

2010 Maysville Road  
PO Box 781  
Mt. Sterling, KY 40353-0781



RECEIVED

MAR 27 2017

Public Service  
Commission  
(859) 498-4809  
(859) 432-8800 FAX  
[www.judywater.com](http://www.judywater.com)

March 23, 2017

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

Case No. 2017-00148

RE: Purchase Water Adjustment for Judy Water Association

Dear Executive Director:

Judy Water Association has received notification from one of its suppliers (City of North Middletown) of **decreases** to water rates. Please find enclosed 1 (one) original and 10 (ten) copies of the proper documentation to file for a purchase water adjustment. Judy Water Association has requested a proposed effective date of March 29th, 2017.

The City of North Middletown has proposed to decrease its rate to Judy Water Association by \$.01 per 1,000 gallons effective March 29th, 2017. 807 KAR 5:068, Section 2(2) states: Upon a decrease in the supplier's base rate, a utility that has previously revised its rates pursuant to this administrative regulation shall decrease each its rate schedules by a purchase water adjustment factor determined in accordance with Section 3 of this administrative regulation to pass through its decreased purchased water costs on a per unit basis regardless of customer classification.

This proposed decrease will only reduce Judy Water Association's water cost by \$367 annually, which results in a purchased water adjustment factor of (\$.002) per 1,000 gallons. In order to prevent financial harm to the utility, the Association has been allowed in the past to round the purchase water adjustment factor up to the nearest cent, which in this case would be \$0.00. If the Association is required to round down to a \$.01 per 1,000 gallons decrease, the annual reduction in revenue would be approximately \$1,000 more than the actual annual reduction in the Association's costs.

Judy Water Association's next Board meeting is on Monday April 10th, 2017, this issue will be discussed at that meeting, and minutes from that meeting can be provided once available. I do feel confident that the Board will agree with the statements in this letter.

All income sheets and balance statements are current and on file with the PSC. If you have any additional questions, I can be contacted at 859-398-1009.

Thank you,

A handwritten signature in black ink, appearing to read 'B. Ray Fawns', with a long horizontal flourish extending to the right.

Billy Ray Fawns  
Manager

**RECEIVED****MAR 27 2017**Public Service  
Commission

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

|                  |                        |       |  |
|------------------|------------------------|-------|--|
| Name of Utility  | JUDY WATER ASSOCIATION |       |  |
| Date             | 3-23-2017              |       |  |
| Address          | P.O. BOX 781           |       |  |
| City, State, Zip | MOUNT STERLING, KY     | 40353 |  |
| Telephone Number | 859-498-4809           |       |  |
| Email Address    | brfawns@gmail.com      |       |  |

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                             |
|-----------------------------|--|--|
| MT. STERLING WATER          | \$2.96 PER THOUSAND                      | NO CHANGE                                |
| CITY OF NORTH<br>MIDDLETOWN | \$5.01 PER THOUSAND<br>(FIRST 2 MILLION) | \$5.00 PER THOUSAND<br>(FIRST 2 MILLION) |
|                             | \$5.11 PER THOUSAND<br>(OVER 2 MILLION)  | \$5.10 PER THOUSAND<br>(OVER 2 MILLION)  |
|                             |  |  |

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 | MARCH 2016       | through | FEBRUARY 2017    |
|      | (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   |
|---|--|
| MT. STERLING WATER  | 118,509,100                                |
| CITY OF NORTH MIDDLETOWN  | 24,000,000 (\$5.01)<br>12,727,000 (\$5.11) |
|   |  |
| TOTAL PURCHASES   | 155,236,000                                |
|   |  |
| 4. Total gallons sold for the 12 month period   | 137,787,000                                |
|   |  |
| 5. Increased water cost   | (\$367)                                    |
| <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  | (\$ .002)                                  |
| <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  | MARCH 29, 2017                             |
|   |  |
|    |  |
| Signature of Utility Officer  |  |
| MANAGER   |  |
| Title   |  |

FOR Montgomery, Clark, Bourbon, and Bath \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Judy Water Association  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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RATE SCHEDULE

|                            |                    |                                     |
|----------------------------|--------------------|-------------------------------------|
| <u>First 1,000 gallons</u> | <b>OLD \$13.07</b> | <b>NEW \$13.07</b> Minimum bill     |
| <u>Next 4,000 gallons</u>  | <b>OLD \$8.70</b>  | <b>NEW \$8.70</b> per 1,000 gallons |
| <u>Next 5,000 gallons</u>  | <b>OLD \$7.80</b>  | <b>NEW \$7.80</b> per 1,000 gallons |
| <u>Over 10,000 gallons</u> | <b>OLD \$6.90</b>  | <b>NEW \$6.90</b> per 1,000 gallons |

A \$16.77 surcharge will be added to the bills of customers on the Bourbon County Waterline Extension.  
Therefore, the minimum bill for those customers will be \$29.84 ( 13.07 + 16.77 = 29.84)

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DATE OF ISSUE 3-23-17  
Month / Date / Year

DATE EFFECTIVE 3-29-17  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



## NOTICE

As a result of a decrease in water rates from Kentucky-American Water Company, the City of North Middletown plans to file with the Public Service Commission on or before March 10, 2017, to decrease its wholesale water rate to Judy Water Association by \$.01 per 1,000 gallons. The new rates are proposed to become effective for water service rendered on and after March 29, 2017, as set forth below:

|                        |                        | <u>Current Rate</u>     | <u>Proposed Rate</u>    | <u>% Difference</u> |
|------------------------|------------------------|-------------------------|-------------------------|---------------------|
| Judy Water Association |                        |                         |                         |                     |
| First                  | 70,000 gallons per day | \$5.01 per 1000 gallons | \$5.00 per 1000 gallons | 0.2% Decrease       |
| Over                   | 70,000 gallons per day | \$5.11 per 1000 gallons | \$5.10 per 1000 gallons | 0.2% Decrease       |

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

This filing may be examined at the utility's office located at 3287 North Middletown Road in North Middletown, 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 Public Service Commission's 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, Kentucky 40602; or through its website at <http://psc.ky.gov>.

While the rates contained in this notice are the rates proposed by the City of North Middletown, the Public Service Commission may order rates that differ from the proposed rates contained in this notice.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 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.