

Estill County Water District No. 1

76 Cedar Grove Rd.
Irvine, Kentucky 40336-7607
Phone: (606) 723-3795
Fax: (606) 726-9083

Greg Wright
Chairman

Jerry Arnold
Secretary

William Beard
Treasurer

July 5, 2016

Public Service Commission
Tariff Review Branch
Post Office Box 615
Frankfort, Kentucky 40602-0615

RE: Purchase Water Adjustment

To Whom It May Concern:

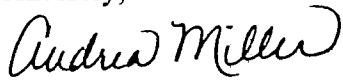
On March 22, 2016 Irvine Municipal Utilities provided the Estill County Water District an official notice of increase for the wholesale rate they currently charge the Estill County Water District. The increase will take effect July 19, 2016. On March 31, 2016 the Estill County Water District's board of commissioners voted to accept the increase. Enclosed you will find the Estill County Water District's application for a Purchase Water Adjustment in order to pass this increase on to the District's customers. A notice will be published in both local newspapers advising the District's customers of the proposed changes prior to billing at the new rate. The District does not wish to change the rate for Bulk Loading therefore it will remain at \$5.45 per 1,000 gallons.

The following documents are attached:

1. Purchase Water Adjustment Form
2. A schedule listing current and proposed rates
3. Notice from supplier showing increase and effective date
4. The calculation and all supporting documents used to determine the change in purchase water cost
5. A copy of the minutes from the Board of Commissioners meeting on March 31, 2016

If you need any additional information, or if you have any questions, please feel free to contact me at the number listed above.

Sincerely,


Audrea Miller
Office Manager
Estill County Water District #1

JUL 13 2016

Public Service
Commission

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

Name of Utility	Estill County Water District No. 1	
Date	July 19, 2016	
Address	76 Cedar Grove Road	
City, State, Zip	Irvine, KY	40336
Telephone Number	606-723-3795	

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
Irvine Municipal Utilities	\$2.571	\$2.587

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	June 2015	through	May 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 sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Irvine Municipal Utilities	254,522,000
Jackson County Water Association	375,299
TOTAL PURCHASES	254,897,299
4. Total gallons sold for the 12 month period	166,531,311
5. Increased water cost	\$4,072.35
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.03
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	7/19/2016
	
Signature of Utility Officer	
Chairman	
Title	

Estill County Water No. 1

Comparison of Rates

			Current	Proposed	
5/8" x 3/4" Meter					
First	2,000	Gallons	17.14	17.20	Minimum Bill
Next	3,000	Gallons	8.34	8.37	per 1000 gallons
Next	5,000	Gallons	8.14	8.17	per 1000 gallons
Over	10,000	Gallons	6.25	6.28	per 1000 gallons
 1" Meter					
First	5,000	Gallons	42.16	42.31	Minimum Bill
Next	5,000	Gallons	8.14	8.17	Minimum Bill
Over	10,000	Gallons	6.25	6.28	per 1000 gallons
 2" Meter					
First	16,000	Gallons	120.36	120.84	Minimum Bill
Over	16,000	Gallons	6.25	6.28	per 1000 gallons

NOTICE

Irvine Municipal Utilities is providing notice that on March 22, 2016, it filed with the Public Service Commission to increase the wholesale rate it charges Estill County Water & Sewer District effective for water service on and after July 19, 2016. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>%Change</u>
Estill County Water District				
-Water Usage Rate	\$2.571 per 1000 gallons	\$2.587 per 1000 gallons	\$0.016 increase	0.7% increase
	<i>(This rate includes the \$0.19 per 1000 gallon Kentucky River Authority fee)</i>			

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the new rates.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to both the Commission and Estill County Water & Sewer District.

This filing may be examined at the offices of Irvine Municipal Utilities located at 238 Broadway in Irvine, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Irvine Municipal Utilities in its filing but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

Form for filing Rate schedules

For Estill County Water District

Community, Town or City

P.S.C. No. _____

Sheet No. _____

Cancelling P.S.C. No. _____

Sheet No. _____

Irvine Municipal Utilities

Name of Issuing Corporation

CLASSIFICATION OF SERVICE

	Rate Per unit
The existing wholesale rate charged by Irvine Municipal Utilities (Seller) to Estill County Water and Sewer District (Buyer) per 1,000 gallon unit,	\$2.381
will be increased 0.7 percent, to per 1000 gallon unit.	\$2.397
The Kentucky River User Assessment of per 1,000 gallon unit	\$0.190
resulting in a total charge of per 1,000 gallon unit	\$2.587

