



CITY OF FALMOUTH

230 MAIN STREET
FALMOUTH, KENTUCKY 41040
PHONE (859) 654-6937 FAX (859) 654-3603

Mayor Luke Price

lprice@cityoffalmouth.com

City Clerk/Treasurer Ramona Williams

rwilliams@cityoffalmouth.com

Council Members

Joyce Carson
Sabrina Hazen
Amy Hurst
David Klaber
Brian Reid

July 8, 2024

Via Certified and Regular Mail:

Kent Chandler, Chairman
Angie Hatton, Vice Chairman
Mary Regan, Commissioner
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Official Notification of Wholesale Water Rate Adjustment

Dear Chairman Chandler, Vice Chairman Hatton, and Commissioner Regan:

As authorized by the City Council at our recent meeting on June 6th, 2024, enclosed is our formal notification of the wholesale water rate schedule change by the City of Falmouth to the East Pendleton Water District and Pendleton Water District. Along with this, we have attached proof of notification to both districts, respectively. The City of Falmouth proposes the new rate to take effect on August 1, 2024. This letter, with an enclosed official notice, is to provide at least a 30-day advance notice to the PSC and the affected water districts before the rate change takes effect, as mandated by KRS 278.180 and 808 KAR 5:001.

The adjustment in rates has been calculated based on the audited cost data for Fiscal Year 2022-23, adhering to the formulas and standards established during the P.S.C.'s last rate review (CASE NO. 2006-00403) concluded on May 11, 2007. This rate adjustment correlates with our previous adjustment finalized by ORDINANCE NO. 2007-71.19 on June 26, 2007. For your detailed review, we have included the study titled "Proposed Adjustment Wholesale Water Service Rates of the City of Falmouth, Kentucky" dated March 2024.

We value our relationship with Public Service Commission and look forward to its continuation.

Sincerely,

Luke Price
Mayor of Falmouth

FOR East Pendleton WD & Pendleton Co. WD
Area Served

P.S.C. KY. NO. 1

Second Revised SHEET NO. 1

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

_____ SHEET NO. _____

City of Falmouth
(Name of Municipal Utility)

MONTHLY WHOLESALE WATER RATE:

East Pendleton Water District \$2.92 Per 1,000 Gallons (I)

Pendleton County Water District \$2.96 Per 1,000 Gallons (I)

DATE OF ISSUE July 17, 2024
Month / Date / Year

DATE EFFECTIVE August 16, 2024
Month / Date / Year

ISSUED BY [Signature]
(Signature)

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. n/a DATED n/a

NOTICE

The City of Falmouth (Falmouth) is providing notice that it plans to file with the Public Service Commission on before July 17, 2024 to increase the wholesale rate it charges East Pendleton Water District (East Pendleton Water) and Pendleton County Water District (Pendleton County Water) effective for water service rendered on and after August 16, 2024. The proposed rates are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
East Pendleton Water (per 1,000 gallons)	\$1.98	\$2.92	\$0.94	47.5% Increase
Pendleton County Water (per 1,000 gallons)	\$1.98	\$2.96	\$0.98	49.5% Increase

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

In accordance with Public Service Commission procedures, the effective date of the proposed rate cannot be prior to the expiration of a 30-day notice given to the Commission and East Pendleton Water and Pendleton County Water.

This filing may be examined at the City of Falmouth's main office located at 230 Main Street in Falmouth, Kentucky; phone number 859-654-6937; contact Ramona Williams, City Clerk.

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 PSC 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 KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Falmouth but the Public Service Commission may order rates to be charged 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, KY 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 filed application.

**Proposed Adjustment
Wholesale Water Service Rates
of the
City of Falmouth, Kentucky**

March 2024



From 2006 Rate Study

Pendleton Distribution Factor

Line Size	Footage	in/mile	Pendleton	in/mile
1	1697	0.321401515	0	0
2	7692	2.913636364	0	0
4	30476	23.08787879	4905	3.715909091
6	29522	33.54772727	6653	7.560227273
8	28318	42.90606061	4492	6.806060606
12	6488	14.74545455	5502	12.50454545
16	1336	4.048484848	0	0
	105529	118.3356061	21552	30.58674242

Distribution Factor

0.25847

East Pendleton Distribution Factor

Line Size	Footage	in/mile	E. Pendleton	in/mile
1	1697	0.321401515	0	0
2	7692	2.913636364	0	0
4	30476	23.08787879	0	0
6	29522	33.54772727	0	0
8	28318	42.90606061	10596	16.05454545
12	6488	14.74545455	2679	6.088636364
16	1336	4.048484848	1136	3.442424242
	105529	118.3356061	14411	25.58560606

