

Montgomery County Water District #1

4406 Camargo Road ◊ Mt. Sterling, Kentucky 40353

Ph. (859) 498-0521/Fax (859) 498-0872

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

Case No. 2005-00390

RECEIVED

SEP 23 2005

PUBLIC SERVICE
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective October 1, 2005. The District is seeking to make this effective with the *Nov. 28*, 2005 billing.

The district will publish the enclosed public notice of these 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 will be forwarded to you upon publication.

Sincerely,

enclosure

NOTICE

Due to a rate increase from the City of Mt. Sterling, notice is hereby given that Montgomery County Water District #1 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 \$0.16 per 1,000 gallons used. The proposed change will be effective for service rendered on and after _____.

Monthly Rate:

| | | <u>Current</u> | <u>Proposed</u> | <u>% Increase</u> |
|---------------------|----------------|----------------|-----------------|-------------------|
| First | 2,000 Gallons | \$14.98 | \$15.30 | 2.14% |
| Next | 3,000 Gallons | 4.37 | 4.53 | 3.66% |
| Next | 5,000 Gallons | 3.83 | 3.99 | 4.18% |
| Over | 10,000 Gallons | 3.29 | 3.45 | 4.86% |
| Wholesale Customers | | 1.75 | 1.91 | 9.14% |

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$0.80 from \$28.09 to \$28.89 or 2.85%.

The rates contained in this notice are the rates proposed by Montgomery County Water District #1. 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.

Montgomery County Water District #1 has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 4406 Camargo Road, Mt. Sterling, KY 40353.

Montgomery County Water District #1

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

Montgomery County Water District #1
(Name of Utility)

(Date)

4406 Camargo Road
(Address)

Mt. Sterling, KY 40353
(City, State)

(859) 498-0521
(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 Mt. Sterling</u> | <u>see below</u> | <u>\$1.88</u> |

| | | | | |
|-------|---------|---------|----------|----------------------|
| First | 748 | Gallons | \$4.8200 | Minimum Bill |
| Next | 4,488 | Gallons | 3.1016 | per thousand gallons |
| Next | 9,724 | Gallons | 3.0348 | per thousand gallons |
| Next | 9,724 | Gallons | 2.9011 | per thousand gallons |
| Next | 25,432 | Gallons | 2.5668 | per thousand gallons |
| Next | 49,368 | Gallons | 2.1658 | per thousand gallons |
| Next | 99,484 | Gallons | 1.7547 | per thousand gallons |
| Over | 198,968 | Gallons | 1.7112 | per thousand gallons |

- 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 August 2004 through July 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 Mt. Sterling</u> | <u>84,343,955</u> |

| | |
|-----------|------------|
| January | 6,595,939 |
| February | 8,324,492 |
| March | 6,173,244 |
| April | 6,890,425 |
| May | 6,151,851 |
| June | 8,696,323 |
| July | 7,506,778 |
| August | 7,314,842 |
| September | 7,340,872 |
| October | 6,710,981 |
| November | 6,207,502 |
| December | 6,430,706 |
| TOTAL | 84,343,955 |

4. Total sales for the 12 month period 82,850,470.

5. Increased water cost \$13,244.00.

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

6. Purchased water adjustment factor \$0.16.

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 Nov. 28, 2005.

Uriah Holley Jr.
(Signature of Utility Officer)

CHAIRMAN
(Title)

FOR Montgomery County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

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

_____ SHEET NO. _____

Montgomery County Water District #1
(Name of Utility)

RATES

MONTHLY RATES:

| | | | | |
|--------------------|----------------|---------|---------|------------------|
| First | 2,000 Gallons | \$14.98 | \$15.30 | Minimum Bill |
| Next | 3,000 Gallons | 4.37 | 4.53 | per 1000 gallons |
| Next | 5,000 Gallons | 3.83 | 3.99 | per 1000 gallons |
| Over | 10,000 Gallons | 3.29 | 3.45 | per 1000 gallons |
| Wholesale Customer | | 4.75 | 1.91 | per 1000 gallons |

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY Uriah Halley Jr.
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
COMMISSION

IN CASE NO. _____ DATED _____

FOR Montgomery County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

Montgomery County Water District #1
(Name of Utility)

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

_____ SHEET NO. _____

RATES

MONTHLY RATES:

| | | | |
|--------------------|----------------|---------|------------------|
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DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY: Wish Holley
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
COMMISSION

IN CASE NO. _____ DATED _____