

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)
CASE NO. 2022-00423**

Name of Utility	Mountain Water District	
Date	December 14, 2022	
Address	P. O. Box 3157	
City, State, Zip	Pikeville, Kentucky	41502-3157
Telephone Number	(606) 631-9162	
Email Address	rsawyers@mtwater.org	

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 Pikeville	First 28,000,000 gals \$55,160 Over 28,000,000 gals \$1.97 per 1,000 gals	First 20,000,000 gals \$45,200 Over 20,000,000 gals \$2.26 per 1,000 gals
City of Williamson, WV	\$1.83 per 1,000 gals	\$1.83 per 1,000 gals

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	October 2021	through	September 2022
	(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. See Exhibit B for monthly purchases.

Supplier(s)	Gallons Purchased during 12 month period
City of Pikeville	349,066,872
City of Williamson, West Virginia	253,828,500
TOTAL PURCHASES	602,895,372
4. Total gallons sold for the 12 month period	776,999,4900
5. Increased water cost	\$58,042.30
<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 B. Embedded in this document is an Excel Spreadsheet showing calculations.</p>	
6. Purchased water adjustment factor	\$0.0747 rounded up to \$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 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	December 11, 2022
/s/ Roy B. Sawyers	
Signature of Utility Officer	
General Manager	
Title	

EXHIBIT A

**City of Pikeville Notice of Wholesale Rate Increase
Approved Tariff Sheet**

NOTICE

Notice is hereby given that the City of Pikeville proposes to increase its rate for wholesale water service to Mountain Water District effective December 1, 2022. On or about November 10, 2022, documentation will be filed with the Kentucky Public Service Commission to increase rates as follows:

<u>Current Rates</u>	<u>New Rates</u>
\$1.97 per 1,000 gallons*	\$2.26 per 1,000 gallons

The total dollar amount of the proposed increases are \$8,350.50 monthly based on 28,794,833 gallons per motion, which is an increase of 14.7%.

* This rate is currently being challenged in the Franklin Circuit Court

As you are aware, the contract between Pikeville and Mountain Water District reduces the minimum monthly purchase from 28,000,000 gallons to 20,000,000 gallons.

Pursuant to KRS 278.180, the proposed effective date is December 1, 2022. Water flowing through the meter(s) before the effective date will be charged at the current rate while water flowing through the meter(s) on and after the effective date will be charged at the proposed new rate.

The rates contained in this notice are the rates proposed by the City of Pikeville but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing at the offices the Pikeville City Hall, City Manager's Office, located at 243 Main Street in Pikeville, Kentucky; telephone (606) 437-5100.

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

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. If the PSC does not receive a written request for intervention within thirty (30) days of the date notice was initially provided, the PSC may take final action on the filing. *Due to the parties' request for expedited approval, requests to intervene should be submitted 20 days.*

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

December 9, 2022

Kent A. Chandler
Chairman

Mary Pat Regan
Commissioner

Todd Osterloh
Sturgill, Turner, Barker & Moloney
333 W. Vine St.
Suite 1500
Lexington, KY 40507

RE: Filing No. **TFS2022-00545**
City of Pikeville Wholesale Water Increase

Dear Todd Osterloh:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<https://psc.ky.gov/trf4/TRFListFilings.aspx?ID=TFS2022-00545>

As the Commission did not grant Pikeville's request for a shortened notice period, the earliest possible effective date for the rate revision is December 10, 2022. Therefore, the contract and tariff page are being stamped with a December 10, 2022 effective date.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell
Executive Director

FOR Service to PSC Regulated Utilities
Community, Town or City

P.S.C. KY. NO. 1

4th Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO.

 SHEET NO.

City of Pikeville
(Name of Utility or City)

CONTENTS

RATES

Monthly Wholesale Water Rates

Mountain Water District (per contract):

First 20,000,000 gallons	\$45,200*	(R)
All over 20,000,000 gallons	\$2.26 per 1,000 gallons	(I)

* Minimum Bill for Mountain Water District: 20 million gallons at \$2.26 per 1,000 gallons (T)

Southern Water and Sewer District

All usage	\$2.26 per 1,000 gallons	(I)
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Both MWD and SWSD

Rate Case Expense Surcharge	\$537.00 for 60 months from Dec. 19, 2019
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Nothing herein shall constitute waiver of any argument related to the rates and surcharge approved in Case No. 2019-00080, which is pending review by the Franklin Circuit Court as the Date of Issue.

