

# Magoffin County Water District

P.O. Box 490 ♦ Salyersville, Kentucky 41465

606-349-6812

November 25, 2008

Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort, KY 40602

RECEIVED

NOV 26 2008

PUBLIC SERVICE  
COMMISSION

Office of the Attorney General  
Rate Intervention Division  
100 Perimeter Park  
Frankfort, KY 40602

2008-00490

**RE: Formal Application for Increase in Non-recurring Charges**

This is an application to revise language and certain non-recurring charges for the Magoffin County Water District. Attached are the non-recurring charge cost justifications, proposed new tariff sheets and customer notice.

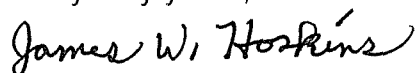
Magoffin County is not requesting a water rate increase at this time. However, the District can no longer absorb increased costs attributable to certain non-recurring charges. The customers affected by these increases will be the customers that cause the District to incur these additional expenses.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

The District will publish the enclosed public notice of these requested rate revisions in the local newspaper. An affidavit from the newspaper verifying that the notice was published for three consecutive weeks will be forwarded to you.

A copy of this application and related filings has been given to the Office of the Attorney General, 100 Perimeter Park Frankfort, KY 40601.

Very truly yours,



James W. Hoskins, Superintendent  
Magoffin County Water District

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test Charge

1. Field Expense:

A. Materials (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_

B. Labor (Time and Wage)

.5 hours at \$20 \$ 10.00

**Total Field Expense** \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

**Total Clerical and Office Expense** \$ **5.00**

3. Miscellaneous Expense

A. Transportation 35 miles @ .585 \$ 20.48

B. Other (Itemize)

Meter Test plus shipping \$ 25.00

**Total Miscellaneous Expense** \$ **20.48**

**Total Nonrecurring Charge Expense** \$ **60.48**

USE \$ 50.00

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Connection/Turn-on Charge

1. Field Expense:

A. Materials (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_

B. Labor (Time and Wage)

.5 hours at \$20 \$ 10.00

**Total Field Expense** \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

**Total Clerical and Office Expense** \$ **5.00**

3. Miscellaneous Expense

A. Transportation 35 miles @ .585 \$ 20.48

B. Other (Itemize)

\_\_\_\_\_

**Total Miscellaneous Expense** \$ **20.48**

**Total Nonrecurring Charge Expense** \$ **35.48**

USE \$ 35.00

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection Fee

1. Field Expense:

A. Materials (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_

B. Labor (Time and Wage)

.5 hours @ \$20 \$ 10.00

**Total Field Expense** \$ **10.00**

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

**Total Clerical and Office Expense** \$ **5.00**

3. Miscellaneous Expense

A. Transportation 35 miles @ .585 \$ 20.48

B. Other (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
**Total Miscellaneous Expense** \$ **20.48**

**Total Nonrecurring Charge Expense** \$ **35.48**

USE \$ 35.00

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Returned Check

1. Field Expense:

A. Materials (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_

B. Labor (Time and Wage)

\_\_\_\_\_

**Total Field Expense** \$ \_\_\_\_\_

2. Clerical and Office Expense

A. Supplies \$ 2.00

B. Labor \$ 3.00

**Total Clerical and Office Expense** \$ 5.00

3. Miscellaneous Expense

A. Transportation \$ \_\_\_\_\_

B. Other (Itemize)

Bank Charge 25.00

**Total Miscellaneous Expense** \$ 25.00

**Total Nonrecurring Charge Expense** \$ 30.00

USE \$ 30.00

AVERAGE METER CONNECTION EXPENSE  
COST JUSTIFICATION

Name of Utility: Magoffin County Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8 - inch     1-inch     1/2-inch     2-inch

Other (specify) \_\_\_\_\_

B. Materials Expense

|  | <u>Quantity</u> | <u>Unit Cost</u> | <u>Total Cost</u> |
|--|-----------------|------------------|-------------------|
| 1. Water Meter                                     | — 1 —           | \$ 44.50         | \$ 44.50          |
| 2. Meter Yoke                                      | — 1 —           | \$ 56.59         | \$ 56.59          |
| 3. Corporation Stop                                | — 1 —           | \$ 20.84         | \$ 20.84          |
| 4. Meter Box and Top                               | — 1 —           | \$ 48.50         | \$ 48.50          |
| 5. Miscellaneous Fittings                          | — 1 —           | \$ 3.10          | \$ 3.10           |
| 6. Other (Itemize) saddle                          | — 1 —           | \$ 21.65         | \$ 21.65          |
| <b>Total Materials Expense</b><br>(add total cost) |                 |                  | <b>\$ 195.18</b>  |

**C. Service Pipe Expense**

Type of Service Pipe CTS 200psi      Size of Service Pipe 3/4

|   | <u>Quantity</u> | <u>Unit Cost</u> | <u>Total Cost</u> |
|---|-----------------|------------------|-------------------|
| 1. Short Side Service                                   | <u>12</u>       | <u>\$ .23</u>    | <u>\$ 2.76</u>    |
| 2. Long Side Service                                    | <u>45</u>       | <u>\$ .23</u>    | <u>\$ 10.35</u>   |
| <b>Average Cost</b><br>(Add total cost and divide by 2) |                 |                  | <u>\$ 6.56</u>    |

