

LEVEE ROAD WATER ASSOCIATION

4969 Levee Road
Mt. Sterling, KY 40353

(859) 498-6980

levee.water@gmail.com

June 21, 2019

Gwen R. Pinson, 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

Dear Ms. Pinson:

Please be advised that Mt. Sterling Water and Sewer Commission increased their wholesale water rate effective July 1, 2019. Levee Road Water Association intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068 and will be filed electronically under case number 2019-00209. This rate adjustment was approved by the Board of Directors at the June 13, 2019 board meeting. Please note that the increase for the Leak Adjustment Rate was computed in accordance with our tariff at ten percent above cost resulting in an increase of \$0.07 per 1000 gallons.

The following support documentation is enclosed for your review:

- Mt. Sterling Notice to Increase Rates / Tariff
- Resolution Approving PWA
- Purchased Water Rate Adjustment Form
- PWA Calculation Sheet
- Notice to Customers
- Revised Tariff Rate Sheet

The Association 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 questions or need additional information.

Sincerely,


Brenda Murphy, Secretary

Exhibit A

Mt. Sterling Notice to Increase Rates

MT. STERLING WATER & SEWER SYSTEM

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

May 24, 2019

Chad Linkous
Levee Road Water Association
P.O. Box 770
Mt. Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Chad,

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 3.6% as indicated by the Bureau of Labor Statistics, as well as several upcoming water projects slated for the 2019/2020 fiscal year. As a result, our water and sewer board of commissioners voted to increase water rates by a factor of 2% at the regular monthly board meeting held May 20, 2019.

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 \$3.11/1,000 gallons, up to \$3.17. We have requested that this increase be effective July 1, 2019. 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 affected 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 indicating the previously referenced inflationary increase.

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

MT. STERLING WATER & SEWER SYSTEM

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

May 24, 2019

Executive Director
Public Service Commission
P.O. Box 616
Frankfort, Kentucky 40602

Re: Wholesale Rate Increase

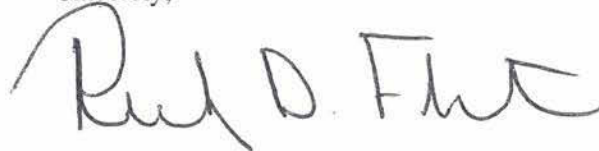
Dear Sir/Madam,

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 3.6% as indicated by the Bureau of Labor Statistics, as well as several upcoming water projects slated for the 2019/2020 fiscal year. As a result, our water and sewer board of commissioners voted to increase water rates by a factor of 2% at the regular monthly board meeting held May 20, 2019.

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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,

A handwritten signature in black ink, appearing to read "Rick D. Fletcher". The signature is fluid and cursive, with the first name "Rick" being the most prominent.

Rick Fletcher
Manager
Mt. Sterling Water and Sewer

FOR Mt. Sterling, Kentucky
Name of Municipality

P.S.C. KY. NO. _____ 10

_____ SHEET NO. _____

Mt. Sterling Water and Sewer Commission

CANCELLING P.S.C. KY. NO. _____ 9

_____ SHEET NO. _____

Monthly Wholesale Water Rate:

Levee Road Water District

Reid Village Water District

Montgomery County Water District

Judy Water Association

Bath County Water District

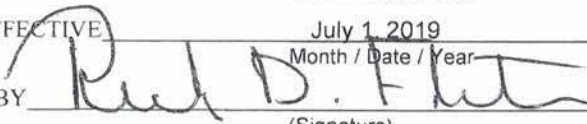
All usage

\$3.17 Per 1,000 Gallons (I)

NOTE: Revises previous rate of \$3.11 per 1,000 gallons effective on July 1, 2018. (T)

DATE OF ISSUE June 1, 2019
Month / Date / Year

DATE EFFECTIVE July 1, 2019
Month / Date / Year

ISSUED BY 
(Signature)

TITLE Manager, Mt. Sterling Water and Sewer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

NOTICE

Mt. Sterling Water and Sewer is providing notice that it plans to file documentation with the Public Service Commission on or before June 1, 2019, to increase its wholesale water rate to for water service provided on and after July 1, 2019. Proposed rates are as follows:

<u>Wholesale Customer</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Levee Road Water Association	\$3.17	\$3.11	\$0.06	2%
Reid Village Water District	\$3.17	\$3.11	\$0.06	2%
Montgomery County Water District	\$3.17	\$3.11	\$0.06	2%
Judy Water Association	\$3.17	\$3.11	\$0.06	2%
Bath County Water District	\$3.17	\$3.11	\$0.06	2%

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

This filing may be examined at the utility's office located at 300 East Main Street in Mt. Sterling, Kentucky; telephone: (859) 498-0166.

