

**Magoffin County Water District
Adjustable Rate Filing**

**Electronically Filed with the
Kentucky Public Service Commission
April 7, 2015**

**PO Box 490
Salyersville, KY 41465
(606) 349-6812 office
(606) 349-6814 fax**

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MAGOFFIN COUNTY WATER DISTRICT

P. O. BOX 490

SALYERSVILLE, KY 41465

PHONE: 606-349-6812 OR 349-6814

Fax 606-349-6814

Allen B. McCarty
Superintendent

April 2, 2015

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

RE: Case No. 2015-00022

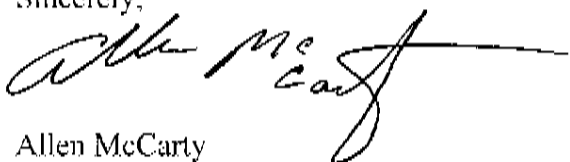
Dear Mr. Derouen:

Uploaded to the PSC E-Filing System are the forms and supporting documentation of the Magoffin County Water District's ARF Application for an adjustment to its water rates. The ARF Application is being filed pursuant to 807 KAR 5:076. Our intent was to complete this filing by March 18, 2015 as stated in the case number request document; however the winter storms have delayed completion of the filing.

The ARF Application uses calendar year 2013 as the Test Year, with appropriate adjustments to normalize expenses. Although the test year financial data shows that 22% increase is justified; the Board has voted to seek two 5.5% increases in consideration of the customers and local economy. The first increase will go in effect upon PSC approval of the case and the second beginning January 2016 for an over all increase of 11.3%. A copy of the ARF Application has been sent electronically to Office of Rate Intervention in the Attorney General's Office.

Thank you for consideration in this matter. Please contact me if any further information is needed.

Sincerely,



Allen McCarty
Manager

Section 1

Rate Adjustment Resolution

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MAGOFFIN COUNTY WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS SUPERINTENDENT TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the Magoffin County Water District ("District") is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission ("PSC");

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MAGOFFIN COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The Superintendent is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing ("ARF") Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, Superintendent, and all other appropriate District Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF MAGOFFIN COUNTY WATER DISTRICT at a meeting held on March 18, 2015, signed by the Chairman, and attested by the Secretary.

ATTEST:

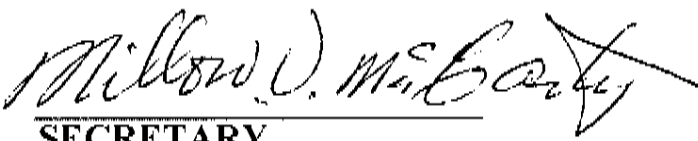

CHAIRMAN


SECRETARY

CERTIFICATION

I, Secretary of the Magoffin County Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on March 18, 2015, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 18th day of March, 2015.


SECRETARY

Section 2

Board Meeting Minutes

WATER MEETING

January 8, 2015

4:00 P.M.

Commissioners present were: Randall Hardin, Millow D. McCarty, Chester Howard and Kenneth Auxier. Commissioner absent: Machel Hardin. Others present were Allen McCarty and Shirley Borders.

Randall called the meeting to order. Millow D. made a motion to accept the minutes of the last meeting. Chester seconded the motion. All voted Yea. Chester made a motion of pay all bills. Kenneth seconded the motion. All voted Yea.

Increase in our water rates was discussed. Allen suggested that the rates be increased 5.5% this year and phase in another 5.5% in 2016. Total rate increase would be 11%. Randall made a motion to increase the water rates by the amount that Allen suggested. Kenneth seconded the motion. All voted Yea.

Randall made a motion to change the meeting date to the third Wednesday of the month at 3:00 P.M. beginning on February 18th. Chester seconded the motion. All voted Yea.

Allen updated the Board on the Parkway projects and his meeting with the Transportation Cabinet concerning the four lane highway and Route 30. He said we were in good standing on these projects.

Randall made a motion to adjourn. Kenneth seconded. All voted Yea.

Section 3

Customer Notice

April 3, 2015

Salyersville Independent
P.O. Box 29
Salyersville, KY 41465

Attention: Legal Advertising Department

RE: Customer Notice of Proposed Adjustment
of Water Rates Magoffin County Water District

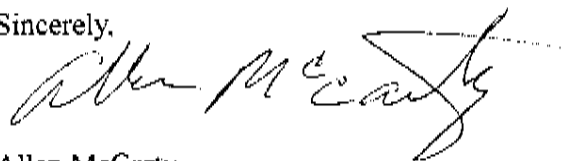
To Whom It May Concern:

Please publish the enclosed Customer Notice of Proposed Adjustment of Water Rates among the legal notices or the classifieds in the April 9th, 16th and 23rd, 2015 editions of the Salyersville Independent.

