

BATH COUNTY WATER DISTRICT

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

TDD/TTY 1-800-648-6056

RECEIVED

JAN 26 2011

PUBLIC SERVICE
COMMISSION

January 25, 2011

Public Service Commission

Attn: Rate Dept.
211 Sower Blvd.
Frankfort, Kentucky 40601

RE: Purchase Water Adjustment

2011-00028

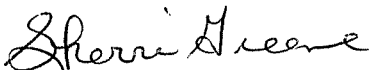
The City of Morehead has given the Bath County Water District official notice of a rate increase, for the calendar year of 2011. We have enclosed an application for a Purchase Water Adjustment in order to pass this increase on to the Districts customers. A Notice is being sent to the local newspapers 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 Owingsville
 - C. Letter to Wholesale Customer City of Frenchburg

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

Respectfully,



Sherri Greene
Co-Manager

Enclosures

MT. STERLING WATER & SEWER SYSTEM

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

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

MT. STERLING WATER & SEWER SYSTEM

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

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

Jan 12 11 01:05p

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P.4

MUPB
 WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT
 CALENDAR YEAR 2011 RATE CALCULATION

1. Cash Operation and Maintenance Expense	(a)		(b)	equals	Rate per 1,000 gals.
	Amount x	Percent /	Total Billed Gals (1,000's)		
Water Utility Operating Expense	1,536,376	74%	1,307,567	equals	0.869
General & Admin Expense	698,864	30%	1,307,567	equals	0.160
Total rate per 1,000 gallons to Rowan and Bath Water					1.030

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		
17,093.99 divided by 12	35.3671% Rowan	
	27.0323% Bath	385.07
<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	25,133.37	18,394.55
<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



Eldridge, Jackson & Leedy, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

January 12, 2010

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 2011 shall be as follows:

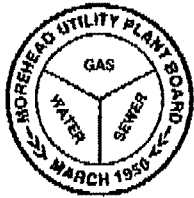
	Rowan Water Incorporated	Bath County Water District
Monthly Capital Costs	\$ 25,133.37	\$ 18,394.55
Meter and Billing Charges \$ 10.00 per meter	70.00	10.00
Per Thousand Gallons of Water Sold	\$1.03	\$1.03

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

Sincerely,

Timothy S. Eldridge
Certified Public Accountant





MOREHEAD UTILITY PLANT BOARD

Serving You Over 50 Years

January 14, 2011

Mr. Forest McKenzie
Bath County Water
PO Box 369
Salt Lick KY 40371

Re: Water Rates for 2011

Dear Mr. McKenzie:

Attached for your information and review are copies of our accountant's letter and his computation of the cost for water we will furnish to you during calendar year 2011.

Should you have any questions or desire additional information regarding this computation please advise.

Sincerely,

R. Mike Nickell
General Manager

RMN:bh

enclosures

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	\$13.95 Minimum Bill
Next	3,000 Gallons	5.30 Per 1,000 Gallons
Next	5,000 Gallons	4.00 Per 1,000 Gallons
Next	10,000 Gallons	3.40 Per 1,000 Gallons
Next	30,000 Gallons	3.20 Per 1,000 Gallons
Over	50,000 Gallons	3.10 Per 1,000 Gallons

1 Inch Meter:

First	10,000 Gallons	\$49.85 Minimum Bill
Next	10,000 Gallons	3.40 Per 1,000 Gallons
Next	30,000 Gallons	3.20 Per 1,000 Gallons
Over	50,000 Gallons	3.10 Per 1,000 Gallons

2 Inch Meter:

First	50,000 Gallons	\$179.85 Minimum Bill
Over	50,000 Gallons	3.10 Per 1,000 Gallons

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE February 15, 2011

ISSUED BY Martin K. Crouch 01/24/11
(Signature of Officer)

TITLE Chairperson

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. _____

RATES AND CHARGES

RATE
PER UNIT

F. LEAK ADJUSTMENT RATE: \$ 2.39 Per 1,000 Gallons

G. WHOLESALE WATER RATES:

Sharpsburg Water District \$ 2.83 Per 1,000 Gallons

City of Frenchburg \$ 2.42 Per 1,000 Gallons

City of Owingsville
Monthly Debt Service Payment \$ 4,733.91 Minimum Bill
All Usage 1.99 Per 1,000 Gallons

Bulk Sales \$ 7.44 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE February 15, 2011

ISSUED BY Marvin R. Crouch 01/24/11
(Signature of Officer)

TITLE Chairman

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

FOR All Territories Served
Bath County Water District
P.S.C. KY. NO. _____

Original _____ SHEET NO. 8

Bath County Water District
(Name of Utility)

