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DEC 06 2019

PUBLIC SERVICE
COMMISSION

December 05, 2019

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

Dear Executive Director:

Please find enclosed the Association's request for a purchased water rate adjustment. This adjustment request is due to the increased cost of wholesale water from the City of Berea that will be effective on January 10, 2020. Exhibit "A" is attached to the application showing this agreed to rate increase.

Also, enclosed is a revised tariff sheet reflecting the one cent per thousand gallons adjustment.

The Association will notify its customers of the rate adjustment before rendering the first customer statement reflecting the increase.

If additional information should be required, please advise.

Sincerely,



Sean Smith
General Manager

Enclosures

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

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PUBLIC SERVICE
COMMISSION

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------|------------------|
| Name of Utility | GARRARD COUNTY WATER ASSOCIATION | | |
| Date | December 5, 2019 | | |
| Address | P.O. BOX 670 | | |
| City, State, Zip | LANCASTER | KY | 40444 |
| Telephone Number | 859-792-4501 | | |
| Email Address | ssmith@garrardwater.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 | |
| CITY OF LANCASTER | 2.47 | 2.47 | |
| CITY OF DANVILLE | 2.41 | 2.41 | |
| CITY OF BEREA | 2.65 | 2.78 | |
| 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 | December 2018 | through | November 2019 |
| | (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 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| CITY OF LANCASTER | 382,895,060 |
| CITY OF DANVILLE | 5,514,405 |
| CITY OF BEREA | 27,914,237 |
| TOTAL PURCHASES | 416,323,702 |
| | |
| 4. Total gallons sold for the 12 month period | 333,252,782 |
| | |
| 5. Increased water cost | \$3628.85 |
| <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 B</p> | |
| | |
| 6. Purchased water adjustment factor | .01 |
| <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 | January 10, 2020 |
| | |
|  | |
| Signature of Utility Officer | |
|  | |
| Title | |

Per City of Berea Municipal Utilities in providing to the Garrard County Water Association a notice that it filed with the Public Service Commission on September 30, 2019, to increase its wholesale water rates. The Board of Directors of the Garrard County Water Association met on December 3, 2019, and approved proceeding with the (BMU) rate increase.

Bill Cooper
Executive Director

3-12-19
Date

FOR Berea, Kentucky and Vicinity
Area Served

P.S.C. KY, NO. 1

1st Revised SHEET NO. 1

Berea Municipal Utilities
(Name of Municipal Utility)

CANCELLING P.S.C. KY, NO. 1

Original SHEET NO. 1

RATES & CHARGES

WHOLESALE SERVICE – CLASS 6

| | | |
|----------------------------------|----------------------------|-----|
| Garrard County Water Association | \$0.0207734 per cubic foot | (I) |
| Southern Madison Water District | \$0.0027770 per gallon | (I) |

Separate Line Item for the Kentucky River Authority Withdrawal Fee:

| | | |
|-----------------------------------|-----------------|-------------------|
| Tier 1 Fee: | \$0.0220 | per 1,000 gallons |
| Adjustment (15%) for water losses | <u>\$0.0033</u> | per 1,000 gallons |
| Total | \$0.0253 | per 1,000 gallons |

Note: The above Kentucky River Authority Withdrawal Fee has been previously submitted and approved. It remains unchanged.

DATE OF ISSUE September 13, 2019
Month / Date / Year

DATE EFFECTIVE October 31, 2019
Month / Date / Year

ISSUED BY *Priscilla Yelving*
(Signature of Officer)

TITLE Mayor

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

| |
|---------------------------------------------------------------------------|
| KENTUCKY PUBLIC SERVICE COMMISSION |
| Gwen R. Pinson Executive Director <i>Gwen R. Pinson</i> |
| EFFECTIVE 10/31/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |

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DEC 07 2019

PUBLIC SERVICE
COMMISSION



BEREA **MUNICIPAL UTILITIES**

200 Harrison Road
Berea, KY 40403
Phone: (859) 986-4391
Fax: (859) 756-3890

NOTICE

City of Berea Municipal Utilities (BMU) is providing notice that it plans to file with the Kentucky Public Service Commission ("KyPSC") on or before September 30, 2019, to increase the wholesale rate it charges Garrard County Water Association effective for water service. The new rate will go into effect October 31, 2019 and will be reflected on bills due on January 10, 2020, dependent on approval from KyPSC. The proposed rates are as follows:

| <u>Current Rate</u> | <u>New Rate</u> | <u>\$ Change</u> | <u>% Change</u> |
|------------------------|------------------------|--------------------|-----------------|
| \$.0197896 per cu. ft. | \$.0207734 per cu. ft. | \$.000984 Increase | 4.97% |

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

In accordance with KyPSC procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to Garrard County Water Association.

This filing may be examined at the offices of Berea Municipal Utilities, 200 Harrison Rd, Berea, Kentucky.

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

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

The new rates are the rates proposed by Berea Municipal Utilities in its filing but the KyPSC may order rates that differ from the proposed rates.

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

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

Garrard Co. Water
2020
Comparison of Rates

5/8" x 3/4" Meter

| | | <u>Old Rate</u> | <u>New Rate</u> |
|-------|---------------|-----------------|-------------------------|
| First | 1,000 Gallons | \$ 11.68 | \$ 11.69 (Minimum Bill) |
| Next | 1,000 Gallons | 6.29 | 6.30 per 1,000 gallons |
| Next | 1,000 Gallons | 5.08 | 5.09 per 1,000 gallons |
| Next | 2,000 Gallons | 4.86 | 4.87 per 1,000 gallons |
| Over | 5,000 Gallons | 4.53 | 4.54 per 1,000 gallons |

1" Meter

| | | | |
|----------|---------------|----------|-------------------------|
| First | 5,000 Gallons | \$ 32.77 | \$ 32.82 (Minimum Bill) |
| All Over | 5,000 Gallons | 4.53 | 4.54 per 1,000 gallons |

1 & 1/2" Meter

| | | | |
|----------|----------------|----------|-------------------------|
| First | 10,000 Gallons | \$ 55.42 | \$ 55.52 (Minimum Bill) |
| All Over | 10,000 Gallons | 4.53 | 4.54 per 1,000 gallons |

2" Meter

| | | | |
|----------|----------------|-----------|--------------------------|
| First | 25,000 Gallons | \$ 123.37 | \$ 123.62 (Minimum Bill) |
| All Over | 25,000 Gallons | 4.53 | 4.54 per 1,000 gallons |

BULK SALES

\$5.85 per 1,000 Gallons

Garrard County Water 2020 (Exhibit B)

| <u>SUPPLIER</u> | NEW RATE (per 1,000) | OLD RATE (per 1,000) |
|-----------------|-------------------------|-------------------------|
| Berea | \$2.78 | \$2.65 |

TWELVE MONTH TEST PERIOD: **December 2018 – November 2019**

| <u>SUPPLIER</u> | <u>GALLONS PURCHASED DURING TEST PERIOD</u> |
|-----------------|-------------------------------------------------|
| Berea | 27,914,237 |
| 0 | 0 |
| TOTAL | 27,914,237 |

| <u>SUPPLIER</u> | <u>COST AT NEW RATE</u> | <u>COST AT OLD RATE</u> |
|-----------------|-----------------------------|-----------------------------------|
| Berea | \$77,601.59 | \$73,972.74 |
| Total | \$77,601.59- | \$73,972.74 = \$3628.85 |

TOTAL GALLONS SOLD FOR THE TEST PERIOD : **333,252,782**

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

| | | | | | |
|------------------|---|--------------------|-------|---|--------------|
| \$3628.85 | / | 333,252,782 | /1000 | = | .0108 |
| Rounded | | | | | .01 |