Your statement should be sent to Magoffin County Water District, P.O. Box 490, Salyersville, KY 41465. As soon as possible after the last publication, please furnish me three (3) tear sheets and Affidavits of Publication for each of the three (3) editions in which the Customer Notice is published.

Please acknowledge receipt of this letter by telephoning my office.

Sincerely,



Allen McCarty
Manager

Enclosure

CUSTOMER NOTICE

Notice is hereby given that the Magoffin County Water District expects to file an application on or about April 6, 2015 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

Customer Class	Meter Size	Average Monthly Usage (gallons)	Current Average Monthly Bill	2015 Proposed Average Monthly Bill	2016 Proposed Average Monthly Bill
Residential	5/8 x 3/4 inch	3,807	\$26.92	\$28.41	\$29.95
	1-Inch	7,788	\$53.00	\$54.86	\$57.89
Commercial	3/4-Inch	3,398	\$30.10	\$31.76	\$33.51
	1-Inch	9,408	\$78.62	\$82.93	\$87.50
	2-Inch	41,209	\$301.70	\$318.24	\$335.92

MONTHLY WATER RATES

Customer Class	Meter Size	Current Rate		2015 Proposed Rate		Increase \$	Increase %	2016 Proposed Rate		Increase \$	Increase %
RESIDENTIAL	5/8" x 3/4" Meter										
	First 2,000 gal.	\$ 14.90	Minimum	\$ 15.72	Minimum	\$0.82	5.50%	\$ 16.58	Minimum	\$0.86	5.50%
	Next 3,000 gal.	\$ 6.65	per 1,000 gal.	\$ 7.02	per 1,000 gal.	\$0.37	5.50%	\$ 7.40	per 1,000 gal.	\$0.39	5.50%
	Next 5,000 gal.	\$ 6.15	per 1,000 gal.	\$ 6.49	per 1,000 gal.	\$0.34	5.50%	\$ 6.85	per 1,000 gal.	\$0.36	5.50%
	All Over 10,000	\$ 5.65	per 1,000 gal.	\$ 5.96	per 1,000 gal.	\$0.31	5.50%	\$ 6.29	per 1,000 gal.	\$0.33	5.50%
	1-Inch Meter										
	First 5,000 gal.	\$ 34.85	Minimum	\$ 36.77	Minimum	\$1.92	5.50%	\$ 38.79	Minimum	\$2.02	5.50%
	Next 5,000 gal.	\$ 6.15	per 1,000 gal.	\$ 6.49	per 1,000 gal.	\$0.34	5.50%	\$ 6.85	per 1,000 gal.	\$0.36	5.50%
	All Over 10,000	\$ 5.65	per 1,000 gal.	\$ 5.96	per 1,000 gal.	\$0.31	5.50%	\$ 6.29	per 1,000 gal.	\$0.33	5.50%
	COMMERCIAL	3/4" Meter									
First 3,000 gal.		\$ 26.70	Minimum	\$ 28.17	Minimum	\$1.47	5.50%	\$ 29.72	Minimum	\$1.55	5.50%
Next 2,000 gal.		\$ 8.55	per 1,000 gal.	\$ 9.02	per 1,000 gal.	\$0.47	5.50%	\$ 9.52	per 1,000 gal.	\$0.50	5.50%
Next 5,000 gal.		\$ 7.90	per 1,000 gal.	\$ 8.33	per 1,000 gal.	\$0.43	5.50%	\$ 8.79	per 1,000 gal.	\$0.46	5.50%
Next 5,000 gal.		\$ 7.25	per 1,000 gal.	\$ 7.65	per 1,000 gal.	\$0.40	5.50%	\$ 8.07	per 1,000 gal.	\$0.42	5.50%
All Over 10,000		\$ 6.95	per 1,000 gal.	\$ 7.33	per 1,000 gal.	\$0.38	5.50%	\$ 7.74	per 1,000 gal.	\$0.40	5.50%
1-Inch Meter											
First 5,000 gal.		\$ 43.80	Minimum	\$ 46.21	Minimum	\$2.41	5.50%	\$ 48.75	Minimum	\$2.54	5.50%
Next 5,000 gal.		\$ 7.90	per 1,000 gal.	\$ 8.33	per 1,000 gal.	\$0.43	5.50%	\$ 8.79	per 1,000 gal.	\$0.46	5.50%
Next 5,000 gal.		\$ 7.25	per 1,000 gal.	\$ 7.65	per 1,000 gal.	\$0.40	5.50%	\$ 8.07	per 1,000 gal.	\$0.42	5.50%
All Over 15,000		\$ 6.95	per 1,000 gal.	\$ 7.33	per 1,000 gal.	\$0.38	5.50%	\$ 7.74	per 1,000 gal.	\$0.40	5.50%
2-Inch Meter											
First 15,000 gal.	\$119.55	Minimum	\$126.13	Minimum	\$6.58	5.50%	\$133.06	Minimum	\$6.94	5.50%	
All Over 15,000	\$ 6.95	per 1,000 gal.	\$ 7.33	per 1,000 gal.	\$0.38	5.50%	\$ 7.74	per 1,000 gal.	\$0.40	5.50%	

The rates contained in this notice are the rates proposed by Magoffin County Water District. However, the Public Service Commission may order rates to be charged that differ from the proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Magoffin County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at the Magoffin County Water District's office at 749 Parkway Drive, Salyersville, KY 41465. You may contact the office at 606-349-6812.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing 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 initial publication of this notice, the Public Service Commission may take final action on the application.

