

RECEIVED

AUG 21 2008

PUBLIC SERVICE
COMMISSION

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

Case No: 2008 00342

Muhlenberg County Water District

(Name of Utility)

August 1, 2008

(Date)

P. O. Box 348

(Address)

Greenville, KY 42345

(City, State)

(270) 338-1300

(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>Central City</u>	<u>\$1.2558</u>	<u>\$1.57</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </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 July 2007 through June 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
<u>Central City</u>	<u>515,854,500</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
TOTAL PURCHASES	<u>515,854,500</u>

4. Total sales for the 12 month period 409,359,500

5. Increased water cost \$162,081.

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

6. Purchased water adjustment factor \$0.40.

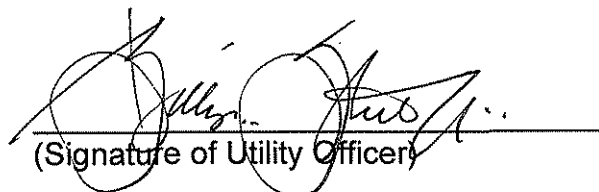
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

See Table 1 - PWA Calculation Spreadsheet

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.

See Table 2 for Current and Revised MCWD Rates

7. Proposed effective date September 1, 2008.


(Signature of Utility Officer)

Billy Steele
~~Bobby Creeger~~, Chairman
(Title)

Table 1
Purchased Water Adjustment Calculation Spreadsheet

Month	Purchased	Sold
Jul 07	43,829,900	39,411,600
Aug 07	47,204,600	36,200,100
Sep 07	49,491,800	35,529,400
Oct 07	40,649,800	38,963,600
Nov 07	46,835,000	39,899,500
Dec 07	40,679,200	31,865,100
Jan 08	38,850,200	29,248,500
Feb 08	42,350,900	29,461,900
Mar 08	41,201,100	31,167,200
Apr 08	42,495,200	37,863,300
May 08	40,354,800	28,721,800
Jun 08	41,912,000	31,027,500
TOTAL	515,854,500	409,359,500
Old Rate		\$ 1.2558
New Rate		\$ 1.57
Difference		\$ 0.3142
Increased Water Cost		\$ 162,081
PWA Factor		\$ 0.40

**Table 2
Current and Revised Muhlenberg County Water District Rates**

5/8x3/4-Inch Meter					
			Current	Revised	
First	2,000	Gallons	\$ 19.27	\$ 20.07	Minimum
Next	8,000	Gallons	\$ 6.24	\$ 6.64	per 1,000 Gallons
Next	10,000	Gallons	\$ 5.65	\$ 6.05	per 1,000 Gallons
Next	30,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

1-Inch Meter					
			Current	Revised	
First	5,000	Gallons	\$ 37.98	\$ 39.98	Minimum
Next	5,000	Gallons	\$ 6.24	\$ 6.64	per 1,000 Gallons
Next	10,000	Gallons	\$ 5.65	\$ 6.05	per 1,000 Gallons
Next	30,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

1½-Inch Meter					
			Current	Revised	
First	11,000	Gallons	\$ 74.80	\$ 79.20	Minimum
Next	9,000	Gallons	\$ 5.65	\$ 6.05	per 1,000 Gallons
Next	30,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

2-Inch Meter					
			Current	Revised	
First	16,000	Gallons	\$103.03	\$109.43	Minimum
Next	4,000	Gallons	\$ 5.65	\$ 6.05	per 1,000 Gallons
Next	30,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

3-Inch Meter					
			Current	Revised	
First	26,000	Gallons	\$156.02	\$166.42	Minimum
Next	24,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

4-Inch Meter					
			Current	Revised	
First	36,000	Gallons	\$206.71	\$221.11	Minimum
Next	14,000	Gallons	\$ 5.07	\$ 5.47	per 1,000 Gallons
Over	50,000	Gallons	\$ 4.48	\$ 4.88	per 1,000 Gallons

Wholesale					
All Usage			\$ 3.48	\$ 3.88	per 1,000 Gallons

Exhibit A

Supplier's Notice of Rate Change

CITY OF CENTRAL CITY

Jerry L. Mitchell, Mayor
David G Rhoades, City Administrator
Melissa Holland, Deputy Clerk

Phone: 754-5097
754-2336
Fax: 754-5745

8/14/08

Mr. Tommy Woodruff
Muhlenberg County Water District
P. O. Box 348
Greenville, Kentucky 42345

RE: Water Rate Increase

Dear Mr. Woodruff:

As a result of increased costs of operation and maintenance of our water system, it has become necessary to raise our charge for water. At the August 13, 2008 meeting, the Central City City Council authorized a 25% across-the-board increase in all water rates. This increase affects Central City residents, individual Central City customers outside the city boundary, and customers such as your system that purchase water for resale.

Effective September 1, 2008, the rate charged for water purchased by your system will increase to \$1.57 per thousand gallons.

We appreciate the positive relationship that our systems have enjoyed over the years, and we look forward to continuing to serve you in the future.

