

# 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

July 24, 2017

John S. Lyons, Acting Executive Director  
KY Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

Office of the Attorney General  
Consumer Protection Division  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

Case#:2017-00269

Dear Mr. Lyons:

Please be advised that the Salyersville Water Works Commission has negotiated a wholesale water rate increase effective August 7, 2017. Magoffin County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068. This rate adjustment was approved by the District Commissioners during the July 5, 2017 board meeting.

The following support documentation is enclosed for your review:

- Exhibit A - Copy of the Salyersville Notice to Increase Rates
- Exhibit B - Copy of the Salyersville Water Works Wholesale Tariff
- Exhibit C - Purchased Water Rate Adjustment Form
- Exhibit D - Notice to Magoffin County Water District Customers
- Exhibit E - Revised Magoffin County Water District Tariff

The District will publish the notice in accordance with Commission regulations and will provide verification that such notice has been given before rendering the first customer statement reflecting the increase.

Please contact me if you have any questions or need additional information.

Sincerely,



Allen McCarty  
General Manager

**Exhibit A**  
**Salyersville Notice to**  
**Increase Rates**

## NOTICE

The Salyersville Water Works ("Salyersville Water") gives notice that on June 30, 2017 it will file with the Public Service Commission a revised tariff sheet to increase its rate for wholesale water service to Magoffin County Water District ("Magoffin District") for service rendered on and after August 1, 2017.

Salyersville Water currently charges a rate of \$2.65 per 1,000 gallons to Magoffin District. It proposes to increase this rate to \$2.73 per 1,000 gallons, an increase of \$0.08 per 1,000 gallons or approximately 3 percent. Based upon Magoffin District's total purchases for the calendar year ending December 31, 2016, the proposed rate adjustment will increase Magoffin District's annual water purchase expense by \$15,965, or an average of \$1,330 per month.

Any person may examine Salyersville Water's tariff filing at Salyersville offices located at 401 College Street, Salyersville, Kentucky. This revised tariff sheet may also be offices of the Public Service Commission located at 211 Sewer Boulevard, Frankfort, Kentucky, Monday through Friday, from 8:00 a.m. to 4:30 p.m. or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding this tariff filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort Kentucky 40602; or through its website at <http://psc.ky.gov>.

The rate contained in this notice is the rate proposed by Salyersville Water, but the Public Service Commission may order rates that differ from the proposed rate.

A person may submit a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the requesting party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the date of this notice, the Public Service Commission may take final action on the tariff filing.

**Salyersville Water Works**  
**Dated: June 30, 2017**

Acknowledgement of Receipt of Notice and  
Waiver of Rights

Magoffin County Water District ("Magoffin District") acknowledges receipt of the attached notice that, on or before June 30, 2017, Salyersville Water and Sewer Commission intends to file an application with the Kentucky Public Service Commission for an Order adjusting its wholesale rate from \$2.65 per 1,000 gallons to \$2.73 per 1,000 gallons or approximately three (3) percent effective August 1, 2017. Based upon Magoffin District's total purchases for the calendar year ending December 31, 2016, the proposed rate adjustment will increase Magoffin District's annual water purchase expense by \$15,965, or an average of \$1,330 per month.

Magoffin District further acknowledges that it may make a timely written request to the Kentucky Public Service Commission for review of the proposed rate adjustment and for leave to intervene in any PSC proceeding in which the proposed rate adjustment is reviewed.

Magoffin District advises and gives notice to the Public Service Commission that it: (1) will not oppose or contest the proposed wholesale rate adjustment, (2) will not request Commission review of the proposed wholesale rate adjustment; (3) will not seek intervention in any Commission proceeding regarding the proposed wholesale rate adjustment; (4) waives any right pursuant to KRS 278.200 to a hearing on the proposed wholesale rate adjustment; and (5) does not object to the Commission proceeding to make final decision on the proposed wholesale rate adjustment without .

MAGOFFIN COUNTY WATER DISTRICT

BY: *Ranell Harkin*

DATE: 7-6-2017

ATTEST:

*Milbon D. McArthur*  
Secretary

**Exhibit B**  
**Salyersville Water Works**  
**Wholesale Tariff**

FOR Salyersville, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

4<sup>th</sup> Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

3<sup>rd</sup> Revised SHEET NO. 1

Salyersville Water Works  
(Name of Utility)

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RATES AND CHARGES

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WHOLESALE WATER RATE

Magoffin County Water District

All Usage

\$2.73 per 1,000 gallons

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DATE OF ISSUE July 6, 2017  
Month / Date / Year

DATE EFFECTIVE August 1, 2017  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE \_\_\_\_\_

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

**Exhibit C**  
**Purchased Water Rate**  
**Adjustment Form**

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

Name of Utility	Magoffin County Water District		
Date	July 24, 2017		
Address	PO Box 490		
City, State, Zip	Salversville, KY	41465	
Telephone Number	(606) 349-6812		
Email Address	mcwd07@yahoo.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 Salversville	\$ 2.65	\$ 2.73

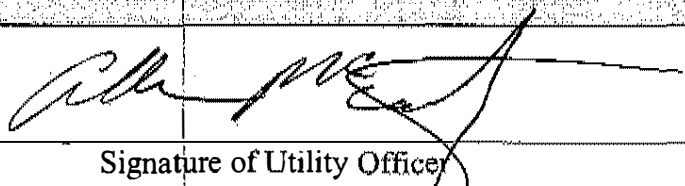
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

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	July 2016	through	June 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
City of Salyersville		190,026,600
	<b>TOTAL PURCHASES</b>	<b>190,026,600</b>
<b>4. Total gallons sold for the 12 month period</b>		
		<b>152,743,900</b>
<b>5. Increased water cost</b>		
		<b>\$ 15,202.13</b>
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>6. Purchased water adjustment factor</b>		
		<b>\$ 0.10</b>
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.		
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.		
<b>7. A schedule listing the current and proposed rates is attached as Exhibit</b>		
<b>8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit</b>		
<b>9. Proposed effective date</b>		
		<b>September 1, 2017</b>
		
Signature of Utility Officer		
<b>SUPERINTENDENT</b>		
Title		

**Exhibit D**  
**Notice to Magoffin County**  
**Water District Customers**

## LEGAL NOTICE

Due to a rate increase from the City of Salyersville, the Magoffin County Water District has filed an application with the Public Service Commission to implement the following rate schedule. The proposed change will affect all bills issued after September 1, 2017.