Section 4
ARF Application

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Magoffin County Water District

(Name of Utility)

PO Box 490

(Business Mailing Address - Number and Street, or P.O. Box)

Salyersville, KY 41465

(Business Mailing Address - City, State, and Zip)

606-349-6812

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Allen McCarty

(Name)

PO Box 490

(Address - Number and Street or P.O. Box)

Salyersville, KY 41465

(Address - City, State, Zip)

606-349-6812

(Telephone Number)

mcwd07@yahoo.com

(Email Address)

**(For each statement below, the Applicant should check either "YES", "NO", or
"NOT APPLICABLE" (N/A))**

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

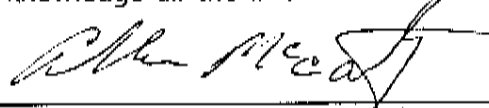
	YES	NO	N/A
4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Applicant is a sole proprietorship or partnership.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Applicant is a water district organized pursuant to KRS Chapter 74.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Applicant is a water association organized pursuant to KRS Chapter 273.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. An electronic copy of this application has been electronically mailed to: Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. (Attach a copy of customer notice.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." (Attach completed "Reasons for Application" Attachment.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | | YES | NO | N/A |
|--------|--|-------------------------------------|--------------------------|--------------------------|
| 8. | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. | Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2013</u> . | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. | Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>279,392</u> and total revenues from service rates of \$ <u>1,622,857</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. | As of the date of the filing of this application , Applicant had <u>3,518</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. | A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. | Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
- 17. Approximately _____ **(Insert dollar amount or percentage of total utility plant)** of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires complete such form.

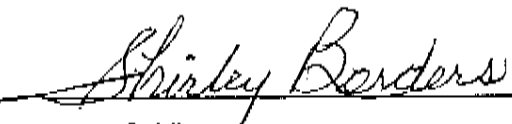
I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
 Officer of the Company/Authorized Representative
 Title Superintendent
 Date 4-3-2015

COMMONWEALTH OF KENTUCKY

COUNTY OF Maggoffin

Before me appeared _____, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


 Notary Public
 My commission expires: May 5, 2018
ID 510928

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- "Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- "Billing Analysis" Attachment
- Depreciation Schedule
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

Section 5

Reason for Application

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Magoffin County Water District (District) is requesting a 10.3% rate increase to be implemented in two 5% increments. The District has not applied for a general rate increase since setting initial rates in 1984. The minimum bill has only increased \$4.00 over a 30 year period. All subsequent rate increases have been due to assuming debt for construction projects and purchase water adjustments. The District serves 96% of the county which leaves very little potential to expand and now must maintain its infrastructure with a declining customer base. The District needs the rate increase for the following reasons:

1. To enable the District to pay the cost of routine maintenance and repairs from its operating budget instead of reserves which are maintained capital improvement and replacement;
2. To restore the District to a sound financial condition; and
3. To enable the District to enhance its financial capacity to continue operating in compliance with the Safe Drinking Water Act and KRS Chapter 151.

Section 6

Current and Proposed Rates

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

Meter Size	Current Rate	2015 Proposed Rate	2016 Proposed Rate
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RESIDENTIAL**5/8" x 3/4" Meter**

First 2,000 gal.	\$ 14.90 Minimum	\$ 15.72 Minimum	\$ 16.58 Minimum
Next 3,000 gal.	\$ 6.65 per 1,000 gal.	\$ 7.02 per 1,000 gal.	\$ 7.40 per 1,000 gal.
Next 5,000 gal.	\$ 6.15 per 1,000 gal.	\$ 6.49 per 1,000 gal.	\$ 6.85 per 1,000 gal.
All Over 10,000	\$ 5.65 per 1,000 gal.	\$ 5.96 per 1,000 gal.	\$ 6.29 per 1,000 gal.

1-Inch Meter

First 5,000 gal.	\$ 34.85 Minimum	\$ 36.77 Minimum	\$ 38.79 Minimum
Next 5,000 gal.	\$ 6.15 per 1,000 gal.	\$ 6.49 per 1,000 gal.	\$ 6.85 per 1,000 gal.
All Over 10,000	\$ 5.65 per 1,000 gal.	\$ 5.96 per 1,000 gal.	\$ 6.29 per 1,000 gal.

