

WESTERN ROCKCASTLE WATER ASSOCIATION
P.O. BOX 627
371 New Brodhead Road
Mt. Vernon, Kentucky 40456
Telephone (606) 256-8283
Fax (606) 256-8535

June 12, 2024

Linda Bridwell
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application to Increase Rates Pursuant to
Purchased Water Adjustment Regulation 807 KAR 5:068

Dear Ms. Bridwell:

The Western Rockcastle Water Association respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

In accordance with agreement between the City of Mt. Vernon and the Western Rockcastle Water Association, effective July 16, 2024, the Western Pulaski County Water District will implement a \$0.84 per 1,000 gallons increase to our wholesale water purchase rates. The result of this increase is \$145,486.20 in additional yearly supply cost for the Association. This translates into \$0.84 per 1,000 gallons of water sold to our customers. Therefore, we propose to increase our rates by that amount.

The following supporting documentation is enclosed for your review:

- Exhibit A – Purchase Water Rate Adjustment
- Exhibit B – City of Mt. Vernon Proposal Letter
- Exhibit C – Statement of Water Purchased
- Exhibit D – Statement of Water Sold
- Exhibit E – Notice to Customers
- Exhibit F – Revised Tariff Sheets
- Exhibit G – An executed copy of the Resolution of the Board of Directors formally authorizing the proposed rates.

The Notice to Customers will be published in accordance with Commission regulations and verification of its publication will be provided to the Commission.

Should you have any questions please contact Deron S. Byrne, P.E. at (502) 839-1310, as he is handling this matter on behalf of the Association.

Sincerely,



Darrell Whitaker, President
DW/dsb

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

Name of Utility	Western Rockcastle Water Association	
Date	06/11/2024	
Address	371 New Brodhead Road	
City, State, Zip	Mt. Vernon, Kentucky	40456
Telephone Number	(606) 256-8283	

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 Mt. Vernon	Rate per 1000 gallons: \$2.93	Rate per 1000 gallons: \$3.40
So. Madison Water District	Rate per 1000 gallons: \$4.62	NO CHANGE
City of Brodhead	Rate per 1000 gallons: \$2.93	NO CHANGE


1.b. A copy of the supplier's notice of the changed rates showing the effective date of the increases are 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	June 2023	through	May 2024
	(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 Mt. Vernon	309,545,100
Southern Madison Water District	8,110,400
City of Brodhead	7,970,300
TOTAL PURCHASES	325,625,800

4. Total sales for the 12 month period		173,165,300
5. Increased water cost		\$145,486.20
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor		\$0.84
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.		
<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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>		
7. Proposed effective date		July 16, 2024
		
Signature of Utility Officer		
<i>President</i>		
Title		

Increased Water Cost Calculation:

$$\begin{aligned} (309,545.1 \times \$3.40) &= \$1,052,453.34 \text{ (CITY OF MT. VERNON)} \\ (8,110.4 \times \$4.62) &= \$ 37,470.05 \text{ (SO. MADISON WATER DISTRICT)} \\ (7,970.3 \times \$2.93) &= \$ 23,352.98 \text{ (CITY OF BRODHEAD)} \\ &===== \\ & \$1,113,276.37 \end{aligned}$$

$$\begin{aligned} (309,545.1 \times \$2.93) &= \$ 906,967.16 \text{ (CITY OF MT. VERNON)} \\ (8,110.4 \times \$4.62) &= \$ 37,470.05 \text{ (SO. MADISON WATER DISTRICT)} \\ (7,970.3 \times \$2.93) &= \$ 23,352.98 \text{ (CITY OF BRODHEAD)} \\ &===== \\ & \$ 967,790.17 \end{aligned}$$

Increased Water Cost = \$145,486.20 (\$1,113,276.37 - \$967,790.17)

Purchased Water Adjustment Factor Calculation:

Increased Cost of Water = \$145,486.20

Total Gallons Sold = 173,165,910

$\$145,486.18 / 173,165,910 = \0.84 per 1000 Gallons

June 3, 2024

Mr. Darrell Whitaker, President
Western Rockcastle Water Association
371 New Brodhead Road
Mt. Vernon, KY 40456

RE: Wholesale Rate Increase

Dear Mr. Whitaker,

The City of Mt. Vernon, Kentucky is adding a new Powdered Activated Carbon (PAC) Reactor Basin and feed equipment to the Water Treatment Plant. The project is needed to improve the quality of our drinking water and minimize the occurrence of taste and odor incidents. The total project cost is \$4,142,000 and the City will be increasing its retail and wholesale user rates to finance the project.

The wholesale user rate will be increased from \$2.93 per 1,000 gallons to \$3.40 per 1,000 gallons. This equates to a \$0.47 increase per 1,000 gallons, or 16.04%.

Pursuant to the notice provision of the Water Purchase Agreement between the City of Mt. Vernon and Western Rockcastle Water Association, effective October 8, 1992, the City is giving 30-day notice prior to adoption of the proposed rates. The effective date of the rate increase will be July 16, 2024.

Attached are the following documents which contain the new rates, the proposed effective date, and other information as required by the Public Service Commission.

