

RECEIVED

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

MAY 31 2017

Public Service
Commission

| | | |
|------------------|-----------------------------------|------------|
| Name of Utility | Madison County Utilities District | |
| Date | May 25, 2017 | |
| 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 | \$2.35332 per 100 cf | \$2.38391 per 100 cf |
| KY River Authority | \$0.134 per 100 cf | \$0.134 per 100 cf |
| Total | \$2.48732 per 100 cf | \$2.51791 per 100cf |

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 | March 31, 2016 | through | March 30, 2017 |
| | (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 | 91,852,600 cf |
| | |
| | |
| TOTAL PURCHASES | 91,852,600 cf |
| | |
| 4. Total gallons sold for the 12 month period | 77,236,799 cf |
| | |
| 5. Increased water cost | \$28,097.71 |
| The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. | |
| | |
| 6. Purchased water adjustment factor | \$0.04 per 100 cf |
| 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. ***No longer required***</p> | |
| | |
| 7. Proposed effective date | July 1, 2017 |
| | |
| Signature of Utility Officer | |
| (Jim Carr) Chairman | |
| Title | |

807 KAR 5:068. Purchased Water Adjustment for Water Districts & Water Associations.

Section 1(1). "Application" means:

- X A completed Purchased Water Adjustment Form 1

- X A schedule listing current and proposed rates

- X A copy of the supplier's notice showing a change in the supplier's base rate

- X The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation

- X A copy of the resolution or other document of the utility's governing body authorizing the proposed rates

- ~~If the applicant is a water district and proposes to increase any of its rates for service, a statement from an authorized official of the district indicating the date its proposed rate adjustment was reported to the governing body of the county in which the largest number of its customers reside and the date it presented testimony, or is scheduled to present testimony~~

*****No longer required*****

List of Exhibits

Exhibit #1 – Suppliers Notice

Exhibit #2 – Water Purchased / Water Sold (3/31/16 to 3/30/17)

Exhibit #3 – Calculations

Exhibit #4 – Proposed Billing Rates

Exhibit #5 -- Resolution

Richmond Utilities

5-1-17

300 Hallie Irvine St.
PO BOX 700 – Richmond, KY 40476-0700
(859) 623-2323 – Office
(859) 624-0805 – Fax

May 1, 2017

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

Dear Jim/John/MCUD Board

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 | \$2.35332/100 Cu Ft | \$2.38391/100 Cu Ft | 1.3 % Increase |
| Madison County Utility District | \$2.35332/100 Cu Ft | \$2.38391/100 Cu Ft | 1.3% Increase |

The proposed effective date is July 1, 2017, usage on or after this date.

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

MCUD 2016 Water Purchase/Sold Summary

| Time Period | Cubic Feet Water Purchased | Cubic Feet Water Sold | Dollar Amt of Water Sales |
|------------------------------|-------------------------------|--------------------------|---------------------------|
| 12/30/15 - 2/1/16 | 7,598,700 | 5,713,299 | \$329,620.80 |
| 2/1/16 - 3/1/16 | 7,267,600 | 6,506,246 | \$364,429.38 |
| 3/1/16 - 3/31/16 | 7,147,100 | 6,113,520 | \$345,204.84 |
| 3/31/16 - 5/2/16 | 7,311,800 | 5,769,871 | \$330,808.26 |
| 5/2/16 - 5/31/16 | 7,647,200 | 5,899,255 | \$342,898.72 |
| 5/31/16 - 6/30/16 | 9,560,200 | 8,265,105 | \$448,148.92 |
| 7/1/16 - 8/1/16 | 7,987,700 | 7,751,646 | \$419,733.03 |
| 8/1/16 - 8/31/16 | 8,003,000 | 7,618,937 | \$416,605.73 |
| 8/31/16 - 10/3/16 | 8,471,900 | 6,142,839 | \$348,837.21 |
| 10/3/16 - 11/1/16 | 8,245,600 | 6,373,237 | \$358,057.59 |
| 11/1/2016 - 12/1/16 | 6,787,000 | 6,309,187 | \$355,270.69 |
| 11/30/16 - 12/30/16 | 5,942,800 | 6,098,526 | \$346,277.90 |

Totals: ~~91,970,600~~ ~~78,561,668~~ ~~\$4,405,893.07~~
Subtotal *69,957,200* *60,220,603* *\$3,366,638.05*

MCUD 2017 Water Purchase/Sold Summary

| Time Period | Cubic Feet Water Purchased | Cubic Feet Water Sold | Dollar Amt of Water Sales |
|-------------------|-------------------------------|--------------------------|---------------------------|
| 12/30/16 - 2/1/17 | 7,787,300 | 6,053,162 | \$344,763.46 |
| 2/1/17 - 3/2/17 | 6,568,100 | 5,439,676 | \$316,285.57 |
| 3/2/17 - 3/30/17 | 7,540,000 | 5,515,358 | \$319,579.38 |
| Totals: | 21,895,400 | 17,008,196 | \$980,628.41 |

Total (12 month period) *91,852,600* *77,236,799* *\$4,347,266.46*

Exhibit #3

MCUD Calculations

5. Increased Water Cost:

$$\text{\$2.48732/100 cu ft to \$2.51791/100 cu ft} = \text{\$0.03059}$$

$$91,852,600 \times \text{\$0.03059} / 100 \text{ cu ft} = \text{\$28,097.71}$$

6. Purchase Water Adjustment Factor:

$$\text{\$28,097.71} / 77,236,799 \text{ (100 cu ft)} = \text{\$0.036 (\$0.04 per 100 cu ft)}$$

Exhibit 4

MCUD Water Rates

| | | <u>Existing</u> | <u>Proposed</u> | |
|-------|--------------------|-----------------|-----------------|--------------------|
| First | 280 cubic feet | \$16.14 | \$16.25 | Minimum Bill |
| Next | 720 cubic feet | \$5.10 | \$5.14 | per 100 cubic feet |
| Next | 3,000 cubic feet | \$4.88 | \$4.92 | per 100 cubic feet |
| Next | 8,000 cubic feet | \$4.69 | \$4.73 | per 100 cubic feet |
| Next | 88,000 cubic feet | \$4.50 | \$4.54 | per 100 cubic feet |
| Over | 100,000 cubic feet | \$4.19 | \$4.23 | per 100 cubic feet |

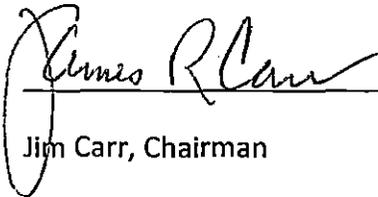
RESOLUTION FOR PASS THRU RATE INCREASE

Madison County Utilities District

WHEREAS Madison County Utilities District proposes to raise their water rates to offset an increase in their wholesale purchase rates from Richmond Utilities.

NOW THEREFORE BE IT RESOLVED by the Commissioners of Madison County Utilities District that Jim Carr, Chairman, is authorized to execute and submit an application to the Kentucky Public Service Commission to raise the Madison County Utilities District's Water Rates by \$0.04 per 100 cubic feet.

Adopted this 25th day of May, 2017



Jim Carr, Chairman

Madison County Utilities District

Attest:



Barbara Moberly, Office Manager