

SOUTHEASTERN WATER ASSOCIATION
147 EAST SOMERSET CHURCH ROAD
SOMERSET, KENTUCKY 42503
606-678-5501

"This institution is an equal opportunity provider."

January 18, 2024

Commonwealth of Kentucky
Public Service Commission
Tariff Review Branch
P. O. Box 615, 211 Sower Blvd.
Frankfort, KY 40601

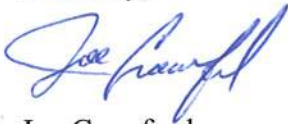
RE: Purchased Water Adjustment Request

Dear Sirs:

Transmitted herewith is a request to adjust the Association's rates to cover rate increases imposed by the City of Somerset. Also attached is a revised RATES AND CHARGES tariff sheet issued by the chair.

If there are any questions, please contact either the Association or our engineer, Brendan Welch with Kenvirons at (502) 695-4357.

Sincerely,



Joe Crawford,
President

Attachments

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

Name of Utility	South Eastern Water Association, Inc.		
Date	January 18, 2024		
Address	147 E. Somerset Church Road		
City, State, Zip	Somerset, KY 42503		
Telephone Number	(606) 678-5501		
Email Address	mail@southeasternwater.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
See Attachment		

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	November 2022	through	October 2023
	(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
See Attachment	
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	341,529,193
5. Increased water cost	\$175,099.43
<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</p>	
6. Purchased water adjustment factor	\$0.513/1,000 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 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	February 18, 2024
	
Signature of Utility Officer	
	
Title	

EXHIBIT A

**RATE TARIFFS PENDING PSC APPROVAL
CITY OF SOMERSET**



306 E. Mt. Vernon St.
Somerset, KY 42501
Phone: 606.679.6366

cityofsomerset.com @CityofSomerset.KY @CityofSomerset

Alan L. Keck, Mayor

P.O. Box 989
Somerset, KY 42502
Fax: 606.679.2481

Southeastern Water Association
147 E. Somerset Church Rd.
Somerset, KY 42503

August 7, 2023

Dear Chairman Joe Crawford

Pursuant to the notice provision of the contract between the City of Somerset and the Southeastern Water Association, dated July 1, 2011, the City of Somerset is giving 90-day notice to increase water rates.

The increases are tiered, or stair stepped. Here are the effective dates, percentage increases, and resulting rates:

1. November 7th, 2023, \$2.80 per 1000 gallons.
2. November 7th, 2024, \$3.11 per 1000 gallons.
3. November 7th, 2025, \$3.42 per 1000 gallons.

No one in the City of Somerset takes pleasure in giving this notice. The rate increases are caused by the unprecedented inflationary period we are all experiencing coupled with the City's capital investment of over 12 million dollars into our water system over the last 4 years to continue to provide the service and demand. We appreciate the long-term relationship with your water district.

In order to effectively effect the rate changes, please sign the below with the understanding that this letter and the acceptance below will commemorate an addendum to the above contract. Upon execution, please return this letter to me.

Sincerely

Alan Keck, Mayor of Somerset

To the City of Somerset, C/O Alan Keck, Mayor:

On behalf of the Southeastern Water Association, I acknowledge and consent to the above stated changes to the contract between the water district and the city of Somerset. In signing I state that I have the requisite authority and agree to this fully executed document serving as a contract addendum.

_____ Date _____ ~ Printed Name _____

December 21, 2023

NOTICE:

Somerset Utilities, a division of the City of Somerset ("Somerset"), is providing notice that it plans to file with the Public Service Commission on or before December 21, 2023, to increase its wholesale rate to Southeastern Water Association effective for water service rendered on and after January 25, 2024. The proposed rates are as follows:

<u>Monthly Rate Per 1000 Gallons</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Effective on January 25, 2024	\$2.50	\$2.80	\$0.30	12%
Effective on January 25, 2025	\$2.80	\$3.11	\$0.31	11%
Effective on January 25, 2026	\$3.11	\$3.42	\$0.31	9.99%

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 rate.

This filing may be examined at Somerset's main office located at 306 E. Mt. Vernon Street, Somerset, KY 42501 or by contacting Nick Bradley, City Clerk, at City of Somerset, 306 E. Mt. Vernon St., phone (606) 679-6366.

The filing may also be examined at the offices of the 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 Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The proposed rate is the rate proposed by Somerset in its filing, but the Public Service Commission may order a rate that differs from the proposed rate.

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.

EXHIBIT B

TEST YEAR WATER PURCHASES AND SALES

EXHIBIT B
TEST YEAR WATER PURCHASES AND SALES

Month	Total Water Purchased (Gallons)	Total Water Sold (Gallons)
Nov-22	48,018,880	28,357,727
Dec-22	46,416,900	26,570,482
Jan-23	49,621,700	30,426,159
Feb-23	40,873,600	25,575,048
Mar-23	44,957,800	22,181,025
Apr-23	42,149,000	25,833,773
May-23	52,489,800	25,528,957
Jun-23	50,870,100	31,827,277
Jul-23	52,235,000	30,442,297
Aug-23	52,955,000	35,535,861
Sep-23	50,910,700	30,392,276
Oct-23	52,166,300	28,858,311
Totals	583,664,780	341,529,193
Avg	48,638,700	28,460,766
Min	40,873,600	22,181,025
Max	52,955,000	35,535,861
Increased Water Costs:	$((\$0.30 \times 583,664,780)) / 1,000$ gallons	\$175,099.43
Purchased Water Adjustment Factor per 1,000 gallons:		\$0.513

