

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
 BEFORE THE PUBLIC SERVICE COMMISSION
 For Small Utilities Pursuant to 807 KAR 5:076
 (Alternative Rate Filing)

Central City Water and Sewer Commission
(Name of Utility)

214 N. First Street

(Business Mailing Address - Number and Street, or P.O. Box)

Central City, KY 42330

(Business Mailing Address - City, State, and Zip)

270-754-5097

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

David Rhoades

(Name)

214 N. First Street

(Address - Number and Street or P.O. Box)

Central City KY 42330

(Address - City, State, Zip)

270-754-5097

(Telephone Number)

administrator@centralcityky.com

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

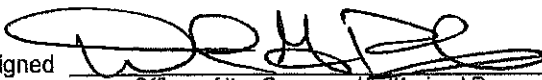
8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.)
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2021.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 546,106 and total revenues from service rates of \$ 3,287,666. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.)
12. As of the date of the filing of this application, Applicant had 2136 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.)
14. Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
- 17. Approximately _____ (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.


Signed 
 Officer of the Company/Authorized Representative
 Title City Auditor
 Date 6/20/22

COMMONWEALTH OF KENTUCKY

COUNTY OF MUHLENBERG

Before me appeared David Rhoades, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

KYNP 3995


 Notary Public
 My commission expires: 12/08/2025

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

Income Statements

	Last Rate Basis FYE 6/30/2018	FYE 6/30/2021 Audit (GAAP)	Projected FYE2022 With Rate Increase
Operating Income			
City	\$ 923,973	\$ 774,155	\$ 928,986
MCWD	\$ 1,430,658	\$ 1,394,325	\$ 1,673,190
MCWD#3	\$ 883,298	\$ 562,049	\$ 674,459
Other	\$ 22,937	\$ 11,031	\$ 11,031
Total Operating Income	\$ 3,260,867	\$ 2,741,560	\$ 3,287,666
Operating Expenses			
Water Plant Operation	\$ 787,302	\$ 765,389	\$ 765,389
Water Distribution & Transmission	\$ 390,059	\$ 352,379	\$ 352,379
Administrative	\$ 261,897	\$ 511,532	\$ 511,532
Insurance	\$ 125,491	\$ 118,687	\$ 118,687
Rent & Utilities	\$ 246,317	\$ 262,619	\$ 262,619
Professional Fees	\$ 7,740	\$ 11,550	\$ 11,550
Office Supplies	\$ 16,897	\$ 29,498	\$ 29,498
Miscellaneous	\$ 10,936	\$ 10,855	\$ 10,855
Total Operating Expenses	\$ 1,846,639	\$ 2,062,509	\$ 2,062,509
Net Operating Income	\$ 1,414,228	\$ 679,051	\$ 1,225,157
Non-Operating Income			
Interest on Deposits	\$ 4,851	\$ 21,914	\$ 21,914
Other	\$ -	\$ -	\$ -
Total Non-Operating Income	\$ 4,851	\$ 21,914	\$ 21,914
Net Income	\$ 1,419,079	\$ 700,965	\$ 1,247,071
Debt Repayment	\$ 781,513	\$ 644,762	\$ 644,762
Balance for Coverage & Depreciation	\$ 637,566	\$ 56,203	\$ 602,309
Debt Service Coverage & Reserves			
Debt Service Coverage (10%)	\$ 78,151	\$ 64,476	\$ 64,476
Short-Lived Asset Replacement	\$ 76,400	\$ 76,400	\$ 76,400
Total - Debt Service & Reserve Funds	\$ 154,551	\$ 140,876	\$ 140,876
Net for Depreciation	\$ 483,014	\$ (84,673)	\$ 461,433
Depreciation	\$ 482,582	\$ 482,582	\$ 482,582
Net Income	\$ 432	\$ (567,255)	\$ 21

Rate Analysis

	0%	26%	20%
Percent Change in Rates			
Wholesale Rate	\$ 2.63	\$ 3.31	\$ 3.97
In-Town Rate			
Base Rate	\$ 11.00	\$ 11.00	\$ 13.20
Per Gallon Charge	\$ 3.06	\$ 3.06	\$ 3.67
Water Charge for 5,000 Gallon Bill	\$ 23.24	\$ 23.24	\$ 27.89
Increase Over Current	\$ -	\$ -	\$ -
Water Charge for 10,000 Gallon Bill	\$ 38.54	\$ 38.54	\$ 46.25
Increase Over Current	\$ -	\$ -	\$ -

NOTICE

The City of Central City ("Central City") is providing notice that it plans to file with the Public Service Commission, on or before June 30, 2022, to increase its wholesale rate to the Muhlenberg County Water District #1 effective for water service on and after August 31, 2022. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>%Difference</u>
\$3.31 per 1,000 gallons	\$3.81 per 1,000 gallons	\$0.50 per 1,000 gallons	15.0% Increase

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 Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 60-day notice given to both the Commission and Muhlenberg County Water District.

This filing may be examined at the offices of the City of Central City located at 214 N. First Street, Central City, Kentucky. Please contact David Rhoades, City Administrator, at 270-754-3066 regarding any questions related to the proposed rates.

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

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 815, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by the City of Central City in its filing but the Public Service Commission 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 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.

NOTICE

The City of Central City ("Central City") is providing notice that it plans to file with the Public Service Commission, on or before June 30, 2022, to increase its wholesale rate to the Muhlenberg County Water District #3 effective for water service on and after August 31, 2022. The proposed rates are as follows:

<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>%Difference</u>
\$3.31 per 1,000 gallons	\$3.81 per 1,000 gallons	\$0.50 per 1,000 gallons	15.0% Increase

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 Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 60-day notice given to both the Commission and Muhlenberg County Water District.

This filing may be examined at the offices of the City of Central City located at 214 N. First Street, Central City, Kentucky. Please contact David Rhoades, City Administrator, at 270-754-3066 regarding any questions related to the proposed rates.

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REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Due to inflation the costs of producing wholesale water have risen considerably, in that the costs of chemicals to treat the water, repair costs and labor costs have increased with unexpected inflation.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

	Current Rate	Proposed Rate
Muhlenberg County Water District No. 1 Per 1,000 Gallons	\$3.31	\$3.81
Muhlenberg County Water District No. 3 Per 1,000 Gallons	\$3.31	\$3.81

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Central City Water and Sewer Commission
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

MONTHLY WHOLESALE WATER RATES:

Muhlenberg County Water District No. 1

\$3.81 per 1,000 Gallons

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE _____

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

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Central City Water and Sewer Commission
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

MONTHLY WHOLESALE WATER RATES:

Muhlenberg County Water District No. 3

\$3.81 per 1,000 Gallons

DATE OF ISSUE _____
MONTH / DATE / YEAR

DATE EFFECTIVE _____
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE _____

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