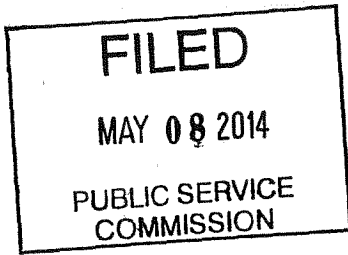


WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.
Owensboro, KY 42301
Phone: (270) 685-5594
Fax: (270) 683-6324



RECEIVED

APR 22 2014

PUBLIC SERVICE
COMMISSION

April 18, 2014

To: Executive Director
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602

2014-00144

RE : Purchased Water Rate Adjustment

By letter dated March 14, 2014, we were notified by our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$ 1.60 per 1,000 gallons to \$ 1.64 per 1,000 gallons effective June 1, 2014. As a result, we are submitting a purchased water rate adjustment (PWA) for the increased water cost to the West Daviess County Water District. Enclosed you will find our application and subsequent pages of support information. Pages 1 and 2 are the application. Page 3 is the District's schedule of current and proposed rates. Page 4 titled Exhibit A which represents the OMU notification letter. Page 5 titled Exhibit B is the District's calculation of the increased cost of water due to the increase purchased water cost. Page 5 is the authorization of the Board of Commissioners of the West Daviess County Water District to apply for the PWA. Page 6 is a copy of the public notice to appear in the local newspaper.

We are submitting the original application and ten copies for your review. If you need any further information, please contact our office.

Sincerely,

A handwritten signature in cursive script that reads "William G. Higdon".

William G. Higdon
Manager

RECEIVED

APR 22 2014
PUBLIC SERVICE
COMMISSION

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

Name of Utility	West Daviess County Water District		
Date	4-15-14		
Address	3400 Bittel Rd		
City, State, Zip	Owensboro	KY	42301
Telephone Number	270-685-5594		
Official Email Address	kkrampe@oolwireless.net		

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
Owensboro Municipal Utilities	\$ 1.60 per 1,000 gallon	\$ 1.64 per 1,000 gallon


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 the proposed effective date).

From	April 2013	through	March 2014
	(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
-------------	--

Owensboro Municipal Utilites	420,581,600 gallons
TOTAL PURCHASES	420,581,600 gallons
<hr/>	
4. Total gallons sold for the 12 month period	356,660,230 gallons
<hr/>	
5. Increased water cost	\$ 16,823.26
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
<hr/>	
6. Purchased water adjustment factor	\$.05 per 1,000 gallons
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.	
<hr/>	
7. Proposed effective date	June 1, 2014
<hr/>	
NOTE: The next 2-steps only apply to water districts.	
8. Date reported to the appropriate governing body	April 4, 2014
9. Date attended (or scheduled to attend) meeting with the appropriate governing body	April 17, 2014
<hr/>	
 Signature of Utility Officer	
Board Chairman	
Title	

WEST DAVIESS COUNTY WATER DISTRICT

SCHEDULE OF RATES

Below is a schedule showing our current and proposed rates as requested:

Residential, Commercial, and Farmstead Customers

	<u>Current</u>	<u>Proposed</u>
First 20,000 gallons (per 1,000 gallons)	\$ 4.02	\$ 4.07
Over 20,000 gallons (per 1,000 gallons)	\$ 2.94	\$ 2.99

Wholesale Customers

	<u>Current</u>	<u>Proposed</u>
Per 1,000 gallons	\$ 2.36	\$ 2.41



Exhibit A

March 14, 2014

Mr. William Higdon, Manager
West Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

Re: Wholesale Water Rate Increase

Dear Bill:

We have made the required rate calculations for fiscal year 2014-2015, as per the terms of our contract. A copy of these calculations is enclosed, as well as a copy of the fiscal year 2012-2013 true-up calculations.

Based on these calculations, the rate charged to the West Daviess County Water District will become \$1.640 per thousand gallons, for the fiscal year beginning June 1, 2014, an increase of 2.5% versus the prior fiscal year.

