

Magoffin County Water District

P.O. Box 490
Salyersville, Ky. 41465
Phone 606-349-6812 Or 606-349-6814
Fax 606-349-6814

Allen B McCarty
General Manager

December 19, 2012

Jeff R. Derouen, Executive Director
KY Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40602

Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

RE: Purchased Water Adjustment

Dear Mr. Derouen:

Please be advised that the Salyersville Water Works Commission has negotiated a wholesale water rate increase effective January 10, 2013. Magoffin County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068. This rate adjustment was approved by the District Commissioners during the December 13, 2012 board meeting.

Magoffin County respectfully requests a deviation to shorten the notice period from the standard thirty (30) days to a period not less than twenty (20) days as provided for in KRS 278.180 in order to meet the agreed upon effective date.

The following support documentation is enclosed for your review:

- Exhibit A - Copy of the Salyersville Notice to Increase Rates
- Exhibit B - Copy of the Salyersville Water Works Wholesale Tariff
- Exhibit C - Purchased Water Rate Adjustment Form
- Exhibit D - Notice to Magoffin County Water District Customers
- Exhibit E - Revised Magoffin County Water District Tariff
- Exhibit F - Copy of December 13, 2012 Board Meeting Minutes

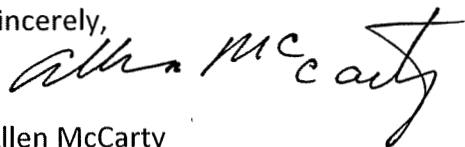
RECEIVED

DEC 20 2012

PUBLIC SERVICE
COMMISSION

Please contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Allen McCarty". The signature is written in a cursive style with a large, stylized initial "A" and a long, sweeping underline.

Allen McCarty
General Manager

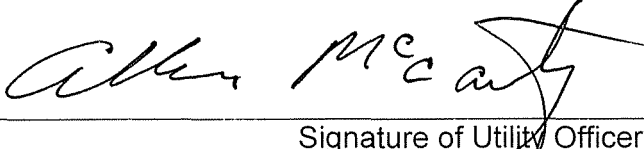
Enclosures

RECEIVED

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

DEC 20 2012
PUBLIC SERVICE
COMMISSION

Name of Utility	Magoffin County Water District		
Date	12/19/2012		
Address	P. O. Box 490		
City, State, Zip	Salyersville, KY 41465		
Telephone Number	(606) 349-6812		
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
	Salyersville (1st tier)	\$2.50	\$2.65
	Salyersville (all over)	\$2.65	\$2.65
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	Nov. 1, 2011	through	Oct. 31, 2012
	(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
Salyersville (first tier 8,000,000/mo)	96,000
Salyersville (all over first 8,000,000/mo)	92,438
TOTAL PURCHASES	188,438
4. Total sales for the 12 month period	
	167,950
5. Increased water cost	
	\$14,400.00
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	
	\$0.09
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	
	JANUARY 10, 2013
	
Signature of Utility Officer	
GENERAL MANAGER	
Title	

FOR Magoffin and Floyd Counties, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

Magoffin County Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

MONTHLY RATES:

Residential Rates

5/8" x 3/4" Meter

First 2,000 Gallons	\$14.90	Minimum Bill
Next 3,000 Gallons	6.65	per 1,000 Gallons
Next 5,000 Gallons	6.15	per 1,000 Gallons
Over 10,000 Gallons	5.65	per 1,000 Gallons

1" Meter

First 5,000 Gallons	\$34.85	Minimum Bill
Next 5,000 Gallons	6.15	per 1,000 Gallons
Over 10,000 Gallons	5.65	per 1,000 Gallons

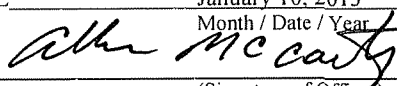
Commercial Rates

3/4" Meter

First 3,000 Gallons	\$26.70	Minimum Bill
Next 2,000 Gallons	8.55	per 1,000 Gallons
Next 5,000 Gallons	7.90	per 1,000 Gallons
Next 5,000 Gallons	7.25	per 1,000 Gallons
Over 15,000 Gallons	6.95	per 1,000 Gallons

DATE OF ISSUE December 20, 2012
Month / Date / Year

DATE EFFECTIVE January 10, 2013
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

FOR Magoffin and Floyd Counties, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

Magoffin County Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

Commercial Rates Continued:

1" Meter

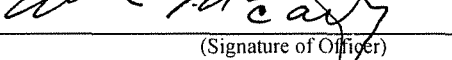
First 5,000 Gallons	\$43.80	Minimum Bill
Next 5,000 Gallons	7.90	per 1,000 Gallons
Next 5,000 Gallons	7.25	per 1,000 Gallons
Over 15,000 Gallons	6.95	per 1,000 Gallons

2" Meter

First 15,000 Gallons	\$119.55	Minimum Bill
Over 15,000 Gallons	6.95	per 1,000 Gallons

DATE OF ISSUE December 20, 2012
Month / Date / Year

DATE EFFECTIVE January 10, 2013
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

MINUTES

December 13, 2012

4:00 P.M.

All members were present. Other present were: Allen McCarty, Dwayne Arnett and Shirley Borders.