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

Comments regarding this 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 proposed rates are the rates proposed by Mt. Sterling Water and Sewer, but the Public Service Commission may order rates that differ from these proposed rates.

Intervention may be requested by submitting 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 party.

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

Expenditure category	Relative importance Mar. 2019	Unadjusted percent change		Seasonally adjusted percent change		
		Apr. 2018- Apr. 2019	Mar. 2019- Apr. 2019	Jan. 2019- Feb. 2019	Feb. 2019- Mar. 2019	Mar. 2019- Apr. 2019
Shelter	33.238	3.4	0.4	0.3	0.4	0.4
Rent of shelter⁽¹²⁾	32.868	3.5	0.4	0.3	0.4	0.4
Rent of primary residence	7.916	3.8	0.4	0.3	0.4	0.4
Lodging away from home ⁽²⁾	0.998	4.1	2.1	1.3	0.8	1.6
Housing at school, excluding board ⁽¹²⁾	0.113	2.5	0.0	0.2	0.2	0.2
Other lodging away from home including hotels and motels	0.884	4.3	2.3	1.4	0.9	1.8
Owners' equivalent rent of residences ⁽¹²⁾	23.954	3.4	0.3	0.3	0.3	0.3
Owners' equivalent rent of primary residence ⁽¹²⁾	22.618	3.4	0.3	0.3	0.3	0.3
Tenants' and household insurance ⁽¹⁾⁽²⁾	0.371	1.4	0.0	0.1	-0.2	0.0
Water and sewer and trash collection services⁽²⁾	1.090	3.6	0.4	0.1	0.3	0.3
Water and sewerage maintenance	0.823	3.2	0.4	0.0	0.3	0.4
Garbage and trash collection ⁽¹⁾⁽¹⁰⁾	0.267	4.5	0.2	0.4	0.2	0.2
Household operations⁽¹⁾⁽²⁾	0.882	3.9	0.6	-0.3	-0.2	0.6
Domestic services ⁽¹⁾⁽²⁾	0.304	3.5	0.0	0.2	0.2	0.0
Gardening and lawn care services ⁽¹⁾⁽²⁾	0.293	2.8	-1.0			-1.0
Moving, storage, freight expense ⁽²⁾	0.102	5.0	0.8	-2.2	1.8	1.2
Repair of household items ⁽¹⁾⁽²⁾	0.106	6.6	6.4	-0.4	0.0	6.4
Medical care services	6.973	2.3	0.2	0.0	0.3	0.2
Professional services	3.234	0.4	0.1	0.1	-0.1	-0.1
Physicians' services	1.717	0.3	0.3	0.1	-0.4	0.2
Dental services	0.787	0.5	0.0	-0.1	-0.1	-0.1
Eyeglasses and eye care ⁽¹⁾⁽⁶⁾	0.315	0.6	-0.1	0.2	-0.1	-0.1
Services by other medical professionals ⁽¹⁾⁽⁶⁾	0.415	0.4	-0.2	0.4	0.3	-0.2
Hospital and related services	2.606	1.4	-0.4	-0.6	0.3	-0.4
Hospital services ⁽¹³⁾	2.324	1.2	-0.4	-0.7	0.3	-0.5
Inpatient hospital services ⁽¹³⁾⁽³⁾		0.9	-0.3	-0.6	0.5	-0.3
Outpatient hospital services ⁽³⁾⁽⁶⁾		0.9	-0.6	-0.6	0.2	-0.8
Nursing homes and adult day services ⁽¹³⁾	0.194	3.7	0.1	0.1	0.2	0.2
Care of invalids and elderly at home ⁽¹⁾⁽⁵⁾	0.088	3.5	0.3	0.7	0.2	0.3
Health insurance ⁽¹⁾⁽⁵⁾	1.132	10.7	1.5	1.3	1.3	1.5
Transportation services	5.936	1.1	0.3	-0.1	0.0	0.1
Leased cars and trucks ⁽¹⁾⁽¹¹⁾	0.632	0.2	-0.1	-1.6	-0.6	-0.1
Car and truck rental ⁽²⁾	0.109	-4.3	0.7	-6.8	-1.9	0.3
Motor vehicle maintenance and repair ⁽¹⁾	1.132	3.8	0.4	0.4	0.8	0.4
Motor vehicle body work ⁽¹⁾	0.056	3.2	1.0	0.4	0.0	1.0
Motor vehicle maintenance and servicing ⁽¹⁾	0.640	4.5	0.3	0.3	0.9	0.3
Motor vehicle repair ⁽¹⁾⁽²⁾	0.372	2.9	0.5	0.6	0.7	0.5
Motor vehicle insurance	2.388	1.4	-0.5	0.1	-0.1	-0.2
Motor vehicle fees ⁽¹⁾⁽²⁾	0.542	2.0	0.2	0.3	0.0	0.2

