

CHARLES H. GUYN, MBA, AVA, EA
"GUYN ACCOUNTING SERVICES"
Suite 306 Hendrickson Building
P. O. Box 1566
Harlan, Kentucky 40831

Telephone
(606) 573-6261

Fax
(606) 573-6265

August 21, 2008

Ms. Renee Smith
Branch Manager, Docket Branch
Public Service Commission
P.O. Box 615
211 Sower Blvd.
Frankfort, KY 40602

RECEIVED

AUG 22 2008

PUBLIC SERVICE
COMMISSION

RE: Case No. 2008-00321

Ms. Smith:

In response to your letter dated August 12th and our subsequent phone conversation on Tuesday of this week, I am re-submitting information on behalf of Black Mountain Utility District in the above referenced case.

The following information has been attached:

1. Purchase Water Adjustment (807 KAR 5:068) (two pages); note that the original document was sent with the original application.
2. Copy of Letter from City of Evarts reflecting the new wholesale water rate increase which goes into effect during the August billing period to Black Mountain Utility District.(one page)
3. Amended Tariff sheets which reflect the new computed water rate to Black Mountain Utility Customer accounts after calculation of the increase in water rates from City of Evarts. (3 pages)
4. Copy of approved water rate from city of Evarts which has been in effect from June 26, 1999 to present. (1 page)
5. Purchased Water details from the city of Evarts for the points of purchase by Black Mountain Utility; accounts as follows: 21970002; 74170007; 21970001. (6 pages)
6. Notice that was sent to paper as prescribed by Sam Reid with your office. (1 page)
7. Since our conversation, Black Mountain Utility has received a Notarized Proof of Advertising concerning the Water rate increase. I have included a copy of the notice along with a copy of the actual classified ad as it was presented in the paper. (2-pages)
8. I have also included a copy of the cover letter which was sent in with the original application. (1-page)

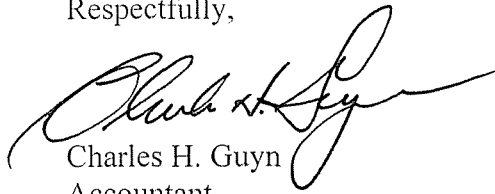
Page 2
Ms. Renee Smith
Public Service Commission

As we discussed over the phone, Mrs. Lois Lockhart with Black Mountain Utility originally sent these documents in after consulting with Sam Reid with you organization. Mr. Reid walked her through the completion of these documents. If after you have reviewed these documents, additional information or computations are required, please contact Black Mountain Utility as soon as possible so that we can keep this rate adjustment on track.

As per Public Service Commission guidelines, I have included in this package the original letter along with 10 copies.

If you need to speak with me concerning any of these documents, I can be contacted at the number above or by e-mail at cguyn@harlanonline.net.

Respectfully,



Charles H. Guyn
Accountant

Encl.

Cc: BMUD

File: bmudpsc082108



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

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

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

August 12, 2008

Robert Lee
Black Mountain Utility District
609 Four Mile Road
Baxter, KY 40806-8437

RE: Case No 2008-00321
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 807 KAR 5:001:

807 KAR 5:001: Section 3 1. Satisfactorily completed application form.

807 KAR 5:001: Section 3 3. Copy of supplier's notice of the changed rate and the effective date.

807 KAR 5:001: Section 3 7. Revised tariff sheets showing revised rates to be charged and the effective date of the new rates.

807 KAR 5:001: Section 3(1). Application must contain information analysis sufficient to determine the accurateness of the calculations of the PWA.

*Spoke with - Reviser @ PSC
8-18-08*

RG/tw

08/12/08

Page 2

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of date of this letter. If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,



Ryan Gatewood, Director
Division of Filings

RG/tw

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

Name of Utility	Black Mountain Utility District		
Date	July 28, 2008		
Address	609 Four Mile Road		
City, State, Zip	Baxter, Kentucky	40806	
Telephone Number	(606)-573-1277		

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.