1. Customer Notice
2. Revised Tariff Sheet
3. Proposed Rate Ordinance being considered by the City Council
4. Acknowledgment/Contract Amendment

Please return a signed copy of the Acknowledgment/Contract Amendment to the City.

Sincerely,

Tim Roberts, Mayor

FOR East & West Rockcastle County, Kentucky
Area Served

P.S.C. KY. NO. 1

Fourth Revised SHEET NO. 5

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

_____ SHEET NO. _____

City of Mt. Vernon
(Name of Municipal Utility)

MONTHLY WHOLESALE WATER RATE:

Kentucky-American Water Company (T)

Western Rockcastle Water Association

All Usage \$3.40 Per 1,000 Gallons (I)

(D)

DATE OF ISSUE June 2, 2024
Month / Date / Year

DATE EFFECTIVE July 16, 2024
Month / Date / Year

ISSUED BY _____
(Signature)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

NOTICE

Notice is hereby given that the City of Mt. Vernon, Kentucky plans to file with the Public Service Commission (PSC) on or before June 2, 2024 to increase its rate for wholesale water service effective for services rendered on or after July 16, 2024. The proposed wholesale water rates are as follows:

Wholesale Water Rate	Current Rate (\$/1,000 gallon)	New Rate (\$/1,000 gallon)	Change (\$/1,000 gallon)	Change (%)
City of Brodhead	\$2.93	\$3.40	\$0.47	16.04%
Western Rockcastle WA	\$2.93	\$3.40	\$0.47	16.04%
Eastern Rockcastle WA	\$2.93	\$3.40	\$0.47	16.04%

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 new rate.

This filing may be examined at Mt. Vernon City Hall, 125 Richmond Street, Mt. Vernon, KY 40456 or by contacting Crystal Rush, City Clerk, at City Hall or by phone at (606) 256-3437.

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

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

The rates contained in this Notice are the rates proposed by the City, but the PSC may order rates to be charged that differ from the rates proposed.

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 PSC does not receive a written request for intervention within 30 days of the mailing of this notice, the PSC may take final action on the filing.

ACKNOWLEDGMENT

On behalf of the Western Rockcastle Water Association, I acknowledge and agree to the rate change to the contract between the Water Association and the City of Mt. Vernon as outlined in the letter from the City dated June 3, 2024. In signing, I state that that I have the authority and agree to this document as a contract amendment.

Danell Whitcomb
Signature

6-11-24
Date

Pres.
Printed Name/Title

**STATEMENT OF WATER PURCHASED
WESTERN ROCKCASTLE WATER ASSOCIATION**

CITY OF MT. VERNON

Month	Usage/Gallons	Total Cost
June 2023	27,088,800	\$79,370.19
July	28,658,900	83,970.58
August	24,818,600	72,718.50
September	26,963,900	79,004.23
October	26,814,700	78,567.08
November	24,678,800	72,308.88
December	23,593,300	69,128.38
Janaury 2024	28,424,900	83,284.97
February	25,122,500	73,608.93
March	23,047,900	67,530.35
April	29,904,800	87,621.06
May	20,428,000	59,854.04
TOTAL	309,545,100	\$906,967.16

SOUTHERN MADISON WATER

Month	Usage/Gallons	Total Cost
June 2023	693,400	\$3,149.74
July	772,800	3,504.34
August	619,900	2,821.49
September	738,200	3,349.82
October	551,600	2,516.47
November	587,600	2,677.24
December	655,400	2,980.04
Janaury 2024	649,400	2,953.24
February	766,100	3,474.42
March	864,100	3,912.09
April	602,200	3,007.75
May	609,700	3,044.48
TOTAL	8,110,400	\$37,391.12

CITY OF BRODHEAD

Month	Usage/Gallons	Total Cost
June 2023	681,667	\$1,997.28
July	717,500	2,102.28
August	578,600	1,695.30
September	708,122	2,074.80
October	535,078	1,567.78
November	537,800	1,575.75
December	643,300	1,884.87
Janaury 2024	751,200	2,201.02
February	838,700	2,457.39
March	564,900	1,655.16
April	880,500	2,579.87
May	532,933	1,561.49
TOTAL	7,970,300	\$23,352.98

**STATEMENT OF WATER SOLD
WESTERN ROCKCASTLE WATER ASSOCIATION**

Month	Residential	Total Gallons Sold
June 2023	1,181,220	1,181,220
July	1,105,454	1,105,454
August	1,250,204	1,250,204
September	1,081,274	1,081,274
October	1,142,169	1,142,169
November	1,028,189	1,028,189
December	1,072,271	1,072,271
January 2024	2,415,960	2,415,960
February	1,551,070	1,551,070
March	1,612,130	1,612,130
April	2,140,220	2,140,220
May	1,736,430	1,736,430
TOTAL	17,316,591	17,316,591

