

P. O. BOX 3157
PIKEVILLE, KY 41502
PHONE: (606) 631-9162
FAX: (606) 631-3087
TDD: (606) 631-3711

November 26, 2008

2008-00508

RECEIVED

DEC - 9 2008

PUBLIC SERVICE
COMMISSION

Stephanie Stumbo, Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Ms. Stumbo:

Please find enclosed Mountain Water District's proposed increases and additions to non-recurring charges, which are accompanied by justification for each increase and addition. The District is requesting approval of these changes to ensure the District's actual costs to perform these services are being met. Any pages in our revised tariff that did not include a change in rate or additional rate have been submitted separately per Mr. Daniel Hinton's instructions.

If you have any questions, you may contact our office at (606) 631-9162.

Sincerely,

Toni Akers, Chairperson
Mountain Water District

Enclosures

Cc: Public Service Commission Tariff
File

**CHANGES OR ADDITONS TO SEWER
RULES AND REGULATIONS**

1. Add 10% late payment penalty
2. Establish rate for sewer customers that do not have water service
3. Establish rate for multi sewer customers
4. Add sewer tap fee rate for standard pressure sewer connection at \$2,600.00, except that other than standard pressure sewer connections will be at cost
5. Extend the number of days before disconnection with a physicians certificate from ten (10) days to thirty (30) days
6. Change service area, currently listed as Centennial Subdivision, to all areas of Pike Co., KY. Except those in the City of Pikeville and City of Elkhorn service areas

PRESSURE SEWER CONNECTION FEE RESIDENTIAL

MATERIAL

Cost of Residential Grinder Station	\$1,800.00
Cost of 50 ft. Service Lateral to Pressure Main	\$35.00
Cost of Pressure Main, Tapping Saddle & Corporation Stop	<u>\$290.00</u>
Total Material	\$2,125.00

LABOR & EQUIPMENT

Backhoe - \$28.00/Hr @ 5 hours	\$140.00
Equipment Operator - \$13.01/hr @ 6 hours + 40% Fringe	\$109.28
Utility Worker - \$11.51/hr @ 6 hours + 40% Fringe	\$96.68
Supervisor - \$19.01/hr @ 4 hours + 40% Fringe	\$106.46
Utility Truck - 20 miles @ \$0.585/Mile	\$11.70
Supervisor Truck - 20 miles @ \$0.585/Mile	<u>\$11.70</u>
Total Labor & Equipment	\$475.82

TOTAL COST \$2,600

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGIANL SHEET NO. 2

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

Sewer Rates

Monthly Rates

First 2,000 Gallons	\$14.00 Minimum Bill
Over 2,000 Gallons	\$ 6.00 Per 1,000 Gallons

Connection Fee

Gravity Sewer

Standard Residential Gravity Sewer Connection	\$750.00
Other Than Standard Residential Gravity Sewer Connection	AT COST

Pressure Sewer

Standard Residential Pressure Sewer Connection	\$2,600.00
Other Than Standard Residential Pressure Sewer Connection	AT COST

All additional size connections – Actual Cost

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY Joni Akers
(Signature of Officer)

TITLE _____
Chairperson

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 3

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

Monthly Usage Charge for Special Service

Multi-Unit Facility

The monthly charge for customers who have sewer service at a multi-unit facility shall be the amount based on the average gallons of water usage per housing unit at the current sewer rate schedule times the number of housing units in the multiple facility. Should water service not be available at the facility, the monthly charge shall be the amount based on the water system average at the current sewer rate schedule times the number of housing units in the multiple facility.

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY Joni Akus
(Signature of Officer)

TITLE Chairperson

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 4

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

Monthly Charge for Special Service

Sewer Customer Without Metered Water Service

Sewer customers without metered water service shall be billed the DISTRICT'S water system average of 4,500 gallons for usage at the current sewer rate schedule.

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY Joni Akers
(Signature of Officer)

TITLE Chairperson

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 6

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

The DISTRICT shall be responsible for the maintenance of that portion of the service lateral installed by the DISTRICT and the consumer shall be responsible for the maintenance of that portion thereof installed by the consumer on gravity systems. On pressure systems the customer shall be responsible for that portion of sewer lateral beyond the grinder station.

