

Western Pulaski County Water District  
1059 W. Hwy 80  
Somerset, KY 42503  
606-679-1569  
Fax 606-677-9449

"This institution is an equal opportunity provider, and employer."

June 19, 2012

Mr. Jeff R. Derouen  
Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort, Kentucky 40602

RECEIVED

JUN 11 2012

PUBLIC SERVICE  
COMMISSION

RE: Formal Application to Increase Rates Pursuant to  
Purchased Water Adjustment Regulation 807 KAR 5:068

Dear Mr. Derouen

The Western Pulaski County Water District respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

The District was recently notified by its supplier, City of Somerset, that it will increase wholesale rates by \$0.50 per 1,000 gallons. This increase will take effect July 1, 2012. The result of this increase is \$293,079.30 in additional yearly supply cost for the District. This translates into \$0.84 per 1,000 gallons of water sold to our customers. Therefore, we propose to increase our rates by that amount.

The following supporting documentation is enclosed for your review:

- Exhibit A – Purchase Water Rate Adjustment Form & Calculation of the PWA Factor
- Exhibit B – Notice to Customers
- Exhibit C – Revised Tariff Sheet – Monthly Water Rates
- Exhibit D – Revised Tariff Sheet – Purchased Water Rates
- Exhibit E – Notification Letter from the City of Somerset
- Exhibit F – Resolution of the water district to increase the water service rates to recover the increase cost of purchased water effective July 1, 2012.

The Notice to Customers will be published in accordance with Commission regulations and verification of its publication will be provided to the Commission.

Should you have any questions please contact Deron S. Byrne at (502) 839-1310, as he is handling this matter.

Sincerely,



Don Calder, Chairman

DC/dsb

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

Name of Utility	WESTERN PULASKI COUNTY WATER DISTRICT	
Date		
Address	1059 WEST HIGHWAY 80	
City, State, Zip	SOMERSET, KENTUCKY	42503
Telephone Number	606-679-1569	

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
CITY OF SOMERSET	\$2.50/1,000 Gallons	\$3.00/1,000 Gallons

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

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	January 2011	through	December 2011
	(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
CITY OF SOMERSET	586,158,600
<b>TOTAL PURCHASES</b>	586,158,600
4. Total sales for the 12 month period	350,712,483
5. Increased water cost	\$293,079.30
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.84
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p><b>Note:</b> 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.</p>	
7. Proposed effective date	July 1, 2012
	
Signature of Utility Officer	
Chairman	
Title	

**WESTERN PULASKI COUNTY WATER DISTRICT  
CALCULATION of PWA FACTOR**

<b>Increased Water Cost Calculation:</b>	$586,158.6 * \$3.00 = \$1,758,475.80$
	$586,158.6 * \$2.50 = \$1,465,396.50$
	<hr/>
Increased Water Cost =	\$ 293,079.30

**Purchased Water Adjustment Factor Calculation:**

Increased Cost of Water =	\$ 293,079.30
Total Gallons Sold =	350,712,483

**PWA FACTOR:**  $\$293,079.300/350,712.483 = \$0.84/1,000$  Gallons

## LEGAL NOTICE REGARDING WESTERN PULASKI COUNTY WATER DISTRICT

Notice is hereby given that because of an increase in the cost of water purchased from the City of Somerset, the Western Pulaski County Water District will increase its rates for services rendered on and after July 1, 2012. An application has been filed with the Kentucky Public Service Commission to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>
<u>5/8 x 3/4Inch Meter</u>		
First 2,000 gallons	\$12.70 Minimum Bill	\$14.38 Minimum Bill
Over 2,000 gallons	\$5.00 per 1,000 gallons	\$5.84 per 1,000 gallons
<u>1 Inch Meter</u>		
First 10,000 gallons	\$52.70 Minimum Bill	\$61.10 Minimum Bill
Over 10,000 gallons	\$5.00 per 1,000 gallons	\$5.84 per 1,000 gallons
<u>1- 1/2 Inch Meter</u>		
First 15,000 gallons	\$77.70 Minimum Bill	\$90.30 Minimum Bill
Over 15,000 gallons	\$5.00 per 1,000 gallons	\$5.84 per 1,000 gallons
<u>2 Inch Meter</u>		
First 20,000 gallons	\$102.70 Minimum Bill	\$119.50 Minimum Bill
Over 20,000 gallons	\$5.00 per 1,000 gallons	\$5.84 per 1,000 gallons
<u>3 Inch Meter</u>		
First 30,000 gallons	\$152.70 Minimum Bill	\$177.90 Minimum Bill
Over 30,000 gallons	\$5.00 per 1,000 gallons	\$5.84 per 1,000 gallons

As noted above, based on the increased cost of water from the City of Somerset all rates will increase \$0.84 per 1,000 gallons.