LEGAL NOTICE REGARDING THE WESTERN ROCKCASTLE WATER ASSOCIATION

Notice is hereby given that because of an increase in the cost of water purchased from the City of Mt. Vernon, the Western Rockcastle Water Association will increase its rates for services effective July 16, 2024. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 17, 2024, to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>5/8" x 3/4" Meters:</u>				
First 2,000 Gallons	\$28.94 Minimum Bill	\$30.62 Minimum Bill	\$1.68	5.81%
Next 3,000 Gallons	\$0.00827 Per Gallon	\$0.00911 Per Gallon	\$0.84	10.16%
Next 5,000 Gallons	\$0.00763 Per Gallon	\$0.00847 Per Gallon	\$0.84	11.01%
Next 15,000 Gallons	\$0.00698 Per Gallon	\$0.00782 Per Gallon	\$0.84	12.03%
Over 25,000 Gallons	\$0.00637 Per Gallon	\$0.00721 Per Gallon	\$0.84	13.19%
<u>1" Meters:</u>				
First 5,000 Gallons	\$47.25 Minimum Bill	\$51.45 Minimum Bill	\$4.20	8.89%
Next 5,000 Gallons	\$0.00763 Per Gallon	\$0.00847 Per Gallon	\$0.84	11.01%
Next 15,000 Gallons	\$0.00698 Per Gallon	\$0.00782 Per Gallon	\$0.84	12.03%
Over 25,000 Gallons	\$0.00637 Per gallon	\$0.00721 Per Gallon	\$0.84	13.19%
<u>1 1/2" Meters:</u>				
First 10,000 Gallons	\$84.65 Minimum Bill	\$93.05 Minimum Bill	\$8.40	9.92%
Next 15,000 Gallons	\$0.00698 Per Gallon	\$0.00782 Per Gallon	\$0.84	12.03%
Over 25,000 Gallons	\$0.00637 Per gallon	\$0.00721 Per Gallon	\$0.84	13.19%
<u>2" Meters:</u>				
First 25,000 gallons	\$187.10 Minimum Bill	\$208.10 Minimum Bill	\$21.00	11.22%
Over 25,000 gallons	\$0.00637 Per gallon	\$0.00721 per gallon	\$0.84	13.19%

As noted above, based on the increased cost of water from the City of Mt. Vernon all rates will increase \$0.84 per 1,000 gallons. The monthly bill for a customer using an average of 5,000 gallons of water each month will increase from \$53.75 to \$57.95. This is an increase of \$4.20 or 7.81%.

The charges/rates contained in this notice are the charges/rates proposed by the Western Rockcastle Water Association. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates detailed in this notice.

Any person may examine this application at the offices of the Western Rockcastle Water Association office located at 371 New Brodhead Road in Mt. Vernon, Kentucky. In addition, any 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>. Any comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The Public Service Commission can also be contacted at 502-564-3940.

This notice is published pursuant to 807 KAR 5:068 - Purchased Water Adjustment for Water Districts and Water Associations.

WESTERN ROCKCASTLE WATER ASSOCIATION
s/ Darrell Whitaker, President

FOR: Rockcastle County
Community, Town or City

P.S.C. KY. NO. 1

1st Revision SHEET NO. 1

Western Rockcastle Water Association
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

SHEET NO. _____

RATES AND CHARGES

Rates: Monthly

5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$30.62	Minimum Bill	(l)
Next	3,000 Gallons	\$0.00911	Per Gallon	(l)
Next	5,000 Gallons	\$0.00847	Per Gallon	(l)
Next	15,000 Gallons	\$0.00782	Per Gallon	(l)
Over	25,000 Gallons	\$0.00721	Per Gallon	(l)

1 Inch Meter

First	5,000 Gallons	\$51.45	Minimum Bill	(l)
Next	5,000 Gallons	\$0.00847	Per Gallon	(l)
Next	15,000 Gallons	\$0.00782	Per Gallon	(l)
Over	25,000 Gallons	\$0.00721	Per Gallon	(l)

1 1/2 Inch Meter

First	10,000 Gallons	\$93.05	Minimum Bill	(l)
Next	15,000 Gallons	\$0.00782	Per Gallon	(l)
Over	25,000 Gallons	\$0.00721	Per Gallon	(l)

2 Inch Meter

First	25,000 Gallons	\$208.10	Minimum Bill	(l)
Over	25,000 Gallons	\$0.00721	Per Gallon	(l)

DATE OF ISSUE 06/17/2024
Month / Date / Year

DATE EFFECTIVE 07/16/2024
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE PRSIDENT

EXHIBIT F


RESOLUTION OF AUTHORIZATION

The Western Rockcastle Water Association, Mt. Vernon, Kentucky hereby orders an increase in the Association's rates for service pursuant to 807 KAR 5:068: Purchased Water Adjustment Regulation. This action is required due to an increase in the cost of water purchased from the City of Mt. Vernon effective on July 16, 2024. The terms of the rate increase shall be consistent with the Association's application to the Public Service Commission to be submitted on or after June 17, 2024. The rates proposed therein shall become effective for service rendered on or after July 16, 2024.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the Western Rockcastle Water Association held on this the 11th day of June 2024.

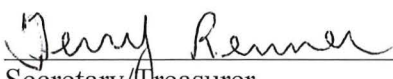
Ordered this 11th day of June 2024.

Signed:



Darrell Whitaker, President

Attest:



Secretary/Treasurer