BILLING, COLLECTION, PENALTIES

Bills and notices relating to the conduct of the business of the DISTRICT will be mailed to the customer at the address listed on the user's agreement unless change of address has been filed in writing with the DISTRICT, and the DISTRICT shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in said notice.

Bills for sewer service are due and payable at the office of the DISTRICT, or to any designated agent, on the date of issue. The past due date shall be the 20th day after the date of issue. On all accounts not paid in full by the next billing date, an additional charge of 10 percent of the unpaid portion will be made. Payments may be made in the form of cash, check, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers who choose to pay by credit/debit card or online shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill will appear as added to next month's balance.

SUBSTANCES NOT TO BE DISCHARGED INTO SEWERS

No substances shall be placed or discharged into the sanitary sewer system which will create a combustible, gaseous, explosive or flammable condition in such sewer system nor shall any substances or objects be placed or discharged into the sewer system which will not dissolve and which

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY Joni Akers
(Signature of Officer)

TITLE Chairperson

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 6

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

The DISTRICT shall be responsible for the maintenance of that portion of the service lateral installed by the DISTRICT and the consumer shall be responsible for the maintenance of that portion thereof installed by the consumer on gravity systems. On pressure systems the customer shall be responsible for that portion of sewer lateral beyond the grinder station.

BILLING, COLLECTION, PENALTIES

Bills and notices relating to the conduct of the business of the DISTRICT will be mailed to the customer at the address listed on the user's agreement unless change of address has been filed in writing with the DISTRICT, and the DISTRICT shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in said notice.

Bills for sewer service are due and payable at the office of the DISTRICT, or to any designated agent, on the date of issue. The past due date shall be the 20th day after the date of issue. On all accounts not paid in full by the next billing date, an additional charge of 10 percent of the unpaid portion will be made. Payments may be made in the form of cash, check, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers who choose to pay by credit/debit card or online shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill will appear as added to next month's balance.

SUBSTANCES NOT TO BE DISCHARGED INTO SEWERS

No substances shall be placed or discharged into the sanitary sewer system which will create a combustible, gaseous, explosive or flammable condition in such sewer system nor shall any substances or objects be placed or discharged into the sewer system which will not dissolve and which

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY Joni Akers
(Signature of Officer)

TITLE Chairperson

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

**CHANGES AND ADDITIONS TO WATER
RULES AND REGULATIONS**

1. Remove surcharge that expired 8/10/2001
2. Include rate for water withdrawn from hydrant - \$6.22
3. Include rate for water for construction - \$6.22
4. Change fire hydrant installation rate from \$2100.00 to \$2,550.00
5. Change multi-unit master meter billing calculation to be based on the average gallons used per housing unit at the current rate schedule, times the number of housing units in the multiple-unit facility
6. Add credit/debit card payment option
7. Add fees on credit and debit card payments
\$0.25 per transaction plus 2.27 % of the amount the customer is paying
8. Add website payment option, which will be available January 1, 2009
9. Add option for customers who want reconnection after three (3) p.m. to pay fifty dollar (\$50.00) service charge for same day connection
10. Change Customer Deposit Amounts as follows:

Residential Deposit		Commercial Deposit	
<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
\$50.00	\$75.00	\$100.00	\$150.00

11. Interest Rate on Customer Deposits – not to exceed current interest rate paid on DISTRICT'S Customer Deposit Escrow account
12. Monitoring of Customer Usage (See Attached)
13. Extend the number of days before disconnection with a physicians certificate from ten (10) days to thirty (30) days
14. Change reread meter fee from \$20.00 to \$30.00
15. Change KAR reference on Number 18, Failure of Water Meter to KAR 5:006, Section 10
16. Change KAR reference on Number 28, Distribution Extensions, Option I to KAR 5:066, Section 11
17. Change KAR reference on Number 29, Complaints, to KAR 5:001, Section 12

