

Original

**MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: (859) 498-0521

Fax: (859) 498-0872

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY. 40602

RECEIVED
JUL 19 2012
PUBLIC SERVICE
COMMISSION

RE: Formal Application for a Purchased Water Agreement

This is an application for a purchased water rate adjustment for the Montgomery County Water District #1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates that will become effective August 01, 2012.

The District's notice will be printed on previous bills before the new bills are issued.

Sincerely;

Sandra Cole

enclosure

Exhibit A

MT. STERLING WATER & SEWER SYSTEM

POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

June 21, 2012

Sandra Cole
Montgomery County Water District
4406 Camargo Road
Mount Sterling, Kentucky 40353

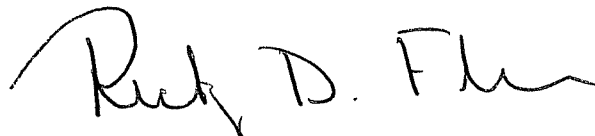
Re: Wholesale Rate Increase

Sandra,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water and Sewer, has requested approval from the Public Service Commission (PSC) to raise wholesale water rates charged to water districts/associations. This increase is based on the Consumer Price Index (CPI). The CPI indicated that from May 2011 to May 2012 the measure of inflation was 5.2% related to water sewer and trash collection services (see enclosure), however the requested increase from PSC is 3.0%. A tariff has been filed with PSC asking for approval to alter our current wholesale rates from \$2.34/1,000 gallons to \$2.41. We have requested approval that this increase be effective August 1, 2012, should this increase be approved it will be reflected in the September billing.

This notice is being provided in order to comply with a PSC statute requiring that effected wholesale customers received notice of any increase a minimum of 30 days prior to the implementation of said increase. In closing thank you for your understanding and cooperation concerning this matter, should you have questions or comments please contact me at (859) 498-0166.

Sincerely,



Rick Fletcher
Manager
Mount Sterling Water and Sewer

**MONTGOMERY COUNTY WATER DISTRICT #1
4412 Camargo Road
Mt. Sterling, KY 40353**

Phone: 859-498-0521

Fax Phone 859-498-0872

**MINUTES
July 10, 2012**

The regular meeting of the Montgomery County Water District #1 was called to order at 5:00 P.M. at the water office by Chairman Greg Wilson.

Roll Call:

Staff members present at meeting were Junior Holley, Greg Wilson, Steve Hall, Sandra Cole, Travis McKinney, and Patrick Dailey.

Approval of June 12, 2012 Minutes:

Junior Holley made a motion to approve minutes for the June 12, 2012 meeting. Steve Hall seconded the Motion. Motion carried

Guests Present:

None

Comments:

None

Old Business:

Phone line at Tower

Travis told Commissioners that he and Jeff Fultz are still trying to get together to set up additional phone numbers in the new system at the Tower.

New Business:

A. Rate Increase

Sandra explained to Commissioners that our water supplier, Mt. Sterling Water & Sewer is increasing their water rates. Due to the Rate Increase, we will be doing a pass thru only. Steve Hall made a Motion to file the Formal Application for a Purchased Water Agreement with The Public Service Commission. Junior Holley seconded the Motion. Motion carried.

B. New Handheld

Sandra explained to Commissioners that we need to purchase a new Handheld device, for Meter Reading. The battery pack and charging stand have gone bad. Due to the handheld now being out dated, we cannot have the battery replaced, rebuilt, or get additional parts. Chairman Greg Wilson will give Travis a phone number of another Business in Georgetown that may rebuild those batteries. Commissioners agreed to get pricing on a new handheld, while Travis checks on the rebuilding of the old battery.

C. Approve Managers Report, Financial Report, Adjustments, Billing Summary, Account Write Offs, Budget Variances, Cash Receipt Report, and Pay Bills

Steve Hall made the motion to approve the Managers/Treasurers Report. Junior Holley seconded the motion. Motion carried.

D. Adjourn

Junior Holley made the Motion to adjourn. Steve Hall seconded the Motion. Motion carried. Time 5:35 p.m.

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

Name of Utility	Montgomery County Water District #1	
Date	July 17, 2012	
Address	4412 Camargo Road	
City, State, Zip	Mt.Sterling, Ky.	40353
Telephone Number	(859) 498-0521	

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.

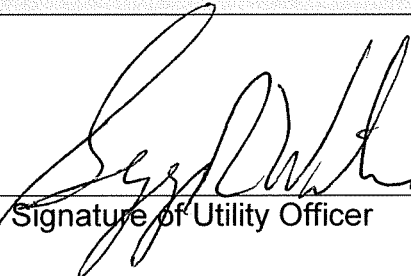
Supplier(s)	Base Rate	Changed Rate
Mt.Sterling Water	2.34	2.41

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	June 2011	through	May 2012
	(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
Mt. Sterling Water & Sewer	39,320,265
TOTAL PURCHASES	39,320,265
4. Total gallons sold for the 12 month period	33,416,890
5. Increased water cost	2,752.41
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	.09 per 1,000 gallons
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	August 01, 2012
	
Signature of Utility Officer Chairman	
Title	

FOR CAMARGO AND SURROUNDING
AREA SERVED

Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

MONTGOMERY COUNTY WATER DISTRICT #1

CANCELLING P.S.C KY. NO. _____

(Name of Utility)

_____ SHEET NO. _____

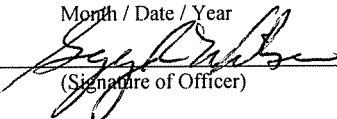
CONTENTS

Monthly Water Rates

First 2,000 Gallons	\$21.77 Minimum Bill
Next 3,000 Gallons	\$ 6.74 Per 1,000 Gallons
Next 5,000 Gallons	\$ 6.02 Per 1,000 Gallons
Over 10,000 Gallons	\$ 5.30 Per 1,000 Gallons
Wholesale Customers	\$ 2.55 Per 1,000 Gallons

DATE OF ISSUE August 01, 2012
Month / Date / Year

DATE EFFECTIVE August 01, 2012
Month / Date / Year

ISSUED BY _____

(Signature of Officer)

TITLE Chairman

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