

Bath County Water District

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363
TDD/TTY 1-800-648-6056

RECEIVED

February 22, 2016

FEB 26 2016

Public Service
Commission

Public Service Commission
Tariff Review Branch
Post Office Box 615
Frankfort, Kentucky 40602-0615

RE: Purchase Water Adjustment

Case No. 2016-00098

Morehead Utility Plant Board and Mount Sterling Water have given the Bath County Water District official notice of rate increases effective January 1, 2016 for Morehead and August 1, 2015 for Mount Sterling. Enclosed you will find an application for a Purchase Water Adjustment in order to pass this increase on to the Districts customers. A Notice will be published in the local newspaper showing the proposed changes before any bills with the new rates. A letter has been sent to our Wholesale Customers with the proposed changes.

The following documents are attached:

1. Purchase Water Adjustment Form
2. Notice from supplier showing increase and effective date;
 - A. Morehead Utility Plant Board
 - B. Mount Sterling Water
3. Tariff Sheets;
 - A. Tariff Sheet Monthly Water Rates
 - B. Tariff Sheet for Wholesale Water Rates, Bulk Rate and Leak Adjustments

If you need additional information or if you have any questions please call our office.

Thank you,



Sherri Greene
Co-Manager

Enclosures

RESOLUTION #2016-1

Water Rate Increase

A Resolution of the Bath County Water District approving a monthly rate increase of .07 per 1,000 gallon for service rendered after February 15, 2016.

The Bath County Water District received notice from Morehead Utility Plant Board of a rate increase effective January 1, 2016 and Mt. Sterling Water effective August 1, 2015. The Board of Commissioners approved the rate increase at the Monthly meeting on February 22, 2016.

A motion was made by Commissioner L. W. Patton and second by Commissioner Virginia Clark, to increase rates .07 cents per 1,000 gallon effective on service rendered after February 15, 2016 motion carried all in favor.

Martin R. Crouch
Chairperson

Rodney D. Davenport
Secretary

ATTEST: Linda Copher

Case No. 2016-00098

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

RECEIVED

FEB 26 2016

Name of Utility	Bath County Water District	Public Service Commission
Date	February 22, 2016	
Address	PO Box 369	
City, State, Zip	Salt Lick, Kentucky	40371
Telephone Number	(606) 683-6363	
Email Address	sgreenebathwater@roadrunner.com	

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
Morehead Utility Plant Board	1.196 per 1,000	1.250 per 1,000
Morehead Utility Plant Board	Capitol Cost 17,258.68 per month	Capitol Cost 17,326.84 per month
Mt. Sterling Water	2.77 per 1,000	2.85 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

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	January 1, 2015	through	December 31, 2015
	(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
Morehead Utility Plant Board	419,789,000
Mt. Sterling Water	18,551,000
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	406,754,000
5. Increased water cost	27,394.39
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
6. Purchased water adjustment factor	.07
<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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	February 15, 2016
	
Signature of Utility Officer	
Chairperson	
Title	

Form for filing Rate Schedules

FOR All territories served
Community, Town, or City

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

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	\$15.90 Minimum Bill
Next	3,000 Gallons	6.10 Per 1,000 Gallons
Next	5,000 Gallons	4.67 Per 1,000 Gallons
Next	10,000 Gallons	4.01 Per 1,000 Gallons
Next	30,000 Gallons	3.79 Per 1,000 Gallons
Over	50,000 Gallons	3.67 Per 1,000 Gallons

1 Inch Meter:

First	10,000 Gallons	\$57.55 Minimum Bill
Next	10,000 Gallons	4.01 Per 1,000 Gallons
Next	30,000 Gallons	3.79 Per 1,000 Gallons
Over	50,000 Gallons	3.67 Per 1,000 Gallons

2 Inch Meter:

First	50,000 Gallons	\$211.35 Minimum Bill
Over	50,000 Gallons	3.67 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE February 15, 2016

Month/Date/Year

ISSUED BY *Marian K. Crouch*
(Signature of Officer)

TITLE Chairperson

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

Bath County Water District
Name of Issuing Corporation

P.S.C. No. 1

Original SHEET NO. 9

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

RATE
PER UNIT

F. LEAK ADJUSTMENT RATE: \$ 2.90 Per 1,000 Gallons

G. WHOLESALE WATER RATES:

Sharpsburg Water District \$ 3.38 Per 1,000 Gallons

City of Frenchburg \$ 2.93 Per 1,000 Gallons

City of Owingsville
Monthly Debt Service Payment \$ 4,733.91 Minimum Bill
All Usage 2.52 Per 1,000 Gallons

