

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

**RECEIVED**

JUL 06 2007

PUBLIC SERVICE  
 COMMISSION

BATH COUNTY WATER DISTRICT

\_\_\_\_\_  
 (Name of Utility)

JUNE 29, 2007

\_\_\_\_\_  
 (Date)

PO BOX 369

\_\_\_\_\_  
 (Address)

SALT LICK, KY 40371

\_\_\_\_\_  
 (City, State)

(606) 683-6363

\_\_\_\_\_  
 (Telephone Number)

Case No.  
 2007-00299

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.

| <u>Supplier(s)</u>           | <u>Base Rate</u>            | <u>Changed Rate</u>         |
|------------------------------|-----------------------------|-----------------------------|
| Morehead Utility Plant Board | 18,630.53<br>.786 per 1,000 | 18,628.44<br>.908 per 1,000 |
| Mt. Sterling Water           | 1.88 per 1,000              | 1.88 per 1,000              |
| _____                        | _____                       | _____                       |
| _____                        | _____                       | _____                       |

- 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   6/1/2006   through   5/31/2007    
           (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 decline block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

| Supplier(s)                  | Gallons Purchased<br>during 12 month period |
|------------------------------|---|
| Morehead Utility Plant Board | 369,481,000                                 |
| Mt. Sterling Water           | 38,955,000                                  |
| TOTAL PURCHASES              | 408,436,000                                 |

4. Total sales for the 12 month period   359,468,000  .

5. Increased water cost 45,051.60.

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

6. Purchased water adjustment factor .13.

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 8/15/2007.

  
(Signature of Utility Officer)

Acting Chairman  
(Title)

# BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369  
SALT LICK, KENTUCKY 40371  
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

June 29, 2007

Public Service Commission  
Mr. Bent Kirtley  
Tariff Review Branch Manager  
Post Office Box 615  
Frankfort, Kentucky 40602-0615

**RE: Purchase Water Adjustment**

Dear Mr. Kirtley:

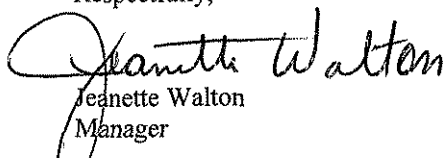
The City of Morehead has given the Bath County Water District official notice of a rate increase, effective January 1, 2007. We have enclosed an application for a Purchase Water Adjustment in order to pass this increase on to the Districts customers. A Notice has been sent to the local newspapers showing the proposed changes. A letter has been sent to our Wholesale Customers with the proposed changes.

The following documents are attached:

1. Entire rate schedule from Suppliers.
  - A. Mt. Sterling Water & Sewer
  - B. Morehead Utility Plant Board
2. Notice from supplier showing increase and effective date
  - A. Letter from Morehead Utility Plant Board
3. Revised Tariff Sheets
  - A. Tariff Sheet Monthly Water Rates
  - B. Tariff Sheet for Leak Adjustments, Wholesale Water Rates & Bulk Rate
  - C. Tariff Sheet for Purchased Water Rates
4. Purchase Water Adjustment Worksheet
  - A. Worksheet for calculations
5. Notice sent to local papers
  - A. Notice as sent to the papers for publications
6. Letters to Wholesale Customers
  - A. Letter to Wholesale Customer Sharpsburg Water District
  - B. Letter to Wholesale Customer City of Frenchburg
  - C. Letter to Wholesale Customer City of Owingsville

If you need further information or if you have questions please do not hesitate to call.

Respectfully,

  
Jeanette Walton  
Manager  
Enclosures

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET  
MOUNT STERLING, KENTUCKY 40353-0392

June 22, 2005

TO: ALL MT. STERLING WATER AND SEWER SYSTEM CUSTOMERS:

Bath County Water  
Judy Water Association  
Levee Water Association  
Montgomery County Water District #1  
Reid Village Water District

FROM: DAVE PEARCE, MT STERLING WATER AND SEWER SYSTEM  
COMMISSION

RE: NEW WHOLESALE WATER RATE

The purpose of this memo is to advise each of the wholesale customers purchasing treated water from Mt. Sterling Water & Sewer System that there will be a rate increase effective October 1, 2005. The new wholesale rate will be:

\$1.88 per thousand gallons

Please note that this is a flat rate. Your current rate has averaged \$1.73 per thousand gallons. The increase will average about 8%. The last increase was in 1998. The increase is necessitated by the fact that our operating expenses through the last four years have increased over 30% with revenues increasing less than 8%. Your cooperation and understanding is greatly appreciated. Feel free to call if there are questions. I will be filing the rate increase with the Public Service Commission within the next several work days. Hopefully this advance notice will give each entity time to study and adjust as necessary.

