

Madison County Utilities District

297 Michelle Dr.

P O Box 670 ♦ Richmond KY 40476-0670 ♦ 859-624-1735 ♦ Fax 859-623-8220

June 10, 2009

RECEIVED

JUN 12 2009

PUBLIC SERVICE
COMMISSION

Executive Director
Kentucky Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602-0615

2009-00218

Re: Purchased Water Adjustment Filing

Madison County Utilities District is requesting a Purchase Water Adjustment. Enclosed are the filing forms and supporting documentation. This filing is made pursuant a rate increase from our wholesale provider Richmond Utilities. Madison County Utilities District will publish the enclosed notice (Exhibit 5) no later than June 18, 2009.

Should you have questions or require additional information please feel free to contact me at 859-624-1735.

Sincerely,



John C. Clark
Manager

2009-00218

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

RECEIVED

JUN 12 2009

PUBLIC SERVICE
COMMISSION

Name of Utility	Madison County Utilities District	
Date	June 8, 2009	
Address	P.O. Box 670	
City, State, Zip	Richmond, KY	40476-0670
Telephone Number	859.624-1735	

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.


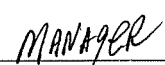
Supplier(s)	Base Rate	Changed Rate
Richmond Utilities	\$2.08 per 100 cu ft	\$2.14 per 100 cu ft

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit #1

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	May 2008	through	April 2009
	(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
Richmond Utilities		91,043,100 cu ft
TOTAL PURCHASES		91,043,100 cu ft
4. Total sales for the 12 month period	\$3,727,442.91	
5. Increased water cost	\$54,625.86	
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor	\$0.07 per 100 cu ft	
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.		
<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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>		
7. Proposed effective date	July 1, 2009	
		
Signature of Utility Officer		
		
Title		

List of Exhibits

Exhibit #1 – Suppliers Notice

Exhibit #2 – Water Purchased

Exhibit #3 – Madison County Utilities District 12 Month History

Exhibit #4 – Calculations

Exhibit #5 – Proposed Billing Rates



300 Hallie Irvine St.
P.O. Box 700
Richmond, KY 40476-0700

May 19, 2009

Madison County Utility District
Attn: Jim Carr/John Clark
PO BOX 670
Richmond, KY 40476-0670

Dear Jim/John:

NOTICE

Richmond Utilities ("RU") has filed a proposed rate schedule which will increase the rate for water service provided as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Kirksville Water Association	\$2.08/100 Cu Ft	\$2.14/100 Cu Ft	3.0% Increase
Madison County Utility District	\$2.08/100 Cu Ft	\$2.14/100 Cu Ft	3.0% Increase

The proposed effective date is July 1, 2009.

The rates contained in this notice are the rates proposed by RU. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by RU by contacting Scott Althausser at the offices of RU, 300 Hallie Irvine Street in Richmond, Kentucky: telephone 859-623-2323.

Any person may examine the rate application and other filings made by RU by visiting the offices of RU at 300 Hallie Irvine Street or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

Sincerely,

Scott Althausser
General Manager

Cc: Greg Puckett, Counsel
Madison County Fiscal Court

Enclosure: Ordinance No. 09-08 (City of Richmond)

ORDINANCE NO. 09-08

AN ORDINANCE OF THE CITY OF RICHMOND, KENTUCKY, REVISING THE RATES TO BE CHARGED BY THE WATER SYSTEM OF RICHMOND FOR WHOLESALE USERS

WHEREAS, water rates now charged to the wholesale users were established by Ordinance No. 02-13, and these rates were increased by Ordinance No. 07-13; and

WHEREAS, inflation, increased costs of operation, and costs of capital improvements make it necessary to raise rates charged by the Richmond Water, Gas and Sewage Works to Wholesale Users, and the Richmond Utilities Board has recommended a fair and reasonable increase in the rates.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF RICHMOND, KENTUCKY, THAT:

(A) Definitions. For purposes of this rate ordinance, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

1. Wholesale Purchasers. Wholesale purchasers shall mean Madison County Utility District and Kirksville Water Association, and water districts of a similar nature and purpose.

(B) The schedule of rates to be charged to customers on bills mailed after July 1, 2009 shall be as follows:

1. Wholesale Rates. The schedule of rates to be charged wholesale purchasers who are customers of the Richmond Water, Gas and Sewage Works shall be as follows:

Flat Rate	\$2.14/100 Cu Ft
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(C) This Ordinance shall be effective upon its second reading and its legal publication.