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 2

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RATES AND CHARGES

5/8" Meters:	
First 2,000 gallons	\$20.02 minimum bill
Next 8,000 gallons	\$7.01 per 1,000 gallons
All over 10,000 gallons	\$6.22 per 1,000 gallons
1" Meters:	
First 5,000 gallons	\$42.00 minimum bill
Next 5,000 gallons	\$7.01 per 1,000 gallons
All over 10,000 gallons	\$6.22 per 1,000 gallons
2" Meter:	
First 20,000 gallons	\$130.00 minimum bill
All over 20,000 gallons	\$6.22 per 1,000 gallons
3" Meter:	
First 30,000 gallons	\$190.00 minimum bill
All over 30,000 gallons	\$6.22 per 1,000 gallons
4" Meter:	
First 50,000 gallons	\$300.00 minimum bill
All over 50,000 gallons	\$6.22 per 1,000 gallons
6" Meter:	
First 100,000 gallons	\$595.00 minimum bill
All over 100,000 gallons	\$6.22 per 1,000 gallons
Martin County Water District	\$2.40 per 1,000 gallons
Mingo County Public Service District	\$3.75 per 1,000 gallons
Nolin Public Service District	\$2.40 per 1,000 gallons
City of Elkhorn City	
First 215,000 gallons per day	\$2.25 per 1,000 gallons
All over 215,000 gallons per day	\$2.40 per 1,000 gallons
Line Leak Adjustment Rate	\$3.60 per 1,000 gallons
Water Taken From Hydrant	\$6.22 per 1,000 gallons
Water Used For Construction	\$6.22 per 1,000 gallons

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY *Joni Akers*
(Signature of Officer)

TITLE CHAIRPERSON

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 6

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

CLASSIFICATION OF SERVICE

Connection and Installation Charge for a Special Service

An Individual Fire Hydrant

For each fire hydrant contracted for order by a City, County, State, or Federal governmental agency or institution, private customer, private institution, the connection and installation charge shall be \$2,550.00.

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY *Joni Okun*
(Signature of Officer)

TITLE CHAIRPERSON

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 17

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

excused from the payment of any bill or any performance required in said notice.

Bills for water service are due and payable at the office of the DISTRICT, or to any designated agent, on the date of issue. The past due date shall be the 20th day after the date of issue. On all accounts not paid in full by the next billing date, an additional charge of 10 percent of the unpaid portion will be made. Payments may be made in the form of cash, check, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers choosing to pay by credit/debit card or online shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

All bills not paid on or before the past due date shall be deemed delinquent. Any said delinquent bill will appear as added to next month's balance. Included on the bill will be a statement indicating that if the previous balance is not paid in full on or before the next past due date, it is the intent of the DISTRICT to discontinue service as of the date provided. However, if, prior to discontinuance of service, there is delivered to the DISTRICT or its employee empowered to discontinue service, a written certificate signed by a physician, a registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity at the affected premises, service shall not be discontinued until the affected resident can make other living arrangements or until (30) days elapse from the time of the DISTRICT'S receipt of said certification, whichever occurs first pursuant to 807 KAR 5:006, Section 14 (2) (c).

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY *Joni Akers*
(Signature of Officer)

TITLE CHAIRPERSON

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 18

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

11. Discontinuance of Service by Customer

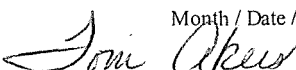
Any customer having fulfilled their contract terms and desiring to discontinue the water service to their premises for any reason must give notice of discontinuance in writing at the business office of the DISTRICT at least three (3) days prior to the date on which the customer desires to discontinue service. If such notice in writing is not given, a customer shall remain liable for all water used and service rendered to such premises by the DISTRICT until such notice is received by the DISTRICT

12. Reconnection Fees

Where the water supply to the customer has been discontinued for non-payment of delinquent bills, or where a meter is to be reinstalled for a new customer at the location where one existed previously, a charge of \$30.00 shall be made for reconnection until all delinquent bills and other charges, if any, owed by the customer to the DISTRICT have been paid. In instances where the customer pays after three (3) p.m. and would like service connected the same day a charge of \$50.00 shall apply.

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE CHAIRPERSON

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 19

Mountain Water District
(Name of Utility)

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

SHEET NO. _____

RULES AND REGULATIONS

13. **DEPOSIT**

The Mountain Water District reserves the right to require a minimum cash deposit of \$75.00 for residential accounts and \$150.00 for commercial accounts to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid annually either by refund or credit to the customer's bill, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. The rate at which interest will be paid shall be equal to the interest rate the DISTRICT receives from the customer deposit escrow account.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the customer has established a satisfactory payment record for that period. If a deposit has been waived or refunded and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The DISTRICT may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria will be considered:

1. Previous payment history with the DISTRICT. If the customer has no previous history with the DISTRICT, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.
2. Whether the customer has an established income or line of credit.
3. Length of time the customer has resided or been located in the area.
4. Whether the customer owns property in the area

DATE OF ISSUE JANUARY 1, 2009
Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009
Month / Date / Year

ISSUED BY *Joni Akers*
(Signature of Officer)

TITLE CHAIRPERSON

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

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

ORIGINAL SHEET NO. 32

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

SHEET NO. _____

Mountain Water District
(Name of Utility)

RULES AND REGULATIONS

The customer shall not sell, donate, give, or allow use of such water to any authorized or unauthorized party.