Respectfully,



Dave Pearce  
General Manager  
Mt. Sterling Water & Sewer System

c.c. P.S.C.

WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT  
 CALENDAR YEAR 2007 RATE CALCULATION

| 1. Cash Operation and Maintenance Expense                   | (a)       |           | (b)                               | equals | Rate per<br>1,000 gals. |
|---|-----------|-----------|-----------------------------------|--------|-------------------------|
|   | Amount x  | Percent / | Total<br>Billed Gals<br>(1,000's) |        |                         |
| Water Utility Operating Expense                             | 1,241,188 | 74%       | 1,245,083                         | equals | 0.738                   |
| General & Admin Expense                                     | 706,717   | 30%       | 1,245,083                         | equals | 0.170                   |
| <b>Total rate per 1,000 gallons to Rowan and Bath Water</b> |           |           |                                   |        | <b>0.908</b>            |

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<br>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                  |                  |                  |
| 27,476.23                      35.3671% Rowan                                   | 809.80           |                  |
| 27.0323% Bath   |                  | 618.96           |
| <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         |
| <b>Total Monthly Capital Cost</b>   | <b>25,439.37</b> | <b>18,628.44</b> |
| <u>Part C</u>   |                  |                  |
| Monthly Charge (\$10.00 per meter)  | <b>70.00</b>     | <b>10.00</b>     |

(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

MEMBER  
Kentucky Society of  
Certified Public Accountants  
American Institute of  
Certified Public Accountants

TIMOTHY S. ELDRIDGE  
CERTIFIED PUBLIC ACCOUNTANT

TELEPHONE  
(606) 849-3431  
Fax: (606) 849-3396  
P.O. Box 226  
114 N. Main Cross  
Flemingsburg, KY 41041

Janet R. Jackson, CPA  
Brian S Leedy, CPA

January 5, 2007

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

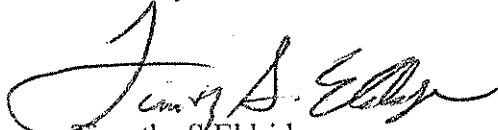
Dear Mr. Nickell:

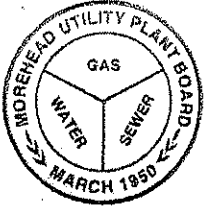
Pursuant to the Interlocal Agreement between The City of Morehead, Morehead Utility Plant Board, Rowan Water Incorporated and Bath County Water District, it has been determined that the wholesale rate for water sold by you to Rowan Water, Inc. and the Bath County Water District in calendar year 2007 shall be as follows:

|   | Rowan Water Incorporated | Bath County Water District |
|---|--------------------------|----------------------------|
| Monthly Capital Costs                           | \$ 25,439.37             | \$ 18,628.44               |
| Meter and Billing Charges<br>\$ 10.00 per meter | 70.00                    | 10.00                      |
| Per Thousand Gallons of<br>Water Sold           | 90.8 cents               | 90.8 cents                 |

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

Sincerely,

  
Timothy S Eldridge  
Certified Public Accountant



# MOREHEAD UTILITY PLANT BOARD

*Serving You Over 50 Years*

January 17, 2007

Ms. Jeanette Walton  
Bath County Water  
PO Box 369  
Salt Lick KY 40371

Re: Water Rates for 2007

Dear Ms. Walton:

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 2007.

