

Union County Water District

P.O. Box 146
Morganfield, Kentucky 42437
389-3868

RECEIVED
JAN - 8 2012
PUBLIC SERVICE
COMMISSION

December 21, 2011

Executive Director
KY Public Service Commission
P.O. Box 615
Frankfort, KY 40602

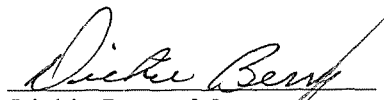
RE: Formal Application for a Purchased Water Adjustment

2012-00003

This is an application for a purchased water rate adjustment for the Union County Water District. The adjustment is necessary to pass through an increase in the cost of water attributable to our supplier's new wholesale rates.

The District will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice will be forwarded to you upon publication.

Sincerely,


Dickie Berry, Manager

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

Name of Utility	Union County Water District	
Date	December 20, 2011	
Address	P.O. Box 146 409 North Court Street	
City, State, Zip	Morganfield, KY	42437
Telephone Number	270-389-3868	

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 Morganfield	1.4980	1.5035

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	December 2010	through	November 2011
	(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.

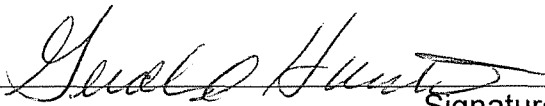
Supplier(s)		Gallons Purchased during 12 month period
City of Morganfield		328,340,710 gals
TOTAL PURCHASES		
4. Total sales for the 12 month period	311,483,640 gals	
5. Increased water cost	\$1,805.87	
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor	\$0.01	
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	January 1, 2012	
 Signature of Utility Officer		
Chairman		
Title		

EXHIBIT A



CITY OF MORGANFIELD

130 East Main Street
P.O. Box 420
Morganfield, Kentucky 42437-0420

Tel. (270) 389-2525
Fax (270) 389-2157
e-mail cityadm@att.net

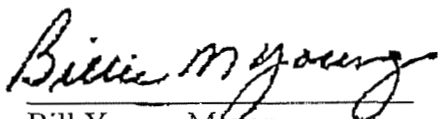
Dickie Berry
Manager, Union County Water District
P.O. Box 146
Morganfield, Kentucky 42437

December 21, 2011

Dear Dickie;

Please find enclosed your revised water rates for the calendar year 2012. The rate has been computed by the City's auditing firm using the criteria in the contract. The new rate is \$1.5035. I have enclosed a copy of the calculation, if you have any questions regarding this matter, please feel free to contact me or David Presser.