The ultimate per unit cost to West District is dependent upon annual water usage and the costs contractually allocated to your district. Future year calculations may result in fluctuations in the rate per thousand gallons. The formal calculation will continue to be prepared annually.

Please contact me with any questions, or if you need further information.

Sincerely,

A handwritten signature in black ink, appearing to read "T. P. Naulty", is written over a faint, larger version of the same signature.

Terrance P. Naulty
General Manager

Cc: Kentucky Public Service Commission
L. Holland, K. Roberts, R. Leesman

Enclosures

Exhibit B

	<u>Sales</u>	<u>Gallons Purchased</u>
Apr 2013	27,615,970	35,947,900
May	28,770,350	40,088,000
Jun	35,525,820	32,098,700
Jul	33,987,380	42,295,600
Aug	38,224,220	43,138,400
Sep	35,323,380	38,623,900
Oct	28,011,550	29,893,500
Nov	25,732,600	25,268,500
Dec	23,909,650	32,889,900
Jan 2014	29,459,640	36,239,500
Feb	26,736,370	31,881,600
Mar	23,363,300	32,216,100
	<u>356,660,230</u>	<u>420,581,600</u>

	1.600	
x	<u>1.025</u>	2.50%
	1.640	

Cost at changed rate

$$420,581,600 \times 1.64 \text{ per } 1,000 \text{ gallons} = \$ 689,753.82$$

Cost at base rate

$$420,581,600 \times 1.60 \text{ per } 1,000 \text{ gallons} = \$ 672,930.56$$

$$\begin{array}{r} \text{-----} \\ \$ 16,823.26 \end{array}$$

Proposed increase of water rates

$$\begin{array}{r} \$ 16,823.26 \quad / \quad 356,660,230 \quad / \quad 1000 \text{ gallons} \\ = \quad 0.05 \text{ per } 1,000 \text{ gallons} \end{array}$$

WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.
Owensboro, KY 42301
Phone: (270) 685-5594
Fax: (270) 683-6324

April 14, 2014

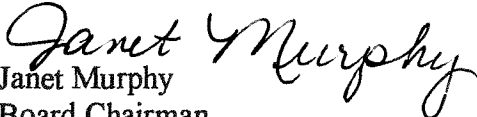
To : Executive Director
Public Service Commission

RE : Purchased Water Adjustment

At the meeting of the Board of Commissioners of the West Daviess County Water District on April 15, 2014, it was unanimously decided to approve an application of a purchased water adjustment to the Public Service Commission in the amount of \$.05 per 1,000 gallons to all customers.

If you have any questions concerning this, please contact our office.

Sincerely,


Janet Murphy
Board Chairman

LEGAL NOTICE

Notice is hereby given that the Southeast Daviess County Water District (District) has filed an application with the Public Service Commission (PSC) to adjust its water rates as a result of an increase from its supplier, Owensboro Municipal Utilities. The proposed effective date is June 1, 2014. The proposed changes are as follows:

Residential, Commercial, Farmstead Customers

	<u>Existing</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
<u>Monthly Rates</u>				
First 20,000 gallons... per 1,000 gallons	\$ 3.44	\$ 3.48	\$.04	1.16%
Over 20,000 gallons... per 1,000 gallons	\$ 2.59	\$ 2.63	\$.04	1.54%

Wholesale Customers

	<u>Existing</u> <u>Rates</u>	<u>Proposed</u> <u>Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
<u>Monthly Rates</u>				
Per 1,000 gallons	\$ 1.85	\$ 1.89	\$.04	2.16%

The average bill for a customer using 5,000 gallons of water each month would increase 1.16% from \$ 17.20 to \$ 17.40 for an increase of \$.20 in the average customer's monthly bill.

Any person may examine this application at the District's office located at 3400 Bittel Road in Owensboro, Kentucky; telephone (270) 685-5594.

Any person may examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.