COMMERCIAL**3/4" Meter**

First 3,000 gal.	\$ 26.70 Minimum	\$ 28.17 Minimum	\$ 29.72 Minimum
Next 2,000 gal.	\$ 8.55 per 1,000 gal.	\$ 9.02 per 1,000 gal.	\$ 9.52 per 1,000 gal.
Next 5,000 gal.	\$ 7.90 per 1,000 gal.	\$ 8.33 per 1,000 gal.	\$ 8.79 per 1,000 gal.
Next 5,000 gal.	\$ 7.25 per 1,000 gal.	\$ 7.65 per 1,000 gal.	\$ 8.07 per 1,000 gal.
All Over 10,000	\$ 6.95 per 1,000 gal.	\$ 7.33 per 1,000 gal.	\$ 7.74 per 1,000 gal.

1-Inch Meter

First 5,000 gal.	\$ 43.80 Minimum	\$ 46.21 Minimum	\$ 48.75 Minimum
Next 5,000 gal.	\$ 7.90 per 1,000 gal.	\$ 8.33 per 1,000 gal.	\$ 8.79 per 1,000 gal.
Next 5,000 gal.	\$ 7.25 per 1,000 gal.	\$ 7.65 per 1,000 gal.	\$ 8.07 per 1,000 gal.
All Over 15,000	\$ 6.95 per 1,000 gal.	\$ 7.33 per 1,000 gal.	\$ 7.74 per 1,000 gal.

2-Inch Meter

First 15,000 gal.	\$ 119.55 Minimum	\$ 126.13 Minimum	\$ 133.06 Minimum
All Over 15,000	\$ 6.95 per 1,000 gal.	\$ 7.33 per 1,000 gal.	\$ 7.74 per 1,000 gal.

Section 7

Schedule of Adjusted Operations

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 13

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales				0.00
Metered Water Sales	1,269,720.00			1,269,720.00
Bulk Loading Stations				0.00
Fire Protection Revenue				0.00
Sales for Resale				0.00
Total Sales of Water	1,269,720.00	0.00		1,269,720.00
Other Water Revenues				
Forfeited Discounts				0.00
Miscellaneous Service Revenues				0.00
Rents from Water Property				0.00
Other Water Revenues	70,531.00			70,531.00
Total Other Water Revenues	70,531.00	0.00		70,531.00
Total Operating Revenues	1,340,251.00	0.00		1,340,251.00
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	300,613.00	8,400.00	A	309,013.00
Salaries and Wages - Officers	7,800.00			7,800.00
Employee Pensions and Benefits	109,418.00			109,418.00
Purchased Water	532,222.00			532,222.00
Purchased Power	8,824.00	33,359.00	B	42,183.00
Fuel for Power Production				0.00
Chemicals				0.00
Materials and Supplies	28,088.00			28,088.00
Contractual Services	4,000.00			4,000.00
Water Testing	0.00	5,340.00	C	5,340.00
Rents	9,300.00			9,300.00
Transportation Expenses	36,377.00			36,377.00
Insurance	30,483.00			30,483.00
Regulatory Commission Expenses				0.00
Bad Debt Expense	1,431.00			1,431.00

Miscellaneous Expenses	100,881.00	-36,944.00	D	63,937.00
Total Operation and Maintenance Expenses	1,169,437.00	10,155.00		1,179,592.00
Depreciation Expense	223,639.00			223,639.00
Amortization Expense				0.00
Taxes Other Than Income	79,948.00			79,948.00
Income Tax Expense				0.00
Total Operating Expenses	1,473,024.00	10,155.00		1,483,179.00
Utility Operating Income	-132,773.00	-10,155.00		-142,928.00

References

A. Salary increase

B. Power was not fully accounted in utility expense (615) in the annual report. The balance was included as miscellaneous expense

C. Water testing cost of \$2984 was not recorded as utility expense (635) and included as miscellaneous expense. \$2,356 increase due to EPA Stage 2 disinfection by-product rule.

D. Adjustment to miscellaneous expense for power, water testing and advertising that was not properly recorded.

Section 8

Revenue Requirement Schedule

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$1,483,179.00
Plus: Average Annual Debt Principal and Interest Payments*	116,398.00
Debt Coverage Requirement**	23,280.00
Total Revenue Requirement	1,622,857.00
Less: Other Operating Revenue	-70,531.00
Non-operating Revenue	
Interest Income	-3,214.00
Revenue Required from Rates	1,549,112.00
Less: Revenue from Sales at Present Rates	-1,269,720.00
Required Revenue Increase	\$279,392.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	22%
--	-----