Sincerely,


Bill Young, Mayor

Schedule of water production costs and rates
For the period beginning Dec 2011

ended June 30, 2011

EXHIBIT A

Expenses-Breck Plant:		Gross earnings		Fy 6/11	Fy 6/10	Fy 6/09	Fy 6/08	Fy 6/07	
Salaries:									
John Coffman	Super	\$	42,805	100.00%	\$ 42,805	\$ 42,889	\$ 41,090	\$ 38,971	\$ 38,521
Tommy Menser	Labor		39,028	100.00%	39,028	31,308	29,916	28,425	27,584
William K Buckman	Mechanic		43,043	60.00%	25,826	25,960	24,878	23,888	23,331
Dale Pierce	Mechanic		28,246	40.00%	11,298	-	-	-	-
Donsld Beaven	PT Operator		-	100.00%	-	8,986	10,780	11,593	12,517
Randy McMain/Wm J. Leigh (09)	Labor		25,288	100.00%	25,288	19,370	832	1,911	28,002
Ted Morse	PT Operator		3,304	100.00%	3,304	-	-	-	-
Isaac Garnet	PT Operator		2,496	100.00%	2,496	1,344	-	-	-
Thomas R. Clements	Labor		-	100.00%	-	10,128	11,800	11,893	10,752
Thomas Horton	Operator		31,225	100.00%	31,225	27,000	25,014	21,067	-
Jeremy S. Martin	Operator		35,358	100.00%	35,358	33,342	30,556	29,328	29,755
Damian Alway	Operator		34,897	100.00%	34,697	32,065	28,119	26,041	25,184
Jerry Brantley	Operator		-	100.00%	-	8,022	9,337	9,213	8,764
Miles Clevidence	Operator		-	100.00%	-	-	1,664	-	624
Total Salaries			285,490		261,325	240,414	212,322	203,994	206,044
Telephone					\$ 4,057	\$ 3,276	\$ 2,329	\$ 1,788	\$ 1,656
Office and postage					8,052	5,149	5,743	5,673	5,173
Rental/lease expense					976	779	696	637	534
Retirement/Payroll tax					66,678	58,225	40,178	46,214	44,994
Allocated Benefits					3,851	-	-	-	-
Advertising					912	453	557	15	660
Equip repairs					59,886	19,739	19,849	21,199	20,278
Filter cleaning					-	45,528	-	-	-
Lake dredging/cleaning					67,028	-	-	-	-
Insurance					23,314	23,084	21,765	29,355	31,982
Legal and accounting					2,528	2,695	2,000	1,930	1,854
Travel					1,184	746	1,122	633	615
Gas and Oil					6,897	8,200	5,762	5,468	5,675
Health & Disability					95,978	90,952	81,750	71,669	81,153
Chemicals					156,781	136,290	123,747	113,801	96,051
Electricity					117,255	95,761	87,664	89,294	77,845
Engineering					8,692	11,395	15,627	16,265	16,906
Uniforms					1,836	1,851	1,850	1,885	1,836
Maint supplies					9,941	13,701	2,324	5,851	5,651
Other					7,258	7,557	3,806	3,823	4,134
Small tools & equip					-	8,721	4,467	61,273	11,364
Small capital items (Items #738,740)					13,149	32,255	24,605	-	-
Cap recovery (incl interest)			Orig Cost						
Equipment (1999)	A	Thru 2015	34,817		2,418	2,418	2,418	2,418	2,418
Raw water line; Bldg imp (2000)	B	Thru 2017	513,897		49,527	49,527	49,527	49,527	49,527
Collector well,	C	Thru 2018	272,683		24,370	24,370	24,370	24,370	24,370
2002 Cap exp	D	Thru 2019	42,082		3,815	3,815	3,815	3,815	3,815
2004 Cap exp (equipment)	E	Thru 2021	32,531		2,785	2,785	2,785	2,785	2,785
2004 Cap exp (Raw water line net UCFC grant)	F	Thru 2022	617,839		49,756	49,756	49,756	49,756	49,756
2010 Cap exp (generator net of UCFC grant)	G	Thru 2027	73,762		234	11,762	-	-	-
2010 Cap exp (wash valves)	H	Thru 2027	18,895		1,536	-	-	-	-
2011 Cap Exp (build improv. equip, truck)	I	Thru 2028	89,008		7,325	-	-	-	-
Debt service:									
Principal on bonds		Thru 2008			-	-	-	-	190,000
Interest on bonds		Not incl amort			-	-	-	-	692
Change in interest rate factor					(4,066)	(6,231)	(2,287)	(3,931)	(5,375)
Grand total					\$ 1,045,279	\$ 946,509	\$ 789,547	\$ 809,507	\$ 931,393
Water rate per 1000 gallon (Cost / Production)					1.5035	1.4980	1.3816	1.3487	1.6450
Percentage change						0.398%			
Production 000's									
Total gallons produced					700,031	637,964	574,082	603,884	568,459
Less: Used for plant operation					(4,797)	(6,113)	(3,334)	(3,649)	(2,271)
Net Production					695,234	631,851	570,748	600,235	566,188
O/S Debt @ 6/30/2011									
1999 Capital items	A		8,484	5.98%	4.51%	-1.47%	(125)		
Raw water line	B		243,693	5.98%	4.51%	-1.47%	(3,582)		
Collector well	C		138,171	5.49%	4.51%	-0.98%	(1,354)		
2002 Cap exp	D		24,254	5.28%	4.51%	-0.77%	(187)		
2004 Cap exp	E		21,495	5.01%	4.51%	-0.50%	(107)		
2005 Cap exp	F		430,302	4.24%	4.51%	0.27%	1,162		
2010 Cap exp- generator	G		68,068	4.36%	4.51%	0.15%	102		
2010 Cap exp- valves	H		17,436	4.36%	4.51%	0.15%	26		
2011 Cap exp- improves, equip, truck	I		89,008	4.51%	4.51%	0.00%	-		
Total debt			1,040,911				(4,065)		

FOR Union County Water District
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 1

Union County Water District
(Name of Utility)

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

SHEET NO. _____

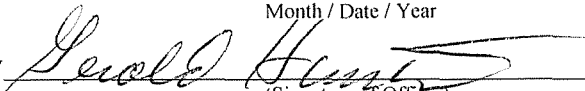
RATES AND CHARGES

5/8" Meter	First	2,000 gallons	\$11.07 minimum bill
	Next	3,000 gallons	5.53 per 1,000 gallons
	Next	5,000 gallons	5.13 per 1,000 gallons
	Next	15,000 gallons	4.78 per 1,000 gallons
	Next	25,000 gallons	4.48 per 1,000 gallons
	Next	50,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
3/4" Meter	First	5,000 gallons	\$27.65 minimum bill
	Next	5,000 gallons	5.13 per 1,000 gallons
	Next	15,000 gallons	4.78 per 1,000 gallons
	Next	25,000 gallons	4.48 per 1,000 gallons
	Next	50,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
1" Meter	First	10,000 gallons	\$53.30 minimum bill
	Next	15,000 gallons	4.78 per 1,000 gallons
	Next	25,000 gallons	4.48 per 1,000 gallons
	Next	50,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons

1 1/2" Meter	First	25,000 gallons	\$125.00 minimum bill
	Next	25,000 gallons	4.48 per 1,000 gallons
	Next	50,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
2" Meter	First	50,000 gallons	\$237.00 minimum bill
	Next	50,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
All over	300,000 gallons	2.88 per 1,000 gallons	
2 1/2" Meter	First	75,000 gallons	\$338.99 minimum bill
	Next	25,000 gallons	4.08 per 1,000 gallons
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
3" Meter	First	100,000 gallons	\$440.99 minimum bill
	Next	100,000 gallons	3.68 per 1,000 gallons
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
4" Meter	First	200,000 gallons	\$808.98 minimum bill
	Next	100,000 gallons	3.28 per 1,000 gallons
	All over	300,000 gallons	2.88 per 1,000 gallons
6" Meter	First	300,000 gallons	\$1,136.97 minimum bill
	All over	300,000 gallons	2.88 per 1,000 gallons

DATE OF ISSUE December 20, 2011
Month / Date / Year

DATE EFFECTIVE January 1, 2012
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

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