

Murray No. 2 Water District

Beth O'Donnell
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED
JUL 18 2005
PUBLIC SERVICE
COMMISSION

Case No. 2005-00303

RE: Formal Application for a Purchased Water Adjustment

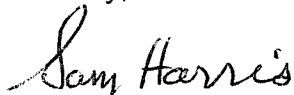
Dear Ms. O'Donnell:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Murray No. 2 Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,



enclosure

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

RECEIVED
JUL 18 2005
PUBLIC SERVICE
COMMISSION

Murray No. 2 Water District
(Name of Utility)

(Date)

201 New Providence Rd.
(Address)

Murray, KY 42070
(City, State)

270-753-8061
(Telephone Number)

- 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.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Murray</u>	<u>1.45</u>	<u>1.66</u>
_____	_____	_____
_____	_____	_____

- 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 2004 through April 2005.
 (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
<u>City of Murray</u>	<u>15,877,000</u>
_____	_____
 TOTAL PURCHASES	 <u>15,877,000</u>

4. Total sales for the 12- month period 13,869,600.

5. Increased water cost \$3,334.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.24.

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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date Aug 1-05.

Sam Harris
(Signature of Utility Officer)

Manager
(Title)

Murray #2 Water District

PURCHASED WATER ADJUSTMENT

Sam Harris
270-753-8061

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Murray	\$1.6600	\$1.4500

TWELVE MONTH TEST PERIOD:

May 2004 thru April 2005

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Murray	15,877,000
TOTAL	15,877,000

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Murray	\$26,355.82	\$23,021.65	
TOTAL	\$26,355.82	\$23,021.65	= \$3,334.17

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 13,869,600

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

$$\begin{array}{rcccccc}
 \$3,334.17 & / & 13,869,600 & /1000 & = & 0.240394099 \\
 & & & & \text{ROUNDED} & \boxed{0.24}
 \end{array}$$

FOR Murray / Calloway County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Murray No. 2 Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES & CHARGES

Monthly Rates:

First	1,500 Gallons	\$6.46	Minimum Bill
Next	8,500 Gallons	3.44	Per 1,000 Gallons
Next	40,000 Gallons	2.14	Per 1,000 Gallons
Over	50,000 Gallons	1.84	Per 1,000 Gallons

Non-Recurring Charges:

Connection Charge	\$475.00
Service Charge	15.00
Reconnection Charge	25.00
Requested Meter Test	30.00
Returned Check Charge	10.00
Late Payment Penalty	10%

DATE OF ISSUE July 2 - 05
Month / Date / Year

DATE EFFECTIVE Aug 1 - 2005
Month / Date / Year

ISSUED BY Santarnes
(Signature of Officer)

TITLE Manager

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

NOTICE

Due to a rate increase from the City of Murray, notice is hereby given that Murray No. 2 Water District has filed An Application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by .24 cents per 1,000 gallons used. The proposed change will be effective for service rendered on and after aug 1-05.

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
First 1,500 Gallons	\$6.10 Minimum Bill	6.46 Minimum Bill	5.90%
Next 8,500 Gallons	3.20 Per 1,000 Gallons	3.44 per 1,000 gallons	4.38%
Next 40,000 Gallons	1.90 Per 1,000 Gallons	2.14 per 1,000 gallons	7.37%
Over 50,000 Gallons	1.60 Per 1,000 Gallons	1.84 per 1,000 gallons	8.75%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.20 from \$17.30 to \$18.50 or 6.94%.

The rates contained in this notice are the rates proposed by Murray No. 2 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.

Murray No. 2 Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 201 New Providence Rd., Murray, KY 42070.

Murray No. 2 Water District