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

RATES AND CHARGES

PURCHASED WATER RATES:

Upon increase or decrease in the wholesale rate of purchased water by its supplier, the utility may apply for an adjustment to its water rates in accordance with 807KAR 5:068. The base rate for future application of the purchased water adjustment clause is:

	<u>Rates</u>	
Morehead Utility Plant Board	\$ 18,394.55	Capital Cost
	10.00	Meter Billing Charge
	1.03 cents	Per 1,000 gallons
Mt. Sterling Water & Sewer	2.07	per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE January 01, 2011

ISSUED BY Marvin R. Crouch 01/24/11
Month / Date / Year
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ Dated _____

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

Name of Utility	Bath County Water District	
Date	January 24, 2011	
Address	PO Box 369	
City, State, Zip	Salt Lick, KY	40371
Telephone Number	606-683-6363	

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.

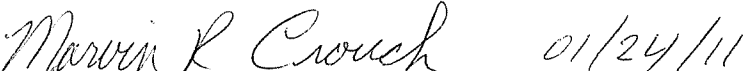
Supplier(s)	Base Rate	Changed Rate
Morehead Utility Plant Board	.996 per 1,000	1.03 per 1,000
Morehead Utility Plant Board	18,389.70 per month	18,394.55 per month
Mt. Sterling Water	2.07 per 1,000	2.07 per 1,000

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

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	January 1, 2010	through	December 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.

Supplier(s)	Gallons Purchased during 12 month period
Morehead Utility Plant Board	365,149,000
Mt. Sterling Water	28,216,390
TOTAL PURCHASES	
4. Total sales for the 12 month period	353,787,000
5. Increased water cost	\$ 12,473.27
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.04
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	February 15, 2011
	
Signature of Utility Officer Chairperson	
Title	

NOTICE

Due to a rate increase from the Morehead Utility Plant Board, 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 \$.04 per 1,000 gallons used. The proposed change will be effective for all bills issued on and after February 15, 2011.

<u>Monthly Rate:</u>	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
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5/8 Inch X 3/4 Inch Meter:

First 2,000 Gallons	\$ 13.87	\$ 13.95	.08%
Next 3,000 Gallons	5.26	5.30	1%
Next 5,000 Gallons	3.96	4.00	1%
Next 10,000 Gallons	3.36	3.40	1%
Next 30,000 Gallons	3.16	3.20	1%
Next 50,000 Gallons	3.06	3.10	1%

1 Inch Meter:

First 10,000 Gallons	\$ 49.45	\$ 49.85	1%
Next 10,000 Gallons	3.36	3.40	1%
Next 30,000 Gallons	3.16	3.20	1%
Over 50,000 Gallons	3.06	3.10	1%

2 Inch Meter:

First 50,000 Gallons	\$ 177.85	\$ 179.85	1%
Over 50,000 Gallons	3.06	3.10	1%

Bulk Sales

Per 1,000 Gallons	\$ 7.40	\$ 7.44	1%
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The monthly bill for a customer using an average of 5,000 gallons per month will increase \$0.20 from \$29.65 to \$29.85 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

January 25, 2011

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 Morehead Utility Plant Board, 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 \$2.83 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after February 15, 2011.

Current Rate
\$2.79

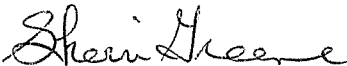
Proposed Rate
\$2.83

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 need additional information please call our office.

Sincerely,



Sherri Greene
Co-Manager

BATH COUNTY WATER DISTRICT

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

TDD/TTY 1-800-648-6056

January 25, 2011

City of Owingsville
Post Office Box 639
Owingsville, Kentucky 40360

Re: Adjustment of Wholesale Water Rate

Due to a rate increase from the Morehead Utility Plant Board, 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 \$1.99 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after January 15, 2010.

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

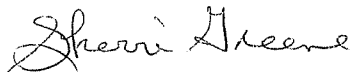
Current Rate	Proposed Rate
\$1.95 per 1,000 gallons	\$1.99 per 1,000 gallons

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 need additional information please call our office.

Sincerely,



Sherri Greene
Co-Manager

BATH COUNTY WATER DISTRICT

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

TDD/TTY 1-800-648-6056

January 25, 2011

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 \$2.41 per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after February 15, 2011.

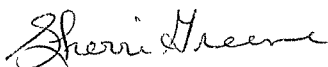
Current Rate	Proposed Rate
\$2.37 Per 1,000 gallons	\$2.41 Per 1,000 gallons

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 need additional information please call our office.

Sincerely,



Sherri Greene
Co-Manager