

Union County Water District

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

December 12, 2006

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

RECEIVED

DEC 15 2006

PUBLIC SERVICE
COMMISSION

Case No. 2006-00550

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the Union County Water District. The adjustment is necessary to recover 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)

UNION COUNTY WATER DISTRICT
(Name of Utility)

DECEMBER 6, 2006
(Date)

P.O. BOX 146, 409 NORTH COURT ST.
(Address)

MORGANFIELD, KY 42437
(City, State)

270-389-3868
(Telephone Number)

RECEIVED

DEC 15 2006

PUBLIC SERVICE
COMMISSION

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.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>CITY OF MORGANFIELD</u>	<u>1.6606</u>	<u>1.7261</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.0733.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

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.

7. Proposed effective date JANUARY 1, 2007.


(Signature of Utility Officer)

Chairman 
(Title)



CITY OF MORGANFIELD

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

Exhibit A

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

RECEIVED

DEC 15 2006

PUBLIC SERVICE
COMMISSION

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

November 21, 2006

Dear Dickie:

Please find enclosed your revised water rate for the calendar year 2007. The rate has been computed by the City's auditing firm using the criteria in the contract. The new rate is \$1.7261. 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,

Jerry R. Freer, Mayor

Union County Water District
 Schedule of water production costs and rates
 For the period beginning Dec 2006

Based on costs for fiscal year ended June 30, 2006

Expenses-Breck Plant:		Gross earnings		Fy 6/06	Fy 6/05	Fy 6/04	Fy 6/03	Fy 6/02	Fy 6/01
Salaries:									
John Coffman	Super	\$ 37,301	100.00%	\$ 37,301	\$ 33,614	\$ 31,073	\$ 29,495	\$ 29,334	\$ 29,843
Tommy. Menser	Labor	25,935	100.00%	25,935	24,810	25,051	24,441	23,689	16,230
William K. Buckman	Mechanic	37,336	60.00%	22,402	20,819	21,080	20,552	20,362	19,255
Donald Beaven	PT Operator	11,077	100.00%	11,077	10,485	13,574	11,674	11,352	7,788
Randy McMain	Labor	26,767	100.00%	26,767	24,362	1,835	14,435	21,512	16,390
Henry Leonberger	Operator	-	100.00%	-	4,755	27,472	26,199	27,119	24,403
Thomas R. Clements	Labor	11,274	100.00%	11,274	9,040	9,477	9,025	8,569	7,705
Jeremy S. Martin	Operator	27,436	100.00%	27,436	25,871	28,263	26,297	26,316	21,127
Damian Alvey	Operator	24,315	100.00%	24,315	20,157	15,779	789	-	-
Jerry Brantley	Operator	9,090	100.00%	9,090	6,320	-	-	-	-
Total Salaries		210,531		195,597	180,233	173,604	162,907	168,253	142,741
		< GL \$ 922							
Other salaries				\$ -	\$ -	\$ 1,094	\$ -	\$ -	\$ -
Telephone				1,718	3,188	3,625	2,147	1,770	1,783
Office and postage				1,852	1,426	2,073	1,326	3,708	3,016
Rental/lease expense				515	425	493	381	287	5,434
Retirement/Payroll tax				40,842	31,019	34,605	25,531	34,795	24,052
Advertising				472	707	1,707	434	404	491
Equip repairs				22,720	25,243	10,469	9,752	10,053	12,785
Less: ins reimb on repairs in other income				-	(16,302)	-	-	-	-
Bldg repairs				-	-	-	239	7,897	7,003
Insurance				27,697	25,913	22,141	20,827	19,187	19,138
Legal and accounting				3,008	1,957	4,646	2,264	1,505	1,771
Travel				1,852	1,034	950	1,227	784	2,505
Gas and Oil				5,129	4,555	2,198	3,876	2,704	3,459
Health & Disability				95,989	132,489	127,851	166,493	121,724	64,013
Chemicals				80,738	68,749	54,257	65,083	60,304	53,231
Electricity				71,652	69,560	51,605	61,503	52,312	59,623
Engineering				12,870	7,691	8,423	12,060	5,157	10,224
Uniforms				2,189	2,002	2,058	2,859	3,025	2,383
Maint supplies				3,804	530	6,668	1,530	3,867	5,615
Diving service				-	-	-	-	-	5,565
Other				7,201	3,785	5,217	-	3,836	4,750
Small capital items				657	5,301	18,178	8,339	36,048	7,329
Small capital items (Item # 704; 703; 705)				-	18,790	-	-	-	-
			Orig Cost						
Cap recovery (incl interest)									
Equipment (1999)	A	Thru 2015	34,817	2,418	2,418	2,418	2,418	2,418	2,418
Raw water line; Bldg imp (200C)	B	Thru 2017	513,897	49,527	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	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	-	-	-
2004 Cap exp (Raw water line)	F	Thru 2022	617,839	49,756	49,756	-	-	-	-
									<i>Net of 500 m contribution from Fiscal Court</i>
Debt service:									
Principal on bonds		Thru 2007		185,000	175,000	165,000	155,000	145,000	140,000
Interest on bonds		Not incl amort		8,987	17,045	24,660	32,684	40,836	46,177
Change in interest rate factor				(5,796)	(10,933)	(5,669)	(10,878)	(4,050)	(2,570)
Grand total				\$ 897,364	\$ 882,078	\$ 798,768	\$ 805,714	\$ 799,536	\$ 696,833