Distribution Factor

0.21621

**City of Falmouth
Wholesale Allocation Factors**

Line Loss Percentage			Amount Allowable by PSC	0.15
Plant Use Percentage			Taken from Audit Report	0.0192
Allowable Line Loss & Plant Use		=	Line % + Plant Use %	0.1692
Production Multiplier		=	1/(1-Line Loss & Plant Use %)	1.2037
Inch Mile Ratio				
Pendleton County		=	Total Jointly Used Inch Miles/Total Inch Miles	0.2585
East Pendleton County				0.2162
Wholesale Share of Line Loss				
Pendleton County		=	Inch Mile Ratio x Line Loss %	0.0388
East Pendleton County				0.0324
Joint Share Line Loss/Plant Use				
Pendleton County		=	Wholesale Share of Line Loss * Plant Use%	0.0007
East Pendleton County				0.0006
Wholesale Production Multiplier				
Pendleton County		=	1/(1-Joint Share Line Loss/Plant Use%)	1.0007
East Pendleton County				1.0006
Production Allocation Factor				
Pendleton County		=	(Sales to Wholesale Customers/Total Water Sold)*(Wholesale Production Multiplier/Production Multiplier)	0.2245
East Pendleton County				0.4024
Pipeline Transmission Factor				
Pendleton County		=	(Sales to Wholesale Customers/Total Water Sold)*Inch Mile Ratio	0.0698
East Pendleton County				0.1047
Use Factor				
Pendleton County		=	Sales to Wholesale Customers/Total Water Sold	0.2700
East Pendleton County				0.4841

City of Falmouth				
Allocation of Expenses				
Expense	Total	Pumping & Treatment	Transmission & Distribution	Customer
Salaries and Wages	228,994.02	129,673.29	99,320.73	
Employee Benefits	66,420.53	38,655.44	27,765.09	
Payroll Taxes	20,358.47	11,575.82	8,782.65	
Employee Insurance & Workers Comp	60,277.35	32,592.37	27,684.98	
Property Insurance - Treatment Plant	30,677.35	30,677.35		
Electricity*	76,476.78	76,476.78		
Chemicals*	197,428.16	197,428.16		
Lab Analysis*	4,920.50	4,920.50		
Maintenance - Plant	23,708.97	23,708.97		
Postage	914.24	914.24		
Subtotal Less Commodity*	431,350.93	267,797.48	163,553.45	
Percentage		62.08%	37.92%	
Administrative and General		113,419.10	62,209.14	
Dues & Subscriptions		(included)	(included)	
Insurance - General Liability		(included)	(included)	
Office Supplies		(included)	(included)	
Advertising & Printing		(included)	(included)	
Gas Heating		(included)	(included)	
Telephone		(included)	(included)	
Legal & Accounting		(included)	(included)	
Equipment Expense		(included)	(included)	
Bank Fees		(included)	(included)	
City Hall		(included)	(included)	
Training & Travel		(included)	(included)	
Uniforms		(included)	(included)	
Motor Fuel		(included)	(included)	
Bad Debts		(included)	(included)	
Maintenance Garage		(included)	(included)	
Maintenance		(included)	(included)	
Miscellaneous		(included)	(included)	
Subtotal	885,804.61	660,042.02	225,762.59	
Depreciation		76,117.83	6,000.51	
Total Expenses				
Commodity Costs designated by ()				

Electric Usage - Water Treatment Plant

Date	Usage	Cost/KW	Electric Cost	Meter Fee	Total Expense
7/21/2022	51840	0.113	\$5,857.92	\$20.20	\$5,878.12
8/24/2022	52560	0.113	\$5,939.28	\$20.20	\$5,959.48
9/23/2022	44160	0.113	\$4,990.08	\$20.20	\$5,010.28
10/24/2022	55920	0.113	\$6,318.96	\$20.20	\$6,339.16
11/21/2022	56400	0.113	\$6,373.20	\$20.20	\$6,393.40
12/20/2022	63360	0.113	\$7,159.68	\$20.20	\$7,179.88
1/25/2023	88560	0.113	\$10,007.28	\$20.20	\$10,027.48
2/22/2023	59760	0.113	\$6,752.88	\$20.20	\$6,773.08
3/23/2023	53280	0.113	\$6,020.64	\$20.20	\$6,040.84
4/20/2023	49680	0.113	\$5,613.84	\$20.20	\$5,634.04
5/24/2023	50880	0.113	\$5,749.44	\$20.20	\$5,769.64
6/22/2023	48240	0.113	\$5,451.12	\$20.20	\$5,471.32
Total =	674640			Total =	\$76,476.78