Date of Issue 19-Jul-16

Date Effective 19-Jul-16

Issued by Regina Robertson
Regina Robertson

Title Chairman

Issued by Authority of an Order of the Public Service Commission of Kentucky in

Case No. _____

Date _____

OLD RATE	ADJ. FACTOR	PER 1,000	NEW RATE
17.14	0.03		17.20
8.34	0.03		8.37
8.14	0.03		8.17
6.25	0.03		6.28
42.16	0.03		42.31
8.14	0.03		8.17
6.25	0.03		6.28
120.36	0.03		120.84
6.25	0.03		6.28

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SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Irvine Municipal	\$2.5870	\$2.5710

TWELVE MONTH TEST PERIOD:

JUNE 2015 through MAY 2016

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Irvine Municipal	254,522,000
Jackson Co. Water Associaiton	375,299
TOTAL	254,897,299

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Irvine Municipal	\$658,448.41	\$654,376.06	
TOTAL	\$658,448.41	\$654,376.06	= \$4,072.35

TOTAL GALLONS SOLD FOR THE TEST PERIOD : **166,531,311**

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$4,072.35	/	166,531,311	/1000	=	0.024453972
					ROUNDED
					0.03

THE ESTILL COUNTY WATER DISTRICT BOARD OF COMMISSIONERS (THE COMMISSION) MET IN REGULAR SESSION THURSDAY, MARCH 31, 2016 AT 3:00 P.M. IN THE CONFERENCE ROOM AT ITS OFFICES LOCATED AT 76 CEDAR GROVE ROAD, IRVINE, KENTUCKY, WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT: GREG WRIGHT, CHAIRMAN, JERRY ARNOLD, SECRETARY, AUDREA MILLER, OFFICE MANAGER, AND DWIGHT RICHARDSON, OPERATIONAL MANAGER, WILLIAM BEARD, TREASURER, WAS ABSENT

From the roll call, it was determined that a quorum of the Board of Commissioners of the Estill County Water District was present. The meeting was then opened for the transaction of business, at which time the following proceedings were had and entered for record:

ON MOTION OF ARNOLD AND SECONDED BY WRIGHT and all members of the Board voting in the affirmative, that the agenda for the March 31, 2016 regular Board of Commissioners Meeting be approved.

The Minutes from the February 25, 2016 regular board meeting were presented to the Board with no correction being found necessary. ON MOTION OF ARNOLD AND SECONDED BY WRIGHT and all members of the Board voting in the affirmative, that the minutes be approved as presented.

Evelyn Brooks was present to discuss with the Board, her bill at 182 N. Stacy Lane. Ms. Brooks stated that she moved out on January 6, 2016 and the water was not taken out of her name. Chairman Wright explained to Ms. Brooks that if she had notified the office that she no longer wanted water service then a work order would have been made to take the water service out of her name and she would not be responsible for the bill. The matter was tabled until the April meeting.

James Morgan was present to discuss his sewer issues at 502 Wisemantown Road. Dwight Richardson, Operational Manager, is going to meet with him on site to see if there is anything that can be done at this time. Mr. Morgan was advised that the District was aware of all of the sewer issues in the Wisemantown service area and that IMU would be extending sewer service to his area in the very near future.

Audrea Miller, Office Manager, presented the Board with 2 estimates for damages to Kim McKinney's home at 1506 Flinchum Ridge. Ms. McKinney claims that her home flooded because the District's shut off valve leaked thru. The District's tariffs state that the District is not responsible for damages to the customer's property. The Board suggested that Ms. McKinney install her own check valve as is required by the District.

ON MOTION OF ARNOLD AND SECONDED BY WRIGHT and all members of the Board voting in the affirmative, that the District accept IMU's 0.7% wholesale water rate increase. This will increase the District's wholesale water rate from \$2.571 per 1,000 gallons to \$2.587 per 1,000 gallons. The increase will take effect on July 19, 2016.

ON MOTION OF ARNOLD AND SECONDED BY WRIGHT and all members of the Board voting in the affirmative, that the District accepts the list of proposed purchases for the Phase 10 residual funds. The balance of those funds is \$45,577.89. A complete list of those purchase are on file at the District's office.

ON MOTION OF ARNOLD AND SECONDED BY WRIGHT and all members of the Board voting in the affirmative, that the meeting be adjourned.

Signed William P Beard
Secretary

Attested: D Greg Wright

*Meeting agenda and sign in sheets are filed in the Districts office and can be made available for review upon request.