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

Section 9
Billing Analysis

Magoffin County Water District Billing Analysis

Revenue From Present / Proposed Rates
Test Period form 1/1/2013 to 12/31/2013

USAGE TABLE Usage by Rate Increment

Class: 5/8 x 3/4 inch - Residential

USAGE (Gal)	BILLS	GALLONS	First 2,000	Next 3,000	Next 5,000	Over 10,000	TOTAL
First 2,000	12,736	12,653,300	12,653,300				12,653,300
Next 3,000	19,057	64,822,400	38,114,000	26,708,400			64,822,400
Next 5,000	8,466	56,557,059	16,932,000	25,398,000	14,227,059		56,557,059
Over 10,000	1,594	25,301,800	3,188,000	4,782,000	7,970,000	9,361,800	25,301,800
Totals	41,853	159,334,559	70,887,300	56,888,400	22,197,059	9,361,800	159,334,559

REVENUE TABLE Revenue by Rate Increment

Current Rates

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 2,000	41,853	70,887,300	\$ 14.90	\$ 623,609.70
Next 3,000		56,888,400	\$ 6.65	\$ 378,307.86
Next 5,000		22,197,059	\$ 6.15	\$ 136,511.91
Over 10,000		9,361,800	\$ 5.65	\$ 52,894.17
Totals	41,853	159,334,559		\$ 1,191,323.64

REVENUE TABLE Revenue by Rate Increment

Proposed Rates First Year 5.5%

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 2,000	41,853	70,887,300	\$ 15.72	\$ 657,908.23
Next 3,000		56,888,400	\$ 7.02	\$ 399,114.79
Next 5,000		22,197,059	\$ 6.49	\$ 144,020.07
Over 10,000		9,361,800	\$ 5.96	\$ 55,803.35
Totals	41,853	159,334,559		\$ 1,256,846.44

REVENUE TABLE Revenue by Rate Increment

Proposed Rates: 5.5% increase beginning January 2016

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 2,000	41,853	70,887,300	\$ 16.58	\$ 694,093.19
Next 3,000		56,888,400	\$ 7.40	\$ 421,066.11
Next 5,000		22,197,059	\$ 6.85	\$ 151,941.17
Over 10,000		9,361,800	\$ 6.29	\$ 58,872.53
Totals	41,853	159,334,559		\$ 1,325,973.00

Magoffin County Water District Billing Analysis

Revenue From Present / Proposed Rates
Test Period form 1/1/2013 to 12/31/2013

USAGE TABLE Usage by Rate Increment

Class: 1 inch - Residential

USAGE (Gal)	BILLS	GALLONS	First 5,000	Next 5,000	Over 10,000	TOTAL
First 5,000	18	36,200	36,200			36,200
Next 5,000	17	127,500	85,000	42,500		127,500
Over 10,000	13	210,100	65,000	65,000	80,100	210,100
Totals	48	373,800	186,200	107,500	80,100	373,800

REVENUE TABLE Revenue by Rate Increment

Current Rates

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	48	186,200	\$ 34.85	\$ 1,672.80
Next 5,000		107,500	\$ 6.15	\$ 661.13
Over 10,000		80,100	\$ 5.65	\$ 452.57
Totals	48	373,800		\$ 2,786.49

REVENUE TABLE Revenue by Rate Increment

Proposed Rates First Year 5.5%

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	48	186,200	\$ 36.77	\$ 1,764.80
Next 5,000		107,500	\$ 6.49	\$ 697.49
Over 10,000		80,100	\$ 5.96	\$ 477.46
Totals	48	373,800		\$ 2,939.75

REVENUE TABLE Revenue by Rate Increment

Proposed Rates: 5.5% increase beginning January 2016

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	48	186,200	\$ 38.79	\$ 1,861.87
Next 5,000		107,500	\$ 6.85	\$ 735.85
Over 10,000		80,100	\$ 6.29	\$ 503.72
Totals	48	373,800		\$ 3,101.43

Magoffin County Water District Billing Analysis

Revenue From Present / Proposed Rates
 Test Period form 1/1/2013 to 12/31/2013

USAGE TABLE Uasge by Rate Increment

Class: 3/4 inch - Commercial

USAGE (Gal)	BILLS	GALLONS	First 3,000	Next 2,000	Next 5,000	Next 5,000	Over 15,000	Total
First 3,000	394	361,600	361,600					361,600
Next 2,000	41	167,900	123,000	44,900				167,900
Next 5,000	84	577,600	252,000	168,000	157,600			577,600
Next 5,000	10	122,500	30,000	20,000	50,000	22,500		122,500
Over 15,000	26	656,300	78,000	52,000	130,000	130,000	266,300	656,300
Totals	555	1,885,900	844,600	284,900	337,600	152,500	266,300	1,885,900

REVENUE TABLE Revenue by Rate Increment

Current Rates

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 3,000	555	844,600	\$ 26.70	\$ 14,818.50
Next 2,000		284,900	\$ 8.55	\$ 2,435.90
Next 5,000		337,600	\$ 7.90	\$ 2,667.04
Next 5,000		152,500	\$ 7.25	\$ 1,105.63
Over 15,000		266,300	\$ 6.95	\$ 1,850.79
Totals	555	1,885,900		\$ 22,877.85