City of Falmouth
Staffing/Salary

DEPARTMENT	TITLE	% of Salary to Dept	Department
Water Production	Supervisor	50	310
Water Production	Admin	50	310
Water Production	Operator	100	310
Water Production	Operator	100	310
Water Distribution	Supervisor	30	311
Water Distribution	Operator	100	311
Water Distribution	Operator	100	311

Numbers from FY 22-23 Audit

Expenses - Production

20-310-850	WATER PRODUCTION DEPRECIATION	0.00	0.00	
20-310-910	WATER PRODUCTION SALARIES	165,000.00	108,175.53	Salaries
20-310-911	WATER PROD OVERTIME SALARIES	13,500.00	21,497.76	Salaries
20-310-913	WATER PROD PAYROLL BANK CHGS	0.00	0.00	
20-310-915	WATER PROD EMPLOYEE RETIREMENT	41,000.00	38,655.44	Benefits
20-310-920	WATER PROD HEALTH/MEDICAL INS	42,500.00	26,405.13	Ins & Work Comp
20-310-925	WATER PRODUCTION FICA TAXES	12,500.00	10,809.08	Payroll Tax
20-310-930	WATER PRODUCTION WORKERS COMP	5,800.00	6,187.24	Ins & Work Comp
20-310-935	WATER PRODUCTION UNEMPLOYMENT	850.00	766.74	Payroll Tax
20-310-937	WATER PRODUCTION CHEMICALS	210,000.00	197,428.16	Chem
20-310-938	WATER PROD CONSULTING/ANALYSIS	6,000.00	4,920.50	Lab Analysis
20-310-940	WATER PRODUCTION ADVERTISING	500.00	70.00	Admin & General
20-310-942	WATER TRUCK LEASE PAYMENT	6,200.00	6,153.78	Admin & General
20-310-945	WAT PROD-PRINTING LEASE SOFTWA	9,000.00	10,216.21	Admin & General
20-310-950	WATER PRODUCTION LEGAL FEES	0.00	0.00	Admin & General
20-310-955	WATER PROD AUDIT & ACCOUNTING	1,350.00	1,325.00	Admin & General
20-310-960	WATER PRODUCTION GENERAL INS	17,000.00	16,887.35	Property Insurance
20-310-961	FLOOD INSURANCE	15,500.00	13,790.00	Property Insurance
20-310-962	BANK CHGS/LOCKBOX	0.00	0.00	Admin & General
20-310-965	WATER PRODUCTION REPAIR/MAINT	20,000.00	23,708.97	Maintenance
20-310-970	WATER TRAV/LODGING/PER DIEM	2,000.00	0.00	Admin & General
20-310-971	WATER SCHOOL/TRAIN/LICENSES	2,500.00	1,256.00	Admin & General
20-310-972	WATER PRODUCTION POSTAGE	1,250.00	914.24	Postage
20-310-975	HEAT	0.00	0.00	Admin & General
20-310-980	WATER PRODUCTION TELEPHONE	3,800.00	3,662.45	Admin & General
20-310-982	WATER PRODUCTION SAFETY	1,500.00	2,019.13	Admin & General
20-310-983	EQUIPMENT RENTAL	0.00	0.00	Admin & General
20-310-985	WATER PRODUCTION SUPPLIES	16,000.00	14,804.95	Admin & General
20-310-986	WATER PROD UNIFORMS/ACCESS	1,000.00	910.84	Admin & General
20-310-987	WATER PRODUCTION GASOLINE	13,000.00	7,862.13	Admin & General
20-310-990	WATER PROD DUES/SUBSCRIPTIONS	1,600.00	1,538.00	Admin & General
20-310-995	WATER PROD MISCELLANEOUS OTHER	500.00	124.61	Admin & General

20-310-996	WATER PROD BANK SERV CHGS/FEES	0.00	0.00	Admin & General
20-310-997	WATER PROD CAPITAL OUTLAY	10,000.00	34,102.00	Admin & General
22-310-850	WATER PRO RESERVE CHECKBK-EXP	0.00	0.00	Admin & General
92-310-850	WATER PRO RESERVE CHECKBK-EXP	0.00	29,374.00	Admin & General
			583,565.24	