DATE OF ISSUE	<u>November 10, 2022</u> Month / Date / Year
DATE EFFECTIVE	<u>December 1, 2022</u> Month / Date / Year
ISSUED BY	<u>/s/ Philip Elswick</u>
TITLE	<u>City Manager</u>
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO.	DATED



EXHIBIT B

**Statement of Water Purchases
Calculation of Purchased Water Adjustment**

**STATEMENT OF WATER PURCHASES
CALCULATION OF PURCHASED WATER ADJUSTMENT**

Month	Total Produced	Total Purchases	Total Produced and Purchased	City of Pikeville Purchases	City of Williamson Purchases	Water Sales	Cost of Purchases from City of Pikeville At Prior Rate	Cost of Purchases from City of Pikeville At New Rate
Oct-21	65,425,728	42,432,200	107,857,928	24,804,000	17,628,200	63,463,300	\$ 55,160.00	\$ 56,057.04
Nov-21	64,558,320	43,542,800	108,101,120	22,120,000	21,422,800	60,590,560	\$ 55,160.00	\$ 49,991.20
Dec-21	67,280,088	42,988,000	110,268,088	17,856,000	25,132,000	61,869,240	\$ 55,160.00	\$ 45,200.00
Jan-22	66,069,797	56,168,572	122,238,369	39,008,872	17,159,700	64,324,000	\$ 76,847.48	\$ 88,160.05
Feb-22	53,773,180	61,295,900	115,069,080	39,702,000	21,593,900	63,461,760	\$ 78,212.94	\$ 89,726.52
Mar-22	67,209,188	50,735,900	117,945,088	29,138,000	21,597,900	61,923,210	\$ 57,401.86	\$ 65,851.88
Apr-22	63,084,224	44,240,400	107,324,624	25,009,000	19,231,400	63,813,310	\$ 55,160.00	\$ 56,520.34
May-22	64,090,448	52,487,100	116,577,548	30,101,000	22,386,100	68,691,020	\$ 59,298.97	\$ 68,028.26
Jun-22	62,705,514	52,066,500	114,772,014	29,958,000	22,108,500	67,813,360	\$ 59,017.26	\$ 67,705.08
Jul-22	61,380,339	55,234,000	116,614,339	34,920,000	20,314,000	68,030,070	\$ 68,792.40	\$ 78,919.20
Aug-22	67,378,108	56,184,300	123,562,408	30,622,000	25,562,300	66,908,340	\$ 60,325.34	\$ 69,205.72
Sep-22	62,996,286	45,519,700	108,515,986	25,828,000	19,691,700	66,111,320	\$ 55,160.00	\$ 58,371.28
Total	765,951,220	602,895,372	1,368,846,592	349,066,872	253,828,500	776,999,490	\$ 735,696.25	\$ 793,736.57

Increased Water Cost: 10/1/21 - 09/30/2022 \$ 58,040.32

Purchased Water Adjustment Factor: 10/1/21 - 09/30/2022 0.0747

EXHIBIT C

Current and Proposed Rates

SCHEDULE OF CURRENT RATES

5/8-Inch Meters	
First 2,000 Gallons	\$ 23.93 Minimum Bill
Next 8,000 Gallons	\$ 8.47 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.54 per 1,000 Gallons
1-Inch Meter	
First 5,000 Gallons	\$ 49.34 Minimum Bill
Next 5,000 Gallons	\$ 8.47 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.54 per 1,000 Gallons
2-Inch Meter	
First 20,000 Gallons	\$167.09 Minimum Bill
Over 20,000 Gallons	\$ 7.54 per 1,000 Gallons
3-Inch Meter	
First 30,000 Gallons	\$242.49 Minimum Bill
Over 30,000 Gallons	\$ 7.54 per 1,000 Gallons
4-Inch Meter	
First 50,000 Gallons	\$393.29 Minimum Bill
Over 50,000 Gallons	\$ 7.54 per 1,000 Gallons
6-Inch Meter	
First 100,000 Gallons	\$770.29 Minimum Bill
Over 100,000 Gallons	\$ 7.54 per 1,000 Gallons
Martin County Water District	\$ 3.09 per 1,000 Gallons
Mingo County Public Service District	\$ 4.66 per 1,000 Gallons
Jenkins Utilities	
First 50,000 Gallons per Day	\$ 3.09 per 1,000 Gallons
Over 50,000 Gallons per day	\$ 3.50 per 1,000 Gallons
City of Elkhorn	
First 215,000 Gallons per day	\$ 2.91 per 1,000 Gallons
Over 215,000 Gallons per day	\$ 3.09 per 1,000 Gallons

