

RECEIVED

NOV 29 2010

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

Name of Utility	Morgan County Water District	
Date	10/28/2010	
Address	408 Prestonsburg Street	
City, State, Zip	West Liberty	Ky. 41472
Telephone Number	(606) 743-1204	

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
West Liberty Waterworks	2.67 per 1000 gals	2.79 per 1000 gals
Cave Run Water Commission	2.20 per 1000 gals	2.20 per 1000 gals
No increase from Cave Run Water		

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit
Effective date January 1, 2011

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	Nov. 2009	through	Oct. 2010
	(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

Supplier(s)	Gallons Purchased during 12 month period
West Liberty Waterworks	121,368,000
Cave Run Water Commission	107,522,000
TOTAL PURCHASES	228,890,000
4. Total sales for the 12 month period	149,189,890
5. Increased water cost	14,564.16
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	0.10 per 1000 gals
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <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	01/01/11
	
Signature of Utility Officer	
Chairman	
Title	

Morgan County Water District

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)		<u>OLD RATE</u> (per 1,000)		
West Liberty	\$2.7900		\$2.6700		
Cave Run	\$2.2000		\$2.2000		
			\$0.0000		
TWELVE MONTH TEST PERIOD:		Nov. 2009 thru Oct. 2010			
<u>SUPPLIER</u>	<u>GALLONS PURCHASED DURING TEST PERIOD</u>				
West Liberty	121,368,000				
Cave Run	107,522,000				
No increase from Cave Run	0				
TOTAL	228,890,000				
<u>SUPPLIER</u>	<u>COST AT NEW RATE</u>		<u>COST AT OLD RATE</u>		
West Liberty	\$338,616.72		\$324,052.56		
					INCREASED
TOTAL	\$338,616.72	-	\$324,052.56	=	WATER COST \$14,564.16
TOTAL GALLONS SOLD FOR THE TEST PERIOD :			149,189,890		
Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor					
\$14,564.16	/	149,189,890	/1000	=	0.097621628
				ROUNDED	0.1
	Sold	Purchased	Sold	Purchased	
January		17,907,000	13,872,490.00	-	
February		19,932,000	11,893,170.00	-	
March		22,698,000	11,006,330.00	-	
April		17,232,000	13,333,630.00	-	
May		23,825,000	13,513,800.00	-	
June		21,124,000	13,736,000.00	-	
July		18,572,000	14,561,920.00	-	
August		19,660,000	12,209,000.00	-	
September		18,041,000	12,968,930.00	-	
October		21,032,000	11,786,370.00	-	
November		15,339,000	10,433,020.00	-	
December		13,528,000	9,875,230.00	-	
TOTAL	-	228,890,000	149,189,890.00	-	

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Water Purchased and Sold 2009-2010
Worksheet

Cave Run (Gals Purchased)		City of West (Gals Purchased	Billing Register (Gals Sold)
Nov. 09	6,819,000	8,520,000	10,433,020
Dec. 09	5,622,000	7,906,000	9,875,230
Jan. 10	8,032,000	9,875,000	13,872,490
Feb. 10	10,122,000	9,810,000	11,893,170
Mar. 10	10,619,000	12,079,000	11,006,330
April 10	8,770,000	8,462,000	13,333,630
May 10	9,624,000	14,201,000	13,513,800
June 10	9,290,000	11,834,000	13,736,000
July 10	10,864,000	7,708,000	14,561,920
Aug 10	8,739,000	10,921,000	12,209,000
Sept. 10	9,335,000	8,706,000	12,968,930
Oct. 10	9,686,000	11,346,000	11,786,370
Totals:	107,522,000	121,368,000	149,189,890

565 Main Street
West Liberty, Kentucky 41472



606-743-3330
Fax 606-743-2202
TDD 606-743-4385

April 27, 2010

Roy Collett, Chairman
Morgan County Water District
408 Prestonsburg Street
West Liberty, KY 41472

Dear Mr. Collett,

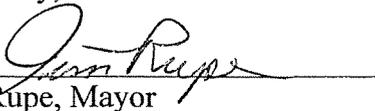
The West Liberty Water Works is again experiencing increasing costs for water treatment and distribution. The cost of utilities and chemicals for water treatment as well as everything else associated with water production has increased steadily since our last rate increase to the Morgan County Water District. We have also experienced several expensive disasters and we feel it will be necessary to increase all of our rates to cover our expenses. We will be raising the rate for the Morgan County Water District from \$2.55 per thousand to \$2.67 per thousand beginning June 1, 2010. Additionally we will increase from \$2.67 per thousand to \$2.79 per thousand beginning January 1, 2011.

We hope you find this rate acceptable and look forward to working with you in the future to deliver quality water to all of our customers. We feel that this increase should, along with an increase to our West Liberty customers, put the West Liberty Water Plant in better financial shape. The numerous emergencies that we have dealt with in the past several years have drained our operations financially.

Our water plant is still ranked in the top for the State in water quality and it is our desire to maintain this standard for the future.

If you have any questions or if you would like to discuss this matter feel free to contact us at any time.

Sincerely,


Jim Rupe, Mayor

Cc: Cindy Montgomery

Notice

Morgan County Water District has filed an application with the Public Service Commission to increase its rates for water service. The rate increase is a direct result of a cost increase by the City of West Liberty. These rates were approved on _____, 2011. However, the rate increase will not appear on your bill until after January 1, 2011.

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 gallons	\$ 20.79 Minimum bill
Next	3,000 gallons	7.52 per 1,000 gallons
Next	5,000 gallons	6.92 per 1,000 gallons
Next	5,000 gallons	6.32 per 1,000 gallons
Over	15,000 gallons	5.72 per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 43.45 Minimum bill
Next	5,000 gallons	6.92 per 1,000 gallons
Next	5,000 gallons	6.32 per 1,000 gallons
Over	15,000 gallons	5.72 per 1,000 gallons

2" Meter

First	15,000 gallons	\$ 108.65 Minimum bill
Over	15,000 gallons	5.72 per 1,000 gallons

Wholesale Rate

City of Campton	\$3.04 per 1000 gallons
City of Frenchburg	\$3.04 per 1000 gallons

The average customer (5,000) bill will increase from 42.85 to 43.35 or 1.0116%.

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

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene: and the motion shall be submitted to the Public Service Commission, Post Office Box 615, Frankfort, Ky. 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings at no cost by contacting the water district.

Morgan County Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The office is located at 450 Prestonsburg Street, West Liberty, Ky. 41472.

This notice is published pursuant to 807 KAR 5:011 – Tariffs.

Morgan County Water District