The meeting was called to order by Randall Hardin. Millow Dean made a motion to accept the minutes of the last meeting. Kenneth seconded the motion. All voted Yea.

Millow Dean made a motion to pay all bills. Chester seconded the motion. All voted Yea.

Allen discussed the rate increase as required by the city. He said that the old rate was \$2.50 for the 1st 8 million gallons purchased from the city and all the rest of the gallons over the 8 million was \$2.65 per 1000 gallons. The new negotiated amount is \$2.65 per 1000 gallon for all water purchased after January 1.

Randall Hardin made a motion to pass the rate increase on to our customers. Chester seconded the motion. All voted Yea.

The purchase of a new computer to be built to meet our mapping program needs was discussed. The new computer will cost between \$800 and \$1,000. We have to have a new internet address and password for this program.

Randall Hardin made a motion to adjourn. Millow Dean seconded. All voted Yea.

SECRETARY

NOTICE

On December 20, 2012 the Salyersville Water Works Commission ("Salyersville") filed with the Public Service Commission a proposed rate schedule to increase the rate for water service provided to Magoffin County Water District as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
First 8,000,000 Gallons	\$2.50 per 1000 gallons	\$2.65	6.0%
Over 8,000,000 Gallons	\$2.65 per 1000 gallons	No Change	-

All usage		\$2.65 per 1000 gallons	6.0%

The proposed effective date is January 10, 2013, with the first bill at the new rate being due in February 2013.

The rates contained in this notice are the rates proposed by Salyersville. 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 by contacting the utility's office located at 401 College Street in Salyersville, Kentucky; telephone 606-349-3743.

Any person may examine the rate application and other filings by visiting the utility's office located at 401 College Street in Salyersville, Kentucky, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

FOR Salversville, Kentucky
Name of Municipality

P.S.C. KY. NO. _____

3rd Revised SHEET NO. 1

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

2nd Revised SHEET NO. 1

Salversville Water Works
(Name of Municipal Utility)

RATES AND CHARGES

WHOLESALE WATER RATE

Magoffin County Water District:

All Usage

\$2.65 per 1,000 gallons

Rates become effective beginning with the bill issued in January 2013 that is due on February 10, 2013.

DATE OF ISSUE December 20, 2012
Month / Date / Year

DATE EFFECTIVE January 10, 2013
Month / Date / Year

ISSUED BY Johanna Tandy
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

LEGAL NOTICE REGARDING THE MAGOFFIN COUNTY WATER DISTRICT

Notice is hereby given that because of an increase in the cost of water purchased from the City of Salyersville the Magoffin County Water District will increase its rates for services on and after January 10, 2013. An application has been filed with the Public Service Commission to increase rates as follows:

<u>Rate Category</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>
Residential Rates:		
<u>5/8" x 3/4" Meter</u>		
First 2,000 Gallons	\$14.72 Minimum Bill	\$14.90 Minimum Bill
Next 3,000 Gallons	6.56 per 1,000 Gallons	6.65 per 1,000 Gallons
Next 5,000 Gallons	6.06 per 1,000 Gallons	6.15 per 1,000 Gallons
Over 10,000 Gallons	5.56 per 1,000 Gallons	5.65 per 1,000 Gallons
<u>1" Meter</u>		
First 5,000 Gallons	\$34.40 Minimum Bill	\$34.85 Minimum Bill
Next 5,000 Gallons	6.06 per 1,000 Gallons	6.15 per 1,000 Gallons
Over 10,000 Gallons	5.56 per 1,000 Gallons	5.65 per 1,000 Gallons
Commercial Rates:		
<u>3/4" Meter</u>		
First 3,000 Gallons	\$26.43 Minimum Bill	\$26.70 Minimum Bill
Next 2,000 Gallons	8.46 per 1,000 Gallons	8.55 per 1,000 Gallons
Next 5,000 Gallons	7.81 per 1,000 Gallons	7.90 per 1,000 Gallons
Next 5,000 Gallons	7.16 per 1,000 Gallons	7.25 per 1,000 Gallons
Over 15,000 Gallons	6.86 per 1,000 Gallons	6.95 per 1,000 Gallons
<u>1" Meter</u>		
First 5,000 Gallons	\$43.35 Minimum Bill	\$43.80 Minimum Bill
Next 5,000 Gallons	7.81 per 1,000 Gallons	7.90 per 1,000 Gallons
Next 5,000 Gallons	7.16 per 1,000 Gallons	7.25 per 1,000 Gallons
Over 15,000 Gallons	6.86 per 1,000 Gallons	6.95 per 1,000 Gallons
<u>2" Meter</u>		
First 15,000 Gallons	\$118.20 Minimum Bill	\$119.55 Minimum Bill
Over 15,000 Gallons	6.86 per 1,000 Gallons	6.95 per 1,000 Gallons

As noted above, based on the increased cost of water from the City of Salyersville all rates will increase \$0.09 per 1,000 gallons.

The rates contained in this notice are the rates proposed by Magoffin County Water District. However, the Public Service Commission may order rates to be charged that are different than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed change is given. A motion to intervene shall be made in writing and submitted to the Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the Magoffin County Water District office at Salyersville, Kentucky. Customers may contact the District at 606-349-6812. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.