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11-02-10  
PUBLIC SERVICE  
COMMISSION

November 2, 2010

Public Service Commission  
Executive Director  
P.O. Box 615  
Frankfort, KY 40602-0615

RE: Purchase Water Adjustment for Judy Water Association

Dear Executive Director:

Judy Water Association has received notification from one of its suppliers (City of North Middletown) of increases in water rates. Please find enclosed 1 (one) original and 10 (ten) copies of the proper documentation to file for a purchase water adjustment.

Judy Water Association will notify customers of new rates before the first billing. All income sheets and balance statements are current and on file with the PSC.

If you might have any questions, I can be contacted at 859-498-4809.

Thank you,

A handwritten signature in black ink, appearing to read "B. Ray Fawns", with a long horizontal flourish extending to the right.

Billy Ray Fawns  
Manager

**2010 Maysville Road, PO Box 781, Mt. Sterling, KY 40353-0781**  
**(859) 498-4809 Telephone & FAX**  
**E-Mail - judyh20@adelphia.net**

RECEIVED  
 NOV 09 2010  
 PUBLIC SERVICE  
 COMMISSION

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

Name of Utility	JUDY WATER ASSOCIATION	
Date	10-31-10	
Address	P.O. BOX 781	
City, State, Zip	MT. STERLING, KY 40353	
Telephone Number	859-498-4809	

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 NORTH MIDDLETOWN	3.62 PER THOUSAND (FIRST 2 MILLION)	5.54 PER THOUSAND (FIRST 2 MILLION)
	3.72 PER THOUSAND (OVER 2 MILLION)	5.64 PER THOUSAND (OVER 2 MILLION)
MT. STERLING WATER	2.07 PER THOUSAND	NO CHANGE

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	November 1, 2009	through	October 31, 2010
	(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.

\*OLD RATES\* YEAR 2009-2010

**MT. STERLING WATER:**

109,730,900 AT \$2.07= \$227,143

**CITY OF NORTH MIDDLETOWN:**

24,000,000 AT \$3.62= \$86,880

20,062,000 AT \$3.72= \$74,630

TOTAL: \$388,653

\*NEW RATES\*

**MT. STERLING WATER: SAME**

109,730,900 AT \$2.07= \$227,143

**CITY OF NORTH MIDDLETOWN:**

24,000,000 AT \$5.54= \$132,960

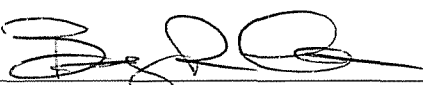
20,062,000 AT \$5.64= \$113,150

TOTAL: \$473,253

NEW RATE: \$473,253

OLD RATE: \$388,653

\$84,600

Supplier(s)	Gallons Purchased during 12 month period
MT. STERLING WATER	109,730,900 (\$2.07)
CITY OF NORTH MIDDLETOWN	24,000,000 (\$3.62)
CITY OF NORTH MIDDLETOWN	20,062,000 (\$3.72)
<b>TOTAL PURCHASES</b>	153,792,900
4. Total sales for the 12 month period	\$1,182,794 (137,979,400 GALLONS)
5. Increased water cost	\$84,600
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.62
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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	October 31, 2010
	
Signature of Utility Officer	
MANAGER	
Title	

FOR Montgomery, Clark, Bourbon, and Bath \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Judy Water Association  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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RATE SCHEDULE

First 1,000 gallons \$12.54 Minimum bill

Next 4,000 gallons \$8.17 per 1,000 gallons

Next 5,000 gallons \$7.27 per 1,000 gallons


Over 10,000 gallons \$6.37 per 1,000 gallons

Minimum bill for customers with surcharge for Bourbon County Waterline Extension Projects will be \$29.05.

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DATE OF ISSUE 10/31/10  
Month / Date / Year

DATE EFFECTIVE 10/31/10  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE MANAGER

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

## NOTICE

As a result of an increase in water rates from Kentucky-American Water Company, the City of North Middletown has filed a proposed rate schedule with the Public Service Commission to increase its rates to Judy Water Association for service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Judy Water Association			
First 70,000 gallons per day	\$3.62 per 1000 gallons	\$5.54 per 1000 gallons	53.0% Increase
Over 70,000 gallons per day	\$3.72 per 1000 gallons	\$5.64 per 1000 gallons	51.6% Increase

The proposed effective date is October 31, 2010.

The rates contained in this notice are the rates proposed by the City of North Middletown. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates other than the rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the rate application and testimony by visiting the city office located at 3287 North Middletown Road in North Middletown, Kentucky; telephone 859-362-7007.

A copy of the application and testimony shall be available for public inspection at the utility office.

**MINUTES OF MONTHLY MEETING  
BOARD OF DIRECTORS  
JUDY WATER ASSOCIATION**

The special meeting of the Judy Water Association was held at the Judy Water Office, 2010 Maysville Road on October 29th, <sup>2010</sup>, at 6:00 p.m. Directors present were Larry Lee, Carl Hartgrove, Billy Ray Fawns, Tyson Baxter and Greg Williamson.

**Called to order by President Williamson.**

The Board discussed the rate increase from the City of North Middletown via Kentucky American Water Company. The increase will take North Middletown's rates from \$3.62 and \$3.72 to \$5.54 and \$5.64. Judy Water Association would need to file a "Purchase Water Adjustment" with the Public Service Commission within 20 days of this special meeting for rates to go into place on October 31, 2010. Billy Ray Fawns made a motion and Larry Lee 2<sup>nd</sup> the motion to file the purchase water adjustment with the PSC reflecting the new rates. All Board members were in favor of this motion.

- Tyson Baxter made a motion to adjourn Larry Lee 2<sup>nd</sup> the motion. "Meeting Adjourned"

  
Billy Ray Fawns Secretary/Treasurer

10-29-10  
Date