next	15,000 gallons	4.10	4.15	1.22%
Next	30,000 gallons	3.62	3.67	1.38%
Next	50,000 gallons	3.39	3.44	1.47%
Over	100,000 gallons	3.22	3.27	1.55%
<u>1 Inch Meter</u>				
First	5,000 gallons	\$24.50	\$24.75	1.02%
Next	15,000 gallons	4.10	4.15	1.22%
Next	30,000 gallons	3.62	3.67	1.38%
Next	50,000 gallons	3.39	3.44	1.47%
Over	100,000 gallons	3.22	3.27	1.55%
<u>2 Inch Meter</u>				
First	25,000 gallons	\$104.41	\$105.35	0.90%
Next	25,000 gallons	3.62	3.67	1.38%
Next	50,000 gallons	3.39	3.44	1.47%
Over	100,000 gallons	3.22	3.27	1.55%
<u>3 Inch Meter</u>				
First	50,000 gallons	\$194.60	\$197.10	1.28%
Next	50,000 gallons	3.39	3.44	1.47%
Over	100,000 gallons	3.22	3.27	1.55%
<u>4 Inch Meter</u>				
First	100,000 gallons	\$364.10	\$369.10	1.37%
Over	100,000 gallons	3.22	3.27	1.55%
<u>Wholesale Rate</u>			(Per 1,000 gallons)	
Mountain Water District		\$2.40	\$2.45	2.08%
All other bulk users		3.22	3.27	1.55%

The bill for an average customer using 5,000 gallons each month would go from \$24.50 to \$24.75, a monthly increase of \$0.25 or 1.02%.

The rates contained in this notice are the rates proposed by the Sandy Valley 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 in this notice.

Sandy Valley Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 524 George Road, Betsy Layne, KY 41605. Or you may contact the office at (606) 478-5500.

Sandy Valley Water District