

WHITLEY COUNTY WATER DISTRICT

19 S. Highway 25W
Williamsburg, Kentucky 40769-1601
Phone: (606) 549-3600 ♦ Fax: (606) 549-5795

March 31, 2021

Commonwealth of Kentucky
Public Service Commission
Tariff Review Branch
P. O. Box 615
Frankfort, Kentucky 40601

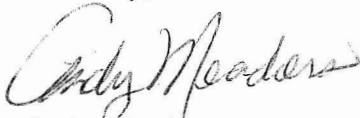
RE: Purchase Water Adjustment Request

Dear Sirs:

Transmitted herewith are the original and 10 copies of a request to adjust the District's rates to cover rate increases imposed by the McCreary County Water District, Whitley City, KY. Also attached is a revised RATES AND CHARGES tariff sheet issued by the chair.

If there are any questions please contact either the District or our engineer, Ken Taylor with Kenvirons, Inc. at 502 695 4357.

Sincerely,



Andy Meadors
Chairman

Attachments

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

Name of Utility	Whitley County Water District	
Date	March 31, 2021	
Address	19 South Highway 25 West	
City, State, Zip	Williamsburg	KY 40769
Telephone Number	606-549-3600	
Email Address	sandysmith.wc wd@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
Jellico TN	\$3.50/1,000 gallons	no change
Corbin, KY	\$2.20/1,000 gallons	no change
Williamsburg, KY	\$2.50/1,000 gallons	no change
McCreary Co. WD, KY	\$3.76/1,000 gallons	\$7.29/1,000 gallons

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

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	January 2020	through	December 2020
	(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
Jellico TN	66,712,500
Corbin, KY	126,619,000
Williamsburg, KY	88,406,000
McCreary Co. WD, KY	10,129,890
4. Total gallons sold for the 12 month period	
	170,307,000
5. Increased water cost	
	\$35,758.51
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	
	\$0.21/1,000 gallons
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date May 1, 2021	
 Signature of Utility Officer	
Chair	
Title	

EXHIBIT A

KENNETH D. TAYLOR

From: Sandra Smith <sandysmith.wc wd@yahoo.com>
Sent: Thursday, February 4, 2021 3:49 PM
To: Andrew Meadors; KENNETH D. TAYLOR
Subject: Fw: McCreary Co Water District - Proposed Rate Increase
Attachments: 20210204153812380.pdf

Stephen, with McCreary Co Water, called to let me know this new rate will probably go into effect in approximately 45 days.

Our rate will increase from \$3.76 to \$7.29 (per 1,000 gallons)

Thanks,

Sandy

----- Forwarded Message -----

From: Kathy Troxell <k.troxell@mccrearywater.com>
To: Sandra Smith <sandysmith.wc wd@yahoo.com>
Sent: Thursday, February 4, 2021, 03:18:31 PM EST
Subject: McCreary Co Water District - Proposed Rate Increase

Hi Sandy, Stephen asked me to forward the attached rate increase notice.

Thanks, Kathy

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission ("PSC") as set out in 807 KAR 5:069, Section 3, notice is hereby given to the customers of the **McCreary County Water District ("District")** of a change in water rates for users of the District's water system. The changes in water rates are required by the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with a loan by RD to the District in the principal amount of \$542,000 to be evidenced by the issuance by the District of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Water Rates

<u>5/8" x 3/4" Meters</u>	<u>Monthly Rate</u>
First 2,000 gallons	\$21.98 Minimum Bill
All Over 2,000 gallons	\$7.29 Per 1,000 gallons
<u>Federal Correction Facility</u>	<u>Monthly Rate</u>
First 1,950,000 gallons	\$14,215.50 Minimum Bill
All Over 1,950,000 gallons	\$7.29 Per 1,000 gallons
<u>Cumberland Fall State Park</u>	<u>Monthly Rate</u>
First 600,000 gallons	\$2,808.00 Minimum Bill
All Over 600,000 gallons	\$4.59 Per 1,000 gallons
<u>Fibrotex USA</u>	<u>Monthly Rate</u>
Per 1,000 gallons	\$7.29 Per 1,000 gallons
<u>Pine Knot Job Corps Center</u>	<u>Monthly Rate</u>
Per 1,000 gallons	\$7.29 Per 1,000 gallons
<u>McCreary Co. Housing Auth.</u>	<u>Monthly Rate</u>
Per 1,000 gallons	\$7.29 Per 1,000 gallons
<u>City of Oneida, TN</u>	<u>Monthly Rate</u>
Per 1,000 gallons	\$3.76 Per 1,000 gallons
<u>Whitley Co. Water District</u>	<u>Monthly Rate</u>
Per 1,000 gallons	\$3.76 Per 1,000 gallons