Footnotes

- (1) Not seasonally adjusted.
(2) Indexes on a December 1997=100 base.
(3) Special index based on a substantially smaller sample.
(4) Indexes on a December 2007=100 base.
(5) Indexes on a December 2005=100 base.
(6) Indexes on a December 1986=100 base.
(7) Indexes on a December 1993=100 base.
(8) Indexes on a December 2009=100 base.
(9) Indexes on a December 1990=100 base.
(10) Indexes on a December 1983=100 base.
(11) Indexes on a December 2001=100 base.
(12) Indexes on a December 1982=100 base.
(13) Indexes on a December 1996=100 base.

Exhibit B
Resolution Approving PWA

RESOLUTION FOR PASS THRU RATE INCREASE

Levee Road Water Association

WHEREAS Levee Road Water Association proposes to raise their water rates to offset an increase in their wholesale purchase rates from Mt. Sterling Water & Sewer System.

NOW THEREFORE BE IT RESOLVED by the Directors of Levee Road Water Association that Brenda Murphy, Secretary is authorized to execute and submit an application to the Kentucky Public Service Commission to raise the Levee Road Water Rates by \$0.08 per 1,000 gallons.

Adopted this 13th day of June, 2019

Signed:



Artie Gibson, President

Attest:



Brenda Murphy, Secretary

Exhibit C

Purchased Water Rate Adjustment Form

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

Name of Utility	Levee Road Water Association	
Date	June 21, 2019	
Address	4969 Levee Road	
City, State, Zip	Mt. Sterling, KY	40353
Telephone Number	(859) 498 - 6980	
Email Address	levee.water@gmail.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
Mt. Sterling Water & Sewer	\$3.11	\$3.17

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	June 2018	through	May 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
Mt. Sterling Water & Sewer	47,820,600
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	39,798,598
5. Increased water cost	\$2,869.24
<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</p>	
6. Purchased water adjustment factor	\$0.08
<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	July 1, 2019
	
Signature of Utility Officer	
Secretary	
Title	

Exhibit D
PWA Calculation Sheet

**Levee Road Water Association
Purchase Water Adjustment Worksheet**

Month/Year	Purchased Water (gallons)				Water Sold (gallons)
	Mt. Sterling				
Jun 2018	4,488,374				3,990,720
July 2018	4,142,873				3,735,050
Aug 2018	3,963,802				3,679,050
Sep 2018	3,925,579				3,505,110
Oct 2018	4,043,089				3,191,640
Nov 2018	3,497,648				3,209,350
Dec 2018	4,288,359				2,805,240
Jan 2019	4,061,864				3,385,090
Feb 2019	3,956,534				3,066,560
Mar 2019	3,760,196				2,811,990
Apr 2019	3,535,646				3,297,070
May 2019	4,156,636				3,121,720
Totals	47,820,600	-	-	-	39,798,590

TWELVE MONTH PURCHASED WATER COST

Gallons Purchased	Current Rate	Cost	New Rate	Cost
47,820,600	\$ 3.11	\$ 148,722.07	\$ 3.17	\$ 151,591.30
-		\$ -		\$ -
-		\$ -		\$ -
-		\$ -		\$ -
-		\$ -		\$ -
47,820,600		\$ 148,722.07		\$ 151,591.30