SCHEDULE OF PROPOSED RATES

5/8-Inch Meters	
First 2,000 Gallons	\$ 24.09 Minimum Bill
Next 8,000 Gallons	\$ 8.55 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.62 per 1,000 Gallons
1-Inch Meter	
First 5,000 Gallons	\$ 49.74 Minimum Bill
Next 5,000 Gallons	\$ 8.55 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.62 per 1,000 Gallons
2-Inch Meter	
First 20,000 Gallons	\$168.69 Minimum Bill
Over 20,000 Gallons	\$ 7.62 per 1,000 Gallons
3-Inch Meter	
First 30,000 Gallons	\$244.89 Minimum Bill
Over 30,000 Gallons	\$ 7.62 per 1,000 Gallons
4-Inch Meter	
First 50,000 Gallons	\$397.29 Minimum Bill
Over 50,000 Gallons	\$ 7.62 per 1,000 Gallons
6-Inch Meter	
First 100,000 Gallons	\$778.29 Minimum Bill
Over 100,000 Gallons	\$ 7.62 per 1,000 Gallons
Martin County Water District	\$ 3.17 per 1,000 Gallons
Mingo County Public Service District	\$ 4.74 per 1,000 Gallons
Jenkins Utilities	
First 50,000 Gallons per day	\$ 3.17 per 1,000 Gallons
Over 50,000 Gallons per day	\$ 3.58 per 1,000 Gallons
City of Elkhorn	
First 215,000 Gallons per day	\$ 2.99 per 1,000 Gallons
Over 215,000 Gallons per day	\$ 3.17 per 1,000 Gallons

EXHIBIT D

**Resolution of Mountain Water District Board of Commissioners
Adopting the Proposed Rates**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
MOUNTAIN WATER DISTRICT ADJUSTING WATER RATES AND
CHARGES TO OFFSET THE WHOLESALE RATE INCREASE OF
THE CITY OF PIKEVILLE, KENTUCKY**

WHEREAS, the City of Pikeville, Kentucky (“Pikeville”) is a wholesale water supplier of Mountain Water District;

WHEREAS, on November 4, 2022, Pikeville and Mountain Water District entered into an Amended Wholesale Water Purchase Agreement to supersede and replace their existing Wholesale Water Purchase Agreement;

WHEREAS, pursuant to the terms of the Amended Wholesale Water Purchase Agreement, Pikeville’s rate for water made available for sale to Mountain Water District will increase;

WHEREAS, based upon its water purchases from Pikeville for the period from October 1, 2021 to September 30, 2022, Mountain Water District’s annual purchased water costs will increase approximately **\$58,040.32**;

WHEREAS, on November 10, 2022, Pikeville filed the proposed Amended Wholesale Water Purchase Agreement with the Kentucky Public Service Commission and requested that the Kentucky Public Service Commission shorten the required notice for the proposed rate change from 30 days to 20 days and permit the agreed wholesale water rate to take effect on December 1, 2022;

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

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for Mountain Water District to increase its water rates commensurate with Pikeville’s wholesale rate increase via a Purchased Water Adjustment (“PWA”);

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MOUNTAIN WATER DISTRICT 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 **\$0.08 per 1,000 gallons**;

Section 3. All tiers of all meter sizes of Mountain Water District’s existing tariff shall be increased by **\$0.08 per 1,000 gallons**, effective December 1, 2022, subject to any minor adjustment that may be made by the Kentucky Public Service Commission.

