

MAGOFFIN COUNTY WATER DISTRICT

PO BOX 490

SALYERSVILLE, KY 41465

PHONE (606)349-6812 OR (606)349-6814

ALLEN McCARTY

FAX (606)349-6814

SUPERINTENDENT

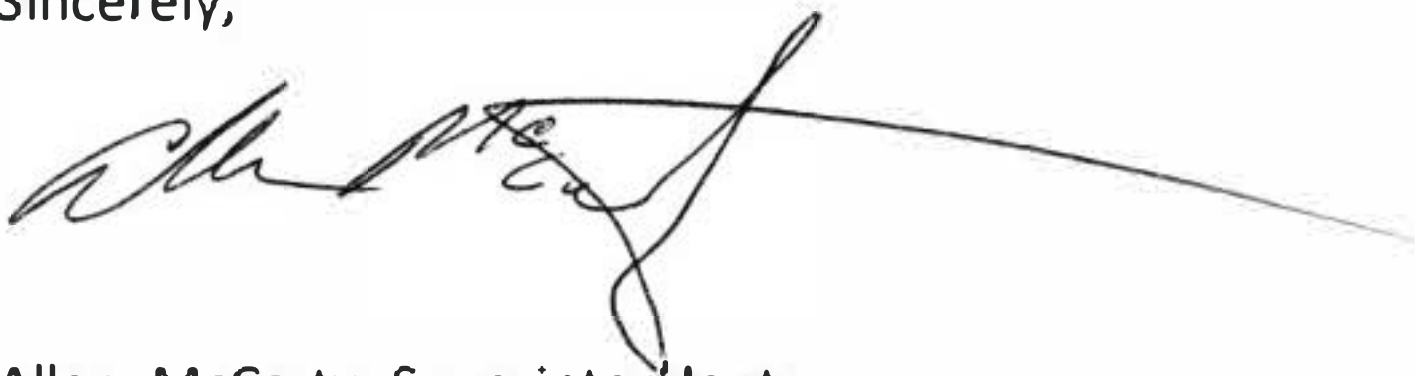
July 29, 2019

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
PO Box 615 Frankfort, KY 40602

Ms. Pinson:

Enclosed is a completed Purchased Water Adjustment form. Also, enclosed are exhibits A, B, C, D, E, and F. Please contact the office if anything else is needed. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Allen McCarty", with a long horizontal flourish extending to the right.

Allen McCarty, Superintendent

Enclosures

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

| | | |
|------------------|--------------------------------|-------|
| Name of Utility | Magoffin County Water District | |
| Date | July 29, 2019 | |
| Address | 870 Parkway Drive | |
| City, State, Zip | Salyersville, Ky | 41465 |
| Telephone Number | 606-349-6812 | |
| Email Address | <u>mcwd07@yahoo.com</u> | |

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 |
|--------------------------|-----------|--------------|
| Salyersville Water Works | \$2.72 | \$2.88 |
| | | |

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 2018 | through | June 2019 |
| | | | |

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.

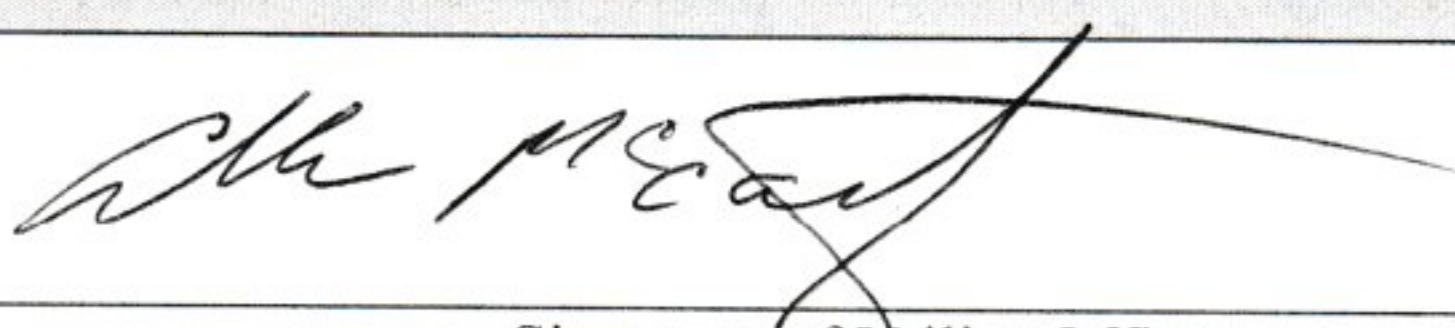
| Supplier(s) | Gallons Purchased during 12 month period |
|---|--|
| City of Salyersville | 186,052,400 |
| TOTAL PURCHASES | 186,052,400 |
| | |
| 4. Total gallons sold for the 12 month period | 149,251,400 |
| | |
| 5. Increased water cost | 29,768 |
| <p>The increased water cost is the cost difference 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 | .20 per 1,000 gallons |
| <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 | September 17, 2019 |
| | |
|  | |
| Signature of Utility Officer | |
| Superintendent | |

Exhibit A

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 17, 2019.

Present and Proposed Rates

| | <u>Meter Size</u> | | <u>Rate Step</u> | <u>Current</u> | <u>Proposed</u> | <u>% Increase</u> | <u>Per Unit Sale</u> |
|--------------------------|-------------------|----------------|------------------|----------------|-----------------|-------------------|----------------------|
| Residential Rates | <u>5/8" Meter</u> | First | 2,000 gallons | \$ 18.45 | \$ 18.85 | 2.17% | Minimum Bill |
| | | Next | 3,000 gallons | \$ 8.23 | \$ 8.43 | 2.43% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| | | All Over | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 43.14 | \$ 44.14 | 2.32% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| All Over | | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons | |
| Commercial Rates | <u>3/4" Meter</u> | First | 3,000 gallons | \$ 33.06 | \$ 33.63 | 1.72% | Minimum Bill |
| | | Next | 2,000 gallons | \$ 10.59 | \$ 10.79 | 1.89% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 54.24 | \$ 55.24 | 1.84% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | <u>2" Meter</u> | First | 15,000 gallons | \$ 148.04 | \$ 151.04 | 2.03% | Minimum Bill |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |

Present Rate Proposed Rate Increase

The bill for an average residential customer using 5,000 gallons each month would increase 2.32% from \$43.14 to \$44.14, a monthly increase of \$1.00.

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 870 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 B

| | New Rate | Base Rate |
|--------------------------|-------------|-------------|
| Salyersville Water Works | | |
| Purchase in gallons | 186,052,400 | 186,052,400 |
| Volumetric Rate | 2.72 | 2.88 |
| Totals | \$ 506,063 | \$ 535,831 |

Increased Water Cost \$ 29,768

Increased Water Cost \$ 29,768
Divided by gals. sold/1,000 149,251.0
Purchased Water Adj. Factor \$ 0.199

or \$.20 per 1,000 Gallons

Exhibit C

Present and Proposed Rates

| | <u>Meter Size</u> | | <u>Rate Step</u> | <u>Current</u> | <u>Proposed</u> | <u>% Increase</u> | <u>Per Unit Sale</u> |
|--------------------------|-------------------|-----------------|------------------|----------------|-----------------|-------------------|----------------------|
| Residential Rates | <u>5/8" Meter</u> | First | 2,000 gallons | \$ 18.45 | \$ 18.85 | 2.17% | Minimum Bill |
| | | Next | 3,000 gallons | \$ 8.23 | \$ 8.43 | 2.43% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| | | All Over | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 43.14 | \$ 44.14 | 2.32% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| All Over | | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons | |
| Commercial Rates | <u>3/4" Meter</u> | First | 3,000 gallons | \$ 33.06 | \$ 33.63 | 1.72% | Minimum Bill |
| | | Next | 2,000 gallons | \$ 10.59 | \$ 10.79 | 1.89% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 54.24 | \$ 55.24 | 1.84% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | | <u>2" Meter</u> | First | 15,000 gallons | \$ 148.04 | \$ 151.04 | 2.03% |
| All Over | 15,000 gallons | | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons | |

Exhibit D

RESOLUTION NO. 2019-09-17

**A RESOLUTION OF MAGOFFIN COUNTY WATER DISTRICT
ADJUSTING ITS WATER RATES TO OFFSET THE SALYERSVILLE
WATER WORKS' WHOLESALE RATE INCREASE**

WHEREAS, the Salyersville Water Works (“Salyersville”) supplies potable water to Magoffin County Water District (“District”) on a wholesale basis\

WHEREAS, on July 26, 2019 Salyersville filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that Salyersville charges the District from \$2.72 to \$2.88 per 1,000 gallons (See PSC Case TFS2019-00421);

WHEREAS, based upon the water purchases from Salyersville during the previous 12 months, the estimated annual increased cost to the District will be \$ **29,768**;

WHEREAS, prudent financial management dictates that the District take action to adjust its retail rates commensurate with Salyersville’s wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with

Salyersville's wholesale rate increase via a Purchased Water Adjustment
("PWA")

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF MAGOFFIN COUNTY WATER DISTRICT DOES HEREBY RESOLVE 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 PWA factor is **\$.20** per 1,000 gallons;

Section 3. All tiers of water usage and the wholesale water rate set forth in the District's existing tariff shall be increased by **\$.20** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Exhibit A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates set forth in **Exhibit A** are subject to any minor adjustment that may be made by the PSC. These monthly rates shall be in effect for all water service rendered on and after September 17, 2019.

