

MONTGOMERY COUNTY WATER DISTRICT #1
4406 Camargo Road
Mt. Sterling, KY 40353

2008-12

Phone: (859) 498-0521

Fax: (859) 498-0872

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

RECEIVED

JAN - 7 2008

**PUBLIC SERVICE
COMMISSION**

RE: Formal Application for a Purchased Water Agreement

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 February 01, 2008. The District is seeking to make this effective with the February 28, 2008 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 \$0.22 per 1,000 gallons used. The proposed change will be effective for service rendered on and after February 01, 2008.

MONTHLY RATE:

		<u>CURRENT</u>	<u>PROPOSED</u>	<u>% INCREASE</u>
FIRST	2,000 GALLONS	\$15.30	\$15.74	2.88%
NEXT	3,000 GALLONS	\$ 4.53	\$ 4.75	4.86%
NEXT	5,000 GALLONS	\$ 3.99	\$ 4.19	5.51%
OVER	10,000 GALLONS	\$ 3.45	\$ 3.67	6.38%
WHOLESALE CUSTOMERS		\$ 1.91	\$ 2.13	11.52%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.10 from \$28.89 to \$29.99 or 3.81%.

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)
December 19, 2007

(Date)
4406 CAMARGO ROAD

(Address)
MT. STERLING, KENTUCKY

(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 shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
MT. STERLING WATER & SEWER	1.88	2.07
_____	_____	_____
_____	_____	_____
_____	_____	_____

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1.
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 DECEMBER 2006 through NOVEMBER 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
MT.STERLING WATER & SEWER	41,060,487
_____	_____
_____	_____
_____	_____
TOTAL PURCHASES	41,060,487

4. Total sales for the 12 month period 35,192,790.

5. Increased water cost 7801.49

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

.22

6. Purchased water adjustment factor _____

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.

FEBRUARY 01 2008

7. Proposed effective date _____.


(Signature of Utility Officer)

CHAIRMAN

(Title)

MT. STERLING WATER & SEWER SYSTEM

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

EXHIBIT
①

Date: December 18, 2007

To: All Mt. Sterling Water and Sewer System Wholesale Customers
Bath County Water
Judy Water Association
Levee Water Association
Montgomery County Water District #1
Reid Village Water
City of Jeffersonville

From: David Pearce, General Manager
Mt. Sterling Water and Sewer System

RE: New Wholesale Water Rate

Effective February 1, 2008, the wholesale water purchase rate will increase from the current \$1.88 / 1000 gallons to:

\$2.07 / 1000 gallons

This increase is in conjunction with a similar increase to our retail customer's base. Our "Cost of Service" study that was recently completed by the consulting firm of R. W. Beck, recommended a 12% increase to the rate structure. It is our intent (MSW&SS) to implement a lesser increase and to diligently review processes and expenses in order to continually make ends meet. I will be filing a new tariff with the Public Service Commission within the next several work days. Your March bill for February consumption will be the first billing to reflect this rate.

Please call if there are questions.

Respectfully,



David Pearce
General Manager

MT. STERLING WATER & SEWER SYSTEM

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

EXHIBIT
①

Rates Effective 2/1/2008

City Water Rates

First	748 gallons	\$5.62 minimum
Next	4488 gallons	\$3.62 per 1000 gallons
Next	19448 gallons	\$3.44 per 1000 gallons
Next	74800 gallons	\$2.78 per 1000 gallons
Over	99484 gallons	\$2.07 per 1000 gallons

Rates Effective 2/1/2008

County Water Rates

First	748 gallons	\$6.47 minimum
Next	4488 gallons	\$4.16 per 1000 gallons
Next	19448 gallons	\$3.95 per 1000 gallons
Next	74800 gallons	\$3.20 per 1000 gallons
Over	99484 gallons	\$2.37 per 1000 gallons

Rates Effective 2/1/2008

Wholesale Water Rate

\$2.07 per 1000 gallons

FOR CAMARGO & SURROUNDING AREA
SERVED

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)

CONTENTS

MONTHLY WATER RATES

FIRST	2,000 GALLONS	\$ 15.74 Minimum Bill
NEXT	3,000 GALLONS	\$ 4.75 PER 1,000 gallons
NEXT	5,000 GALLONS	\$ 4.19 PER 1,000 gallons
OVER	10,000 GALLONS	\$ 3.67 PER 1,000 gallons

Wholesale Customer \$2.13 per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY Uriah Halley Jr. _____
Month / Date / Year
(Signature of Officer)

TITLE Chairman _____

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

FOR CAMARGO AND SURROUNDING
AREA SERVED

Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. _____

MONTGOMERY COUNTY WATER DISTRICT #1

CANCELLING P.S.C KY. NO. _____

(Name of Utility)

SHEET NO. _____

CONTENTS

Monthly Water Rates

First	2,000	gallons	\$15.30 Minimum Bill
Next	3,000	gallons	\$4.53 per 1,000 gallons
Next	5,000	gallons	\$3.99 per 1,000 gallons
Over	10,000	gallons	\$3.45 per 1,000 gallons
Wholesale Customer			\$1.91 per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY Taylor R. Gray
(Signature of Officer)

TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
11/28/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director