

# BATH COUNTY WATER DISTRICT

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

TDD/TTY 1-800-648-6056

RECEIVED

DEC 21 2011

PUBLIC SERVICE  
COMMISSION

December 20, 2011

Public Service Commission  
PO Box 615  
Frankfort, Kentucky 40601

**Attn: Brent Kirtley**

Morehead Utility Plant Board and Mt. Sterling Water have given the Bath County Water District official notice of a rate increase, Morehead Utility Plant Board effective January 1, 2012 and Mt. Sterling Water effective May 1, 2011. Enclosed is the new Tariff sheet for the increased Purchased Water Price.

The following documents are attached:

1. Rate schedule from Suppliers.
  - A. Morehead Utility Plant Board
  - B. Mt. Sterling Water
2. Notice from suppliers showing increase and effective date.
  - A. Letter from Morehead Utility Plant Board
  - B. Letter from Mt. Sterling Water
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.
5. Notice sent to local papers.
6. Letters to Wholesale Customers.
  - A. Sharpsburg
  - B. Frenchburg
  - C. Owingsville

If you need additional information please do not hesitate to call.

Respectfully,



Sherril Greene  
Co-Manager

Enclosures

MUPB  
WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT  
CALENDAR YEAR 2012 RATE CALCULATION

1. Cash Operation and Maintenance Expense	(a) Amount x	Percent /	(b) Total Billed Gals (1,000's)	equals	Rate per 1,000 gals.
Water Utility Operating Expense	1,713,212	74%	1,360,359	equals	0.932
General & Admin Expense	702,350	30%	1,360,359	equals	0.155

<b>Total rate per 1,000 gallons to Rowan and Bath Water</b>	<b>1.087</b>
---	--------------

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 503.80	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
<b>Total Monthly Capital Cost</b>	<b>25,133.37</b>	<b>18,394.55</b>
<u>Part C</u>		
Monthly Charge (\$10.00 per meter)	<b>70.00</b>	<b>10.00</b>

- (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

December 1, 2011

Robert M Nickell  
Morehead Utility Plant Board  
135 South Wilson Avenue  
Morehead, KY 40351

Dear Mr. Nickell:

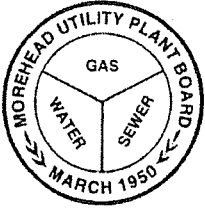
Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2011 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	\$1.087	\$1.087

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*

December 2, 2011

Ms. Sherry Green  
Bath County Water  
PO Box 369  
Salt Lick KY 40371

Re: Water Rates for 2012

Dear Ms. Green:

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 2012.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Mike Nickell".

R. Mike Nickell  
General Manager

RMN:bh

enclosures

December 1, 2011

Robert M. Nickell  
Morehead Utility Plant Board  
Morehead, KY 40351

Mike,

Please find attached the final reports for 2012 water rates for Rowan and Bath water which can be forwarded to Rowan and Bath water.

Following are a summary of observations regarding the change in the rates:

- 1 Overall gallons of water billed increased 4%, 53M gallons for the year, compared to about 6M gallon decrease in the prior year. This is a fairly large increase compared to the past several years. Most of this increase was due to Rowan Water's increased consumption of about 54M gallons. Bath Water and MUPB had small variances from the prior year.
- 2 Water department operational expenses increased by \$177,000 or 11.5% for the year.
- 3 Administrative expenses increased overall by \$3,500 (.5%.)

Combining these changes resulted in an increase in the per thousand gallon charge for water from \$1.03 per 1,000 gallons to \$1.087 per 1,000 gallons (**5.5%**). The increase in the per 1,000 charge should result in additional combined revenue from both Rowan and Bath water of approximately \$60,000.

If you need any additional information, please contact me at your convenience.

Sincerely,

Timothy S Eldridge, CPA

# MT. STERLING WATER & SEWER SYSTEM

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

## Rates Effective 5/1/2011

### City Water Rates

WA01

First	748 gallons	<del>\$5.90</del> minimum <u>5.90</u>
Next	4488 gallons	<del>\$3.86</del> per 1000 gallons <u>23.22</u>
Next	19448 gallons	<del>\$3.75</del> per 1000 gallons <u>96.15</u>
Next	74800 gallons	<del>\$3.00</del> per 1000 gallons <u>320.55</u>
Over	99484 gallons	\$2.10 per 1000 gallons

## Rates Effective 5/1/2011

### County Water Rates

WA04

First	748 gallons	<del>\$6.75</del> minimum <u>6.75</u>
Next	4488 gallons	<del>\$4.40</del> per 1000 gallons <u>26.50</u>
Next	19448 gallons	<del>\$4.26</del> per 1000 gallons <u>109.35</u>
Next	74800 gallons	<del>\$3.42</del> per 1000 gallons <u>365.17</u>
Over	99484 gallons	\$2.40 per 1000 gallons

