



RECEIVED

JUN 16 2016

Public Service  
Commission

June 14, 2016

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 (Mount Sterling Water and Sewer) of increases to 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 has requested a proposed effective date of July 1, 2016.

All income sheets and balance statements are current and on file with the PSC. If you have any additional questions, I can be contacted at 859-398-1009.

Thank you,

A handwritten signature in black ink, appearing to read "Billy 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**

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JUN 16 2016

Public Service  
Commission

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

Name of Utility	JUDY WATER ASSOCIATION	
Date	6-14-16	
Address	P.O. BOX 781	
City, State, Zip	MOUNT 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
MT. STERLING WATER	2.85 PER THOUSAND	2.96 PER THOUSAND
CITY OF NORTH MIDDLETOWN	4.77 PER THOUSAND (FIRST 2 MILLION) 4.87 PER THOUSAND (OVER 2 MILLION)	NO CHANGE

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	JUNE 2015	through	MAY 2016
	(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
MT. STERLING WATER	114,897,300
CITY OF NORTH MIDDLETOWN	24,000,000 (4.77) 9,535,000 (4.87)
<b>TOTAL PURCHASES</b>	148,432,300
4. Total gallons sold for the 12 month period	128,754,300
5. Increased water cost	\$12,638.00
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.10
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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, 2016
	
Signature of Utility Officer	
MANAGER	
Title	

FOR Montgomery, Clark, Bourbon, and Bath \_\_\_\_\_  
Community, Town or City

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

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

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

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

Judy Water Association  
(Name of Utility)

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RATES AND CHARGES

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RATE SCHEDULE

<u>First 1,000 gallons</u>	<u>OLD \$12.90</u>	<u>NEW \$13.00</u>	<u>Minimum bill</u>
<u>Next 4,000 gallons</u>	<u>OLD \$8.53</u>	<u>NEW \$8.63</u>	<u>per 1,000 gallons</u>
<u>Next 5,000 gallons</u>	<u>OLD \$7.63</u>	<u>NEW \$7.73</u>	<u>per 1,000 gallons</u>
<u>Over 10,000 gallons</u>	<u>OLD \$6.73</u>	<u>NEW \$6.83</u>	<u>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 \$29.77 ( 13.00 + 16.77 = 29.77)

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DATE OF ISSUE 6-14-16  
Month / Date / Year

DATE EFFECTIVE 7-1-16  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(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

May 20, 2016

Billy Ray Fawns  
Judy Water Association  
P.O. Box 781  
Mt. 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 (Mt. Sterling) has requested approval from the Kentucky Public Service Commission (PSC) to increase wholesale water rates charged to water districts/associations, served by our utility under their purview. This proposed increase is based on the fact that the Consumer Price Index (CPI) rose by a factor of 3.9% over the period from April 2015 and April 2016 for goods and services identified as water, sewer and trash related. In addition to this inflationary increase Mt. Sterling also expects to experience a significant revenue decline in the amount of \$80,000.00 over our next budget cycle, \$30,000.00 water and \$50,000.00 sewer, due to the announced closure of two industrial facilities. These two factors, in combination, have resulted in a budgetary deficit for the 2016/2017 fiscal year. In an effort to offset this financial shortfall Mt. Sterling's board of commissioners found it necessary to approve a proposed budget at their regular monthly meeting, May 16, 2016, which included a 4% water rate increase.

Our utility has petitioned the PSC, to consider for approval, to allow this increase be passed along to our wholesale customers in that amount. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$2.85/1,000 gallons, up to \$2.96. We have requested that this increase be effective July 1, 2016, should this increase be approved it will be reflected in the August billing. This notice is being provided in order to comply with a PSC statute that requires effected wholesale customers receive notice of any proposed rate increase a minimum of 30 days prior to the implementation of said increase. Included please find a copy of the tariff sheet, notification of proposed increase with required PSC language, along with an excerpt from the Bureau of Labor Statistics report regarding the identified inflationary increase previously referenced.

In closing thank you for both your understanding and cooperation regarding this matter. Should you have questions, comments or concerns regarding this notice, please feel free to contact me at (859) 498-0166. Thanks.

Sincerely,



Rick Fletcher  
Manager  
Mt. Sterling Water and Sewer

AREA Mt. Sterling, Kentucky

PSC KY NO. 7

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

Mt. Sterling Water and Sewer Commission

CANCELLING PSC KY NO. 6

\_\_\_\_\_  
(NAME OF UTILITY)

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

Monthly Wholesale Water Rates:

Levee Road Water Association  
Reid Village Water District  
Montgomery County Water District  
Judy Water Association  
Bath County Water District

All Usage

\$2.96 Per 1,000 gallons

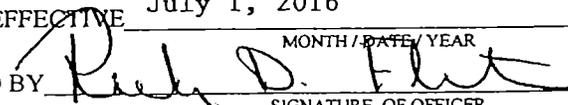
Note: Revises previous rate of \$2.85/1,000 gallons which was effective 8/1/2015

DATE OF ISSUE May 20, 2016

MONTH/DATE/YEAR

DATE EFFECTIVE July 1, 2016

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. N/A DATED N/A

**MINUTES OF MONTHLY MEETING  
BOARD OF DIRECTORS  
JUDY WATER ASSOCIATION**

The regular board meeting of the Judy Water Association was held at the Judy Water Office, 2010 Maysville Road on June 13th, <sup>2016</sup>, at 5:30 p.m. Directors present were Larry Lee, Carl Hartgrove and Greg Williamson. Manager Billy Ray Fawns was also present.

Guests: None

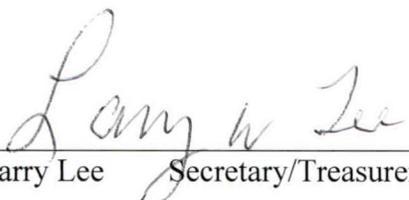
1. Minutes of the May meeting were submitted, Williamson moved to approve Hartgrove seconded, all present voted yes.
2. Financial report was given, Hartgrove moved Lee seconded to approve the report, all present voted yes.
3. Motion by Lee seconded by Williamson to approve payment of monthly bills, all present voted yes.
4. Motion by Williamson, seconded by Hartgrove to approve the May credit card bill all present voted yes.

**OLD BUSINESS**

- Update on water loss.

**NEW BUSINESS**

- A motion was made by Larry Lee and 2nd by Greg Williamson to file a Purchase Water Adjustment with the Public Service Commission. This PWA will reflect an increase to wholesale rates by Mt. Sterling Water. Mount Sterling Water increased wholesale rates by \$.03 per thousand. All members were in favor of this motion.
- The next meeting will be held on July 11th, 5:30 at the office.
- Larry Lee made a motion to adjourn and Greg Williamson 2nd the motion.

  
Larry Lee Secretary/Treasurer

6/14/2016  
Date