



RECEIVED

MAR 24 2011

PUBLIC SERVICE
COMMISSION

March 23, 2011

Public Service Commission
Executive Director
P.O. Box 615
Frankfort, KY 40602-0615

RE: Purchase Water Adjustment for Judy Water Association

Dear Executive Director:

Judy Water Association has received notification from one of its suppliers (City of Mt. Sterling) of increases in water rates. Please find enclosed 1 (one) original and 10 (ten) copies of the proper documentation to file for a purchase water adjustment.

Judy Water Association will notify customers of new rates before the first billing. All income sheets and balance statements are current and on file with the PSC.

If you might have any questions, I can be contacted at 859-498-4809.

Thank you,

A handwritten signature in black ink, appearing to read "B. Ray Fawns", written over a horizontal line.

Billy Ray Fawns
Manager

2010 Maysville Road, PO Box 781, Mt. Sterling, KY 40353-0781
(859) 498-4809 Telephone & FAX
E-Mail - judyh20@adelphia.net

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

Name of Utility	JUDY WATER ASSOCIATION		
Date	3-23-11		
Address	P.O. BOX 781		
City, State, Zip	MT. STERLING, KY	40353	
Telephone Number	859-498-4809		

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
CITY OF NORTH MIDDLETOWN	4.73 PER THOUSAND (FIRST 2 MILLION) 4.83 PER THOUSAND (OVER 2 MILLION)	NO CHANGE
MT. STERLING WATER	2.07 PER THOUSAND	2.34 PER THOUSAND

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

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	MARCH 1, 2010	through	FEBRUARY 28, 2011
	(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.

OLD RATES YEAR 2010-2011

MT. STERLING WATER:

114,342,000 AT \$2.07= \$236,688

CITY OF NORTH MIDDLETOWN:

24,000,000 AT \$4.73= \$113,520

19,344,000 AT \$4.83= \$93,432

TOTAL: \$443,640

NEW RATES

MT. STERLING WATER: SAME

114,342,000 AT \$2.34= \$267,560

CITY OF NORTH MIDDLETOWN:

24,000,000 AT \$4.73= \$113,520

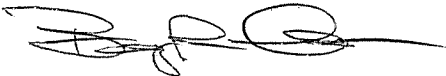
19,344,000 AT \$4.83= \$93,432

TOTAL: \$474,512

NEW RATE: \$474,512

OLD RATE: \$443,640

\$30,872

Supplier(s)	Gallons Purchased during 12 month period
MT. STERLING WATER	114,342,000 (\$2.07)
CITY OF NORTH MIDDLETOWN	24,000,000 (\$4.73)
CITY OF NORTH MIDDLETOWN	19,344,000 (\$4.83)
TOTAL PURCHASES	157,686,000
4. Total sales for the 12 month period	\$1,219,732 (142,345,060 GALLONS)
5. Increased water cost	\$30,872
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	(\$.22) / 1,000
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	MAY 1, 2011
	
Signature of Utility Officer	
MANAGER	
Title	

FOR Montgomery, Clark, Bourbon, and Bath _____
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Judy Water Association
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

RATE SCHEDULE

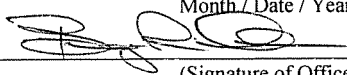
<u>First 1,000 gallons</u>	<u>\$12.50 Minimum bill</u>
<u>Next 4,000 gallons</u>	<u>\$8.13 per 1,000 gallons</u>
<u>Next 5,000 gallons</u>	<u>\$7.23 per 1,000 gallons</u>
<u>Over 10,000 gallons</u>	<u>\$6.33 per 1,000 gallons</u>

A \$16.77 surcharge will be added to the bills of customers on the Bourbon County Waterline Extension.

Therefore, the minimum bill for those customers will be \$29.27 (12.50 + 16.77 = 29.27)

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
May 1, 2011

ISSUED BY _____
Month / Date / Year

(Signature of Officer)

TITLE _____
MANAGER

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

MT. STERLING WATER & SEWER SYSTEM

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

March 18, 2011

Billy Ray Fawns
Judy Water Association
P.O. Box 781
Mount Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Billy,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, recently completed a cost of service study, related to both retail and wholesale rates. The results of this study indicated that a rate modification was justifiable. A tariff has been filed with the Public Service Commission (PSC) asking for approval to alter our current wholesale rates from \$2.07/1,000 gallons to \$2.34, an increase of 13 percent. We have requested approval that this increase be effective May 1, 2011, should this increase be approved it will be reflected in the June billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. It is unfortunate that we find it necessary to implement an increase at this time, given the state of our economy. However I hope you will understand that Mt. Sterling has not had a rate increase in three years and during that time period cost have continued to escalate, as I'm sure you are aware. In closing thank you for your understanding and cooperation concerning this matter.

Sincerely,

A handwritten signature in black ink that reads "Rick D. Fletcher". The signature is written in a cursive style with a large, sweeping initial "R".

Rick Fletcher
Manager
Mount Sterling Water and Sewer

FOR Mt. Sterling, Kentucky

PSC KY NO. _____

_____ SHEET NO. _____

Mt. Sterling Water and Sewer Commission
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

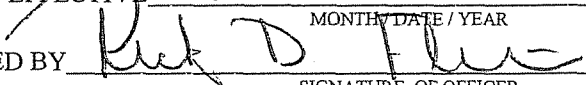
Wholesale Rate to:

Levee Road Water District
Reid Village Water District
City of Jeffersonville
City of Camargo
Judy Water Association
Bath County Water District

\$2.34 Per 1,000 Gallons

DATE OF ISSUE March 21, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE May 1, 2011
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE Manager, Mt. Sterling Water and Sewer

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