Water rate per 1000 gallon (Cost / Production)

1.7261	1.6606	1.5020	1.0788	0.9533	1.0010
---------------	---------------	---------------	---------------	---------------	---------------

Production 000's

Total gallons produced	523,196	535,136	536,474	750,827	843,553	700,168
Less: Used for plant operation	(3,305)	(3,956)	(4,666)	(4,000)	(4,893)	(4,023)
Net Production	519,891	531,180	531,808	746,827	838,660	696,145

		Rem debt per amort sched	Base Rate	Rate this yr	Increase (Decrease)	Cost factor for chg in rates
O/S Debt @ 6/30/2006	A	16,844	5.98%	4.60%	-1.38%	(232)
1999 Capital items	B	391,013	5.98%	4.60%	-1.38%	(5,396)
Raw water line	C	209,274	5.49%	4.60%	-0.89%	(1,863)
Collector well	D	34,969	5.28%	4.60%	-0.68%	(238)
2002 Cap exp	E	28,889	5.01%	4.60%	-0.41%	(118)
2004 Cap exp	F	569,645	4.24%	4.60%	0.36%	2,051
2005 Cap exp						
Total debt		1,250,634				(5,796)

FOR Union County Water District
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Union County Water District
(Name of Utility)

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

_____ SHEET NO. _____

CONTENTS

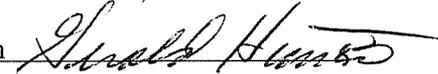
5/8" Meter	First	2,000 gallons	\$11.53 minimum bill
	Next	3,000 gallons	5.76 per 1,000 gallons
	Next	5,000 gallons	5.36 per 1,000 gallons
	Next	15,000 gallons	5.01 per 1,000 gallons
	Next	25,000 gallons	4.71 per 1,000 gallons
	Next	50,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
3/4" Meter	First	5,000 gallons	\$28.82 minimum bill
	Next	5,000 gallons	5.36 per 1,000 gallons
	Next	15,000 gallons	5.01 per 1,000 gallons
	Next	25,000 gallons	4.71 per 1,000 gallons
	Next	50,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
1" Meter	First	10,000 gallons	\$55.63 minimum bill
	Next	15,000 gallons	5.01 per 1,000 gallons
	Next	25,000 gallons	4.71 per 1,000 gallons
	Next	50,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons

1 1/2" Meter	First	25,000 gallons	\$130.83 minimum bill
	Next	25,000 gallons	4.71 per 1,000 gallons
	Next	50,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
2" Meter	First	50,000 gallons	\$248.67 minimum bill
	Next	50,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
2 1/2" Meter	First	75,000 gallons	\$356.50 minimum bill
	Next	25,000 gallons	4.31 per 1,000 gallons
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
3" Meter	First	100,000 gallons	\$464.33 minimum bill
	Next	100,000 gallons	3.91 per 1,000 gallons
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
4" Meter	First	200,000 gallons	\$855.66 minimum bill
	Next	100,000 gallons	3.51 per 1,000 gallons
	All over	300,000 gallons	3.11 per 1,000 gallons
6" Meter	First	300,000 gallons	\$1,206.99 minimum bill
	All over	300,000 gallons	3.11 per 1,000 gallons

DATE OF ISSUE December 6, 2006
Month / Date / Year

DATE EFFECTIVE January 1, 2007
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman 

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

NOTICE

Union County Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is January 1, 2007.

