



207 North Dogwood Drive
PO Box 220
Berea, KY 40403
Telephone: (859) 986-9031
Fax: (859) 986-1794

October 18, 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 "Tommy Bussell", written in a cursive style.

Tommy Bussell, General Manager

Enclosures

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

Name of Utility	Southern Madison Water District	
Date	10/16/19	
Address	207 North Dogwood Drive	
City, State, Zip	Berea, KY	40403
Telephone Number	270 525 6333	
Email Address	smwdctb@windstream.net	

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 Berea	\$.0026455/gallon	\$.0027770/gallon

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

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	September 2018	through	August 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.

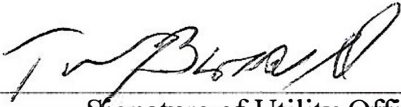
Supplier(s)	Gallons Purchased during 12 month period
City of Berea	358,563,400
TOTAL PURCHASES	358,563,400
4. Total gallons sold for the 12 month period	265,832,400
5. Increased water cost	\$47,151.09
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases 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 C</p>	
6. Purchased water adjustment factor	\$.18
<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 D	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit E	
9. Proposed effective date	October 31, 2019
	
Signature of Utility Officer	
Superintendent	
Title	

Exhibit A

CUSTOMER NOTICE

Due to an increase from one of its suppliers, Southern Madison Water District received approval from the Public Service Commission to adjust its rates effective October 31, 2019.

<u>Current Rates</u>			<u>Proposed Rates</u>				
<u>Minimum Bills Based on Meter Size</u>			<u>Minimum Bills Based on Meter Size</u>				
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Dollar Increase	Percent Increase
5/8x3/4 inch	2,000	\$ 13.086	5/8x3/4 inch	2,000	\$ 13.446	\$ 0.36	2.75
<u>Rates for Water Usage in Addition to Minimum</u>			<u>Rates for Water Usage in Addition to Minimum</u>				
No. of Gallons per Month	Charge per 1,000 gals.		No. of Gallons per Month	Charge per 1,000 gals.			
First 2,000 Gallons (lump sum)	\$	13.086	First 2,000 Gallons (lump sum)	\$	13.446	\$ 0.36	2.75
Next 1,000 Gallons	\$	6.453	Next 1,000 Gallons	\$	6.633	\$ 0.18	2.79
Next 3,000 Gallons	\$	6.043	Next 3,000 Gallons	\$	6.223	\$ 0.18	2.98
Next 4,000 Gallons	\$	5.583	Next 4,000 Gallons	\$	5.763	\$ 0.18	3.22
Next 15,000 Gallons	\$	4.703	Next 15,000 Gallons	\$	4.883	\$ 0.18	3.83
Next 25,000 Gallons	\$	4.403	Next 25,000 Gallons	\$	4.583	\$ 0.18	4.09
Over 50,000 Gallons	\$	3.853	Over 50,000 Gallons	\$	4.033	\$ 0.18	4.67

The monthly bill for an average customer using 5,000 gallons per month will increase from \$31.625 to \$32.525 this is an increase of 2.8%.

Southern Madison 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 Southern Madison Water District's office located at 207 North Dogwood Dr., Berea, KY 40403. You may contact the office at 859-986-0942.

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>.

Exhibit B



BEREA

MUNICIPAL UTILITIES

200 Harrison Road
Berea, KY 40403
Phone: (859) 986-4391
Fax: (859) 756-3890

NOTICE

City of Berea Municipal Utilities (BMU) is providing notice that it plans to file with the Kentucky Public Service Commission (“KyPSC”) on or before September 30, 2019, to increase the wholesale rate it charges Southern Madison Water District effective for water service. The new rate will go into effect October 31, 2019 and will be reflected on bills due on January 10, 2020, dependent on approval from KyPSC. The proposed rates are as follows:

<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
\$.0026455 per gallon	\$.0027770 per gallon	\$.000132 Increase	4.97%

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

In accordance with KyPSC procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to Southern Madison Water District

This filing may be examined at the offices of Berea Municipal Utilities, 200 Harrison Rd, Berea, Kentucky.

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

Comments regarding this filing may be submitted by mail to the Kentucky Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Berea Municipal Utilities in its filing but the KyPSC may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Kentucky Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

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

Exhibit C

**Southern Madison County Utility District
Purchase Water Adjustment Worksheet**

Month/Year	Purchased Water				Water Sold (Gal)	
	Berea	KRA Fee	Berea Water Loss Adj.			
Sep 2018	25,054,300				18,889,900	
Oct 2018	27,597,600				21,102,300	
Nov 2018	31,723,000				23,592,600	
Dec 2018	26,366,700				21,163,800	
Jan 2019	35,407,900				22,380,200	
Feb 2019	27,384,300				19,592,600	
Mar 2019	26,574,000				19,970,600	
Apr 2019	29,106,000				21,751,200	
May 2019	33,866,700				27,660,200	
Jun 2019	31,553,400				22,770,400	
Jul 2019	30,859,600				24,155,600	
Aug 2019	33,069,900				22,803,000	
Totals	358,563,400	358,563,400	358,563,400	-	-	265,832,400
TWELVE MONTH PURCHASED WATER COST						
Purchased	Current Rate	Cost	New Rate	Cost		
358,563,400	\$ 2.645500	\$ 948,579.47	\$ 2.777000	\$ 995,730.56		
358,563,400	\$ 0.02200	\$ 7,888.39	\$ 0.02200	\$ 7,888.39		
358,563,400	\$ 0.00330	\$ 1,183.26	\$ 0.00330	\$ 1,183.26		
-		\$ -		\$ -		
-		\$ -		\$ -		
358,563,400	\$ 2.670800	\$ 957,651.13	\$ 2.802300	\$ 1,004,802.22		
Increased Cost		\$ 47,151.09	PWA Factor	\$ 0.177		
WATER RATE AJUSTMENT						
Rate Schedule	Current Rate	Increase	New Rate			
First	2,000 \$	13.086	\$ 0.36	\$ 13.446		
Next	1,000 \$	6.453	\$ 0.18	\$ 6.633		
Next	3,000 \$	6.043	\$ 0.18	\$ 6.223		
Next	4,000 \$	5.583	\$ 0.18	\$ 5.763		
Next	15,000 \$	4.703	\$ 0.18	\$ 4.883		
Next	25,000 \$	4.403	\$ 0.18	\$ 4.583		
Over	50,000 \$	3.853	\$ 0.18	\$ 4.033		
AVERAGE RESIDENTIAL CUSTOMER BILL CALCULATION						
Usage (Gal)	Current Rate	\$ Increase	% Increase	New Rate		
5,000	\$ 31.625	\$ 0.90	2.8%	\$ 32.525		

