

McKinney Water District

2900 Middleburg Road ~ PO Box 7 ~ McKinney, Ky. 40448 ~ USA
Phone 606-346-2220 ~ Fax 606-346-5145

October 02, 2006

Public Service Commission
211 Sower Blvd. PO Box 615
Frankfort, Ky. 40602-0615

RECEIVED

OCT 3 2006

**PUBLIC SERVICE
COMMISSION**

Dear Ms. Thompson,

Case No. 2006-00433

Enclosed are the "Purchased Water Adjustment" forms you helped me with last week. I hope everything meets the requirements of the Public Service Commission.

Please contact me if more information is needed or if anything is incorrect.

Thank you so much for your help.

Sincerely,

Nicki Bastin

NICKI BASTIN
MWD CLERK

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

McKinney Water District
(Name of Utility)

10/02/2006
(Date)

2900 Middleburg Road, PO Box 7
(Address)

McKinney, Ky. 40448
(City, State)

606-346-2220
(Telephone Number)

Case No. 2006-00433

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PUBLIC SERVICE
COMMISSION

- 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 shedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Stanford Waterworks</u>	\$1.77 per 1,000 gallons	\$2.04 per 1,000 gallons
<u>Eubank Water System</u>	\$105.55 1st 25,000 gallons	no change
<u></u>	3.30 per 1,000 gallons in excess of 25,000 gallons	no change

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.
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 September 2005 through August 2006
 (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
<u>City of Stanford Waterworks</u>	<u>104,052,000</u>
<u>Eubank Water System</u>	<u>22,652,300 - see attachment</u>
<hr/>	
TOTAL PURCHASES	<u>126,704,300</u>

4. Total sales for the 12 month period 92,040,800.

5. Increased water cost \$28,094.04.

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

6. Purchased water adjustment factor .0003052342 per gallon (.31 per 1,000 gal)

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

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.

7. Proposed effective date 10/01/2006


(Signature of Utility Officer)

Chairman
(Title)

ATTACHMENT

Water Purchases
from Eubank

	Gallons	Cost
September 05	2,172,500	7,192.30
October 05	2,342,700	7,753.96
November 05	1,796,800	5,952.49
December 05	1,851,400	6,132.67
January 06	1,714,700	5,681.56
February 06	1,815,600	6,014.53
March 06	1,601,100	5,306.68
April 06	1,611,200	5,340.01
May 06	1,889,200	6,257.41
June 06	1,627,100	5,392.48
July 06	2,013,600	6,667.93
August 06	<u>2,216,400</u>	<u>7,337.17</u>
total	22,652,300	75,029.19

606-348-5145

CITY OF STANFORD WATERWORKS

PHONE (606) 365-4510
(606) 365-4512
FAX (606) 365-4510

STANFORD, KENTUCKY 40484

P.O. BOX 45

July 5, 2006

Les Gooch
Chairman
McKinney Water District
P.O. Box 7
McKinney, KY 40448

IN RE: Water rate increase

Dear Mr. Gooch:

As you are aware, the Stanford Water Commission has secured funding through USDA Rural Development for a water line from the Buck Creek Lake to Stanford City Lake. This project will benefit Stanford Water Department and its customers, including McKinney Water District and your customers.

As a condition of this funding, Stanford Water Commission has been required to raise water rates. For that reason, Stanford Water Commission has recommended to Stanford City Council to raise McKinney Water District's wholesale water rate to \$2.04 per 1,000 gallons of water. This adjustment is in accordance with the provisions for rate adjustments in the current Water Purchase Agreement. This increase is equal to the increase of all Stanford Water customers, \$.27 per 1,000 gallons of water.

The Stanford City Council will meet July 6, 2006 and I expect they will pass an ordinance increasing water rates, as recommended by Stanford Water Commission. At that time, Stanford Water Commission will provide the necessary documentation to the Public Service Commission for approval of the rate increase. The new rate is proposed to become effective September 1, 2006.

If you have any questions about the water rate increase, please feel free to contact Alan Deshon or me at 365-4510 or our counsel, Stephanie Baker Wilcher, at 365-9186. I look forward to continuing to work with you.

FOR McKinney, Lincoln County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. _____

City of Stanford

(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

McKinney Water District

~~\$2.04~~ per 1,000 gallons wholesale potable water at all delivery points, effective September 1, 2006
Previous rate was \$1.77 per 1,000 gallons, all rates were increased by \$.27 per 1,000 gallons

The following items are attached:

1. Ordinance adjusting water rates, first reading by Stanford City Council
2. Letter notifying McKinney Water District of rate adjustment

The Water Purchase Contract between the City of Stanford and McKinney Water District was enacted August 5, 1990 and is on file with the Kentucky Public Service Commission.

DATE OF ISSUE July 31, 2006
Month / Date / Year

DATE EFFECTIVE September 1, 2006
Month / Date / Year

ISSUED BY *C. Ben Doherty*
(Signature of Officer)

TITLE Manager, Stanford Water and Sewer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
9/1/2006
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By *[Signature]*
Executive Director

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

4th revised SHEET NO. 20

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

3^d revised SHEET NO. 20

McKinney Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

1" Meter

First	5,000 gallons	\$38.80 minimum bill
Next	5,000 gallons	5.92 per 1,000 gallons
Over	10,000 gallons	5.28 per 1,000 gallons

2" Meter


First	20,000 gallons	\$121.20 minimum bill
Over	20,000 gallons	5.28 per 1,000 gallons

DATE OF ISSUE _____

Month / Date / Year

DATE EFFECTIVE 10 / 01 / 2006

Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

2nd revised SHEET NO. 19

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

1st revised SHEET NO. 19

McKinney Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

5/8" X 3/4" meter

First	1,000 gallons	\$12.46 minimum bill
Next	2,000 gallons	7.25 per 1,000 gallons
Next	7,000 gallons	5.92 per 1,000 gallons
Next	10,000 gallons	5.28 per 1,000 gallons

DATE OF ISSUE _____

Month / Date / Year

DATE EFFECTIVE 10 / 01 / 2006

Month / Date / Year

ISSUED BY 

(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____