			<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>		
<u>5/8" Meter</u>	First	2,000 gallons	\$11.38	\$11.53	1.29%	minimum bill	
	Next	3,000 gallons	5.69	5.76	1.29%	per 1,000 gallons	
	Next	5,000 gallons	5.29	5.36	1.39%	per 1,000 gallons	
	Next	15,000 gallons	4.94	5.01	1.48%	per 1,000 gallons	
	Next	25,000 gallons	4.64	4.71	1.58%	per 1,000 gallons	
	Next	50,000 gallons	4.24	4.31	1.73%	per 1,000 gallons	
	Next	100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
	Next	100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
	All over	300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
<u>3/4" Meter</u>	First	5,000 gallons	\$28.45	\$28.82	1.29%	minimum bill	
	Next	5,000 gallons	5.29	5.36	1.39%	per 1,000 gallons	
	Next	15,000 gallons	4.94	5.01	1.48%	per 1,000 gallons	
	Next	25,000 gallons	4.64	4.71	1.58%	per 1,000 gallons	
	Next	50,000 gallons	4.24	4.31	1.73%	per 1,000 gallons	
	Next	100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
	Next	100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
	All over	300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
	<u>1" Meter</u>	First	10,000 gallons	\$54.90	\$55.63	1.34%	minimum bill
Next		15,000 gallons	4.94	5.01	1.48%	per 1,000 gallons	
Next		25,000 gallons	4.64	4.71	1.58%	per 1,000 gallons	
Next		50,000 gallons	4.24	4.31	1.73%	per 1,000 gallons	
Next		100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
Next		100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
All over		300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
<u>1 1/2" Meter</u>		First	25,000 gallons	\$129.00	\$130.83	1.42%	minimum bill
		Next	25,000 gallons	4.64	4.71	1.58%	per 1,000 gallons
	Next	50,000 gallons	4.24	4.31	1.73%	per 1,000 gallons	
	Next	100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
	Next	100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
	All over	300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
	<u>2" Meter</u>	First	50,000 gallons	\$245.00	\$248.67	1.50%	minimum bill
		Next	50,000 gallons	4.24	4.31	1.73%	per 1,000 gallons
		Next	100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons
Next		100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
All over		300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
<u>2 1/2" Meter</u>	First	75,000 gallons	\$351.00	\$356.50	1.57%	minimum bill	
	Next	25,000 gallons	4.24	4.31	1.73%	per 1,000 gallons	
	Next	100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
	Next	100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
	All over	300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
	<u>3" Meter</u>	First	100,000 gallons	\$457.00	\$464.33	1.60%	minimum bill
Next		100,000 gallons	3.84	3.91	1.91%	per 1,000 gallons	
Next		100,000 gallons	3.44	3.51	2.13%	per 1,000 gallons	
All over		300,000 gallons	3.04	3.11	2.41%	per 1,000 gallons	
<u>4" Meter</u>	First	200,000 gallons	\$841.00	\$855.66	1.74%	minimum bill	
	Next	100,000 gallons	\$3.44	3.51	2.13%	per 1,000 gallons	
	All over	300,000 gallons	\$3.04	3.11	2.41%	per 1,000 gallons	
<u>6" Meter</u>	First	300,000 gallons	\$1,185.00	\$1,206.99	1.86%	minimum bill	
	All over	300,000 gallons	\$3.04	3.11	2.41%	per 1,000 gallons	

The rates contained in this notice are the rates proposed by the Union County Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at 409 N Court St in Morganfield, KY 42437. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.