



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Jeanette Walton
Manager
Bath County Water District
21 Church Street
P. O. Box 369
Salt Lick, KY 40371

December 12, 2007

RE: Case No. 2007-00510
Bath County Water District
(Purchased Water Adjustment)
Purchase water adjustment

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received and has been assigned Case No. 2007-00510. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at (502) 564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/tw

BATH COUNTY WATER DISTRICT

2007-510

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

December 5, 2007

Public Service Commission
Tariff Review Branch Manager
Post Office Box 615
Frankfort, Kentucky 40602-0615

RECEIVED
DEC 10 2007
PUBLIC SERVICE
COMMISSION

RECEIVED
DEC 10 2007
FINANCIAL AIA

RE: Purchase Water Adjustment

Dear Mr. Reid:

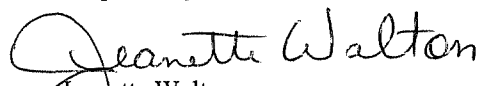
The City of Morehead has given the Bath County Water District official notice of a rate increase, for the calendar year of 2008. We have enclosed an application for a Purchase Water Adjustment in order to pass this increase on to the Districts customers. A Notice is being sent to the local newspapers showing the proposed changes. A letter has been sent to our Wholesale Customers with the proposed changes.

The following documents are attached:

1. Entire rate schedule from Suppliers.
 - A. Mt. Sterling Water & Sewer
 - B. Morehead Utility Plant Board
2. Notice from supplier showing increase and effective date
 - A. Letter from Morehead Utility Plant Board
3. Revised Tariff Sheets
 - A. Tariff Sheet Monthly Water Rates
 - B. Tariff Sheet for Leak Adjustments, Wholesale Water Rates & Bulk Rate
 - C. Tariff Sheet for Purchased Water Rates
4. Purchase Water Adjustment Worksheet
 - A. Worksheet for calculations
5. Notice sent to local papers
 - A. Notice as sent to the papers for publications
6. Letters to Wholesale Customers
 - A. Letter to Wholesale Customer Sharpsburg Water District
 - B. Letter to Wholesale Customer City of Frenchburg
 - C. Letter to Wholesale Customer City of Owingsville

If you need further information or if you have questions please do not hesitate to call.

Respectfully,


Jeanette Walton
Manager
Enclosures

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

Bath County Water District

(Name of Utility)

December 3, 2007

(Date)

PO BOX 369

(Address)

SALT LICK, KY 40371

(City, State)

(606) 683-6363

(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>
Morehead Utility Plant Board	18,628.44 .908 per 1,000	18,588.00 .961 per 1,000
_____	_____	_____
Mt. Sterling Water	1.88 per 1,000	1.88 per 1,000
_____	_____	_____
_____	_____	_____

- 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 11/1/2006 through 10/31/2007
 (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
Morehead Utility Plant Board	385,058,000
Mt. Sterling Water	72,315,000
TOTAL PURCHASES	457,373,000

4. Total sales for the 12 month period 360,866,000.

5. Increased water cost 19,922.80.

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

6. Purchased water adjustment factor .06.

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 1/15/2008.

Marvin R Crouch
(Signature of Utility Officer)

Chairman
(Title)

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

June 22, 2005

TO: ALL MT. STERLING WATER AND SEWER SYSTEM CUSTOMERS:

Bath County Water
Judy Water Association
Levee Water Association
Montgomery County Water District #1
Reid Village Water District

FROM: DAVE PEARCE, MT STERLING WATER AND SEWER SYSTEM
COMMISSION

RE: NEW WHOLESALE WATER RATE

The purpose of this memo is to advise each of the wholesale customers purchasing treated water from Mt. Sterling Water & Sewer System that there will be a rate increase effective October 1, 2005. The new wholesale rate will be:

\$1.88 per thousand gallons

Please note that this is a flat rate. Your current rate has averaged \$1.73 per thousand gallons. The increase will average about 8%. The last increase was in 1998. The increase is necessitated by the fact that our operating expenses through the last four years have increased over 30% with revenues increasing less than 8%. Your cooperation and understanding is greatly appreciated. Feel free to call if there are questions. I will be filing the rate increase with the Public Service Commission within the next several work days. Hopefully this advance notice will give each entity time to study and adjust as necessary.