Section 4. The monthly water rates to be charged to and collected from the customers and users of Mountain Water District's water system shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. These monthly rates and charges shall be in effect for all water service rendered on and after December 1, 2022.

Section 5. Should the Kentucky Public Service Commission deny Pikeville's request to shorten the notice for the wholesale rate adjustment to 20 days but allow the proposed wholesale rate to take effect after 30 days' notice, then the rates set forth in Appendix A shall become effective for all water service rendered on and after December 11, 2022.

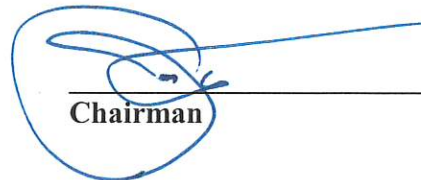
Section 6. Should the Kentucky Public Service Commission suspend Pikeville's proposed wholesale rate for further review, then the rates set forth in Appendix A shall not take effect and Mountain Water District's present rates shall remain in effect until further action by this Board.

Section 7. If the Kentucky Public Service Commission allows the proposed wholesale rate to take effect, the Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the Kentucky Public Service Commission.

Section 8. The Chairman and Mountain District's Staff 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.

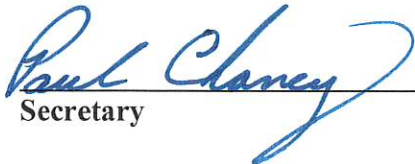
Section 9. This Resolution shall take effect upon its adoption.

ADOPTED BY THE BOARD OF COMMISSIONERS OF MOUNTAIN WATER DISTRICT at a meeting held on November 30, 2022 signed by the Chairman, and attested by the Secretary.



Chairman

ATTEST:



Secretary

APPENDIX A

**APPENDIX TO A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
MOUNTAIN WATER DISTRICT DATED NOVEMBER 30, 2022**

5/8-Inch Meters	
First 2,000 Gallons	\$ 24.09 Minimum Bill
Next 8,000 Gallons	\$ 8.55 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.62 per 1,000 Gallons
1-Inch Meter	
First 5,000 Gallons	\$ 49.74 Minimum Bill
Next 5,000 Gallons	\$ 8.55 per 1,000 Gallons
Over 10,000 Gallons	\$ 7.62 per 1,000 Gallons
2-Inch Meter	
First 20,000 Gallons	\$168.69 Minimum Bill
Over 20,000 Gallons	\$ 7.62 per 1,000 Gallons
3-Inch Meter	
First 30,000 Gallons	\$244.89 Minimum Bill
Over 30,000 Gallons	\$ 7.62 per 1,000 Gallons
4-Inch Meter	
First 50,000 Gallons	\$397.29 Minimum Bill
Over 50,000 Gallons	\$ 7.62 per 1,000 Gallons
6-Inch Meter	
First 100,000 Gallons	\$778.29 Minimum Bill
Over 100,000 Gallons	\$ 7.62 per 1,000 Gallons
Martin County Water District	\$ 3.17 per 1,000 Gallons
Mingo County Water District	\$ 4.74 per 1,000 Gallons
Jenkins Utilities	
First 50,000 Gallons per day	\$ 3.17 per 1,000 Gallons
Over 50,000 Gallons per day	\$ 3.58 per 1,000 Gallons
City of Elkhorn	
First 215,000 Gallons per day	\$ 2.99 per 1,000 Gallons
Over 215,000 Gallons per day	\$ 3.17 per 1,000 Gallons

EXHIBIT E

**Notice of Proposed Rates
Compliance with 807 KAR 5:068, Section 5**

COMPLIANCE WITH 807 KAR 5:068, SECTION 5

Pursuant to 807 KAR 5:068, Section 5(1), the attached notice was posted at Mountain Water District's offices on December 14, 2022 and will be posted on Mountain Water District's website no later than December 16, 2022. The notice will be published once in the *Appalachian News-Express*, a newspaper of general circulation in Mountain Water District's service area no later than the issuance of the first bill at the increased rate.