Exhibit D

Current RatesMinimum Bills Based on Meter Size

Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill
5/8x3/4 inch	2,000	\$ 13.086

Rates for Water Usage in Addition to Minimum

No. of Gallons per Month	Charge per 1,000 gals.
First 2,000 Gallons (lump sum)	\$ 13.086
Next 1,000 Gallons	\$ 6.453
Next 3,000 Gallons	\$ 6.043
Next 4,000 Gallons	\$ 5.583
Next 15,000 Gallons	\$ 4.703
Next 25,000 Gallons	\$ 4.403
Over 50,000 Gallons	\$ 3.853

Proposed RatesMinimum Bills Based on Meter Size

Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Dollar Increase	Percent Increase
5/8x3/4 inch	2,000	\$ 13.446	\$ 0.36	2.75

Rates for Water Usage in Addition to Minimum

No. of Gallons per Month	Charge per 1,000 gals.	Dollar Increase	Percent Increase
First 2,000 Gallons (lump sum)	\$ 13.446	\$ 0.36	2.75
Next 1,000 Gallons	\$ 6.633	\$ 0.18	2.79
Next 3,000 Gallons	\$ 6.223	\$ 0.18	2.98
Next 4,000 Gallons	\$ 5.763	\$ 0.18	3.22
Next 15,000 Gallons	\$ 4.883	\$ 0.18	3.83
Next 25,000 Gallons	\$ 4.583	\$ 0.18	4.09
Over 50,000 Gallons	\$ 4.033	\$ 0.18	4.67

Exhibit E

RESOLUTION NO. 2019-10-17

A RESOLUTION OF SOUTHERN MADISON WATER DISTRICT ADJUSTING ITS WATER RATES TO OFFSET THE CITY OF BEREA'S WHOLESALE RATE INCREASE

WHEREAS, the City of Berea ("Berea") supplies potable water to Southern Madison Water District ("District") on a wholesale basis;

WHEREAS, on September 18, 2019, Berea filed an application with the Kentucky Public Service Commission ("PSC") seeking to increase the wholesale water rate that Berea charges the District from \$.0026455 to \$.0027770 per gallon (See TFS No. 2019-00498);

WHEREAS, it is anticipated that the PSC will soon issue an Order approving Berea's proposed wholesale rate of \$.0027770, and that the new wholesale rate will become effective on or about October 31, 2019.

WHEREAS, based upon the water purchases from Berea's during the previous 12 months, the estimated annual increased cost to the District will be **\$47,151.09**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with Berea'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 Berea's wholesale rate increase via a Purchased Water Adjustment ("PWA");

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF SOUTHERN MADISON 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 **\$.18** 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 **\$.18** 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 **Appendix F**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates set forth in **Appendix F** 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 the effective date of Berea's wholesale rate increase as determined by the PSC in TFS No. 2019-00498.

Section 5. The Chairman and the General Manager 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, General Manager, 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
SOUTHERN MADISON WATER DISTRICT** at a meeting held on October 17,
2019, signed by the Chairman, and attested by the Secretary.

ATTEST:



LARRY TODD, CHAIRMAN



RONNIE DEVER, SECRETARY

CERTIFICATION

I, Ronnie Devere, Secretary of Southern Madison Water District (the “District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Commissioners of the District at a meeting properly held on October 17, 2019, signed by the Chairman of the Board of Commissioners, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 17th day of October, 2019.



RONNIE DEVER, SECRETARY

Exhibit F

FOR Southern Madison County
Community, Town or City

P.S.C. KY. NO. _____
3rd Revised SHEET NO. 1

Southern Madison Water District
(Name of Utility)

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

2nd Revised SHEET NO. 1

APPLICABLE:
AVAILABILITY OF SERVICE

Southern Madison Water District
Domestic and Commercial

A. Monthly Rates for Water

GALLONAGE BLOCK

RATES

First 2,000 gallons	13.446 Minimum Bill
Next 1,000 gallons	6.663 per 1,000 gallons
Next 3,000 gallons	6.223 per 1,000 gallons
Next 4,000 gallons	5.763 per 1,000 gallons
Next 15,000 gallons	4.883 per 1,000 gallons
Next 25,000 gallons	4.583 per 1,000 gallons
Over 50,000 gallons	4.033 per 1,000 gallons

Separate Line Item for the

Kentucky River Authority Withdrawal Fee: .0253 per 1,000 gallons

DATE OF ISSUE October 17, 2019
Month / Date / Year

DATE EFFECTIVE October 31, 2019
Month / Date / Year

ISSUED BY /s/Larry Todd
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATE