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



Form for filing Rate Schedules

FOR All territories served  
Community, Town, or City

P.S.C. No. 1

Bath County Water District  
Name of Issuing Corporation

Original SHEET NO. 4

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

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

RATES AND CHARGES

RATE  
PER UNIT

A. MONTHLY WATER RATES

5/8 Inch X 3/4 Inch Meter:

|       |                |                        |
|-------|----------------|------------------------|
| First | 2,000 Gallons  | \$11.63 Minimum Bill   |
| Next  | 3,000 Gallons  | 4.89 Per 1,000 Gallons |
| Next  | 5,000 Gallons  | 3.59 Per 1,000 Gallons |
| Next  | 10,000 Gallons | 2.99 Per 1,000 Gallons |
| Next  | 30,000 Gallons | 2.79 Per 1,000 Gallons |
| Over  | 50,000 Gallons | 2.69 Per 1,000 Gallons |

1 Inch Meter:

|       |                |                        |
|-------|----------------|------------------------|
| First | 10,000 Gallons | \$44.25 Minimum Bill   |
| Next  | 10,000 Gallons | 2.99 Per 1,000 Gallons |
| Next  | 30,000 Gallons | 2.79 Per 1,000 Gallons |
| Over  | 50,000 Gallons | 2.69 Per 1,000 Gallons |

2 Inch Meter:

|       |                |                        |
|-------|----------------|------------------------|
| First | 50,000 Gallons | \$157.85 Minimum Bill  |
| Over  | 50,000 Gallons | 2.69 Per 1,000 Gallons |

DATE OF ISSUE \_\_\_\_\_  
Month/Date/Year

DATE EFFECTIVE \_\_\_\_\_  
Month/Date/Year

ISSUED BY Marvin R. Crouch  
(Signature of Officer)

TITLE Chairman

By Authority of Order of the Public Service Commission  
In Case No. \_\_\_\_\_ Dated \_\_\_\_\_.

Form for filing Rate Schedules

FOR All territories served  
Community, Town, or City

P.S.C. No. 1

Bath County Water District  
Name of Issuing Corporation

Original SHEET NO. 9

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

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

RATES AND CHARGES

RATE  
PER UNIT

F. LEAK ADJUSTMENT RATE: \$ 2.23 Per 1,000 Gallons

G. WHOLESALE WATER RATES:

Sharpsburg Water District \$ 2.67 Per 1,000 Gallons

City of Frenchburg \$ 2.26 Per 1,000 Gallons

City of Owingsville  
Monthly Debt Service Payment \$ 4,733.91 Minimum Bill  
All Usage 1.83 Per 1,000 Gallons

Bulk Sales \$ 7.28 Per 1,000 Gallons

DATE OF ISSUE \_\_\_\_\_  
Month/Date/Year

DATE EFFECTIVE \_\_\_\_\_  
Month/Date/Year

ISSUED BY Mawon R. Crouch  
(Signature of Officer)

TITLE Chairman

By Authority of Order of the Public Service Commission  
In Case No. \_\_\_\_\_ Dated \_\_\_\_\_.

FOR All Territories Served  
Bath County Water District  
P.S.C. KY. NO. \_\_\_\_\_

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

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

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

Bath County Water District  
(Name of Utility)

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RATES AND CHARGES

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PURCHASED WATER RATES:

Upon increase or decrease in the wholesale rate of purchased water by its supplier, the utility may apply for an adjustment to its water rates in accordance with 807KAR 5:068. The base rate for future application of the purchased water adjustment clause is:

|                              | <u>Rates</u> |                      |
|------------------------------|--------------|----------------------|
| Morehead Utility Plant Board | \$ 18628.44  | Capital Cost         |
|                              | 10.00        | Meter Billing Charge |
|                              | .908         | Per 1,000 gallons    |
| Mt. Sterling Water & Sewer   | 1.88         | per 1,000 gallons    |

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY Marvin R. Crouch  
Month / Date / Year  
(Signature of Officer)

TITLE Chairman

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

## NOTICE

Due to a rate increase from the City of Morehead, notice is hereby given that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by .13 cents per 1,000 gallons used. The proposed change will be effective for all bills issued on and after July 1, 2007.

| <u>Monthly Rate:</u> | <u>Current</u> | <u>Proposed</u> | <u>% Increase</u> |
|----------------------|----------------|-----------------|-------------------|
|----------------------|----------------|-----------------|-------------------|

**5/8 Inch X 3/4 Inch Meter:**

|                     |          |          |    |
|---------------------|----------|----------|----|
| First 2,000 Gallons | \$ 11.37 | \$ 11.63 | 2% |
| Next 3,000 Gallons  | 4.76     | 4.89     | 3% |
| Next 5,000 Gallons  | 3.46     | 3.59     | 4% |
| Next 10,000 Gallons | 2.86     | 2.99     | 5% |
| Next 30,000 Gallons | 2.66     | 2.79     | 5% |
| Next 50,000 Gallons | 2.56     | 2.69     | 5% |