Proposed Monthly Water Rates

<u>5/8" x 3/4" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 2,000 gallons	\$22.50	\$0.52	2.4%
All Over 2,000 gallons	\$9.25	\$1.96	26.9%
<u>Federal Corr. Facility</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 1,950,000 gallons	\$14,215.50	\$0.00	0.00%
All Over 1,950,000 gallons	\$7.29	\$0.00	0.00%
<u>Cumb. Falls State Park</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 600,000 gallons	\$4,374.00	\$1,566.00	55.8%
All Over 600,000 gallons	\$7.29	\$2.70	37.0%
<u>Fibrotex USA</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Per 1,000 gallons	\$7.29	\$0.00	0.00%
<u>Pine Knot Job Corps Cen.</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Per 1,000 gallons	\$7.29	\$0.00	0.00%
<u>McCreary Housing Auth.</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Per 1,000 gallons	\$7.29	\$0.00	0.00%
<u>City of Oneida, TN</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Per 1,000 gallons	\$7.29	\$3.53	93.9%
<u>Whitley Co. Water District</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Per 1,000 gallons	\$7.29	\$3.53	93.9%

Customer Class	Average Monthly Usage Per Customer (Gallons)	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed Rates)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
5/8" x 3/4" Meter	4,126	\$37.48	\$42.17	\$4.69	12.5%

Fed. Corr. Center	4,351,417	\$31,721.82	\$31,721.82	\$0.00	0.00%
Cumb. Falls SP	774,450	\$3,609.23	\$5,645.74	\$2,036.51	56.4%
Fibrotex USA	512,908	\$3,739.10	\$3,739.10	\$0.00	0.0%
Pine Knot JCC	896,992	\$6,539.07	\$6,539.07	\$0.00	0.0%
McCreary HA	284,183	\$2,071.69	\$2,071.69	\$0.00	0.0%
City of Oneida, TN	0	\$0.00	\$0.00	\$0.00	0.00%
Whitley Co. WD	576,075	\$2,166.04	\$4,199.59	\$2,033.55	93.9%

The proposed monthly water rates shall be effective for water sold after the date of the final approving Order of the PSC, which Order is expected to be issued no later than 30 days of the filing of the Application. The Application for approval of the rate change has been filed with the PSC and may be examined during normal business hours at the following locations: (i) McCreary County Water District Office, 456 N. Hwy 27, Whitley City, KY 42653; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., E.T.; and (iii) via the PSC website at <http://psc.ky.gov>. Comments regarding the Application may be submitted to the PSC via its website or by mail to PSC, P.O. Box 615, Frankfort, Kentucky 40602.

The proposed rates are required under the terms of an agreement between the District and RD and KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between the District and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement. The RD loan proceeds will be used to finance the costs of the installation of approximately 30,785 linear feet of 6-inch SDR 17 water main plus all necessary appurtenances along Marsh Creek Road near Strunk, Kentucky.

Signed: Randy Kidd, Chairman, McCreary County Water District.

EXHIBIT B

WCWD WATER PURCHASED

2020

<u>Month</u>	<u>Corbin</u>	<u>W'msburg</u>	<u>Jellico</u>	<u>McCreary</u>	<u>TOTAL</u>
Jan	14,166,000	3,894,000	4,838,600	777,400	23,676,000
Feb	13,822,000	5,022,000	3,398,300	833,400	23,075,700
March	10,889,000	7,762,000	4,834,600	956,600	24,442,200
April	9,992,000	9,708,000	4,897,400	632,600	25,230,000
May	9,502,000	10,099,000	7,480,000	647,390	27,728,390
June	9,167,000	12,246,000	6,250,500	784,100	28,447,600
July	10,488,000	8,401,000	6,482,000	752,700	26,123,700
Aug	8,879,000	6,053,000	5,732,800	669,500	21,334,300
Sept	10,445,000	7,007,000	5,910,000	831,200	24,193,200
Oct	8,572,000	6,445,000	6,300,500	839,400	22,156,900
Nov	8,416,000	6,228,000	5,304,300	1,156,000	21,104,300
Dec	12,281,000	5,541,000	5,283,500	1,249,600	24,355,100
TOTALS	126,619,000	88,406,000	66,712,500	10,129,890	291,867,390

