

Bronston Water Association Inc.
PO Box 243
Bronston KY 42518
606.561.5209

RECEIVED

JUN 13 2016

Public Service
Commission

Executive Director
KY Public Service Commission
PO Box 615
Frankfort KY 40602

RE: Formal Application for a Purchased Water Adjustment

Dear Director:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Bronston Water Association, Inc. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The Association will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before 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 Association has previously filed income statements and balance sheets with the Public Service Commission. The income statements and balance sheets are currently on file with the Commission.

Sincerely,

Vickie Ramsey

Vickie Ramsey, Manager

enclosure

NOTICE

Monticello Utility Commission, a division of the City of Monticello, Kentucky, has filed a proposed rate schedule which will increase by 7.5 percent the rate(s) which it currently charges to Bronston Water Association, Inc., for water service. Monticello Utility Commission, a division of the City of Monticello, Kentucky, currently charges Bronston Water Association, Inc., \$2.60 per 1,000 gallons for water service. It proposes to charge Bronston Water Association, Inc., \$2.795 per 1,000 gallons for water service effective June 13, 2016, pending approval by the Kentucky Public Service Commission.

The rates contained in this notice are the rates proposed by Monticello Utility Commission, a division of the City of Monticello, Kentucky. The Public Service Commission, however, 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 Monticello Utility Commission, a division of the City of Monticello, Kentucky, by contacting Scott Upchurch, System Manager, Monticello Utility Commission, P.O. Box 549, Monticello, KY 42633, Phone (606) 348-8473.

Any person may examine Monticello Utility Commission's rate application and any other filings at its main office at 1040 North Main Street, Monticello, KY 42633, or at the Public Service Commission's Offices at P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615.

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Commission

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

| | | |
|------------------|---------------------------------|--|
| Name of Utility | Bronston Water Association Inc. | |
| Date | May 12, 2016 | |
| Address | PO Box 243 | |
| City, State, Zip | Bronston KY 42518 | |
| Telephone Number | (606) 561-5209 | |
| Email Address | bronstonwater@windstream.net | |

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 |
|-------------------------------|-----------|--------------|
| Monticello Utility Commission | \$2.60 | \$2.795 |
| | | |
| | | |

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 | April 2015 | through | March 2016 |
| | (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

| Supplier(s) | Gallons Purchased during 12 month period |
|---|--|
| Monticello Utility Commission | 83,727,200 |
| | |
| | |
| TOTAL PURCHASES | 83,727,200 |
| | |
| 4. Total gallons sold for the 12 month period | 64,122,320 |
| | |
| 5. Increased water cost | \$16,745.44 |
| <p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p> | |
| | |
| 6. Purchased water adjustment factor | \$0.26 |
| <p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <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.</p> | |
| | |
| 7. A schedule listing the current and proposed rates is attached as Exhibit | |
| | |
| 8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit | |
| | |
| 9. Proposed effective date | June 13, 2016 |
| | |
|  | |
| Signature of Utility Officer | |
| President | |
| Title | |

Current Rates/Proposed Rates

| | <u>Current Rate</u> | <u>Proposed Rate</u> |
|------------------------------|--------------------------|--------------------------|
| <u>5/8" x 3/4 Inch Meter</u> | | |
| First 1,500 Gallons | \$17.54 | \$17.93 |
| All Over 1,500 Gallons | \$6.85 per 1,000 Gallons | \$7.11 per 1,000 Gallons |
| <u>1-Inch Meter</u> | | |
| First 5,000 Gallons | \$40.47 | \$41.77 |
| All Over 1,500 Gallons | \$6.85 per 1,000 Gallons | \$7.10 per 1,000 Gallons |
| <u>2-Inch Meter</u> | | |
| First 20,000 Gallons | \$112.45 | \$117.65 |
| All Over 1,500 Gallons | \$6.85 per 1,000 Gallons | \$7.10 per 1,000 Gallons |
| <u>4-Inch Meter</u> | | |
| First 50,000 Gallons | \$264.85 | \$277.85 |
| All Over 1,500 Gallons | \$6.85 per 1,000 Gallons | \$7.10 per 1,000 Gallons |

BRONSTON WATER ASSOCIATION, INC.
MONTHLY MEETING
May 2, 2016

Directors Present: Carter Stewart, Charles Cassada, Eric Keith, Leland Keith, and Clint Keith.

Others Present: J C New, Jesse Canada, Kasi Morrow, and Vickie Ramsey.

President Carter Stewart called the meeting to order at 6:00 pm.

The minutes of the previous meeting were read and approved with a motion by Leland Keith and second by Clint Keith.
ALL VOTES YEA

The financial report was read and approved with a motion by Clint Keith and second by Eric Keith.
ALL VOTES YEA

The Bronston Water Association board agrees to let Carter Stewart and JC New go talk to Anthony Thompson about adjoining property at the John Gover tank site.

Charles Cassada made a motion to adopt Resolution of Authorization 2016-4 with a second by Leland Keith.
ALL VOTES YEA

Eric Keith made a motion to adopt Resolution of Authorization 2016-5 with a second by Clint Keith
ALL VOTES YEA

Leland Keith made a motion to adopt Resolution of Authorization 2016-6 with a second by Clint Keith
ALL VOTES YEA

Water loss for the month of April was 8.8% having 2 water leaks and 2 new meters set.

Clint Keith made a motion to accept the pass through rate increase from Monticello Utility Commission at 7.5% upon Public Service Commission approval with a second by Charles Cassada
ALL VOTES YEA

There was \$6028.34 collected in arrears for the month of April.

A motion was made by Eric Keith to adjourn with a second by Charles Cassada.
ALL VOTES YEA

Carter Stewart, President

Eric Keith, Secretary

Increased Water Cost Calculation: 83,727,200 * \$2.80 = \$234,436,160.00

83,727,200 * \$2.60 = \$217,690,720.00

Increased Water Cost = \$16,745,440

Purchased Water Adjustment Factor Calculation:

Increased Water Cost = \$16,745,440

Total Gallons Sold = 64,122,320

\$16,745,440/64,122,320 = \$0.26