Respectfully,



Dave Pearce
General Manager
Mt. Sterling Water & Sewer System

c.c. P.S.C.

MUPB
 WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT
 CALENDAR YEAR 2008 RATE CALCULATION

	(a)		(b)		
1. Cash Operation and Maintenance Expense	Amount x	Percent /	Total Billed Gals (1,000's)	equals	Rate per 1,000 gals
Water Utility Operating Expense	1,312,799	74%	1,234,426	equals	0.787
General & Admin Expense	716,277	30%	1,234,426	equals	0.174

Total rate per 1,000 gallons to Rowan and Bath Water	0.961
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2. Capital Cost including Part C meter and billing charges

<u>Part A</u>	<u>Rowan</u>	<u>Bath</u>
Fixed Capital Charge per Month to Dec 2021 From Original 1979 Water Contract	3,378.75	1,822.25
Raw Water Intake Capital Charge to Dec 2023	1,370.60	584.13
Sludge Dewatering Project:		
Debt Service for 240 months to Dec 2013	604.93	403.29
Debt Reserve to June 2001 - completed	0.00	0.00
[c] Additional Unfunded Capital Expenditures adjusted annually 25,237.48 divided by 12	35.3671% Rowan 743.81	27.0323% Bath 568.52

<u>Part B</u>		
Fixed Capital Charge per Month-adjusted Jan 2024	17,662.36	13,927.91
Debt Reserve per month - new debt issue to Dec 2013	1,612.93	1,271.90
Total Monthly Capital Cost	25,373.38	18,578.00

<u>Part C</u>		
Monthly Charge (\$10.00 per meter)	70.00	10.00

- (a) Expense amounts taken from the annual audited financial statements
- (b) Water Consumption (billed gallons) furnished by the Morehead Utility Plant Board
- [c] Represents annual depreciation expense amounts for unfunded capital expenditures

MEMBER
Kentucky Society of
Certified Public Accountants
American Institute of
Certified Public Accountants

Janet R. Jackson, CPA
Brian S. Leedy, CPA

TIMOTHY S. ELDRIDGE
CERTIFIED PUBLIC ACCOUNTANT

TELEPHONE
(606) 849-3431
Fax: (606) 849-3396
P O Box 226
114 N. Main Cross
Flemingsburg, KY 41041

October 23, 2007

Robert M Nickell
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Mr. Nickell:

Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2007 shall be as follows:

	Rowan Water Incorporated	Bath County Water District
Monthly Capital Costs	\$ 25,373.38	\$ 18,578.00
Meter and Billing Charges \$ 10.00 per meter	70.00	10.00
Per Thousand Gallons of Water Sold	96.1 cents	96.1 cents

If I can be of further assistance, please feel free to contact me at any time.

Sincerely,

Timothy S Eldridge
Certified Public Accountant

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 9

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

**RATE
PER UNIT**

F. LEAK ADJUSTMENT RATE: \$ 2.29 Per 1,000 Gallons

G. WHOLESALE WATER RATES:

Sharpsburg Water District \$ 2.73 Per 1,000 Gallons

City of Frenchburg \$ 2.32 Per 1,000 Gallons

City of Owingsville
Monthly Debt Service Payment \$ 4,733.91 Minimum Bill
All Usage 1.89 Per 1,000 Gallons

Bulk Sales \$ 7.34 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE January 15, 2008

Month/Date/Year

ISSUED BY *Martin R. Crouch*
(Signature of Officer)

TITLE Chairman

By Authority of Order of the Public Service Commission
In Case No. _____ Dated _____.

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 9

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

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Bulk Sales \$ 7.34 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE January 15, 2008

Month/Date/Year

ISSUED BY Marvin R Crouch
(Signature of Officer)

TITLE Chairman

By Authority of Order of the Public Service Commission
In Case No. _____ Dated _____.