## Rates Effective 5/1/2011

### Wholesale Water Rate

WA02

~~\$2.34~~ per 1000 gallons ✓

**MT. STERLING WATER & SEWER SYSTEM**

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

April 25, 2011

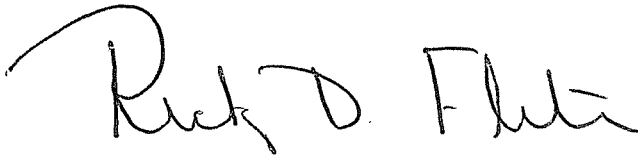
Sherri Greene  
Bath County Water District  
P.O. Box 369  
Salt Lick, Kentucky 40371

Sherri,

Please find enclosed a notice in which the Kentucky Public Service Commission (PSC) has asked that we pass on to the 5 districts/associations, regulated by their agency, that purchase water from Mt. Sterling Water and Sewer (Mt. Sterling). This notice is in reference to Mt. Sterling's proposed rate increase which is intended to go into effect May 1, 2011, pending PSC approval.

Should you have questions or comments concerning this increase please contact either the PSC office or myself, contact information for the both of us is detailed in the notice.  
Thanks.

Sincerely,

A handwritten signature in black ink that reads "Rick D. Fletcher". The signature is written in a cursive style with a large, sweeping initial "R".

Rick Fletcher  
Manager  
Mount Sterling Water and Sewer

**MT. STERLING WATER & SEWER SYSTEM**

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

March 18, 2011

Sherri Greene  
Bath County Water District  
P.O. Box 369  
Salt Lick, Kentucky 40371

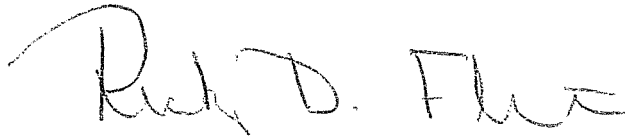
Re: Wholesale Rate Increase

Sherri,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, recently completed a cost of service study, related to both retail and wholesale rates. The results of this study indicated that a rate modification was justifiable. A tariff has been filed with the Public Service Commission (PSC) asking for approval to alter our current wholesale rates from \$2.07/1,000 gallons to \$2.34, an increase of 13 percent. We have requested approval that this increase be effective May 1, 2011, should this increase be approved it will be reflected in the June billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. It is unfortunate that we find it necessary to implement an increase at this time, given the state of our economy. However I hope you will understand that Mt. Sterling has not had a rate increase in three years and during that time period cost have continued to escalate, as I'm sure you are aware. In closing thank you for your understanding and cooperation concerning this matter.

Sincerely,

A handwritten signature in black ink that reads "Rick D. Fletcher". The signature is written in a cursive style with a large, sweeping initial "R".

Rick Fletcher  
Manager  
Mount Sterling Water and Sewer



## NOTICE

Mt. Sterling Water & Sewer System ("Mt. Sterling") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Levee Road Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Reid Village Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Montgomery County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Judy Water Association	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase
Bath County Water District	\$2.07 per 1,000 gallons	\$2.34 per 1,000 gallons	13% Increase

The proposed effective date is May 1, 2011.

The rates contained in this notice are the rates proposed by Mt. Sterling. However, the Public Service Commission may order rates to be charged that differ from the proposed 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. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Mt. Sterling by contacting the Manager, Rick Fletcher, at the offices of Mt. Sterling, 300 East Main Street in Mt. Sterling, Kentucky; telephone (859) 498-0166.

Any person may examine the rate application and other filings made by Mt. Sterling by visiting the offices of Mt. Sterling at 300 East Main Street in Mt. Sterling, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

Form for filing Rate Schedules

FOR All territories served  
Community, Town, or City

P.S.C. No. 1

Bath County Water District  
Name of Issuing Corporation

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	\$14.11 Minimum Bill
Next	3,000 Gallons	5.38 Per 1,000 Gallons
Next	5,000 Gallons	4.08 Per 1,000 Gallons
Next	10,000 Gallons	3.48 Per 1,000 Gallons
Next	30,000 Gallons	3.28 Per 1,000 Gallons
Over	50,000 Gallons	3.18 Per 1,000 Gallons

1 Inch Meter:

First	10,000 Gallons	\$50.65 Minimum Bill
Next	10,000 Gallons	3.48 Per 1,000 Gallons
Next	30,000 Gallons	3.28 Per 1,000 Gallons
Over	50,000 Gallons	3.18 Per 1,000 Gallons