REVENUE TABLE Revenue by Rate Increment

Proposed Rates First Year 5.5%

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 3,000	555	844,600	\$ 28.17	\$ 15,633.52
Next 2,000		284,900	\$ 9.02	\$ 2,569.87
Next 5,000		337,600	\$ 8.33	\$ 2,813.73
Next 5,000		152,500	\$ 7.65	\$ 1,166.43
Over 15,000		266,300	\$ 7.33	\$ 1,952.58
Totals	555	1,885,900		\$ 24,136.13

REVENUE TABLE Revenue by Rate Increment

Proposed Rates: 5.5% increase beginning January 2016

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 3,000	555	844,600	\$ 29.72	\$ 16,493.36
Next 2,000		284,900	\$ 9.52	\$ 2,711.21
Next 5,000		337,600	\$ 8.79	\$ 2,968.48
Next 5,000		152,500	\$ 8.07	\$ 1,230.59
Over 15,000		266,300	\$ 7.74	\$ 2,059.97
Totals	555	1,885,900		\$ 25,463.61

Magoffin County Water District Billing Analysis

Revenue From Present / Proposed Rates
Test Period form 1/1/2013 to 12/31/2013

USAGE TABLE Usage by Rate Increment

Class: 1 inch - Commercial

USAGE (Gal)	BILLS	GALLONS	First 5,000	Next 5,000	Next 5,000	Over 15,000	TOTAL
First 5,000	36	55,500	55,500				111,000
Next 5,000	14	107,900	70,000	37,900			215,800
Next 5,000	10	127,000	50,000	50,000	27,000		254,000
Over 15,000	24	499,900	120,000	120,000	120,000	139,900	999,800
Totals	84	790,300	295,500	207,900	147,000	139,900	1,580,600

REVENUE TABLE Revenue by Rate Increment

Current Rates

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	84	295,500	\$ 43.80	\$ 3,679.20
Next 5,000		207,900	\$ 7.90	\$ 1,642.41
Next 5,000		147,000	\$ 7.25	\$ 1,065.75
Over 15,000		139,900	\$ 6.95	\$ 972.31
Totals	84	790,300		\$ 7,359.67

REVENUE TABLE Revenue by Rate Increment

Proposed Rates First Year 5.5%

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	84	295,500	\$ 46.21	\$ 3,881.56
Next 5,000		207,900	\$ 8.33	\$ 1,732.74
Next 5,000		147,000	\$ 7.65	\$ 1,124.37
Over 10,000		139,900	\$ 7.33	\$ 1,025.78
Totals	84	790,300		\$ 7,764.45

REVENUE TABLE Revenue by Rate Increment

Proposed Rates: 5.5% increase beginning January 2016

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 5,000	84	295,500	\$ 48.75	\$ 4,095.04
Next 5,000		207,900	\$ 8.79	\$ 1,828.04
Next 5,000		147,000	\$ 8.07	\$ 1,186.21
Over 10,000		139,900	\$ 7.74	\$ 1,082.20
Totals	84	790,300		\$ 8,191.49

Magoffin County Water District Billing Analysis

**Revenue From Present / Proposed Rates
Test Period form 1/1/2013 to 12/31/2013**

**USAGE TABLE
Uasge by Rate Increment**

Class: 2 inch - Commercial

USAGE (Gal)	BILLS	GALLONS	First 15,000	Over 15,000	TOTAL
First 15,000	24	99,000	99,000		99,000
Next 15,000	34	2,291,100	510,000	1,781,100	2,291,100
Totals	58	2,390,100	609,000	1,781,100	2,390,100.00

**REVENUE TABLE
Revenue by Rate Increment**

Current Rates

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 15,000	58	609,000	\$ 119.55	\$ 6,933.90
Over 15,000		1,781,100	\$ 6.95	\$ 12,378.65
Totals	58	2,390,100		\$ 19,312.55

**REVENUE TABLE
Revenue by Rate Increment**

Proposed Rates First Year 5.5%

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 15,000	58	609,000	\$ 126.13	\$ 7,315.26
Over 15,000		1,781,100	\$ 7.33	\$ 13,059.47
Totals	58	2,390,100		\$ 20,374.73

**REVENUE TABLE
Revenue by Rate Increment**

Proposed Rates: 5.5% increase beginning January 2016

USAGE (Gal)	BILLS	GALLONS	RATE	REVENUE
First 15,000	58	609,000	\$ 133.06	\$ 7,717.60
Over 15,000		1,781,100	\$ 7.74	\$ 13,777.74
Totals	58	2,390,100		\$ 21,495.35

