

RECEIVED

JUN 15 2018

PUBLIC SERVICE
COMMISSION

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: (859) 498-0521

Fax: (859) 498-0872

June 12, 2018

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY. 40602

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective July 01, 2018.

The District will publish the notice of the new rates in the local newspaper no later than the issuance of the first bill at the increased rate.

Sincerely;



enclosure

MT. STERLING WATER & SEWER SYSTEM

Case No. 2018-00200

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

May 31, 2018

Sandra Cole
Montgomery County Water District
4412 Camargo Road
Mt. Sterling, Kentucky 40353

Re: Wholesale Rate Increase

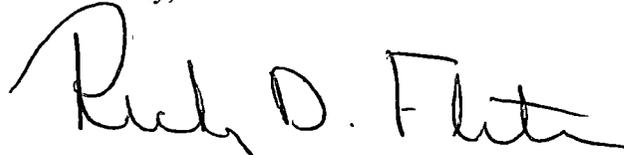
Sandra,

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. This proposed increase is based on an increase of the inflationary rate of 2.9% as indicated by the Bureau of Labor Statistics, as well as several water projects slated for the 2018/2019 fiscal year. As a result our water and sewer board of commissioners voted to increase water rates by a factor of 3% at the regular monthly board meeting held May 14, 2018.

Our utility has petitioned the Public Service Commission (PSC), to allow this increase be passed along to our wholesale customers. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$3.02/1,000 gallons, up to \$3.11. We have requested that this increase be effective July 1, 2018, 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 to 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 notification of the proposed increase, notification to the PSC Executive Director, proposed tariff sheet, required PSC language, along with an excerpt from the Bureau of Labor Statistics web site.

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

MONTGOMERY COUNTY WATER DISTRICT #1

**4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: 859-498-0521

Fax Phone 859-498-0872

**MINUTES
June 12, 2018**

The meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. at the water office by Chairman Steve Hall.

Roll Call:

Staff members present at meeting were Steve Hall, DeWayne Williams, Kevin Shackelford and Sandra Cole.

Approval of May 08, 2018 Minutes:

Dewayne Williams made a motion to approve the minutes for May 08, 2018 meeting Kevin Shackelford seconded the Motion. Motion carried.

Guests Present:

None

Comments:

None

Old Business:

A. Concrete Drive

Sandra let Commissioner's know that the concrete at the side of 4416 garage has been completed.

New Business:

A. Approve Managers Report, Financial Report, Adjustments, Billing summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills

DeWayne Williams made the motion to approve the Managers/Treasurers Report. Kevin Shackelford seconded the Motion. Motion carried.

B. Additional Comments

Steve Hall inquired about the guttering on the 4416 garage. Sandra responded that when the weather cleared up we would have them put on.

Sandra let Steve Hall and Dewayne Williams know that the Fiscal Court had appointed Kevin Shackelford to the Montgomery County Water District # 1 board. Mr.Shackelford will be the Secretary.

C. Approval of Pass Thru Rate Increase

Steve Hall made a Motion to approve the rate increase pass thru from Mt.Sterling Water and Sewer. Kevin Shackelford seconded the Motion. Motion carried. Sandra will be sending all paper work to Public Service Commission for approval.

D. Adjourn

DeWayne Williams made a Motion to adjourn. Steve Hall seconded the Motion. Motion carried. Time 5:20 P.M.

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PUBLIC SERVICE
COMMISSION

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

Name of Utility	Montgomery County Water District #1	
Date	June 12, 2018	
Address	4412 Camargo Road	
City, State, Zip	Mt. Sterling, Ky. 40353	
Telephone Number	(859) 498-0521	

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 & Sewer	3.02	3.11

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

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	May 2017	through	April 2018
	(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
Mt. Sterling Water & Sewer	44,487,976
TOTAL PURCHASES	44,487,976
4. Total gallons sold for the 12 month period	33,436,170
5. Increased water cost	4003.92
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.12
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	July 01, 2018
Signature of Utility Officer	
	
Title Chairman	

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: (859) 498-0521

Fax: (859) 498-0872

MONTHLY WATER RATES

CURRENT

\$23.25 Minimum Bill

Next 3,000 Gal. \$7.48 Per 1000 Gal

Next 5,000 Gal. \$6.76Per 1000 Gal.

Over 10,000 Gal. \$6.04Per 1000 Gal

Wholesale Customer \$3.29 Per 1,000 Gal

PROPOSED

\$23.49 Minimum Bill

\$7.60 Per 1,000 Gallon

\$6.88 Per 1,000 Gallon

\$6.16Per 1,000 Gallon

\$3.41 Per 1,000 Gallon

MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353

Phone: (859) 498-0521

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Water Sold 2017-2018

May	2,696,730
June	3,256,890
July	3,122,890
August	2,901,760
September	2,805,560
October	2,761,840
November	2,509,750
December	2,478,870
January	3,307,720
February	2,645,360
March	2,252,290
April	2,696,510
TOTAL	33,436,170

History For Account 0019-00400-001 Water, Montgomery County

Tran	Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance	
02/19/18	02/19/18		PAY	Payment	WATER	02	(\$12,445.97)	\$0.00	\$0.00			
			<input type="checkbox"/>	Maicd		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
03/09/18	03/09/18		WTR	Water Billing	WATER	02	\$8,862.35	\$0.00	\$0.00			
				llaam		2,934,554	\$0.00	\$0.00	\$0.00	\$0.00	\$8,862.35	
03/15/18	03/15/18		PAY	Payment	WATER	02	(\$8,862.35)	\$0.00	\$0.00			
			<input type="checkbox"/>	Maicd		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
04/09/18	04/09/18		WTR	Water Billing	WATER	02	\$9,166.64	\$0.00	\$0.00			
				llaam		3,035,310	\$0.00	\$0.00	\$0.00	\$0.00	\$9,166.64	
04/19/18	04/19/18		PAY	Payment	WATER	02	(\$9,166.64)	\$0.00	\$0.00			
			<input type="checkbox"/>	Maicd		0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total For Selection								\$0.00	\$0.00	\$0.00		
								\$0.00	\$0.00	\$0.00	\$0.00	
Ending Balance								\$11,796.97	\$0.00	\$0.00		
								\$0.00	\$0.00	\$0.00	\$11,796.97	

44,487,976

Customer History Report

Service Type All Use Reading Factor Print Transaction In Descending Order
 AR Code All Start Balance With Zero
 Beginning Date 05/01/2017 Print Breakdown By Transaction Service Taxes Totals Only
 Ending Date 05/01/2018

History For Account 0019-00400-001 Water, Montgomery County

Tran Date	Post Date	Code	Description	Service Desc	Service Usage	Service Local Tax	Surcharge1 State Tax	Surcharge2 Penalty	Unapplied	Balance
05/09/17	05/09/17	WTR	Water Billing	WATER	02	\$11,060.44	\$0.00	\$0.00	\$0.00	\$11,060.44
	lisam				3,736,634	\$0.00	\$0.00	\$0.00	\$0.00	
05/19/17	05/19/17	PAY	Payment	WATER	02	(\$11,060.44)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
06/08/17	06/08/17	WTR	Water Billing	WATER	02	\$10,630.24	\$0.00	\$0.00	\$0.00	\$10,630.24
	lisam				3,591,298	\$0.00	\$0.00	\$0.00	\$0.00	
06/19/17	06/19/17	PAY	Payment	WATER	02	(\$10,630.24)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
07/07/17	07/07/17	WTR	Water Billing	WATER	02	\$15,817.61	\$0.00	\$0.00	\$0.00	\$15,817.61
	lisam				5,343,787	\$0.00	\$0.00	\$0.00	\$0.00	
07/19/17	07/19/17	PAY	Payment	WATER	02	(\$15,817.61)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
08/09/17	08/09/17	WTR	Water Billing	WATER	02	\$14,864.45	\$0.00	\$0.00	\$0.00	\$14,864.45
	lisam				5,021,773	\$0.00	\$0.00	\$0.00	\$0.00	
08/18/17	08/18/17	PAY	Payment	WATER	02	(\$14,864.45)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
09/08/17	09/08/17	WTR	Water Billing	WATER	02	\$11,345.63	\$0.00	\$0.00	\$0.00	\$11,345.63
	lisam				3,756,830	\$0.00	\$0.00	\$0.00	\$0.00	
09/19/17	09/19/17	PAY	Payment	WATER	02	(\$11,345.63)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/06/17	10/06/17	WTR	Water Billing	WATER	02	\$9,376.27	\$0.00	\$0.00	\$0.00	\$9,376.27
	lisam				3,104,724	\$0.00	\$0.00	\$0.00	\$0.00	
10/19/17	10/19/17	PAY	Payment	WATER	02	(\$9,376.27)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11/09/17	11/09/17	WTR	Water Billing	WATER	02	\$11,472.13	\$0.00	\$0.00	\$0.00	\$11,472.13
	lisam				3,798,718	\$0.00	\$0.00	\$0.00	\$0.00	
11/17/17	11/17/17	PAY	Payment	WATER	02	(\$11,472.13)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/07/17	12/07/17	WTR	Water Billing	WATER	02	\$9,608.49	\$0.00	\$0.00	\$0.00	\$9,608.49
	lisam				3,181,618	\$0.00	\$0.00	\$0.00	\$0.00	
12/19/17	12/19/17	PAY	Payment	WATER	02	(\$9,608.49)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
01/09/18	01/09/18	WTR	Water Billing	WATER	02	\$8,641.88	\$0.00	\$0.00	\$0.00	\$8,641.88
	lisam				2,861,549	\$0.00	\$0.00	\$0.00	\$0.00	
01/19/18	01/19/18	PAY	Payment	WATER	02	(\$8,641.88)	\$0.00	\$0.00	\$0.00	\$0.00
	<input type="checkbox"/> Jennifer				0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
02/09/18	02/09/18	WTR	Water Billing	WATER	02	\$12,445.97	\$0.00	\$0.00	\$0.00	\$12,445.97
	lisam				4,121,181	\$0.00	\$0.00	\$0.00	\$0.00	

Total - 44,487.976

Total purchased
Total Sold

44,487,976
33,436,170

may 2017
april 2018

5/2017
Thru
4/2018

Water purchased $44,487,976 \div 1000 = 44,487.98$
Water Sold $33,436,170 \div 1000 = 33,436.17$

Old Rate $3.02 \times 44,487.98 = 134,353.70$
New Rate $3.11 \times 44,487.98 = \underline{138,357.62}$

Subtract 4003.92

Divided by 33,436,170

= .12¢ adj factor

33,436,170 0.00 *
TOTAL 0.00 *

26,967.30 +
32,568.90 +
31,228.90 +
29,017.60 +
28,055.60 +
27,618.40 +
25,097.50 +
24,788.70 +
33,077.20 +
26,453.60 +
22,522.90 +
26,965.10 +
334,361.70 *
0.00 *
0.00 *