**1 Inch Meter:**

|                      |          |          |    |
|----------------------|----------|----------|----|
| First 10,000 Gallons | \$ 42.95 | \$ 44.25 | 3% |
| Next 10,000 Gallons  | 2.86     | 2.99     | 5% |
| Next 30,000 Gallons  | 2.66     | 2.79     | 5% |
| Over 50,000 Gallons  | 2.56     | 2.69     | 5% |

**2 Inch Meter:**

|                      |           |           |    |
|----------------------|-----------|-----------|----|
| First 50,000 Gallons | \$ 151.35 | \$ 157.85 | 4% |
| Over 50,000 Gallons  | 2.56      | 2.69      | 5% |

**Bulk Sales**

|                   |         |         |    |
|-------------------|---------|---------|----|
| Per 1,000 Gallons | \$ 7.15 | \$ 7.28 | 2% |
|-------------------|---------|---------|----|

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$0.65 from \$25.65 to \$26.30 or 2.6%.

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

Bath County Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 21 Church Street in Salt Lick, Kentucky. Bath County Water District.

# BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369  
SALT LICK, KENTUCKY 40371  
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

July 3, 2007

Mayor Eddie Bryant  
City of Frenchburg  
Post Office Box 113  
Frenchburg, Kentucky 40322

Re: Adjustment to Wholesale Water Rate

Dear Mayor Bryant:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new wholesale rate will increase by .13 cents per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after August 15, 2007.

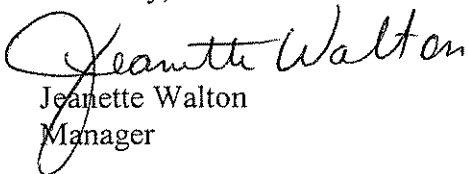
| Current Rate             | Proposed Rate            |
|--------------------------|--------------------------|
| \$2.13 Per 1,000 gallons | \$2.26 Per 1,000 gallons |

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,

  
Jeanette Walton  
Manager

# BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369  
SALT LICK, KENTUCKY 40371  
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

July 3, 2007

Ms. Gayle Haney  
Sharpsburg Water District  
Post Office Box 248  
Sharpsburg, Kentucky 40374

Re: Adjustment of Wholesale Water Rate

Dear Ms. Haney:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new wholesale rate will increase by .13 cents per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after August 15, 2007.


| Current Rate | Proposed Rate |
|--------------|---------------|
| \$2.54       | \$2.67        |

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,

  
Jeanette Walton  
Manager

# BATH COUNTY WATER DISTRICT

POST OFFICE BOX 369  
SALT LICK, KENTUCKY 40371  
TELEPHONE: (606) 683-6363

TDD/TTY 1-800-648-6056

July 3, 2007

Mayor Don Kincaid  
City of Owingsville  
Post Office Box 639  
Owingsville, Kentucky 40360

Re: Adjustment of Wholesale Water Rate

Dear Mayor Kincaid:

Due to a rate increase from the City of Morehead, please accept this as formal notice that the Bath County Water District has filed an Application for a Purchased Water Adjustment with the Public Service Commission for the purpose of adjusting its water rates. The new wholesale rate will increase by .13 cents per 1,000 gallons purchased. This proposed change will be effective for all bills issued on and after August 15, 2007.

Monthly Debt Service Payment \$4,733.91 Minimum Bill Plus

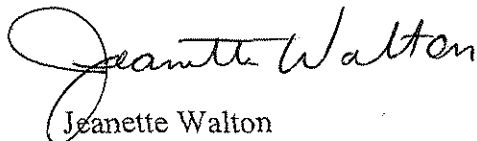
| Current Rate             | Proposed Rate            |
|--------------------------|--------------------------|
| \$1.70 per 1,000 gallons | \$1.83 per 1,000 gallons |

The rate in this notice is the rate proposed by the Bath County Water District. However, the Public Service Commission may order rates to be charged that differ from this rate. Such action may result in rates other than the rate included in this notice.

The application submitted to the Public Service Commission is on file in our office and is available for your inspection.

If you have questions or desire additional information please call our office.

Sincerely,



Jeanette Walton  
Manager