TOTAL WATER SALES 2020 170,307,000 GALLONS

ADDITIONAL COST OF WATER

COST OF McCREARY WATER AT ORIGINAL RATE: 10,129,890@\$3.76/1,000 GALLONS = \$38,088.39

COST OF McCREARY WATER AT PROPOSED RATE: 10,129,890@\$7.29/1,000 GALLONS = \$73,846.90

DIFFERENCE IN COST = \$35,758.51

PURCHASED WATER ADJUSTMENT FACTOR: \$35,758.51/170,307,000 = \$0.209965/1,000 GALLONS USE \$0.21/1,000 GALLONS

EXHIBIT C

PUBLIC NOTICE WHITLEY COUNTY WATER DISTRICT NO.1 PURCHASED WATER ADJUSTMENT

Due to increases in the wholesale rate for water purchased from the McCreary County Water District, Whitley County Water District No.1 (District) has applied to the Kentucky Public Service Commission for a rate increase to cover its increased costs. The rates contained herein are the rates proposed by the District for all customers, however the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body public or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rates change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion including the status and interest of the party. The application may be reviewed at the District's office at 19 US Highway 25W South, Williamsburg, KY 40769 and the Kentucky Public Service Commission office listed above Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>.

MONTHLY WATER RATES

	OLD RATE	NEW RATE	INCREASE PER 1,000 GALLONS
First 1,000 gallons	\$19.51 (minimum bill)	\$19.72 (minimum bill)	1.08%
Next 4,000 gallons	6.97 per 1,000 gallons	7.18 per 1,000 gallons	3.01%
Next 95,000 gallons	6.55 per 1,000 gallons	6.76 per 1,000 gallons	3.21%
All over 100,000 gallons	6.00 per 1,000 gallons	6.21 per 1,000 gallons	3.50%
Average Monthly Bill for 4,665 gallons	\$45.06	\$46.03	2.15%

The proposed rates are scheduled to go into effect with the May 2021 meter readings which will be reflected on the first billing following June 1, 2021. The proposed rate increase of \$0.21/1,000 gallons or \$0.97 on the average monthly bill will compensate for the higher wholesale purchase water rate implemented by the McCreary County Water District.

EXHIBIT D

RESOLUTION

RESOLUTION OF THE WHITLEY COUNTY WATER DISTRICT NO. 1, AUTHORIZING THE IMPLEMENTATION OF NEW RATES, SUBMITTING NEW RATES TO THE PUBLIC SERVICE COMMISSION AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS

WHEREAS, the McCreary County Water District of Whitley City, KY has increased the wholesale cost of water it provides to the District; and

WHEREAS, the District desires to adjust its rates to its customers to reflect the wholesale rate increase.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Whitley County Water District No. 1 as follows:

SECTION 1. That the District hereby accepts the rate proposed and approves the raising of rates by a compensating amount to its customers.

SECTION 2. That the Chair is hereby authorized, directed and empowered by the District to execute the necessary documents, and to otherwise act on behalf of the District to implement the changed rates.

SECTION 3. This Resolution shall take effect immediately upon passage.

ADOPTED on March 24, 2021

Whitley County Water District No. 1



Andy Meadors

Title: Chair

ATTESTED:



Bob Durham

Title: Secretary

FOR entire service area rural Whitley Co.
Community, Town or City

P.S.C. KY. NO. _____

1st Revised SHEET NO. 1

Whitley County Water District No. 1
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2019-00234

SHEET NO. 1

RULES AND REGULATIONS

Monthly Water Rates

First 1,000 gallons	\$19.72 Minimum Bill (l)
Next 4,000 gallons	\$7.18 per 1,000 gallons (l)
Next 95,000 gallons	\$6.76 per 1,000 gallons (l)
All Over 100,000 gallons	\$6.21 per 1,000 gallons (l)

DATE OF ISSUE March 31, 2021
Month / Date / Year

DATE EFFECTIVE May 1, 2021
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN CASE NO. _____ DATED _____