Section 10
Depreciation Schedule

Depreciation Schedule

Magoffin County Water District
Fixed Assets
12/31/2013

Column 1	2	3	4	5	6	7	8	9	10
	Construction In Progress							Pump Stations,	
	Project 17+18	Project 16	Project 12	Land	Water Lines	Office Equipment	Equipment	Water Tanks	Total
Balance, 12/31/2012	\$ 1,253,507.55	\$ 75,568.52	\$ 1,169,653.00	\$ 13,620.00	\$ 11,122,676.27	\$ 35,246.27	\$ 291,137.36	\$ 59,269.35	\$ 11,521,949.25
Additions:									
Water Lines									-
Construction in progress									-
New truck									-
Utility plant	-	-	-	-	-	-	-	-	-
Total additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dispositions/Transfers:									
3 Trucks sold	-	-	-	-	-	-	-	-	-
Total dispositions	-	-	-	-	-	-	-	-	-
Balance, 12/31/2013	<u>\$ 1,253,507.55</u>	<u>\$ 75,568.52</u>	<u>\$ 1,169,653.00</u>	<u>\$ 13,620.00</u>	<u>\$ 11,122,676.27</u>	<u>\$ 35,246.27</u>	<u>\$ 291,137.36</u>	<u>\$ 59,269.35</u>	<u>\$ 11,521,949.25</u>
	<i>WTB</i>	<i>WTB</i>	<i>WTB</i>						

Allocation		Depreciable Life	
Trial Balance Account	Amount		
Equipment - water lines, etc.	\$ 11,508,328.00	WTB	Utility Plant 50 years
Transportation equipment	-		Furniture & fixtures 10 years
Land	13,620.00	WTB	Equipment 5 years
Construction - special jobs	-		
Total	<u>\$ 11,521,948.00</u>		

Accumulated Depreciation				
	Lines 2%	Other 10%	Other 20%	Other Total
	Utility Plant	Furniture & Fixtures	Equipment	
Balance, 12/31/2012	\$ 3,692,021.54	\$ 35,246.27	\$ 222,282.05	\$ 257,528.32
Additions:				
12/31/2012 & prior	223,638.91	-	-	-
2013 additions	-	-	-	-
Less:				
	-	-	-	-
Balance, 12/31/2013	<u>\$ 3,915,660.45</u>	<u>\$ 35,246.27</u>	<u>\$ 222,282.05</u>	<u>\$ 257,528.32</u>
				<u>\$ 4,173,188.77</u>
				<i>WTB</i>
Depreciation expense	\$ 223,638.91		\$ -	

A/D Grand Total

Section 11
Amortization Schedule

Amortization Schedule

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2015 B

Borrower: Magoffin County Water District
Closing Date: 02/19/15

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
02/19/15						
07/01/15			23,374.69		23,374.69	23,374.69
01/01/16	65,000.00	2.250%	25,971.88	450.00	91,421.88	
07/01/16			25,240.63		25,240.63	116,662.51
01/01/17	65,000.00	2.250%	25,240.63	450.00	90,690.63	
07/01/17			24,509.38		24,509.38	115,200.01
01/01/18	70,000.00	2.250%	24,509.38	450.00	94,959.38	
07/01/18			23,721.88		23,721.88	118,681.26
01/01/19	70,000.00	2.250%	23,721.88	450.00	94,171.88	
07/01/19			22,934.38		22,934.38	117,106.26
01/01/20	70,000.00	2.250%	22,934.38	450.00	93,384.38	
07/01/20			22,146.88		22,146.88	115,531.26
01/01/21	70,000.00	2.250%	22,146.88	450.00	92,596.88	
07/01/21			21,359.38		21,359.38	113,956.26
01/01/22	75,000.00	3.250%	21,359.38	450.00	96,809.38	
07/01/22			20,140.63		20,140.63	116,950.01
01/01/23	75,000.00	3.250%	20,140.63	450.00	95,590.63	
07/01/23			18,921.88		18,921.88	114,512.51
01/01/24	80,000.00	3.250%	18,921.88	450.00	99,371.88	
07/01/24			17,621.88		17,621.88	116,993.76
01/01/25	80,000.00	3.250%	17,621.88	450.00	98,071.88	
07/01/25			16,321.88		16,321.88	114,393.76
01/01/26	85,000.00	3.250%	16,321.88	450.00	101,771.88	
07/01/26			14,940.63		14,940.63	116,712.51
01/01/27	85,000.00	3.250%	14,940.63	450.00	100,390.63	
07/01/27			13,559.38		13,559.38	113,950.01
01/01/28	90,000.00	3.250%	13,559.38	450.00	104,009.38	
07/01/28			12,096.88		12,096.88	116,106.26
01/01/29	70,000.00	3.250%	12,096.88	450.00	82,546.88	
07/01/29			10,959.38		10,959.38	93,506.26
01/01/30	75,000.00	3.250%	10,959.38	450.00	86,409.38	
07/01/30			9,740.63		9,740.63	96,150.01
01/01/31	75,000.00	3.250%	9,740.63	450.00	85,190.63	
07/01/31			8,521.88		8,521.88	93,712.51
01/01/32	65,000.00	3.250%	8,521.88	450.00	73,971.88	
07/01/32			7,465.63		7,465.63	81,437.51
01/01/33	70,000.00	3.375%	7,465.63	450.00	77,915.63	
07/01/33			6,284.38		6,284.38	84,200.01
01/01/34	70,000.00	3.375%	6,284.38	450.00	76,734.38	
07/01/34			5,103.13		5,103.13	81,837.51
01/01/35	65,000.00	3.500%	5,103.13	450.00	70,553.13	
07/01/35			3,965.63		3,965.63	74,518.76
01/01/36	65,000.00	3.500%	3,965.63	450.00	69,415.63	
07/01/36			2,828.13		2,828.13	72,243.76
01/01/37	55,000.00	3.500%	2,828.13	450.00	58,278.13	
07/01/37			1,865.63		1,865.63	60,143.76
01/01/38	40,000.00	3.500%	1,865.63	450.00	42,315.63	
07/01/38			1,165.63		1,165.63	43,481.26
01/01/39	20,000.00	3.500%	1,165.63	450.00	21,615.63	
07/01/39			815.63		815.63	22,431.26
01/01/40	20,000.00	3.625%	815.63	350.00	21,165.63	
07/01/40			453.13		453.13	21,618.76
01/01/41	25,000.00	3.625%	453.13	350.00	25,803.13	
07/01/41						25,803.13
Totals	<u>1,695,000.00</u>		<u>674,715.57</u>	<u>11,500.00</u>	<u>2,381,215.57</u>	<u>2,381,215.57</u>