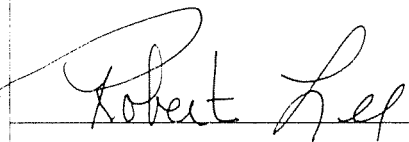
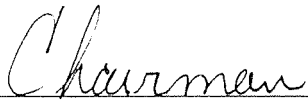
Supplier(s)	Base Rate	Changed Rate
City of Evarts	\$1.75 per 1,000 gals.	\$2.50 per 1000 gals

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

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	7-18-2007	through	7-18-2008
	(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
TOTAL PURCHASES	28,439,600 gals
4. Total sales for the 12 month period	22,227,500 gals
5. Increased water cost	\$ 21,329.70
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$.96
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>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.</p>	
7. Proposed effective date	August 18, 2008
	
Signature of Utility Officer	
	
Title	

CITY OF EVARTS



P.O. BOX 208
EVARTS, KY 40828

MAYOR
BURL FEE

(606)837-2477
(606)837-2093

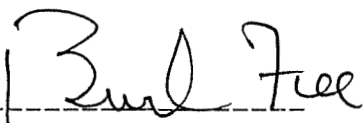
TO: Black Mountain Utility District
Public Service Commission

RE: Increase in wholesale water rate.

To All Concerned:

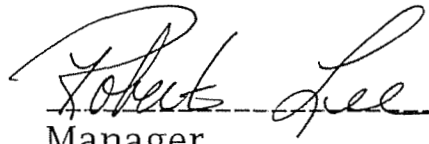
This letter of agreement between Black Mountain Utility District and The City of Evarts Is to establish a new wholesale rate for The City of Evarts to charge The Black Mountain Utility District. The new rate will be \$2.50 per one thousand gallons with the new rate to be effective with the August billing. This rate can be reviewed in one year. All other provisions of the Contract in place will stay in effect.

City of Evarts



Mayor

Black Mountain Utility District



Manager

FOR Black Mountain Utility District
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

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

_____ SHEET NO. _____

BLACK MONUTAIN WATER DISTRICT
(Name of Utility)

RATES & CHARGES

Water Rate D

For the following systems served under PWS# 0480498 and PWS#0480603

Monthly Rates:

First	2,000 gallons	\$18.13 Minimum bill
Over	2,000 gallons	\$ 6.07 per 1,000 gallons

Wholesale Rate \$4.65 per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

FOR Black Mountain Utility District
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

BLACK MONUTAIN WATER DISTRICT
(Name of Utility)

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

_____ SHEET NO. _____

RATES & CHARGES

RATES FOR WASTEWATER SERVICE WATER RATE D PWS#0480498 and PWS#0480603

DECLINING BLOCK RATE SCHEDULE

	Current	Proposed
First 2,000 gallons	\$18.25 Minimum Bill	\$20.40
next 2,000 gallons (PER 1,000 GALLONS)	\$3.70	\$ 4.14
next 2,000 gallons (PER 1,000 GALLONS)	\$3.45	\$3.86
NEXT 4,000 gallons (PER 1,000 GALLONS)	\$3.20	\$3.58
OVER 10,000 gallons (PER 1,000 GALLONS)	\$2.50	\$2.80
 TAP ON FEE		 \$400.00

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

FOR Black Mountain Utility District
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

BLACK MONUTAIN WATER DISTRICT
(Name of Utility)

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

_____ SHEET NO. _____

RATES & CHARGES

RATES FOR WASTEWATER SERVICE WATER RATE D CLOSPINT-LOUELLEN
DECLINING BLOCK RATE SCHEDULE

	Current	Proposed
First 2,000 gallons	\$18.25 Minimum Bill	\$20.40
next 2,000 gallons (PER 1,000 GALLONS)	\$3.70	\$ 4.14
next 2,000 gallons (PER 1,000 GALLONS)	\$3.45	\$3.86
NEXT 4,000 gallons (PER 1,000 GALLONS)	\$3.20	\$3.58
OVER 10,000 gallons (PER 1,000 GALLONS)	\$2.50	\$2.80
TAP ON FEE		\$400.00