2 Inch Meter:

First	50,000 Gallons	\$183.85 Minimum Bill
Over	50,000 Gallons	3.18 Per 1,000 Gallons

DATE OF ISSUE \_\_\_\_\_

Month/Date/Year

DATE EFFECTIVE January 15, 2012

Month/Date/Year

ISSUED BY Marvin R. Crouch  
(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: \$ 2.47 Per 1,000 Gallons

G. WHOLESALE WATER RATES:

Sharpsburg Water District \$ 2.91 Per 1,000 Gallons

City of Frenchburg \$ 2.50 Per 1,000 Gallons

City of Owingsville  
Monthly Debt Service Payment \$ 4,733.91 Minimum Bill  
All Usage 2.07 Per 1,000 Gallons

Bulk Sales \$ 7.52 Per 1,000 Gallons

DATE OF ISSUE \_\_\_\_\_

Month/Date/Year

DATE EFFECTIVE January 15, 2012

Month/Date/Year

ISSUED BY Marvin R Crouch  
(Signature of Officer)

TITLE Chairperson

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
	1.087 cents	Per 1,000 gallons
Mt. Sterling Water & Sewer	2.34	per 1,000 gallons
City of Owingsville	2.32	per 1,000 gallons

---

DATE OF ISSUE \_\_\_\_\_

Month / Date / Year

DATE EFFECTIVE January 15, 2012

Month / Date / Year

ISSUED BY Marvin R. Crouch  
(Signature of Officer)

TITLE Chairperson

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	December 19, 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.

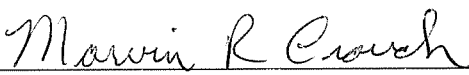
Supplier(s)	Base Rate	Changed Rate
Mt. Sterling Water	2.07 per 1,000	2.34 per 1,000
Morehead Utility Plant Board	1.03 per 1,000	1.087 per 1,000
Morehead Utility Plant Board	18,394.55 per month	18,394.55 per month

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	December 31, 2010	through	November 30, 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
Mt. Sterling Water	24,050,000
Morehead Utility Plant Board	372,810,000
<b>TOTAL PURCHASES</b>	
4. Total sales for the 12 month period	358,127,000
5. Increased water cost	\$ 27,743.67
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.08
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	January 15, 2012
	
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 \$.08 per 1,000 gallons used. The proposed change will be effective for all service rendered on and after January 15, 2012.

<u>Monthly Rate:</u>	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
----------------------	----------------	-----------------	-------------------

### 5/8 Inch X 3/4 Inch Meter:

First 2,000 Gallons	\$ 13.95	\$ 14.11	1.1%
Next 3,000 Gallons	5.30	5.38	1.5%
Next 5,000 Gallons	4.00	4.08	2.0%
Next 10,000 Gallons	3.40	3.48	2.3%
Next 30,000 Gallons	3.20	3.28	2.5%
Next 50,000 Gallons	3.10	3.18	2.6%

### 1 Inch Meter:

First 10,000 Gallons	\$ 49.85	\$ 50.65	1.6%
Next 10,000 Gallons	3.40	3.48	2.3%
Next 30,000 Gallons	3.20	3.28	2.5%
Over 50,000 Gallons	3.10	3.18	2.6%

### 2 Inch Meter:

First 50,000 Gallons	\$ 179.85	\$ 183.85	2.2%
Over 50,000 Gallons	3.10	3.18	2.6%

### Bulk Sales

Per 1,000 Gallons	\$ 7.44	\$ 7.52	1%
-------------------	---------	---------	----

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$0.40 from \$29.85 to \$30.25 or 1.3%.

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

December 14, 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 \$2.07 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after January 15, 2012.

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

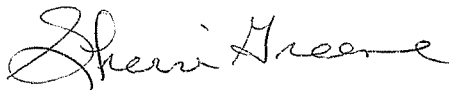
Current Rate	Proposed Rate
\$1.99 per 1,000 gallons	\$2.07 per 1,000 gallons

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

December 14, 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 \$2.50 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after January 15, 2012.

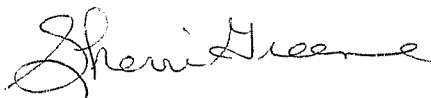
Current Rate	Proposed Rate
\$2.42 Per 1,000 gallons	\$2.50 Per 1,000 gallons

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 desire 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

December 14, 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 \$2.91 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after January 15, 2012.

Current Rate	Proposed Rate
\$2.83	\$2.91

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