The charges/rates contained in this notice are the charges/rates proposed by the Western Pulaski County Water District. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the Water District office located at 1059 West Highway 80, Somerset, Kentucky 42503.

This notice is published pursuant to 807 KAR 5:011-Tariffs.

**WESTERN PULASKI COUNTY WATER DISTRICT**  
s/ **Don Calder, Chairman**

FOR Pulaski, Wayne & Russell Cos., Kentucky

P.S.C. KY. NO. 1

SHEET NO.

Western Pulaski County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

SHEET NO.

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**RATES AND CHARGES**

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MONTHLY WATER RATES

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$14.38	Minimum Bill
Over 2,000 gallons	\$5.84	Per 1,000 Gallons

1 Inch Meter

First 10,000 gallons	\$61.10	Minimum Bill
Over 10,000 gallons	\$5.84	Per 1,000 Gallons

1- 1/2 Inch Meter

First 15,000 gallons	\$90.30	Minimum Bill
Over 15,000 gallons	\$5.84	Per 1,000 Gallons

2 Inch Meter

First 20,000 gallons	\$119.50	Minimum Bill
Over 20,000 gallons	\$5.84	Per 1,000 Gallons

3 Inch Meter

First 30,000 gallons	\$177.90	Minimum Bill
Over 30,000 gallons	\$5.84	Per 1,000 Gallons

Leak Adjustment

	\$3.20	Per 1,000 Gallons
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DATE OF ISSUE June 19, 2012  
Month / Date / Year

DATE EFFECTIVE July 1, 2012  
Month / Date / Year

ISSUED BY Don Calder  
Don Calder (Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**EXHIBIT C**

FOR Pulaski, Wayne & Russell Cos., Kentucky

P.S.C. KY. NO. 1

Original SHEET NO. 7

Western Pulaski County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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E. PURCHASED WATER RATES:

RATE

\$3.00 per 1,000 Gallons

F. LEAK ADJUSTMENT RATE:

\$3.20 per 1,000 Gallons

G. Not Applicable

H. Not Applicable

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DATE OF ISSUE June 19, 2012  
Month / Date / Year

DATE EFFECTIVE July 1, 2012  
Month / Date / Year

ISSUED BY Don Calder Calder  
Don Calder (Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**EXHIBIT D**

# City of Somerset

Eddie R. Girdler  
Mayor

David Godsey  
City Clerk

400 East Mt. Vernon Street  
P. O. Box 989  
SOMERSET, KENTUCKY 42502  
(606)679-8366  
(606)679-2481 (FAX)



LEGAL NOTICE TO ALL WHOLESALE WATER CUSTOMERS  
CITY OF SOMERSET, KENTUCKY  
IMPLEMENTATION OF WHOLESALE COST CONTRACT PROVISION  
JANUARY, 2012

OF RECORD:

CITY OF EUBANK, KENTUCKY  
CITY OF SCIENCE HILL, KENTUCKY  
SOUTHEASTERN WATER ASSOCIATION  
WESTERN WATER DISTRICT  
US DEPARTMENT OF AGRICULTURE

This Legal Notice is herein submitted to provide our wholesale customers with adequate notification that the wholesale price provision of the contract shall be effective as of JULY 1, 2012. Wholesale purchasers should take appropriate actions to reflect the increase in wholesale pricing.

The August, 2012 billing cycle will reflect the July 1<sup>st</sup> rate changes.

If you have any questions or need to discuss the intent, purpose, or implementation of this Notice, please contact Mayor Eddie Girdler or Mr. Charles Dick, Water Manager.



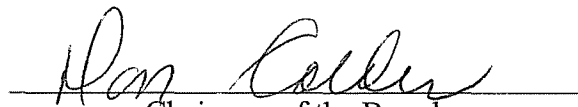
# WESTERN PULASKI COUNTY WATER DISTRICT

## CORPORATE RESOLUTION

Be it hereby resolved, by a unanimous vote of the Board of Directors of the Western Pulaski County Water District (herein referred to as "WPCWD") at a regular called meeting on June 19, 2012, as follows:

*Pursuant to 807 KAR 5068, the Western Pulaski County Water District hereby approves a Purchased Water Adjustment rate increase of \$0.84 per 1000 gallons, effective July 1, 2012 and will be reflected in the August, 2012 billing cycle, to compensate for the increase in the base rate of water sold to the WPCWD by the City of Somerset (CITY) from \$2.50 per 1000 gallons (base rate) to \$3.00 per 1000 gallons (changed rate) which will become effective on July 1, 2012 per the City of Somerset's notification dated January, 2012. This increase is adopted in order for the WPCWD to recover the actual cost of water purchased from the CITY.*

Given under my hand this the 19<sup>th</sup> day of June, 2012.

  
Chairman of the Board