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 4

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

RATE
PER UNIT

A. MONTHLY WATER RATES

5/8 Inch X 3/4 Inch Meter:

First	2,000 Gallons	\$11.75 Minimum Bill
Next	3,000 Gallons	4.95 Per 1,000 Gallons
Next	5,000 Gallons	3.65 Per 1,000 Gallons
Next	10,000 Gallons	3.05 Per 1,000 Gallons
Next	30,000 Gallons	2.85 Per 1,000 Gallons
Over	50,000 Gallons	2.75 Per 1,000 Gallons

1 Inch Meter:

First	10,000 Gallons	\$44.85 Minimum Bill
Next	10,000 Gallons	3.05 Per 1,000 Gallons
Next	30,000 Gallons	2.85 Per 1,000 Gallons
Over	50,000 Gallons	2.75 Per 1,000 Gallons

2 Inch Meter:

First	50,000 Gallons	\$160.85 Minimum Bill
Over	50,000 Gallons	2.75 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE January 15, 2008

Month/Date/Year

ISSUED BY Mason K. Crouch

(Signature of Officer)

TITLE Chairman

By Authority of Order of the Public Service Commission
In Case No. _____ Dated _____

NOTICE

Due to a rate increase from the City of Morehead, notice is hereby given that the Bath County 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 \$.06 per 1,000 gallons used. The proposed change will be effective for all bills issued on and after January 15, 2008.

Monthly Rate: Current Proposed % Increase

5/8 Inch X 3/4 Inch Meter:

First 2,000 Gallons	\$ 11.63	\$ 11.75	1%
Next 3,000 Gallons	4.89	4.95	1%
Next 5,000 Gallons	3.59	3.65	2%
Next 10,000 Gallons	2.99	3.05	2%
Next 30,000 Gallons	2.79	2.85	2%
Next 50,000 Gallons	2.69	2.75	2%

1 Inch Meter:

First 10,000 Gallons	\$ 44.25	\$ 44.85	1%
Next 10,000 Gallons	2.99	3.05	2%
Next 30,000 Gallons	2.79	2.85	2%
Over 50,000 Gallons	2.69	2.75	2%

2 Inch Meter:

First 50,000 Gallons	\$ 157.85	\$ 160.85	2%
Over 50,000 Gallons	2.69	2.75	2%

Bulk Sales

Per 1,000 Gallons	\$ 7.28	\$ 7.34	1%
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The monthly bill for a customer using an average of 5,000 gallons per month will increase \$0.30 from \$26.30 to \$26.60 or 1%.

The rates contained in this Notice are the rates proposed by Bath County 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 included in this notice.

Bath County Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 21 Church Street in Salt Lick, Kentucky. Bath County Water District.

BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

December 3, 2007

Mayor Eddie Bryant
City of Frenchburg
Post Office Box 113
Frenchburg, Kentucky 40322

Re: Adjustment to Wholesale Water Rate

Dear Mayor Bryant:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new wholesale rate will be \$2.32 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after January 15, 2008.

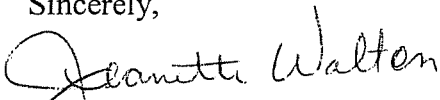
Current Rate	Proposed Rate
\$2.26 Per 1,000 gallons	\$2.32 Per 1,000 gallons

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,


Jeanette Walton
Manager

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

December 1, 2007

Ms. Gayle Haney
Sharpsburg Water District
Post Office Box 248
Sharpsburg, Kentucky 40374

Re: Adjustment of Wholesale Water Rate

Dear Gayle:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new proposed wholesale rate will be \$2.73 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after January 15, 2008.

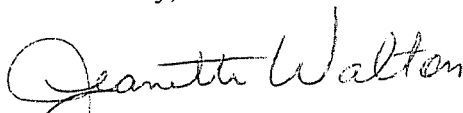
Current Rate	Proposed Rate
\$2.67	\$2.73

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,


Jeanette Walton
Manager

BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

December 1, 2007

Mayor Don Kincaid
City of Owingsville
Post Office Box 639
Owingsville, Kentucky 40360

Re: Adjustment of Wholesale Water Rate

Dear Mayor Kincaid:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new proposed wholesale rate will be \$1.89 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after January 15, 2008.

Monthly Debt Service Payment \$4,733.91 Minimum Bill Plus

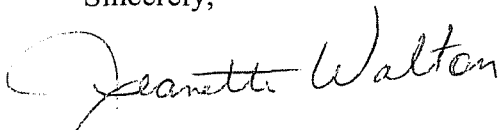
Current Rate	Proposed Rate
\$1.83 per 1,000 gallons	\$1.89 per 1,000 gallons

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,


Jeanette Walton
Manager