Sincerely,

CITY OF CENTRAL CITY


Jerry Mitchell
Mayor

CITY OF CENTRAL CITY, KENTUCKY
ORDINANCE BILL #2008-062

AN ORDINANCE AMENDING SECTION 9(C) OF ORDINANCE KOC #610.02, WHICH
IS ENTITLED:

AN ORDINANCE OF THE CITY OF CENTRAL CITY RELATING TO THE COMBINED AND CONSOLIDATED WATER AND SEWER SYSTEM AND THE COMMISSION ESTABLISHED TO OPERATE AND MANAGE SAID SYSTEM: PROHIBITING UNAUTHORIZED DISPOSAL OF SEWAGE: DETERMINING THAT IT IS NECESSARY TO INCREASE THE RATES AND CHARGES FOR WATER SERVICE AND FOR SEWER SERVICE PROVIDED THROUGH THE FACILITIES OF SAID SYSTEM: PRESCRIBING RATES AND CHARGES FOR SUCH SERVICES, AND THE EFFECTIVE DATES THEREOF: PRESCRIBING TIMES FOR METER READING, RENDITION OF BILLS, PAYMENT OF BILLS, PENALTIES FOR LATE PAYMENT, AND DISCONTINUANCE OF SERVICE TO DELINQUENTS: AND ESTABLISHING OTHER CHARGES

BE IT ORDAINED BY THE CITY OF CENTRAL CITY AS FOLLOWS:

FIRST:

Section 9(C) of Ordinance KOC #610.02 is amended as follows:

SECTION 9. SERVICE, RATES AND CHARGES. Rates and charges for the use of the services and facilities of the System are hereby established and prescribed, effective in the manner and upon the respectable dates hereinafter set forth, as follows:

METERED WATER SERVICE

* * *

C. Resale:

Muhlenberg County Water District - ~~\$1.258~~ per 1,000 gallons.
and Muhlenberg County Water District #3 - ~~\$1.258~~ per 1,000 gallons :

\$1.57 per 1,000 gallons

* * *

SECOND:

All other provisions of City of Central City Ordinance KOC #0610.02, except as amended herein, shall remain in full force and effect, including, without limitation, the provisions of Section 10(II) of such ordinance, which is quoted below:

(II) EXISTING RATES: *It is hereinabove provided that the prescribed rates and charges for water service and for sewer service are to become effective as applied to bills rendered on and after specified dates. It is the intention that the rates and charges herein prescribed shall supersede any rates and charges presently in force under existing Ordinances, Resolutions, Rules and Regulations but it is not intended that the rates and charges presently in force under existing Ordinances, Resolutions, Rules and Regulations; be rescinded unless and until effectively replaced or superseded; nor that there shall ever be a period of time when no lawful rate or charge for water service or sewer service prevails. Subject to the provisions of this Ordinance, it is ordained that presently prevailing rates, charges, rules and regulations continue in force until lawfully superseded.*

THIRD:

The provisions of this ordinance are severable, and any valid declaration of unenforceability by a court or other tribunal of competent jurisdiction of any provision hereof shall not invalidate the remaining provisions of this ordinance.

FOURTH:

This Ordinance shall take effect upon its passage, approval and publication according to law. "Approval" shall include, without limitation, any approval required by law by any agency, department, or cabinet of the Commonwealth of Kentucky, including, without limitation, the Kentucky Public Service Commission.

This the 13th day of August, 2008.


Jerry L. Mitchell, Mayor

ATTEST:


David G. Rhoades, City Clerk

Date of First Reading: January 16, 2008

ROLL CALL

	<u>YES</u>	<u>NO</u>
CASKEY	✓	_____
GENTRY	absent	_____
JENKINS	✓	_____
KOPER	✓	_____
MITCHELL	absent	_____
MOORE	✓	_____
RICHEY	✓	_____
SHAVER	✓	_____

TOTAL:

6

Exhibit B

**USDA Rural Development Letter of July 14, 2008
Recommending User Rate Increase**



United States Department of Agriculture
Rural Development
Princeton Area Office

July 14, 2008

Mr. David Rhoades, City Administrator
Municipal Water and Sewer System
P. O. Box 430
Central City, KY 42330

Ref: 2008- 2009 Proposed Budget

Dear Mr. Rhoades:

We have reviewed the budget as submitted for the new fiscal year and have comments as follow:

1. The budget as submitted appears to indicate that some carryover from cash on hand will be needed in order to have adequate cash to pay operating and maintenance expenses, debt service, and deposits to the reserve account, if applicable. We would therefore urge the City to make adjustments in user rates that would generate additional revenues in such amounts as would be needed to pay all the above referenced costs from cash flows during the budget year.

Budgets are due in this office 30 days prior to the beginning of the budget year. If possible, please submit future budgets within this time frame.

Thank you for your efforts in providing this information.

Please contact Mr. Jerry M. Cloyd of this office if you have any questions.

Sincerely,

KENNETH M. HEATH
Area Director

Cc: State Director
Lexington, KY

320B Traylor Street • Princeton, KY 42445
Phone: (270) 365-6530 • Fax: (270) 365-7842 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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