Date of First Reading: April 28, 2009

Motion By: Commissioner Blythe

Seconded By: Commissioner Brewer

Date of Second Reading: May 12, 2009

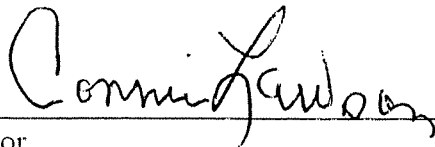
Motion By: Commissioner Strong

Seconded By: Commissioner Smart

Vote:	Yes	No
Commissioner Blythe	x	
Commissioner Brewer	Absent	

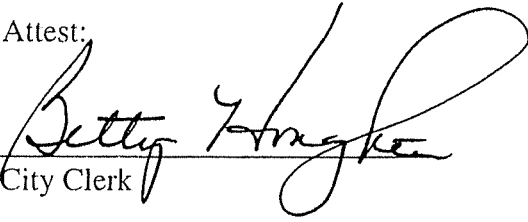
Commissioner Smart
Commissioner Strong
Mayor Lawson

x
x
x



Mayor

Attest:



City Clerk

Exhibit #2 (12 Month Water Purchase/Sold History)

2008 Water Purchased / Water Use

	Purchased/Cu Ft	Purchased/Gal	Usage/Cu Ft	Usage/Gal
May	7,931,800	59,329,864	6,469,390	48,391,037
June	8,118,500	60,726,380	7,606,250	56,894,750
July	8,669,200	64,845,616	8,141,050	60,895,054
Aug	9,080,300	67,920,644	8,191,050	61,269,054
Sept	6,833,800	51,116,824	8,119,450	60,733,486
Oct	7,928,100	59,302,188	7,235,809	54,123,851
Nov	6,638,700	49,657,476	7,235,809	54,123,851
Dec	7,307,200	54,657,856	5,999,935	44,879,514
08 TOTAL	62,507,600	467,556,848	58,998,743	441,310,597

2009 Water Purchased / Water Use

	Purchased/Cu Ft	Purchased/Gal	Usage/Cu Ft	Usage/Gal
Jan	7,767,400	58,100,152	6,670,988	49,898,990
Feb	7,457,200	55,779,856	5,402,729	40,412,920
Mar	6,390,000	47,797,200	5,679,347	42,481,516
Apr	6,920,900	51,768,332	6,439,642	48,168,522
May				
June				
July				
Aug				
Sept				
Oct				
Nov				
Dec				
09 TOTAL	28,535,500	213,445,540	24,192,706	180,961,948
08 TOTAL	62,507,600	467,556,848	58,998,743	441,310,597
12 Month Totals	91,043,100	681,002,388	83,191,449	622,272,545

EXHIBIT #3

Madison County Utilities District
297 Michelle Drive
PO Box 670
Richmond, KY 40476-0670

<u>12 Month Histroy</u>	<u>Billed</u>	
June 08	288,572.93	(May Water)
July 08	332,403.58	
Aug 08	360,391.07	
Sept 08	348,846.66	
Oct. 08	359,312.01	
Nov. 08	325,716.08	
Dec. 08	305,955.70	
Jan. 09	277,951.65	
Feb. 09	278,192.11	
Mar 09	255,117.51	
April 09	264,595.04	
May-09	330,388.57	(April Water)
TOTAL (12 mos)	\$ 3,727,442.91	

Exhibit #4

MCUD Calculations

5. Increased Water Cost:

\$2.08/100 cu ft to \$2.14/100 cu ft

91,043,100 x \$.06 / 100 cu ft = **\$54,625.86**

6. Purchase Water Adjustment Factor:

\$54,625.86 / 83,191,449 (100 cu ft) = \$0.0656 (**\$0.07 per 100 cu ft**)

Exhibit 5

MCUD Proposed Water Rates

First 280 Cubic feet	\$15.17	Minimum Bill
Next 720 Cubic feet	\$ 4.31	per 100 cubic feet
Next 3,000 Cubic feet	\$ 4.11	per 100 cubic feet
Next 8,000 Cubic feet	\$ 3.94	per 100 cubic feet
Next 88,000 Cubic feet	\$ 3.77	per 100 cubic feet
Over 100,000 Cubic feet	\$ 3.50	per 100 cubic feet