

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Proposed Adjustment of the Wholesale)	
Water Service Rates of)	Case No. 2015-00039
the City of Augusta)	

**CITY OF AUGUSTA’S MOTION TO AMEND
TO INCLUDE RATE CASE EXPENSE**

The City of Augusta (“City”), by counsel, hereby provides notice of its request to recover rate case expense as a result of this matter. The City has previously indicated that it requested rate case expense in response to Item 26 of Appendix B to the Commission’s Order dated February 10, 2015, and in response to Item 1 of the Commission Staff’s Third Request for Information on June 2, 2015. It is the City’s position that these written requests satisfy the requirements for recovery of eligible rate case expenses under the standards set forth in the Hopkinsville Water and Environment Authority, Case No. 2009-00373, and City of Greensburg, Case No. 2009-00428, cases. Out of an abundance of caution, the City of Augusta now moves, if necessary, to amend its request rate increase to include rate case expense.

The City estimates that rate case expense will total \$40,000. Supporting documentation for some rate case expenses have been filed in the record by the City in response to Item 1 of the Commission Staff’s Third Request for Information. The City will supplement its supporting documentation for rate case expense at a later date.

The City proposes to recover rate case expenses through a surcharge from its wholesale customer, Bracken County Water District (“BCWD”), which would be recovered over a 36-month period. Based on this expense estimate, the City requests a 36-month surcharge to recover \$1,111.11 per month from BCWD for the City’s rate case expense.¹ The Commission previously approved a rate-case-expense surcharge for Hopkinsville Water and Environment Authority and City of Greensburg. To the extent that the Commission believes that a rate-case-expense surcharge is no longer appropriate for municipalities, the City would request these rate case expenses be incorporated into the volumetric rate. Under such a circumstance, the City believes that the appropriate volumetric rate would be \$2.02 per 1,000 gallons.²

Attached hereto is a proposed tariff page that includes the proposed rate case surcharge and the notice that was served on Bracken County Water District.

Respectfully submitted,



STURGILL, TURNER, BARKER & MOLONEY, PLLC
M. TODD OSTERLOH
333 W. Vine Street, Suite 1500
Lexington, Kentucky 40507
Telephone No.: (859) 255-8581
tosterloh@sturgillturner.com

and

CYNTHIA THOMPSON
202 East Riverside Dr.
Augusta, Kentucky 41002
ccthompsonatty@yahoo.com
Tel: (606) 756-2663
COUNSEL FOR CITY OF AUGUSTA

¹ If the City’s actual expenditures for rate case expense are greater or lower than \$40,000, the City acknowledges a corresponding adjustment is appropriate.

² $(\$417,778 + (\$40,000 / 3)) / 214,160,700 \approx \2.02

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the City of Augusta's electronic filing of this Statement is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on August 27, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a paper copy of this Statement has been mailed to the Commission on August 27, 2015.

A handwritten signature in blue ink, appearing to read "M. Jon O'Connell", is written above a horizontal line.

COUNSEL FOR CITY OF AUGUSTA

FOR Wholesale Service to Bracken County WD
Community, Town or City

P.S.C. KY. NO. ____

SHEET NO. ____

CANCELLING P.S.C. KY. NO. ____

City of Augusta
(Name of Utility or City)

CONTENTS

RATES

Monthly Wholesale Water Rate

For Sales to Bracken County Water District

\$1.95 per 1,000 gallons

\$6,090 Monthly Capital Cost

(I) \$1,111.11 monthly surcharge for 36 months

DATE OF ISSUE August 27, 2015
Month / Date /

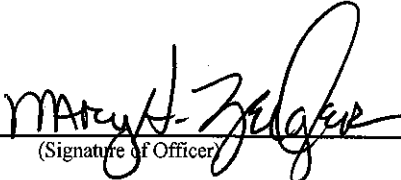
Year

DATE EFFECTIVE September 27, 2015

Month / Date /

Year

ISSUED BY Mary Zeigler


(Signature of Officer)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO.

DATED

NOTICE

Notice is given that the City of Augusta proposes to increase its rate for wholesale water service to Bracken County Water District effective on February 11, 2015, and September 27, 2015 or as soon as Kentucky law will allow. On January 8 and August 27, 2015, documentation was filed with the Kentucky Public Service Commission to increase rates as follows:

Wholesale Water Rate

<u>Current Rates</u>	<u>New Rates</u>
\$1.83 per 1,000 gallons	\$1.95 per 1,000 gallons
\$6,090 Monthly Capital Cost	No change (\$6,090 monthly)
	\$1,111.11 monthly surcharge for 36 months

The total dollar amount of the proposed increases are \$4,974.67 monthly, which is an increase of 8.8%.

The proposed effective date is February 11, 2015, and September 27, 2015 or sooner if Kentucky law will allow. Water flowing through the meter(s) before the effective date will be charged at the current rate while water flowing through the meter(s) on and after the effective date will be charged at the proposed new rate.

The rates contained in this notice are the rates proposed by the City of Augusta but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing at the offices the Augusta City Building, located at 219 Main St, Augusta, KY 41002; telephone (606) 756-2183.

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

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the PSC. If the PSC does not receive a written request for intervention within thirty (30) days of the date notice was initially provided, the PSC may take final action on the filing.