

**MORGAN COUNTY WATER DISTRICT  
408 PRESTONSBURG STREET  
WEST LIBERTY, KY 41472  
606/743-1204 (Office) 606/743-9585 (Fax)**

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PUBLIC SERVICE  
COMMISSION

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**November 12, 2004**

**Beth O'Donnell, Executive Director  
Public Service Commission  
211 Sower Blvd  
P. O. Box 615  
Frankfort, KY 40602-0615**

**RE: Case No. 2004-00417  
Morgan County Water District  
Non-Recurring Charges**


**Dear Ms. O'Donnell:**

**As requested per Jess Thompson in a telephone conversation today, I would like to submit this letter with the information Mrs. Thompson requested.**

**The Water District received several inquiries and objections to the proposed increase to the tap on fee at \$590. Due to this, the District's Water board members decided to ask for a reduction to the tap on fee since this was a large increase and we are located in such a rural area.**

**I am also sending a copy of the original cost justification. If there is additional information needed from us, please let me know.**

**Sincerely,**

  
**Barbara Stacy  
Manager**

**AVERAGE METER CONNECTION EXPENSE  
COST JUSTIFICATION**

Name of Utility Morgan County Water District

The following is an itemization of expenses for providing a metered service connection.

**A. Meter Size**

5/8-Inch  3/4-Inch  1-Inch  1 1/2 -Inch  2-Inch

Other (specify) \_\_\_\_\_

**B. Materials Expense**

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	<u>1</u>	<u>38.00</u>	<u>38.00</u>
2. Meter Yoke	<u>1</u>	<u>93.97</u>	<u>93.97</u>
3. Corporation Stop	<u>1</u>	<u>12.99</u>	<u>12.99</u>
4. Meter Box and Top	<u>1</u>	<u>16.63</u>	<u>16.63</u>
5. Miscellaneous Fittings	<u>2</u>	<u>3.78</u>	<u>7.56</u>
6. Other (Itemize)			
<u>Pressure Reduce Valve</u>	<u>1</u>	<u>35.94</u>	<u>35.94</u>
<u>Meter Gasket</u>	<u>2</u>	<u>.03</u>	<u>.06</u>
<u>Pipe Inserts</u>	<u>3</u>	<u>.05</u>	<u>.15</u>

TOTAL MATERIALS EXPENSE  
(add total cost)

\$ 205.30

**C. Service Pipe Expense**Type of Service Pipe 200 PSI Size of Service Pipe 3/4"

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>15'</u>	<u>.18</u>	<u>2.70</u>
2. Long Side Service	<u>40'</u>	<u>.18</u>	<u>7.20</u>

AVERAGE SERVICE PIPE EXPENSE \$ 4.95  
 (add total cost and divide by 2)

**D. Installation Labor Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2</u>	<u>33.50</u>	<u>67.00</u>
2. Long Side Service	<u>3</u>	<u>33.50</u>	<u>100.50</u>

AVERAGE INSTALLATION LABOR EXPENSE \$ 83.75  
 (add total cost and divide by 2)

**E. Installation Equipment Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2</u>	<u>19.70</u>	<u>39.40</u>
2. Long Side Service	<u>3</u>	<u>65.41</u>	<u>196.23</u>

AVERAGE INSTALLATION EQUIPMENT EXPENSE \$ 117.81  
 (add total cost and divide by 2)

**F. Installation Miscellaneous Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection (Bond fee)	<u>1</u>	<u>50.00</u>	<u>50.00</u>
2. Site Clean-Up	<u>1.5</u>	<u>33.50</u>	<u>50.25</u>
3. Other			
<u>Water Line Marking Post</u>	<u>        </u>	<u>        </u>	<u>30.00</u>
<u>Grass Seed, Straw</u>	<u>        </u>	<u>        </u>	<u>7.50</u>
<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE  
(add total cost) \$ 137.75

**G. Overhead Expense**

1. Installation expense (\$ 117.81 ) times  
overhead rate ( 12% ) \$ 14.14

**H. Administrative Expense**

1. Office expense for establishing a new account  
and billing record. \$ 25.00

**I. Total Expenses**

Materials Expense	\$ <u>205.30</u>
Service Pipe Expense	<u>4.95</u>
Installation Labor Expense	<u>83.75</u>
Installation Equipment Expense	<u>117.81</u>
Installation Miscellaneous Expense	<u>137.75</u>
Overhead Expense	<u>14.14</u>
Administrative Expense	<u>25.00</u>

**TOTAL CONNECTION EXPENSE** \$ 558.70