**SOUTH EASTERN WATER ASSOCIATION, INC.
WHOLESALE SUPPLIER(S)**

Supplier(s)	Base Rate Per 1,000 Gallons	Changed Rate Per 1,000 Gallons
City of Somerset	\$2.50	\$2.80

**SOUTH EASTERN WATER ASSOCIATION, INC.
STATEMENT OF WATER PURCHASES**

Supplier(s)	Gallons Purchased during 12 Month Period
City of Somerset	583,664,780
TOTAL PURCHASES	583,664,780

EXHIBIT C

PUBLIC NOTICE SOUTH EASTERN WATER ASSOCIATION, INC. PURCHASED WATER ADJUSTMENT

Due to increases in the wholesale rate for water purchased from the City of Somerset, the South Eastern Water Association, Inc. 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 South Eastern Water Association, Inc. 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 South Eastern Water Association at 147 E. Somerset Church Rd., Somerset, KY 42503 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

	CURRENT RATE	PROPOSED RATE	INCREASE PER 1,000 GALLONS
5/8" x 3/4" Meter			
First 2,000 gallons	\$27.50 (minimum bill)	\$28.53 (minimum bill)	\$1.03 or 3.75%
All Over 2,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 4,000 gallons	\$51.36	\$53.41	\$2.05 or 3.99%
1" Meter			
First 5,000 gallons	\$63.29 (minimum bill)	\$65.86 (minimum bill)	\$2.57 or 4.06%
All Over 5,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 10,000 gallons	\$122.94	\$128.06	\$5.12 or 4.16%
1 1/2" Meter			
First 10,000 gallons	\$122.94 (minimum bill)	\$128.06 (minimum bill)	\$5.12 or 4.16%
All Over 10,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 15,000 gallons	\$182.59	\$190.26	\$7.67 or 4.20%
2" Meter			
First 20,000 gallons	\$242.24 (minimum bill)	\$252.50 (minimum bill)	\$10.26 or 4.24%
All Over 20,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 30,000 gallons	\$361.54	\$376.90	\$15.36 or 4.25%

3" Meter			
First 30,000 gallons	\$361.54 (minimum bill)	\$376.93 (minimum bill)	\$15.39 or 4.26%
All Over 30,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 40,000 gallons	\$480.84	\$501.33	\$20.49 or 4.26%
4" Meter			
First 50,000 gallons	\$600.14 (minimum bill)	\$625.79 (minimum bill)	\$25.50 or 4.25%
All Over 50,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 60,000 gallons	\$719.44	\$750.19	\$30.60 or 4.27%
6" Meter			
First 100,000 gallons	\$1,196.64 (minimum bill)	\$1,247.94 (minimum bill)	\$51.30 or 4.29%
All Over 100,000 gallons	0.01193 Per Gallon	0.01244 Per Gallon	\$0.00051 or 4.27%
Average Monthly Bill for 120,000 gallons	\$1,435.04	\$1,496.74	\$61.70 or 4.30%
Wholesale Rate	\$0.00393 Per Gallon	\$0.00444 Per Gallon	\$0.00051 or 12.98%

The proposed rates are scheduled to go into effect with the February 2024 meter readings which will be reflected on the first billing following March 1, 2024. The proposed rate increase of \$0.51/1,000 gallons will compensate for the higher wholesale purchase water rates approved by the City of Somerset.

EXHIBIT D

RESOLUTION

RESOLUTION OF THE SOUTH EASTERN WATER ASSOCIATION, INC., 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 City of Somerset are raising their wholesale cost of water pending approval from the Public Service Commission; and

WHEREAS, the Association desires to adjust its rates to its customers to reflect the wholesale rate increases.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the South Eastern Water Association, Inc. as follows:

SECTION 1. That the Association hereby accepts the rates awarded by the Public Service Commission pending approval and approves the raising of rates by a compensating amount to its customers.

SECTION 2. That the President is hereby authorized, directed and empowered by the Association's Board of Commissioners to execute the necessary documents, and to otherwise act on behalf of the Association to implement the changed rates.

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

ADOPTED on January 11, 2024.

South Eastern Water Association, Inc.

Title: President

ATTESTED:

Title: Secretary

FOR Entire Service Area

Community, Town or City

PSC KY NO. 1

8th Revised SHEET NO. 6

South Eastern Water Association
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

7th Revised SHEET NO. 6

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000	gallons	\$28.53	Minimum Bill	(l)
All Over	2,000	gallons	0.01244	per Gallon	(l)

1" Meter

First	5,000	gallons	\$65.86	Minimum Bill	(l)
All Over	5,000	gallons	0.01244	per Gallon	(l)

1 1/2" Meter

First	10,000	gallons	\$128.06	Minimum Bill	(l)
All Over	10,000	gallons	0.01244	per Gallon	(l)

2" Meter

First	20,000	gallons	\$252.50	Minimum Bill	(l)
All Over	20,000	gallons	0.01244	per Gallon	(l)

3" Meter

First	30,000	gallons	\$376.93	Minimum Bill	(l)
All Over	30,000	gallons	0.01244	per Gallon	(l)

4" Meter

First	50,000	gallons	\$625.79	Minimum Bill	(l)
All Over	50,000	gallons	0.01244	per Gallon	(l)

6" Meter

First	100,000	gallons	\$1,247.94	Minimum Bill	(l)
All Over	100,000	gallons	0.01244	per Gallon	(l)

Wholesale Rate

\$0.00444 Per Gallon (l)

DATE OF ISSUE January 18, 2024
MONTH / DATE / YEAR

DATE EFFECTIVE February 18, 2024
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE President

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