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Roger M. Oliver  
rmo@oliverlawoffices.com

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NOV 23 2016

Public Service  
Commission

November 21, 2016

Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Case No. 2016-00404

Dear Executive Director:

Please find enclosed the District's request for a purchased water rate adjustment. The adjustment request is due to the increased cost of wholesale water from the City of Berea Municipal Utilities that will be effective on November 10, 2016.

Enclosed is the notice and rates & charges from BMU also enclosed is the resolution the Board of SMWD passed at their October 20, 2016 meeting.

The District will notify its customers of the rate adjustment before rendering the first customer statement reflecting the increase

If additional information should be required, please advise.

Sincerely,

Handwritten signature of Roger M. Oliver in cursive script.  
Roger M. Oliver

RMO:tlm

Enclosures



207 North Dogwood Drive  
PO Box 220  
Berea, KY 40403  
Telephone: (859) 986-9031  
Fax: (859) 986-1794

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NOV 23 2016

Public Service  
Commission

***Per City of Berea Municipal Utilities in providing to the Southern Madison Water District a notice that they filed with the Public Service Commission on August 30, 2016 to increase its wholesale water rates effective November 10, 2016. The Board of Directors of the Southern Madison Water District approved a resolution to apply for a purchased water adjustment from the Public Service Commission at their October 20, 2016 Board meeting.***

Chairman *Randy Todd* Secretary *Don C. Devere*

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AUG 23 2016

Public Service  
Commission

**NOTICE**

City of Berea Municipal Utilities (BMU) is providing notice that it plans to file with the Public Service Commission on or before August 30, 2016 to increase the wholesale rate it charges Southern Madison Water District and Garrard County Water Association effective for water service on and after November 10, 2016. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Garrard County Water Association	\$.0187190 per cubic foot	\$.0197896 per cu. ft.	\$.0010706 Increase	5.73%
Southern Madison Water District	\$.0025020 per gallon	\$.0026455 per gal.	\$.0001435 Increase	5.73%

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 the Commission, Garrard County Water Association and Southern Madison Water District.

This filing may be examined at the offices of Berea Municipal Utilities, 200 Harrison Rd, Berea, 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 Berea 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.



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PURCHASED WATER ADJUSTMENT FOR  
INVESTOR OWNED UTILITIES  
(807 KAR 5:067)

NOV 23 2016  
PUBLIC SERVICE  
COMMISSION

Name of Utility	Southern Madison Water District	
Date	09/21/2016	
Address	207 N Dogwood Dr., P O Box 220	
City, State, Zip	Berea, KY 40403	
Telephone Number	859-986-9031	



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
Berea Municipal Utilities	.002502/gallon	.0026455/gallon



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	August 2015	through	July 2016
	(month and year)		(month and year)

<p>3. a. 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.</p>	
Supplier(s)	Gallons Purchased during 12 month period
Berea Municipal Utilities	326,671,600
<b>TOTAL PURCHASES</b>	<b>326,671,600</b>
<p><b>MAXIMUM ALLOWABLE GALLONS</b></p> <p>3. b. If a reasonable unaccounted for water loss was expressly determined in the utility's last general rate case then the maximum allowable gallons is calculated as follows:</p>	
<p>TOTAL GALLONS SOLD ÷ (100% - percentage of unaccounted water loss found reasonable) =</p>	
<p>3. c. No unaccounted for water loss was expressly determined in the utility's last rate case and the actual unaccounted for water loss exceeds 15% then the maximum allowable gallons is calculated as follows:</p>	
<p>TOTAL GALLONS SOLD ÷ (0.85) =</p>	
<p>3. d. No unaccounted for water loss was expressly determined in the utility's last rate case and the actual unaccounted for water loss is less than 15% then the actual gallons of water purchased is used:</p>	
<p>ENTER ACTUAL GALLONS PURCHASED</p>	
<p>4. Total gallons sold for the 12 month period</p>	262,736,100
<p>5. Increased water cost</p>	\$46,877.00

The increased water cost is the cost difference between Maximum Allowable Purchases at base (current rate) and purchases at new rate.

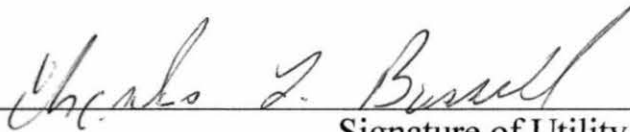
6. Purchased water adjustment factor\* .18

\*The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. (Number 5 ÷ ( Number 4 ÷ 1,000))

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.

~~7. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates. Item no longer required.~~

8. Proposed effective date November 10, 2016



Signature of Utility Officer

MANAGER

Title

**NOTICE TO ALL CUSTOMERS OF  
SOUTHERN MADISON WATER DISTRICT**

Due to a rate increase from Berea Municipal Utilities, notice is hereby given that Southern Madison Water District will file an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates as reflected below. Customer rates will increase by \$0.18 per 1,000 gallons of water used. The proposed change will be effective November 10, 2016.

Monthly Water Rates

<u>GALLONAGE BLOCK</u>	<u>RATES</u>
First 2,000	\$13.086 Minimum Bill
Next 1,000 gallons	6.453 per 1,000 gallons
Next 3,000 gallons	6.043 per 1,000 gallons
Next 4,000 gallons	5.583 per 1,000 gallons
Next 15,000 gallons	4.703 per 1,000 gallons
Next 25,000 gallons	4.403 per 1,000 gallons
Next 50,000 gallons	3.853 per 1,000 gallons

Note: Average residential customer bill (3,700 gallons) will increase from \$23.10 to \$23.77 or 2.9%.

The rates contained in this notice are the rates proposed by Southern Madison Water District. However, the Public Service Commission may order rates to be changed that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Southern Madison Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 207 N Dogwood Dr., Berea, KY; (859) 986-9031. The information is also available at the offices of the Kentucky Public Services Commission, 211 Sower Boulevard, Frankfort, KY; (502) 564-3940.