

Breathitt County Water District

1137 Main Street Suite 305 ♦ Jackson, Kentucky

606-666-3800

RECEIVED

OCT 5 2011

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

Dear Mr. Derouen:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Breathitt County Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached.

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 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,



Estill McIntosh,
Superintendent

enclosure

RECEIVED

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

OCT 05 2011

PUBLIC SERVICE
COMMISSION

Name of Utility	Breathitt County Water District		
Date	9/27/2011		
Address	1137 Main Street Suite 305		
City, State, Zip	Jackson		KY
Telephone Number	(606) 666-3800 ext 250		

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.

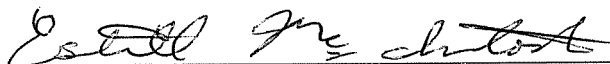
Supplier(s)	Base Rate	Changed Rate
City of Jackson	1.90	2.90

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	August 2010	through	July 2011
	(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
City of Jackson	55,369,000
TOTAL PURCHASES	55,369,000
4. Total gallons sold for the 12 month period	45,312,000
5. Increased water cost	\$55,369.00
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$1.22
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	
	
Signature of Utility Officer	
Title: Superintendent	

Breathitt County Water

	NEW RATE		OLD RATE		
SUPPLIER	(per 1,000)		(per 1,000)		
City of Jackson	\$2.9000		\$1.9000		
TWELVE MONTH TEST PERIOD:		August 2010 through July 2011			
SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD				
City of Jackson	55,369,000				
	0				
TOTAL	55,369,000				
SUPPLIER	COST AT NEW RATE		COST AT OLD RATE		
City of Jackson	\$160,570.10		\$105,201.10		
TOTAL	\$160,570.10	-	\$105,201.10	=	INCREASED WATER COST \$55,369.00
TOTAL GALLONS SOLD FOR THE TEST PERIOD :					45,312,000
Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor					
\$55,369.00	/	45,312,000	/1000	=	1.221950035
					ROUNDED 1.22
	<u>Sold</u>	<u>Purchased</u>	<u>Sold</u>	<u>Purchased</u>	
January	-	-	-	-	
February	-	-	-	-	
March	-	-	-	-	
April	-	-	-	-	
May	-	-	-	-	
June	-	-	-	-	
July	-	-	-	-	
August	-	-	-	-	
September	-	-	-	-	
October	-	-	-	-	
November	-	-	-	-	
December	-	-	-	-	
TOTAL	-	-	-	-	

NOTICE

Due to a rate increase from the City of Jackson, notice is hereby given that Breathitt 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 \$1.22 per 1,000 gallons used. The proposed change will be effective for all bills issued on and after November 1, 2011.

5/8 x 3/4 Meter

First 2,000 Gallons	\$22.34 Minimum Bill
Over 2,000 Gallons	\$11.17 Per 1,000 Gallons

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$6.10 from \$49.75 to \$55.85 or 12.26%.

The rates contained in this notice are the rates proposed by Breathitt 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 in this notice.

Breathitt County Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 1137 Main Street, Jackson, KY 41339.

Breathitt County Water District



Rose Wolfe
Mayor, City of Jackson
333 Broadway
Jackson, KY 41339
Phone: (606) 666-7069 Fax: (606) 666-7046

October 3, 2011

Breathitt County Water Board
Breathitt County Fiscal Court
1137 Main Street
Jackson, Kentucky 41339

Re: Letter of Intent – Raise Water Rates from \$ 1.90 to \$ 2.90 Per 1000 Gallons

Please find this letter as the Official Letter of Intent from the City of Jackson that as per our Amendment Agreement # 5 (From the Original Water Contract) that the City has filed all the necessary paperwork with the Public Service Commission, that effective November 1, 2011 the water sold to the Breathitt County Water District will be at a rate of \$ 2.90 per 1000 gallons replacing the old rate of \$ 1.90 per 1000 gallons sold.

This (\$1.00 per 1000 gallons sold) is the amount proposed by the Breathitt County Water Board to the City of Jackson and all are in agreement as recorded in the Minutes of the City and County meetings.

Thank you for your assistance in this Amendment Agreement.

Sincerely,

A handwritten signature in cursive script that reads "Rose Wolfe". The signature is written in black ink and extends across the width of the page.

Rose Wolfe, Mayor
City of Jackson, Kentucky