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

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

Clev-600

Phone: 837-2477 Office
837-8183 Police
837-2122 Fire
837-3232 Water

City of Evarts

P.O. Box 208
Evarts, Kentucky 40828



RECEIVED

MAY 26 1999

PUBLIC SERVICE
COMMISSION

TO: BLACK MOUNTAIN UTILITY DISTRICT
PUBLIC SERVICE COMMISSION

RE: INCREASE IN WHOLESALE WATER RATE

TO ALL CONCERNED:

THIS LETTER OF AGREEMENT BETWEEN BLACK MOUNTAIN UTILITY DISTRICT AND THE CITY OF EVARTS IS TO ESTABLISH A NEW WHOLESALE RATE FOR THE CITY OF EVARTS TO CHARGE THE BLACK MOUNTAIN UTILITY DISTRICT. THE NEW RATE WILL BE \$1.75 PER THOUSAND GALLONS WITH THE NEW RATE TO BE EFFECTIVE WITH THE JUNE BILLING. THIS RATE CAN BE REVIEWED IN ONE YEAR. ALL OTHER PROVISIONS OF THE CONTRACT IN PLACE WILL STAY IN EFFECT.

CITY OF EVARTS

Burl Fra

MAYOR

BLACK MOUNTAIN UTILITY DISTRICT

Robert N. Pl...

MANAGER

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

RECEIVED

JUN 26 1999

MAY 26 1999

PURSUANT TO 807 KAR 6011,
SECTION 9(1)

PSC
FINANCIAL ANALYSIS

BY: *Stephan O. Bell*

SECRETARY OF THE COMMISSION

City of Everts

7/28/2008

Page 2

Account Details

<u>Reading Date</u>	<u>Reading</u>	<u>Usage</u>	<u>Water</u>	<u>Sewer</u>	<u>Haulage</u>	<u>School Tax</u>	<u>Sales Tax</u>	<u>Other</u>	<u>Penalties</u>	<u>Payment</u>	<u>Payment Date</u>
9/18/2007	394.300	463,400	\$ 810.95	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	810.95	10/16/2007
8/20/2007	930.900	594,000	\$ 1,039.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,039.50	9/18/2007
7/18/2007	336.900	481,300	\$ 842.28	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	842.28	8/22/2007
6/19/2007	855.600	855.600	\$ 1,497.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,497.30	7/12/2007
			<u>\$ 13,376.52</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>Total Payments: \$12,422.24</u>	

<u>Audit#</u>	<u>Amount</u>	<u>Type</u>	<u>Date</u>	<u>Check#</u>
209	\$1,497.30	CHECK	7/12/2007	4295
229	\$842.28	CHECK	8/22/2007	4374
242	\$1,039.50	CHECK	9/18/2007	4440
253	\$810.95	CHECK	10/16/2007	4507
279	\$733.08	CHECK	11/28/2007	4588
295	\$847.88	CHECK	12/28/2007	4661
301	\$780.85	CHECK	1/11/2008	4736
322	\$1,140.30	CHECK	2/14/2008	4813
341	\$993.83	CHECK	3/18/2008	4894
349	\$917.88	CHECK	4/11/2008	4967
376	\$860.48	CHECK	5/21/2008	5042
394	\$986.48	CHECK	6/18/2008	5111
408	\$971.43	CHECK	7/15/2008	5179
	<u>\$12,422.24</u>			