Section 12
Statement of Disclosure

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ December 1, 2012 and December 1, 2014 _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Chester Howard
(Print Name)

Chester Howard
(Signed)

Commissioner
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

2015-04-07 11:25:15 AM

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Chester Howard
(Name)

this 7th day of April, 20 15.

Shirley Borders
NOTARY PUBLIC ID 510928
State-at-Large

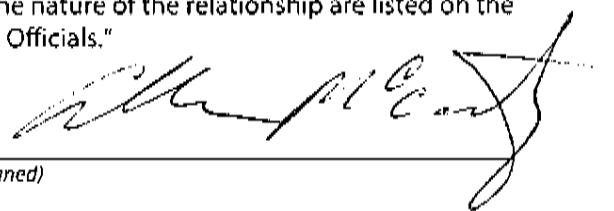
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between December 1, 2012 and December 1, 2014 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Allen McCarty
(Print Name)


(Signed)

Superintendent
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

ARF FORM 2 (November 2013)

COMMONWEALTH OF KENTUCKY

COUNTY OF Magsuffin

Subscribed and sworn to before me by Allen McCarty
(Name)

this 7th day of April, 2015.

Shirley Sanders
NOTARY PUBLIC ID 510928
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ December 1, 2012 and December 1, 2014 _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Randall Hardin
(Print Name)

Randall Hardin
(Signed)

Chairman
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

ARE FORM-5 (November 2013)

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Randall Hardin
(Name)

this 17th day of April, 2015.

Shirley Borders
NOTARY PUBLIC ID 510928
State-at-Large

ART FORM 1 (November 2013)

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ December 1, 2012 and December 1, 2014 _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Millow McCarty
(Print Name)

Millow V. McCarty
(Signed)

Treasurer
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

403 FORM 3 (Notar Public 1/01)

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Mellow McCarty
(Name)

this 7th day of April, 2015.

Shirley Borders
NOTARY PUBLIC / ID 510928
State-at-Large

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ December 1, 2012 and December 1, 2014 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees, 2) current or former members of the Utility's board of commissioners, or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

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Machelle Hardin
(Print Name)

Machelle Hardin
(Signed)

Secretary
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF

Magellan

Subscribed and sworn to before me by

Michelle Jordan
(Name)

this 1 day of April

2018

Judy B. Dwyer

NOTARY PUBLIC
State-at-Large

My Comm Expires Sept. 13 2018

AMERICAN SIGNATURE SERVICE



44-11-0014 (November 2012)

STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ December 1, 2012 and December 1, 2014 _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

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Kenneth Auxier
(Print Name)

Kenneth Auxier
(Signed)

Commissioner
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

NOTARY PUBLIC - KY (Notary Seal)

COMMONWEALTH OF KENTUCKY

COUNTY OF Magoffin

Subscribed and sworn to before me by Kenneth Ampaci
(Name)

this 7th day of April, 2015.

Barley Sanders
NOTARY PUBLIC ID 510928
State-at-Large