NOTICE

On December 10, 2023, the City of Pikeville increased its wholesale water service rate to Mountain Water District from \$1.97 per 1,000 gallons to \$2.26 per 1,000 gallons and reduced the minimum volume of water that Mountain Water District must purchase monthly. On December 11, 2022, Mountain Water District adjusted its rates by \$0.08 per 1,000 gallons to reflect the increase in its cost of purchased water due to the increase in the City of Pikeville’s rate for wholesale water service. On December 13, 2022, Mountain Water District applied to the Public Service Commission for approval of the rates set forth below.

	Present Rate	Proposed Rate	Change (\$)	Change (%)
5/8-Inch Meters				
First 2,000 Gallons	\$ 23.93 Minimum Bill	\$24.09 Minimum Bill	\$0.16	0.67
Next 8,000 Gallons	\$ 8.47 per 1,000 Gallons	\$ 8.55 per 1,000 Gallons	\$0.08	0.94
Over 10,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
1-Inch Meter				
First 5,000 Gallons	\$ 49.34 Minimum Bill	\$ 49.74 Minimum Bill	\$0.40	0.81
Next 5,000 Gallons	\$ 8.47 per 1,000 Gallons	\$ 8.55 per 1,000 Gallons	\$0.08	0.94
Over 10,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
2-Inch Meter				
First 20,000 Gallons	\$167.09 Minimum Bill	\$168.69 Minimum Bill	\$1.60	0.96
Over 20,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
3-Inch Meter				
First 30,000 Gallons	\$242.49 Minimum Bill	\$244.89 Minimum Bill	\$2.40	0.99
Over 30,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
4-Inch Meter				
First 50,000 Gallons	\$393.29 Minimum Bill	\$397.29 Minimum Bill	\$4.00	1.02
Over 50,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
6-Inch Meter				
First 100,000 Gallons	\$770.29 Minimum Bill	\$778.29 Minimum Bill	\$8.00	1.04
Over 100,000 Gallons	\$ 7.54 per 1,000 Gallons	\$ 7.62 per 1,000 Gallons	\$0.08	1.06
Martin County Water Dist	\$ 3.09 per 1,000 Gallons	\$ 3.17 per 1,000 Gallons	\$0.08	2.59
Mingo County Public Service Dist.	\$ 4.66 per 1,000 Gallons	\$ 4.74 per 1,000 Gallons	\$0.08	1.72
Jenkins Utilities				
First 50,000 Gallons per day	\$ 3.09 per 1,000 Gallons	\$ 3.17 per 1,000 Gallons	\$0.08	2.59
Over 50,000 Gallons per day	\$ 3.50 per 1,000 Gallons	\$ 3.58 per 1,000 Gallons	\$0.08	2.29
City of Elkhorn				
First 215,000 Gallons per day	\$ 2.91 per 1,000 Gallons	\$ 2.99 per 1,000 Gallons	\$0.08	2.75
Over 215,000 Gallons per day	\$ 3.09 per 1,000 Gallons	\$ 3.17 per 1,000 Gallons	\$0.08	2.59

The adopted rates will have the following effect on a customer's monthly bill:

	Average Monthly Usage	Current Monthly Bill	Adjusted Rates Monthly Bill	Increase (\$)	Change (%)
Retail Customers	3,391 gallons	\$ 35.71	\$ 35.98	\$ 0.17	0.48
Martin County WD	36,917 gallons	\$ 114.08	\$ 117.03	\$ 2.95	2.59
City of Elkhorn	4,455,083 gallons	\$12,964.29	\$13,320.70	\$356.41	2.75
Mingo County PSD	152,667 gallons	\$ 711.43	\$ 723.64	\$ 12.21	1.72

The rates contained in this notice are the rates adopted by Mountain Water District. However, the Public Service Commission may order rates to be charged that differ from these adopted rates. Such action may result in rates for consumers other than the rates in this notice.

Mountain Water District has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 6332 Zebulon Hwy, Pikeville, KY 41501 and can be reached at (606) 631-9162.

Any person may also examine this application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <https://psc.ky.gov/Case/ViewCaseFilings/2022-00423>. The Public Service Commission has docketed Mountain Water District's application as Case No. 2022-00423.

Mountain Water District
Posted: December 14, 2021