**D. Installation Expense**

|   | <u>Labor</u> | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|---|--------------|--------------------|--------------------|-------------------|
| 1. Short Side Service<br>(3 persons@ \$20/hr)           |              | <u>2</u>           | <u>\$ 60.00</u>    | <u>\$ 120.00</u>  |
| 2. Long Side Service<br>(5 persons@ \$20/hr)            |              | <u>4</u>           | <u>\$ 100.00</u>   | <u>\$ 400.00</u>  |
| <b>Average Cost</b><br>(Add total cost and divide by 2) |              |                    |                    | <u>\$ 260.00</u>  |

|   | <u>Equipment</u> | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|---|------------------|--------------------|--------------------|-------------------|
| 1. Short Side Service (backhoe)                         |                  | <u>2</u>           | <u>\$ 50.00</u>    | <u>\$ 100.00</u>  |
| 2. Long Side Service                                    |                  | <u>4</u>           | <u>\$ 50.00</u>    | <u>\$ 200.00</u>  |
| <b>Average Cost</b><br>(Add total cost and divide by 2) |                  |                    |                    | <u>\$ 150.00</u>  |

Installation Expense continued

|  | <u>Total<br/>Hours</u> | <u>Hourly<br/>Rate</u> | <u>Total<br/>Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Inspection                                  | _____                  | _____                  | _____                 |
| 2. Site Clean-up                               | _____                  | _____                  | _____                 |
| 3. Other (itemize)                             | _____                  | _____                  | _____                 |
| <b>Total Miscellaneous</b><br>(add total cost) |                        |                        | _____                 |

E. Overhead Expense

|   |  |                 |
|---|--|-----------------|
| 1. Installation expense (\$ <del>201.74</del> ) times<br>overhead rate ( <del>5%</del> ). |  | \$ <u>10.09</u> |
|---|--|-----------------|

F. Administrative Expense

|   |  |                |
|---|--|----------------|
| 1. Office expense for establishing a new account<br>and billing record. |  | \$ <u>7.19</u> |
|---|--|----------------|

G. Total Expense

1. Total of all items:

|                                 |                  |
|---------------------------------|------------------|
| Materials Expense               | \$ <u>195.18</u> |
| Service Pipe Expense            | \$ <u>6.56</u>   |
| Installation Labor Expense      | \$ <u>260.00</u> |
| Installation Equipment Expense  | \$ <u>150.00</u> |
| Miscellaneous Expense           | \$ <u>0.00</u>   |
| Overhead Expense                | \$ <u>10.09</u>  |
| Administrative Expense          | \$ <u>7.19</u>   |
| <b>Total Connection Expense</b> | \$ <u>629.02</u> |
| USE                             | \$ 600.00        |



FOR Magoffin and Floyd Counties, Kentucky  
Community, Town or City

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

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

Magoffin County Water District  
(Name of Utility)

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

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

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CONTENTS

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B. DEPOSITS: (Required for rental property only)

Residential

5/8" x 3/4" Meter \$70.00

1" Meter \$75.00

Commercial

3/4" Meter \$100.00

1" Meter \$125.00

2" Meter \$150.00

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DATE OF ISSUE November 25, 2008  
Month / Date / Year

DATE EFFECTIVE January 01, 2009  
Month / Date / Year

ISSUED BY James W. Hoskins  
Month / Date / Year  
(Signature of Officer)

TITLE Superintendent

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

FOR Magoffin and Floyd Counties, Kentucky  
Community, Town or City

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

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

Magoffin County Water District  
(Name of Utility)

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

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

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RATES AND CHARGES

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C. METER CONNECTION/TAP-ON CHARGES:

|                     |             |
|---------------------|-------------|
| 5/8 Inch X 3/4 Inch | \$600.00    |
| All Larger Meters   | Actual Cost |

If the Utility encounters rock during the installation of a service, the customer shall be charged actual cost for said rock removal.

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DATE OF ISSUE November 25, 2008  
Month / Date / Year

DATE EFFECTIVE January 01, 2009  
Month / Date / Year

ISSUED BY James W. Hopkins  
Month / Date / Year  
(Signature of Officer)

TITLE Superintendent

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

FOR Magoffin and Floyd Counties, Kentucky  
Community, Town or City

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

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

Magoffin County Water District  
(Name of Utility)

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

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

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RULES AND REGULATIONS

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D. SPECIAL NON-RECURRING CHARGES:

|                           |             |
|---------------------------|-------------|
| Connection/Turn-on Charge | \$35.00     |
| Field Collection Charge   | 5.00        |
| Late Payment Penalty      | 10%         |
| Meter Relocation Charge   | Actual Cost |
| Meter Test Charge         | 50.00       |
| Re-connection Charge      | 35.00       |
| Returned Check Charge     | 30.00       |

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Month / Date / Year  
(Signature of Officer)

TITLE Superintendent

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

## NOTICE

Magoffin County Water District has filed an application with the Public Service Commission to increase its non-recurring charges for water service, within 30 days from filing its application as follows:

| Charge                                   | Current | Proposed    |
|--|---------|-------------|
| Connection/Turn-on                       | 25.00   | 35.00       |
| Reconnection                             | 25.00   | 35.00       |
| Meter Test                               | 25.00   | 50.00       |
| Returned Check                           | 7.00    | 30.00       |
| Connection Fee 5/8x3/4 inch meter        | 400.00  | 600.00      |
| Connection fee where rock is encountered | 0.00    | Actual Cost |
| <b>Residential Meter Deposits</b>        |         |             |
| 5/8x3/4 inch meter                       | \$50.00 | \$70.00     |
| 1 inch meter                             | N/A     | \$75.00     |
| <b>Commercial Meter Deposits</b>         |         |             |
| 3/4 inch meter                           | \$55.00 | \$100.00    |
| 1 inch meter                             | \$75.00 | \$125.00    |

The rates contained in this notice are the rates proposed by Magoffin County Water District. However, the Public Service Commission may order rates to be charged that are different from the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed change is given. A motion to intervene shall be made in writing and submitted to the Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the Water District office in Salyersville, Kentucky. Customers may contact the Water District at 606-349-6812. Upon request from an intervenor, the Water District shall furnish to the intervenor a copy of the application and supporting documents.