Section 5. The Chairman and the Superintendent are hereby authorized

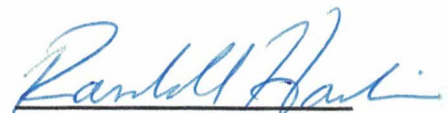
and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.


Section 6. The Chairman, Superintendent and all 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 the PWA.

Section 7. This Resolution shall take effect upon its adoption.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF
MAGOFFIN COUNTY WATER DISTRICT** at a meeting held on
July 3, 2019, signed by the Chairman, and attested by the Secretary.

ATTEST:

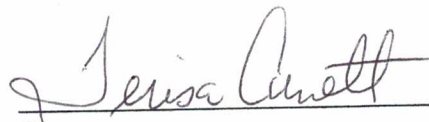

Chairman


Secretary

CERTIFICATION

This is to certify that I have supervised the preparation of the Magoffin County Water District Response to the Commission's Request for Information. The response submitted on behalf of the Magoffin County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: July 3, 2019



Secretary

Exhibit E

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 17, 2019.

Present and Proposed Rates

| | <u>Meter Size</u> | | <u>Rate Step</u> | <u>Current</u> | <u>Proposed</u> | <u>% Increase</u> | <u>Per Unit Sale</u> |
|--------------------------|-------------------|-----------------|------------------|----------------|-----------------|-------------------|----------------------|
| Residential Rates | <u>5/8" Meter</u> | First | 2,000 gallons | \$ 18.45 | \$ 18.85 | 2.17% | Minimum Bill |
| | | Next | 3,000 gallons | \$ 8.23 | \$ 8.43 | 2.43% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| | | All Over | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 43.14 | \$ 44.14 | 2.32% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 7.62 | \$ 7.82 | 2.62% | per 1,000 gallons |
| All Over | | 10,000 gallons | \$ 7.00 | \$ 7.20 | 2.86% | per 1,000 gallons | |
| Commercial Rates | <u>3/4" Meter</u> | First | 3,000 gallons | \$ 33.06 | \$ 33.66 | 1.72% | Minimum Bill |
| | | Next | 2,000 gallons | \$ 10.59 | \$ 10.79 | 1.89% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | <u>1" Meter</u> | First | 5,000 gallons | \$ 54.24 | \$ 55.24 | 1.84% | Minimum Bill |
| | | Next | 5,000 gallons | \$ 9.78 | \$ 9.98 | 2.04% | per 1,000 gallons |
| | | Next | 5,000 gallons | \$ 8.98 | \$ 9.18 | 2.23% | per 1,000 gallons |
| | | All Over | 15,000 gallons | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons |
| | | <u>2" Meter</u> | First | 15,000 gallons | \$ 148.04 | \$ 151.04 | 2.03% |
| All Over | 15,000 gallons | | \$ 8.61 | \$ 8.81 | 2.32% | per 1,000 gallons | |

Present Rate Proposed Rate Increase

The bill for an average residential customer using 5,000 gallons each month would increase 2.32% from \$43.14 to \$44.14, a monthly increase of \$1.00.

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 870 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 F

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

P.S.C. KY. NO. 1

4th Revised SHEET NO. 4

Magoffin County Water District
(Name of Utility)

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

Original SHEET NO. 5

RATES AND CHARGES

Monthly Water Rates
For Service Rendered On or After September 17, 2019

Residential

5/8 - Inch Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 2,000 | Gallons | \$18.85 | Minimum Bill |
| Next | 3,000 | Gallons | 8.43 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 7.82 | per 1,000 Gallons |
| Over | 10,000 | Gallons | 7.20 | per 1,000 Gallons |

1 - Inch Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 5,000 | Gallons | \$44.14 | Minimum Bill |
| Next | 5,000 | Gallons | 7.82 | per 1,000 Gallons |
| Over | 10,000 | Gallons | 7.20 | per 1,000 Gallons |

Commercial Rates

3/4 - Inch Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 3,000 | Gallons | \$33.63 | Minimum Bill |
| Next | 2,000 | Gallons | 10.79 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 9.98 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 9.18 | per 1,000 Gallons |
| Over | 15,000 | Gallons | 8.81 | per 1,000 Gallons |

1 - Inch Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 5,000 | Gallons | \$55.24 | Minimum Bill |
| Next | 5,000 | Gallons | 9.98 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 9.18 | per 1,000 Gallons |
| Over | 15,000 | Gallons | 8.81 | per 1,000 Gallons |

2 - Inch Meter

| | | | | |
|-------|--------|---------|----------|-------------------|
| First | 15,000 | Gallons | \$151.04 | Minimum Bill |
| Over | 15,000 | Gallons | 8.81 | per 1,000 Gallons |

DATE OF ISSUE July 3, 2019
Month / Date / Year

DATE EFFECTIVE September 17, 2019
Month / Date / Year

ISSUED BY /s/ Randall Hardin
(Signature of Officer)

TITLE Chairman

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