Increased Cost \$ 2,869.24 PWA Factor 0.072

WATER RATE AJUSTMENT

Rate Schedule	Current Rate	Increase	New Rate
First 1,000	\$ 11.37	\$ 0.08	\$ 11.45
Next 2,000	\$ 4.97	\$ 0.08	\$ 5.05
Next 3,000	\$ 4.27	\$ 0.08	\$ 4.35
Next 19,000	\$ 3.52	\$ 0.08	\$ 3.60
Next 25,000	\$ 3.17	\$ 0.08	\$ 3.25
Over 50,000	\$ 2.87	\$ 0.08	\$ 2.95

BILL CALCULATION

Usage	Current Rate	\$ Increase	% Increase	New Rate
5,000 gallons	\$ 29.85	\$ 0.40	1.34%	\$ 30.25

Exhibit E

Notice to Customers

NOTICE

Due to an increase from its supplier, Levee Road Water Association received approval from the Public Service Commission to adjust its rates effective July 1, 2019.

<u>Monthly Rates</u>	<u>Prior Rate</u>	<u>New Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 1,000 gallons (minimum bill)	\$11.37	\$11.45	\$0.08	0.62%
Next 2,000 gallons (per 1,000 gallons)	\$4.97	\$5.05	\$0.08	1.41%
Next 3,000 gallons (per 1,000 gallons)	\$4.27	\$4.35	\$0.08	1.64%
Next 19,000 gallons (per 1,000 gallons)	\$3.52	\$3.60	\$0.08	1.99%
Next 25,000 gallons (per 1,000 gallons)	\$3.17	\$3.25	\$0.08	2.21%
Over 50,000 gallons (per 1,000 gallons)	\$2.87	\$2.95	\$0.08	2.44%
Commercial Hauler (per 1,000 gallons)	\$5.25	\$5.33	\$0.08	1.33%
Private Loading Unit (per 1,000 gallons)	\$5.25	\$5.33	\$0.08	1.33%
Water Coin Vendor (per 1,000 gallons)	\$5.75	\$5.83	\$0.08	1.22%
Leak Adjustment Rate (per 1,000 gallons)	\$3.42	\$3.49	\$0.07	2.05%

The monthly bill for an average customer using 5,000 gallons of water each month will increase \$0.40 (or 1.34%) from \$29.85 to \$30.25. A person may examine this application at the Association's office located at 4969 Levee Rd, Mt. Sterling, KY. A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

Exhibit F

Revised Tariff Rate Sheet

FOR Southern Portion of Montgomery County

PSC KY NO. 3

1st Revised SHEET NO. 4

CANCELLING PSC KY NO. 3

Original SHEET NO. 4

Levee Road Water Association
(NAME OF UTILITY)

SECTION 2: WATER RATES AND CHARGES

WATER RATES

First 1,000 Gallons	\$11.45 Minimum Bill	(l) ↓
Next 2,000 Gallons	5.05 per 1,000 Gallons	
Next 3,000 Gallons	4.35 per 1,000 Gallons	
Next 19,000 Gallons	3.60 per 1,000 Gallons	
Next 25,000 Gallons	3.25 per 1,000 Gallons	
Over 50,000 Gallons	2.95 per 1,000 Gallons	
Commercial Hauler	5.33 per 1,000 Gallons	
Any Individual who has a Private Loading Unit	5.33 per 1,000 Gallons	
All Water Purchased from Water Coin Vendor	5.83 per 1,000 Gallons	
Leak Adjustment Rate (Mt. Sterling wholesale rate plus 10%)	3.49 per 1,000 Gallons	

The foregoing rates are rates charged by the utility do not include sales taxes. Any applicable state taxes shall be added to each bill as a separate charge.

Membership fee is \$40.00 per member. This is a one-time non-refundable fee for property owners who become part of the water association.

METER INSTALLATION / TAP FEE

5/8" X 3/4"	\$ 1,070.00
All Other Meters	Actual Cost

Should Levee Road Water Association encounter rock during installation of service the Customer shall be charged the actual cost for the rock removal.

DATE OF ISSUE June 21, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE July 1, 2019
MONTH / DATE / YEAR

ISSUED BY /S/ Brenda Murphy
SIGNATURE OF OFFICER

TITLE Secretary

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