Bulk Sales \$ 8.46 Per 1,000 Gallons

DATE OF ISSUE _____

Month/Date/Year

DATE EFFECTIVE February 15, 2016

Month/Date/Year

ISSUED BY *Marcin R Crouch*
(Signature of Officer)

TITLE Chairperson

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



MOREHEAD UTILITY PLANT BOARD

Serving You Over 50 Years

January 25, 2016

Ms. Sherry Green
Bath County Water
PO Box 369
Salt Lick KY 40371

Re: Water Rates for 2016

Dear Ms. Green:

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 2016.

Should you have any questions or desire additional information regarding this computation please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly McGrath-Rosas".

Holly McGrath-Rosas
General Manager

Enclosures
Cc:BH

December 30, 2015

Holly McGrath Rosas
Morehead Utility Plant Board
135 South Wilson Avenue
Morehead, KY 40351

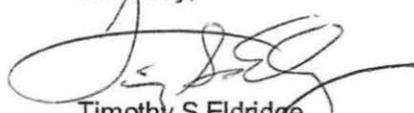
Dear Ms. McGrath Rosas:

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 2016 shall be as follows:

	Rowan Water Incorporated	Bath County Water District
Monthly Capital Costs	\$ 23,710.28	\$ 17,326.84
Meter and Billing Charges \$ 10.00 per meter	\$70.00	\$10.00
Per Thousand Gallons of Water Sold	\$1.250	\$1.250

Please see detailed schedule attached. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,


Timothy S Eldridge
Certified Public Accountant

MUPB
WATER CONTRACT VARIABLE RATE SCHEDULE PER INTERLOCAL AGREEMENT
CALENDAR YEAR 2016 RATE CALCULATION

1. Cash Operation and Maintenance Expense	(a)		(b)	equals	Rate per 1,000 gals.
	Amount x	Percent /	Total Billed Gals (1,000's)		
Water Utility Operating Expense	1,985,661	74%	1,384,762	equals	1.061
General & Admin Expense	871,056	30%	1,384,762	equals	0.189
Total rate per 1,000 gallons to Rowan and Bath Water					1.250

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 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 to Dec 2013-completed	0.00	0.00
Debt Reserve to June 2001 - completed	0.00	0.00
[c] Additional Unfunded Capital Expenditures adjusted annually 44,060.43 divided by 12	35.3671% Rowan 27.0323% Bath	1,298.57
		992.55
<u>Part B</u>		
Fixed Capital Charge per Month-adjusted Jan 2024	17,662.36	13,927.91
Debt Reserve to Dec 2013-completed	0.00	0.00
Total Monthly Capital Cost	23,710.28	17,326.84
<u>Part C</u>		
Monthly Charge (\$10.00 per meter)	70.00	10.00

- (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

MT. STERLING WATER & SEWER SYSTEM

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

June 24, 2015

Sherri Greene
Bath County Water District
P.O. Box 369
Salt Lick, Kentucky 40371

Re: Wholesale Rate Increase

Sherri,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer (Mt. Sterling), is in the process of requesting approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on both a Rate and Cost of Service study which was conducted in June of last year, 2014, on our behalf by Norbourne and Associates. At the time this particular study indicated a rate increase of 29.23% was justifiable, although we elected only to increase rates by a factor of 12.6%. This left a revenue shortfall a 16.6% when compared to anticipated expenses and depreciation costs.

In an effort to avoid adding to our budget deficit the board of commissioners, at the June 15th meeting, elected to approve a water rate increase of 3% for the 2015/2016 fiscal year. As a result our utility has petitioned the PSC to consider an increase of that amount to the wholesale water rate. A rate modification request has been filed with the PSC, which will include a tariff asking for approval to alter our current wholesale rates from \$2.77/1,000 gallons up to \$2.85. We have requested approval that this increase be effective August 1, 2015. Should this increase be approved it will be reflected in the September billing. This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers receive notice of any increase a minimum of 30 days prior to the implementation of said increase. Included please find a copy of the tariff in question, PSC notification and an excerpt of the findings from the cost of service and rate study referenced.