31. Special Charges

Special charges may be assessed to the customer for returned checks, meter rereads, and meter retests at the specified charges shown below:

- A. A charge of \$25.00 will be made for each check returned to the District by the bank.
- B. A charge of \$30.00 will be made to reread a meter at the customers request unless such reread reveals that the initial reading was erroneous. No charge shall be made if the initial reading was erroneous.
- C. A charge of \$30.00 will be made for a meter retest when such test is made at the customers written request unless the meter is found to be faulty. No charge shall be made for a faulty meter, but appropriate adjustments shall be made in accordance with Section 14 of these rules and regulations.

DATE OF ISSUE JANUARY 1, 2009

Month / Date / Year

DATE EFFECTIVE JANUARY 1, 2009

Month / Date / Year

ISSUED BY *Joni Akers*

(Signature of Officer)

TITLE CHAIRPERSON

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

**Justification For System Average Usage
On Residential Accounts**

	September-08	October-08	Average
Gallons Sold*	72,694,830	71,051,650	
Number of Customers*	16,050	16,093	
Average Per Account*	4,529	4,415	4,472
Total**			4,500

*Excludes Commercial And Industrial Accounts

**Rounded to the nearest hundred

Justification For Credit/Debit Card Payment Fees

Fees Charge by The Neil Group	
Per Transaction	\$ 0.25
Percent of Amount of Transaction Processed	2.20%

Proposed Fees to be Charged to Customer	
Per Transaction	\$0.25
Percent of Amount of Transaction Processed	2.27%

Example:	
Balance Due	\$20.02
Transaction Fee	\$ 0.25
2.27% of Amount to be Paid	<u>\$ 0.46</u>
Total Paid by Customer	\$ 20.73

Fees Charged to the DISTRICT	\$20.73
	X <u>2.20%</u>
	\$ 0.46

Justification For Same Day Connection Charge

Labor & Equipment

Vehicle Expense - 20 Miles @ \$0.585/Mile	\$11.70
Meter Department Worker - \$17.27/hr Overtime Rate @ 1 Hour + 40% Fringe	\$24.18
Office Worker - \$18.75/hr Overtime Rate @ 15 Minutes + 40% Fringe	\$6.56
Administrative-Additional Paperwork & Filing - \$10.80/hr @ 30 Minutes + 40% Fringe	<u>\$7.56</u>
Total Cost	\$50.00

Justification For Increase In Customer Deposit

System Average Usage	x Rate Schedule	=	Average Monthly Bill
4500			
First 2,000 Gallons	\$20.02		\$20.02
Next 2,500 Gallons	\$7.01 / 1,000		\$17.53
Total For 1 Month			\$37.55 *
		x	2 MONTHS
Total For 2 Months			\$75.10

*If Disconnected The Customer Will Have A Two (2) Month Bill Excluding School Tax And Penalties

Justification For Increase On Reread Meter Fee

Labor & Equipment

Vehicle Expense - 20 Miles @ \$0.585/Mile	\$11.70
Meter Department Worker - \$11.51/hr @ 45 Minutes + 40% Fringe	\$12.11
Office Worker - 12.51/hr @ 22 Minutes + 40% Fringe	<u>\$6.42</u>
Total Cost	\$30.23

HYDRANT INSTALLATION COST

Cost of Hydrant	\$1,220.00
Cost of Tapping Saddle & Valve	\$ 852.00
Cost of Equipment – 6 hours @ \$28.00/hr	\$ 168.00
Cost of Vehicle – 20 miles round trip @ \$0.58/mile	\$ 11.70
Labor Cost – 6 hours – Equip. Operator, Utility Worker	
4 hours – Supervisor + 40% overhead	\$ 288.60
<u>Miscellaneous Pipe Fittings</u>	<u>\$ 9.70</u>
	\$2,550.00