

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN)	CASE NO.
COUNTY WATER DISTRICT FOR AN)	2018-00017
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

On November 15, 2019, the Commission issued a final Order in this proceeding.

An appendix to the Order was inadvertently omitted.

Finding that the November 15, 2019 Order should be amended, the Commission
HEREBY ORDERS, *nunc pro tunc*, that:

1. The Appendix attached to this Order is included as Appendix C to the November 15, 2019 Order.
2. All other provisions of the Commission's November 15, 2019 Order that are not in conflict with the terms of this Order shall remain in effect.

By the Commission

ENTERED
NOV 20 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


For Executive Director

Case No. 2018-00017

APPENDIX C

APPENDIX C TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00017 DATED **NOV 20 2019**

RATE ANALYSIS SCHEDULE

PORTIONS REDACTED AS CONFIDENTIAL UNTIL CONTRACT EXECUTED

TWO PAGES TO FOLLOW

Martin County Water District
 Analysis of Alliance Contract
 Updated on: 11/05/2019 rjc

	2018 PSC Final Order on 2016	2018	6 Months YTD 2019	6 Months Extrapolated 2019		Alliance Contract 7/28/2019	Proforma 2018	Difference	Proforma 2019	Difference
Revenues - Numbers remain constant					Revenues					
Sales of Water	\$ 1,976,037				Sales of Water	1,976,037	1,976,037		1,976,037	
Other Water Revenues	106,066				Other Water Revenues	106,066	106,066		106,066	
Less: Wholesale Sales Revenue	(62,792)				Wholesale Sales Revenue	(62,792)	(62,792)		(62,792)	
Total Pro Forma Revenue	2,019,311				Total Pro Forma Revenue	2,019,311	2,019,311		2,019,311	
Add: Revenue Generated from Increase 2018	492,074				Revenue Generated from Increase	492,074	492,074		492,074	
Total Operating Revenue	2,511,385				Operating Revenue	2,511,385	2,511,385		2,511,385	
2019 Actual Operating Revenue										
Expenses					Expenses					
Salaries and Wages - Employees	485,824				Labor Costs	531,792	465,392		465,392	
Employee Pensions and Benefits	185,557				Labor Related Overhead	57,221	61,221		61,221	
Purchased Water	12,456				Taxes other than Income	45,556	59,902		59,902	
Purchased Power	189,029				Postage	30,000	30,000		30,000	
Expenses Related to Wholesale Revenue	(62,792)				Chemical Limit	161,898	177,214		177,214	
Chemicals	58,241				Materials and Supplies	249,473	98,916		98,916	
Materials and Supplies	138,429				Equipment	13,800	13,800		13,800	
Contractual Services	214,221				Utilities, Rental, Leases	117,343	101,419		101,419	
Rent	59,212				Maintenance and Repair	125,000	125,000		125,000	
Transportation Expense	75,334				Insurance and Bonds	62,885	49,036		49,036	
Insurance	69,115				Fuel and Travel Expense	8,139	13,022		13,022	
Regulatory Commission Expense	3,000				Miscellaneous Dues and Advertising	8,453	13,700		13,700	
Bad Debt Expense	67,543				Miscellaneous Contract Services	64,494	1,739		1,739	
Miscellaneous Expense	40,341				Operation and Maintenance Expenses	1,609,585	1,751,600		1,751,600	
Total Operation and Maintenance Expenses	1,535,510				Overhead					
Add: Taxes Other Than Income	43,598				Profit					
Depreciation	683,750				Alliance Contract	1,609,585	1,751,600		1,751,600	
Total Operating Expenses	2,262,858				Purchased Water	128,397	(25,756)		(25,756)	
Net Operating Income	248,527				Purchased Power	333,251	328,824		328,824	
Interest Income	293				Contractual Services: Acct and Legal	44,844	44,844		44,844	
Income Available to Service Debt	248,820				Bad Debt Expense	-	-		-	
Average Annual Principal and Interest Payments	(209,998)				Depreciation Expense	773,303	773,303		773,303	
Additional Working Capital	(38,822)				Operational Reserve For Repairs	37,080	37,080		37,080	
Net Margin	\$ -				State Utility and Board Fees	4,071	4,071		4,071	
					Office Rental	8,523	8,523		8,523	
					Water/Sewer Service	891	891		891	
					Trash Disposal	2,100	2,100		2,100	
					Website Hosting	328	328		328	
					Phone and Internet Service	6,657	6,657		6,657	
					Property, Crime, Marine, Auto, Liability Insurance	35,844	35,844		35,844	
					Martin County Responsibility	1,375,290	1,216,710		1,216,710	
					Expected Expenses	2,984,875	2,966,310		2,966,310	
					Depreciation Adjusted to Staff Report	(89,553)	(89,554)		(89,554)	
					Operating Income	(383,937)	(367,371)		(367,371)	
					Net Income	362	-		-	
					Wholesale Sales Revenue	62,792	62,792		62,792	
					Income Available to Service Debt	(320,783)	(304,579)		(304,579)	
					Average Principal and Interest Payments	(209,998)	(209,998)		(209,998)	
					Additional Working Capital	(38,822)	(38,822)		(38,822)	
					Net Margin	\$ (569,603)	(553,399)		(553,399)	
					Bills - 3477 customers x 12	41,986	41,986		41,986	
					Unadjusted Rate Increase	13.57	13.18		13.18	

64.37%
15.00%
49.37%

Purchased Water - additional revenue for actual 2019 selling water not included - removed \$12,456 in the contract	(128,397)	25,756
Purchased Power Over 15%	(164,526)	(162,340)
Purchased Chemicals Over 15%	(79,929)	(87,491)
Bad Debt reduced to 1.5%	37,671	37,671
Other Water Revenue	12,847	12,847
GM @ \$100k/benefits	150,000	150,000
Total Adjustments	(198,028)	(49,251)
Potential Rate Adjustments	(4.72)	(1.17)
Additional Revenue Required	371,575	504,148
Surcharge	8.85	12.01
Infrastructure Surcharge		
Purchased Power Over 15%	164,526	162,340
Purchased Chemicals Over 15%	79,929	87,491
Disallowed over 15% Water Loss	244,455	249,831
Related to Water Loss Over 15%	5.82	5.95
Surcharge	14.67	17.96
Approved Infrastructure Surcharge	3.16	3.16
Add Exp Over Initial Infrastructure Sur	2.66	2.79
Adjusted Expenses / Additional Rev	616,030	753,979
Unadjusted Rate Increase	13.57	13.18
Contract Adjustments	(4.72)	(1.17)
Potential Rate Increase	8.85	12.01
Approved Infrastructure Surcharge	3.16	3.16
Rate Increase Less Additional 15%	12.01	15.17
Add Exp Over Initial Infrastructure Sur	2.66	2.79
Total Potential New Rate Increase	14.67	17.96
Approved Infrastructure Surcharge	3.16	3.16
Net New Increase	11.51	14.80
Adjusted Expenses / Additional Rev	616,030	753,979
Exclude Depreciation	683,750	683,749
Net Additional Revenue Required	(67,720)	70,230
Net Rate Increase Without Depreciation	(1.81)	1.67
Approved Infrastructure Surcharge	3.16	3.16
New Rate Increase Without Depreciation	(4.77)	(1.49)

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