In closing, thank you for your understanding as well as your cooperation concerning this matter. As an operator of a water utility, I'm sure you can appreciate the fact that keeping up with rising costs are a struggle, not to mention the enormous cost associated with the upkeep and replacement of aging infrastructure. However, should you have questions or comments related to this increase please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

NOTICE

Mt. Sterling Water and Sewer is providing notice that it filed documentation with the Public Service Commission on June 22, 2015, to increase its wholesale water rate to for water service provided on and after August 1, 2015. Proposed rates are as follows:

<u>Wholesale Customer</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Levee Road Water Association	\$2.85	\$2.77	\$0.08	2.9%
Reid Village Water District	\$2.85	\$2.77	\$0.08	2.9%
Montgomery County Water District	\$2.85	\$2.77	\$0.08	2.9%
Judy Water Association	\$2.85	\$2.77	\$0.08	2.9%
Bath County Water District	\$2.85	\$2.77	\$0.08	2.9%

Water flowing through the meter(s) before the effective date will be charged at the previous rate while water flowing through the meter(s) on and after the new effective date will be charged at the new rate(s).

This filing may be examined at the utility's office located at 300 East Main Street in Mt. Sterling, Kentucky; telephone: (859) 498-0166.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm, or on the Public Service Commission's website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The proposed rates are the rates proposed by Mt. Sterling Water and Sewer, but the Public Service Commission may order rates that differ from these proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

LEGAL NOTICE

Notice is hereby given that Bath County Water District ("District") has filed an application with the Public Service Commission ("PSC") to adjust its water rates as a result of an increase from its suppliers, Morehead Utility Plant Board and Mt Sterling Water. The proposed effective date is February 15, 2016. The proposed changes are as follows:

<u>Monthly Rates</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
5/8" x 3/4" Meter				
First 2,000 gallons	\$15.76	\$15.90	.14	0.88%
Next 3,000 gallons	6.03	6.10	.07	1.16%
Next 5,000 gallons	4.60	4.67	.07	1.52%
Next 10,000 gallons	3.94	4.01	.07	1.78%
Next 30,000 gallons	3.72	3.79	.07	1.88%
Over 50,000 gallons	3.60	3.67	.07	1.94%
1" Meter				
First 10,000 gallons	\$56.85	\$57.55	.70	1.23%
Next 10,000 gallons	3.94	4.01	.07	1.78%
Next 30,000 gallons	3.72	3.79	.07	1.88%
Over 50,000 gallons	3.60	3.67	.07	1.94%
2" Meter				
First 50,000 gallons	207.85	211.35	3.50	1.68%
Over 50,000 gallons	3.60	3.67	.07	1.94%
Bulk Sales				
Per 1,000 gallons	8.39	8.46	.07	0.83%

The average bill for a customer using 5,000 gallons of water each month would increase 1.03% from \$33.85 to \$34.20 for an increase of .35 cents on the average customer's monthly bill.

Any person may examine this application at the district's office located at 21 Church Street in Salt Lick, Kentucky; telephone (606) 683-6363.

Any person may examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

Bath County Water District

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363
TDD/TTY 1-800-648-6056

February 23, 2016

Mayor Gary Hunt
City of Owingsville
Post Office Box 639
Owingsville, Kentucky 40360

Re: Adjustment of Wholesale Water Rate

Due to a rate increase from the Morehead Utility Plant Board, 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 proposed wholesale rate will be \$2.52 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after February 15, 2016.

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

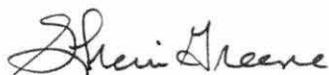
Current Rate	Proposed Rate
\$2.45 per 1,000 gallons	\$2.52 per 1,000 gallons

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 need additional information please call our office.

Sincerely,



Sherri Greene
Co-Manager

Bath County Water District

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363
TDD/TTY 1-800-648-6056

February 23, 2016

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

Re: Adjustment of Wholesale Water Rate

Dear Gayle:

Due to a rate increase from the Morehead Utility Plant Board, 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 proposed wholesale rate will be \$3.38 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after February 15, 2016.

Current Rate	Proposed Rate
\$3.31	\$3.38

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 need additional information please call our office.

Sincerely,



Sherri Greene
Co-Manager

Bath County Water District

POST OFFICE BOX 369
SALT LICK, KENTUCKY 40371
TELEPHONE: (606) 683-6363
TDD/TTY 1-800-648-6056

February 23, 2016

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 be \$2.93 per 1,000 gallons purchased. This proposed change will be effective for all service rendered on and after February 15, 2016.

Current Rate	Proposed Rate
\$2.86 Per 1,000 gallons	\$2.93 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,



Sherri Greene
Co-Manager