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Public Service Commission
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Vice Chairman

November 6, 2015

Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Re: Case No. 2015-00088
Alternative Rate Adjustment Filing of Black Mountain Utility District

Dear Mr. Derouen:

On August 5, 2015, the Staff Report on Black Mountain Utility District was entered into the record. Upon review, the Pro Forma Operating Statement ("Statement") contains typographical errors in the Reference column (labeled "Ref") that provides the cross-references for the adjustments in the Statement to the sections in the Staff Report that discuss the adjustments. In addition the Adjustment column contains calculation errors for the lines labeled "Sales for Resale", "Total Operating Revenue", "Net Operating Income" and "Income Available to Service Debt". All other amounts in the statement on page 6 are correct. A revised, corrected Statement is attached to this letter. The correction of the errors on the Statement does not change the analysis in the Staff Report. Please bring this correction to the Commission's attention for its consideration in reviewing the Staff Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Edward Spenard".

David Edward Spenard
Staff Attorney

DS/ph

Attachment

Pro Forma Operating Statement

Black Mountain's Pro Forma Operating Statement for the test-year ended December 31, 2013, as determined by Staff, appears in the table below.

	Test Year	Adjustment	(Ref)	Pro Forma
Operating Revenues				
Sales of Water				
Metered Water Sales	\$1,444,084	66,355	(A)	
		31,410	(B)	
		72,414	(C)	\$ 1,614,263
Sales for Resale	7,448	1,054	(C)	8,502
Total Sales of Water	1,451,532	171,233		1,622,765
Other Water Revenues	88,689	9,184	(D)	97,873
Total Operating Revenue	1,540,221	180,417		1,720,638
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	323,234	(23,046)	(E)	300,188
Employee Pensions and Benefits	78,339	(862)	(F)	77,477
Purchased Water	711,605	50,976	(G)	
		(62,594)	(H)	699,987
Purchased Power - Office	4,540	(9)	(I)	4,531
Purchased Power - Pumping	85,460	(7,015)	(H)	78,445
Chemicals	1,253	(1,253)	(J)	0
Materials and Supplies	64,552	(134)	(I)	64,418
Contractual Services	15,094	(31)	(I)	15,063
Water Testing	9,482	(664)	(K)	8,818
Transportation Expenses	50,768			50,768
Insurance - Worker's Comp	11,331	(125)	(F)	11,206
Insurance - Other	19,349	(12)	(L)	19,337
Advertising Expenses	3,002			3,002
Bad Debt Expense	28,119	(13,636)	(M)	14,483
Miscellaneous Expenses	112,008	(3,146)	(N)	
		(253)	(F)	
		(153)	(I)	108,457
Total Operation and Maintenance Expenses	1,518,136	(61,956)		1,456,180
Depreciation Expense	577,460	1,199	(D)	
		(85,833)	(O)	492,826
Amortization Expense	868			868
Taxes Other Than Income / PSC Assessment	2,735			2,735
Total Operating Expenses	2,099,199	(146,590)		1,952,609
Net Operating Income	(558,978)	327,007		(231,971)
Interest Income	7			7
Income Available to Service Debt	\$ (558,971)	\$ 327,007		\$ (231,964)

*Black Mountain Utility District
609 Four Mile Road
Baxter, KY 40806-8437

*Ray Metcalfe
Operations Mgr.
Black Mountain Utility District
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