	<u>Meter Size</u>		<u>Rate Step</u>	<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>	<u>Per Unit Sale</u>
<b>Residential Rates</b>	<u>5/8" Meter</u>	First	2,000 gallons	\$ 18.45	\$ 18.65	1.08%	Minimum Bill
		Next	3,000 gallons	\$ 8.23	\$ 8.33	1.22%	per 1,000 gallons
		Next	5,000 gallons	\$ 7.62	\$ 7.72	1.31%	per 1,000 gallons
		All Over	10,000 gallons	\$ 7.00	\$ 7.10	1.43%	per 1,000 gallons
	<u>1" Meter</u>	First	5,000 gallons	\$ 43.14	\$ 43.64	1.16%	Minimum Bill
		Next	5,000 gallons	\$ 7.62	\$ 7.72	1.31%	per 1,000 gallons
All Over		10,000 gallons	\$ 7.00	\$ 7.10	1.43%	per 1,000 gallons	
<b>Commercial Rates</b>	<u>3/4" Meter</u>	First	3,000 gallons	\$ 33.06	\$ 33.36	0.91%	Minimum Bill
		Next	2,000 gallons	\$ 10.59	\$ 10.69	0.94%	per 1,000 gallons
		Next	5,000 gallons	\$ 9.78	\$ 9.88	1.02%	per 1,000 gallons
		Next	5,000 gallons	\$ 8.98	\$ 9.08	1.11%	per 1,000 gallons
		All Over	15,000 gallons	\$ 8.61	\$ 8.71	1.16%	per 1,000 gallons
	<u>1" Meter</u>	First	5,000 gallons	\$ 54.24	\$ 54.74	0.92%	Minimum Bill
		Next	5,000 gallons	\$ 9.78	\$ 9.88	1.02%	per 1,000 gallons
		Next	5,000 gallons	\$ 8.98	\$ 9.08	1.11%	per 1,000 gallons
		All Over	15,000 gallons	\$ 8.61	\$ 8.71	1.16%	per 1,000 gallons
	<u>2" Meter</u>	First	15,000 gallons	\$ 148.04	\$ 149.54	1.01%	Minimum Bill
		All Over	15,000 gallons	\$ 8.61	\$ 8.71	1.16%	per 1,000 gallons

### Present Rate Proposed Rate Increase

The bill for an average residential customer using 5,000 gallons each month would increase 1.16% from \$43.14 to \$43.64, a monthly increase of \$0.50.

The rates contained in this notice are the rates proposed by Magoffin County Water District. The Public Service Commission, however, may order rates to be charged that differ from the proposed rates in this notice. A corporation, association, or person may, within thirty (30) days after the initial publication or mailing of notice of the proposed rate change, submit a written request to intervene to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party.

Any person may examine this application at Magoffin County Water District's office at 749 Parkway Drive, Salyersville, KY 41465. The application and all documents filed with the Public Service Commission may be viewed and downloaded at the Public Service Commission's web site at <http://psc.ky.gov/>.

**Exhibit E**  
**Revised Magoffin County**  
**Water District Tariff**

FOR Magoffin and Floyd Counties, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

3<sup>rd</sup> Revised SHEET NO. 4

Magoffin County Water District  
(Name of Utility)

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

Original SHEET NO. 5

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RATES AND CHARGES

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Monthly Water Rates  
For Service Rendered On or After September 1, 2017

Residential

5/8 - Inch Meter

First	2,000	Gallons	\$18.65	Minimum Bill
Next	3,000	Gallons	8.33	per 1,000 Gallons
Next	5,000	Gallons	7.72	per 1,000 Gallons
Over	10,000	Gallons	7.10	per 1,000 Gallons

1 - Inch Meter

First	5,000	Gallons	\$43.64	Minimum Bill
Next	5,000	Gallons	7.72	per 1,000 Gallons
Over	10,000	Gallons	7.10	per 1,000 Gallons

Commercial Rates

3/4 - Inch Meter

First	3,000	Gallons	\$33.36	Minimum Bill
Next	2,000	Gallons	10.69	per 1,000 Gallons
Next	5,000	Gallons	9.88	per 1,000 Gallons
Next	5,000	Gallons	9.08	per 1,000 Gallons
Over	15,000	Gallons	8.71	per 1,000 Gallons

1 - Inch Meter

First	5,000	Gallons	\$54.74	Minimum Bill
Next	5,000	Gallons	9.88	per 1,000 Gallons
Next	5,000	Gallons	9.08	per 1,000 Gallons
Over	15,000	Gallons	8.71	per 1,000 Gallons

2 - Inch Meter

First	15,000	Gallons	\$149.54	Minimum Bill
Over	15,000	Gallons	8.71	per 1,000 Gallons

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DATE OF ISSUE July 24, 2017  
Month / Date / Year

DATE EFFECTIVE September 1, 2017  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE General Manager

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