Expenses - Distribution

20-311-850	WATER DIST DEPRECIATION	0.00	0.00	
20-311-910	WATER DISTRIBUTION SALARIES	94,000.00	96,523.12	Salaries
20-311-911	WATER DIST OVERTIME SALARIES	2,600.00	2,797.61	Salaries
20-311-913	WATER DIST PAYROLL BANK CHGS	0.00	0.00	
20-311-915	WATER DIST EMPLOYEE RETIREMENT	26,500.00	27,765.09	Benefits
20-311-920	WATER DIST HEALTH/MEDICAL INS	24,000.00	24,020.48	Ins & Work Comp
20-311-925	WATER DISTRIBUTION FICA TAXES	7,200.00	8,015.91	Payroll Tax
20-311-930	WATER DIST WORKERS COMP	3,300.00	3,664.50	Ins & Work Comp
20-311-935	WATER DIST UNEMPLOYMENT	750.00	766.73	Payroll Tax
20-311-938	WATER DIST CONSULTING/ANALYSIS	0.00	0.00	Admin & General
20-311-940	WATER DISTRIBUTION ADVERTISING	100.00	0.00	Admin & General
20-311-942	WATER DISTRIBUTION TRUCK LEASE	0.00	0.00	Admin & General
20-311-945	WATER DIS-PRINTING LEASE SOFTW	8,200.00	9,100.68	Admin & General
20-311-950	WATER DISTRIBUTION LEGAL FEES	0.00	0.00	Admin & General
20-311-955	WATER DIST AUDIT & ACCOUNTING	1,350.00	1,325.00	Admin & General
20-311-960	WATER DISTRIBUTION GENERAL INS	7,000.00	6,950.48	Admin & General
20-311-962	BANK CHGS/LOCKBOX	0.00	0.00	Admin & General
20-311-963	CSX PIPELINE EASEMENT	200.00	0.00	Admin & General
20-311-965	WATER DIST REPAIR & MAINT	5,000.00	5,577.98	Admin & General
20-311-970	WAT DIS-TRAV/LODGING/PER DIEM	1,000.00	0.00	Admin & General
20-311-971	WAT DIS-SCHOOL/TRAIN/LICENSES	1,000.00	515.00	Admin & General
20-311-972	WATER DISTRIBUTION POSTAGE	950.00	914.22	Admin & General
20-311-982	WATER DISTRIBUTION SAFETY	1,500.00	75.00	Admin & General
20-311-983	WATER DIST EQUIPMENT RENTAL	0.00	0.00	Admin & General
20-311-985	WATER DISTRIBUTION SUPPLIES	7,500.00	10,980.49	Admin & General
20-311-986	WATER DIS UNIFORMS/ACCESSORIES	1,000.00	445.00	Admin & General
20-311-987	WATER DISTRIBUTION GASOLINE	3,500.00	3,413.54	Admin & General
20-311-990	WATER DIST DUES/SUBSCRIPTIONS	500.00	428.00	Admin & General

20-311-995	WATER DIST MISCELLANEOUS OTHER	1,000.00	0.00	Admin & General
20-311-996	WATER DIST BANK SERV CHGS/FEES	0.00	0.00	Admin & General
20-311-997	WATER DIST CAPITAL OUTLAY	10,000.00	10,000.00	Admin & General
22-311-850	WATER DIS RESERVE CHECKBK-EXP	0.00	0.00	Admin & General
92-311-850	WATER DIS RESERVE CHECKBK-EXP	0.00	12,483.75	Admin & General
			225,762.58	

Total Expenses =

\$809,327.82

**CITY OF FALMOUTH
WHOLESALE RATE**

Expense	Total	Pendleton Allocation Factor	Amount to Wholesale (Total x Allocation Factor)	Rate to Wholesale (Amount)/(Total Purchased/1000gal)	East Pendleton Allocation Factor	Amount to Wholesale (Total x Allocation Factor)	Rate to Wholesale (Amount)/(Total Purchased/1000gal)
Commodity							
Electricity	76,476.78	0.2245	17,166.97	0.2432	0.4024	30,776.21	0.243176877
Lab Analysis	4,920.50	0.2245	1,104.52	0.0156	0.4024	1,980.13	0.01564595
Chemicals	197,428.16	0.2245	44,317.28	0.6278	0.4024	79,450.13	0.627771787
Operation and Maintenance							
Pumping & Treatment	381,216.58	0.2245	85,572.80	1.2123	0.4024	153,411.27	1.212172639
Transmission and Distribution	225,762.59	0.0698	15,754.83	0.2232	0.1047	23,629.29	0.186705856
Customer							
Depreciation							
Pumping & Treatment	76,117.83	0.2245	17,086.39	0.2421	0.4024	30,631.76	0.242035514
Transmission and Distribution	6,000.51	0.0698	418.75	0.0059	0.1047	628.04	0.00496243
Customer							
Total Expenses	891,446.17						
Plus Operating Ratio (88%)	121,560.84	0.2245	27,287.12	0.3866	0.4024	48,919.18	0.386532838
Less Interest Income		0.0698	0.00	0.0000	0.1047	0.00	0
Less Other Operating Revenue		0.0698	0.00	0.0000	0.1047	0.00	0
Cost of Service Rate				\$2.96			\$2.92

Total Purchased (/1000 gall)

Pendleton	70585.97
East Pendleton	126558.929