City of Everts

7/28/2008

Page 2

Account Details

Reading Date	Reading	Usage	Water	Sewer	Haulage	School Tax	Sales Tax	Other	Penalties	Payment	Payment Date
9/18/2007	610.300	505,400	\$ 884.45	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	884.45	10/16/2007
8/20/2007	104,900	773,700	\$ 1,353.98	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,353.98	9/18/2007
7/18/2007	331.200	689,000	\$ 1,205.75	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,205.75	8/22/2007
6/19/2007	642.200	787,200	\$ 1,377.60	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,377.60	7/12/2007
5/18/2007	855.000	281,900	\$ 493.33	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	493.33	6/14/2007
4/19/2007	571.100	589,100	\$ 1,030.75	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,030.75	5/21/2007
3/19/2007	4,088,000	483,000	\$ 845.25	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	845.25	4/13/2007
2/20/2007	3,605,000	814,000	\$ 1,424.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,424.50	3/23/2007
1/31/2007	2,791,000	550,000	\$ 962.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	962.50	2/15/2007
12/19/2006	2,241,000	641,000	\$ 1,121.75	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	1,121.75	1/19/2007
11/21/2006	1,600,000	570,000	\$ 997.50	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	997.50	12/15/2006
10/19/2006	1,030,000	519,000	\$ 908.25	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	908.25	11/16/2006
9/20/2006	511,000	511,000	\$ 894.25	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	894.25	10/16/2006
9/3/2006	0	0	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.00	
			<u>\$ 22,314.11</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>		

Total Payments : \$21,426.16

Audit#	Amount	Type	Date	Check#
24	\$894.25	CHECK	10/16/2006	3631
68	\$908.25	CHECK	11/16/2006	3714
85	\$997.50	CHECK	12/15/2006	3789
113	\$1,121.75	CHECK	1/19/2007	3850
136	\$962.50	CHECK	2/15/2007	3938
158	\$1,424.50	CHECK	3/23/2007	4013
165	\$845.25	CHECK	4/13/2007	4086
181	\$1,030.75	CHECK	5/21/2007	4143
196	\$493.33	CHECK	6/14/2007	4226
209	\$1,377.60	CHECK	7/12/2007	4295
229	\$1,205.75	CHECK	8/22/2007	4374

NOTICE

Black Mountain Utility Water District has filed an application with the Public Service Commission to increase its rates for water service for customers in the Ages, Closplint-Louellen and Kenvir areas. The proposed effective date of the change is August 18, 2008.

	CURRENT RATES	PROPOSED RATES
FIRST 2,000 gallons	\$16.21	\$18.13
Each 1,000 gallons	\$ 5.11	\$ 6.07

Note: Average customer (2,000 gallons) bill will increase from \$16.70 to \$18.67 or 11.8%.

The rates contained in this notice are the rates proposed by the Black Mountain Utility Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at 609 Four Mile Road, Baxter, Kentucky 40806. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

The Harlan Daily Enterprise
P.O. Box 1155 — Harlan, Kentucky 40831
(606) 573-4510

NOTARIZED PROOF OF ADVERTISING

State of Kentucky
County of Harlan

Before me, a Notary Public, in and for said County and State, this 11th day of August, 2008, came Christy Moore, personally known to me, who being duly sworn, states as follows: That he/she is Classified Manager, of The Harlan Daily Enterprise, and that said publication of August 8, 2008, carries the advertising of: Black Mtn. Utility - Water increase rates.

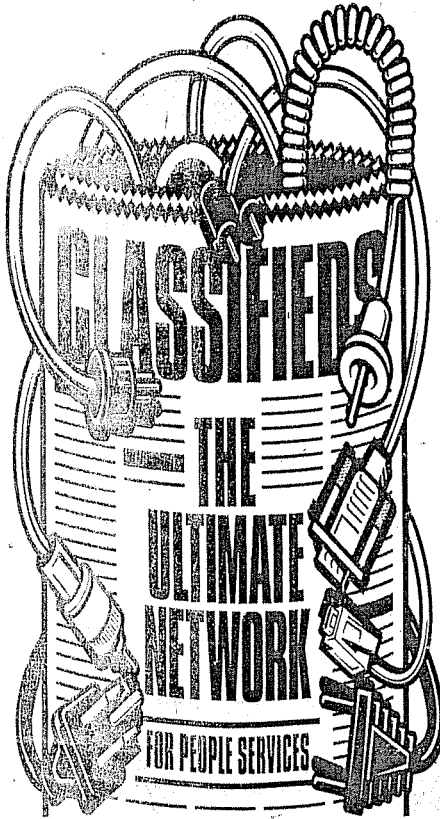
Signature: Christy Moore

Notary Public: Kylene Miniard

My Commission Expires: 06/19/08

Classified

Continued from Page 10



harlandaily.com

Veterinary Assistant / Receptionist Wanted

Must have experience with business computer programs. Must love animals and people. Please send resume to:

Attn: Angie
P.O. Box 1090
Loyall, KY 40854.

PUBLIC NOTICE

HARLAN COUNTY FISCAL COURT INTENDS TO FILE A PERMIT TO CONSTRUCT A TEMPORARY LOW WATER CROSSING THAT WILL CROSS CATRONS CREEK IN THE COMMUNITY OF LIGGETT THE LOW WATER CROSSING IS LOCATED ADJACENT TO KY 72, APPROXIMATELY SIX MILES FROM THE US 421 SOUTH AND KY 72 WEST INTERSECTION, AND CROSSING CATRONS CREEK ON THE UPSTREAM SIDE OF AN EXISTING BRIDGE. LATTITUDE 36-45-18 LONGITUDE 83-20-40 THE PERMIT APPLICATION IS BEING FILED WITH THE COMMONWEALTH OF KENTUCKY, DIVISION OF WATER. THE PERMIT APPLICATION CAN BE REVIEWED AT:

COMMONWEALTH OF KENTUCKY
DIVISION OF WATER
FLOOD PLAIN MANAGEMENT
SECTION
FRANKFORT OFFICE PARK
14 REILLY ROAD
FRANKFORT, KY 40601

THERAPIST

Full-time Therapist needed at Lee County Behavioral Health Services. Duties include assessment, evaluation, treatment planning, and coordination with other services. Master's degree required. LCSW or LPC preferred; license-eligible considered. Excellent verbal/written communication, basic computer, and interpersonal skills required. Comprehensive salary and benefits package. Send applications/resumes to LCBHS, Rt 3, Box 1700, Jonesville, VA 24263 Attn: Martha Davis. Applications available on-line at frontierhealth.org or at any Frontier Health location. Call 276-346-3590 for more information

Equal Opportunity Employer

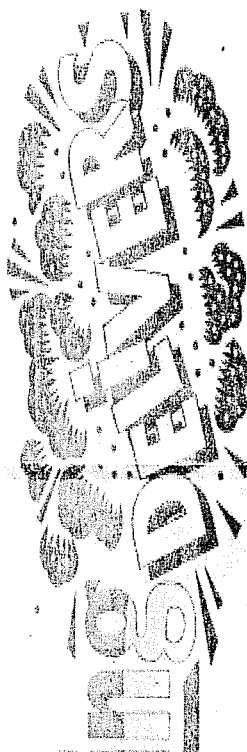
NOTICE

Black Mountain Utility Water District has filed an application with the Public Service Commission to increase its rates for water service for customers in Ages, Closplint-Louellen and Kenvir areas. The proposed effective date of the change is August 18, 2008.

CURRENT	PROPOSED
WATER RATES	RATES
FIRST 2,000 gallons \$16.21	\$18.13
Each 1,000 gallons \$5.11	\$6.07

Note: Average customer (2,000 gallons) bill will increase from \$16.70 to \$18.67 or 11.8%

The rates contained in this notice are the rates proposed by the Black Mountain Utility Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for this motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at 609 Four Mile Road, Baxter, Kentucky 40806. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.



HELP WANTED

Black Mountain Water District

Stephanie Stumbo
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

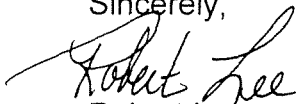
Dear Ms. Stumbo:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Black Mountain 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,



Robert Lee
BMUD Board Chairperson

enclosure