

2010 Maysville Road
PO Box 781
Mt. Sterling, KY 40353-0781



RECEIVED

MAR 27 2017

Public Service
Commission
(859) 498-4809
(859) 432-8800 FAX
www.judywater.com

March 23, 2017

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

RE: Purchase Water Adjustment for Judy Water Association

Dear Executive Director:

Judy Water Association has received notification from one of its suppliers (City of North Middletown) of **decreases** to water rates. Please find enclosed 1 (one) original and 10 (ten) copies of the proper documentation to file for a purchase water adjustment. Judy Water Association has requested a proposed effective date of March 29th, 2017.

The City of North Middletown has proposed to decrease its rate to Judy Water Association by \$.01 per 1,000 gallons effective March 29th, 2017. 807 KAR 5:068, Section 2(2) states: Upon a decrease in the supplier's base rate, a utility that has previously revised its rates pursuant to this administrative regulation shall decrease each its rate schedules by a purchase water adjustment factor determined in accordance with Section 3 of this administrative regulation to pass through its decreased purchased water costs on a per unit basis regardless of customer classification.

This proposed decrease will only reduce Judy Water Association's water cost by \$367 annually, which results in a purchased water adjustment factor of (\$.002) per 1,000 gallons. In order to prevent financial harm to the utility, the Association has been allowed in the past to round the purchase water adjustment factor up to the nearest cent, which in this case would be \$0.00. If the Association is required to round down to a \$.01 per 1,000 gallons decrease, the annual reduction in revenue would be approximately \$1,000 more than the actual annual reduction in the Association's costs.

Judy Water Association's next Board meeting is on Monday April 10th, 2017, this issue will be discussed at that meeting, and minutes from that meeting can be provided once available. I do feel confident that the Board will agree with the statements in this letter.

All income sheets and balance statements are current and on file with the PSC. If you have any additional questions, I can be contacted at 859-398-1009.

Thank you,

A handwritten signature in black ink, appearing to read 'B. Ray Fawns', with a long horizontal flourish extending to the right.

Billy Ray Fawns
Manager

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Public Service
Commission

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

Name of Utility	JUDY WATER ASSOCIATION		
Date	3-23-2017		
Address	P.O. BOX 781		
City, State, Zip	MOUNT STERLING, KY	40353	
Telephone Number	859-498-4809		
Email Address	brfawns@gmail.com		

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	\$2.96 PER THOUSAND	NO CHANGE
CITY OF NORTH MIDDLETOWN	\$5.01 PER THOUSAND (FIRST 2 MILLION)	\$5.00 PER THOUSAND (FIRST 2 MILLION)
	\$5.11 PER THOUSAND (OVER 2 MILLION)	\$5.10 PER THOUSAND (OVER 2 MILLION)

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

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	MARCH 2016	through	FEBRUARY 2017
	(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	118,509,100
CITY OF NORTH MIDDLETOWN	24,000,000 (\$5.01) 12,727,000 (\$5.11)
TOTAL PURCHASES	155,236,000
4. Total gallons sold for the 12 month period	137,787,000
5. Increased water cost	(\$367)
<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</p>	
6. Purchased water adjustment factor	(\$.002)
<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	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	MARCH 29, 2017
	
Signature of Utility Officer	
MANAGER	
Title	

FOR Montgomery, Clark, Bourbon, and Bath _____
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Judy Water Association
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

RATE SCHEDULE

<u>First 1,000 gallons</u>	OLD \$13.07	NEW \$13.07 Minimum bill
<u>Next 4,000 gallons</u>	OLD \$8.70	NEW \$8.70 per 1,000 gallons
<u>Next 5,000 gallons</u>	OLD \$7.80	NEW \$7.80 per 1,000 gallons
<u>Over 10,000 gallons</u>	OLD \$6.90	NEW \$6.90 per 1,000 gallons

A \$16.77 surcharge will be added to the bills of customers on the Bourbon County Waterline Extension.
Therefore, the minimum bill for those customers will be \$29.84 (13.07 + 16.77 = 29.84)

DATE OF ISSUE 3-23-17
Month / Date / Year

DATE EFFECTIVE 3-29-17
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE MANAGER

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

NOTICE

As a result of a decrease in water rates from Kentucky-American Water Company, the City of North Middletown plans to file with the Public Service Commission on or before March 10, 2017, to decrease its wholesale water rate to Judy Water Association by \$.01 per 1,000 gallons. The new rates are proposed to become effective for water service rendered on and after March 29, 2017, as set forth below:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Difference</u>
Judy Water Association			
First 70,000 gallons per day	\$5.01 per 1000 gallons	\$5.00 per 1000 gallons	0.2% Decrease
Over 70,000 gallons per day	\$5.11 per 1000 gallons	\$5.10 per 1000 gallons	0.2% Decrease

Water flowing through the meter(s) before the effective date will be charged at the current rate(s) while water flowing through the meter(s) on and after the new effective date will be charged at the proposed rate(s).

This filing may be examined at the utility's office located at 3287 North Middletown Road in North Middletown, Kentucky.

This 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 Public Service Commission's 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>.

While the rates contained in this notice are the rates proposed by the City of North Middletown, the Public Service Commission may order rates that differ from the proposed rates contained in this notice.

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.