



MOREHEAD UTILITY PLANT BOARD

Serving You Over 50 Years

November 8, 2012

Ms. Sherry Green
Bath County Water
PO Box 369
Salt Lick KY 40371

Re: Water Rates for 2013

Dear Ms. Green:

Attached for your information and review are copies of our accountant's letter and his computation of the cost for water we will furnish to you during calendar year 2013.

Should you have any questions or desire additional information regarding this computation please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Mike Nickell".

R. Mike Nickell
General Manager

RMN:bh

enclosures



Eldridge, Jackson & Leedy, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

November 5, 2012

Robert M Nickell
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

Dear Mr. Nickell:

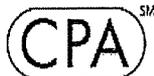
Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2013 shall be as follows:

	Rowan Water Incorporated	Bath County Water District
Monthly Capital Costs	\$ 25,345.08	\$ 18,556.37
Meter and Billing Charges \$ 10.00 per meter	70.00	10.00
Per Thousand Gallons of Water Sold	\$1.088	\$1.088

If I can be of further assistance, please feel free to contact me at any time.

Sincerely,

Timothy S. Eldridge
Certified Public Accountant



MUPB
WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT
CALENDAR YEAR 2013 RATE CALCULATION

1. Cash Operation and Maintenance Expense	(a) Amount x	Percent /	(b) Total Billed Gals (1,000's)	equals	Rate per 1,000 gals.
Water Utility Operating Expense	1,718,581	74%	1,386,296	equals	0.917
General & Admin Expense	786,206	30%	1,386,296	equals	0.170
Total rate per 1,000 gallons to Rowan and Bath Water					1.088

2. Capital Cost including Part C meter and billing charges

<u>Part A</u>	<u>Rowan</u>	<u>Bath</u>
Fixed Capital Charge per Month to Dec 2021 From Original 1979 Water Contract	3,378.75	1,822.25
Raw Water Intake Capital Charge to Dec 2023	1,370.60	584.13
Sludge Dewatering Project:		
Debt Service for 240 months to Dec 2013	604.93	403.29
Debt Reserve to June 2001 - completed	0.00	0.00
[c] Additional Unfunded Capital Expenditures adjusted annually		
24,277.27 divided by 12	35.3671% Rowan	715.51
	27.0323% Bath	546.89
<u>Part B</u>		
Fixed Capital Charge per Month-adjusted Jan 2024	17,662.36	13,927.91
Debt Reserve per month - new debt issue to Dec 2013	1,612.93	1,271.90
Total Monthly Capital Cost	25,345.08	18,556.37
<u>Part C</u>		
Monthly Charge (\$10.00 per meter)	70.00	10.00

- (a) Expense amounts taken from the annual audited financial statements
- (b) Water Consumption (billed gallons) furnished by the Morehead Utility Plant Board
- (c) Represents annual depreciation expense amounts for unfunded capital expenditures

FOR Morehead, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

7th Revised SHEET NO. 1

Morehead Utility Plant Board
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

6th Revised SHEET NO. 1

RATES AND CHARGES

Monthly Rates:

	Rowan Water Incorporated	Bath County Water District
Capital Costs	\$25,345.08	\$18,556.37
Meter and Billing Charges \$10.00 per meter	70.00	10.00
Per Thousand Gallons of Water Sold	\$1.088	\$1.088

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE January 1, 2013
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

**NOT AN AUTHORIZED
TARIFF PAGE**

**INFORMATIONAL
PURPOSES
ONLY**

PREPARED
DECEMBER 3, 2012
PSC STAFF