

# MCGHEE ENGINEERING, INC.

202 Ewing Street, P. O. Box 267  
Guthrie, Kentucky 42234

www.mcgheeengineering.com

Phone: (270) 483-9985  
Fax: (270) 483-9986

January 14, 2013

Jeff Derouen, Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

RE: North Logan Water District  
**Purchase Water Adjustment**

RECEIVED

JAN 14 2013

PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen:

On behalf of the North Logan Water District, please find enclosed ten copies of a Purchase Water Adjustment. The adjustment is in response to their supplier's (Logan Todd Regional Water Commission) decision to raise the wholesale rate from \$3.75/1,000 gallons to \$3.83/1,000 gallons. In addition to the PWA, a copy of Logan Todd's rate change notice is attached.

If you have any questions or need additional information, please feel free to call our office or email [chriswilcutt@mchsi.com](mailto:chriswilcutt@mchsi.com).

Sincerely,

**McGhee Engineering, Inc.**



Chris Wilcutt P.E.  
Project Engineer

Cc: North Logan Water District

**Cost of Water Calculation for Purchased Water Adjustment**

Month	Actual (From NLWD Records) Quantity (Gallons)			Cost of Purchased Water	
	Purchased	Sold - Retail	Sold - Resellers	Old Rate	New Rate
January 2012	4,240,000	3,553,000	-	\$ 15,900	\$ 16,239
February 2012	4,175,000	3,010,000	-	\$ 15,656	\$ 15,990
March 2012	5,074,000	3,033,000	-	\$ 19,028	\$ 19,433
April 2012	4,127,000	3,355,000	-	\$ 15,476	\$ 15,806
May 2012	4,681,000	3,466,000	-	\$ 17,554	\$ 17,928
June 2012	4,969,000	4,292,000	-	\$ 18,634	\$ 19,031
July 2012	5,315,000	4,634,000	-	\$ 19,931	\$ 20,356
August 2012	4,526,000	4,333,000	-	\$ 16,973	\$ 17,335
September 2012	4,189,000	3,655,000	-	\$ 15,709	\$ 16,044
October 2012	4,339,000	3,671,000	-	\$ 16,271	\$ 16,618
November 2012	4,131,000	3,759,000	-	\$ 15,491	\$ 15,822
December 2012	4,232,000	3,363,000	-	\$ 15,870	\$ 16,209
<b>TOTALS</b>	<b>53,998,000</b>	<b>44,124,000</b>	<b>-</b>	<b>\$ 202,493</b>	<b>\$ 206,812</b>
Monthly Average	4,499,833	3,677,000	-		

Old LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 3.75
All Over 1,000 Gallons	\$ 3.75

New LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 3.83
All Over 1,000 Gallons	\$ 3.83

PWA Factor Calculation	
Cost Difference (New-Old)	\$ 4,320
PWA Factor (\$/1000 gal)	\$ 0.10

Notes:

1. All purchased and sold quantities are from NLWD & LTRWC records.

**LOGAN/TODD REGIONAL WATER COMMISSION**

248 Tower Street, P. O. Box 400, Guthrie, KY 42234  
Phone: (270) 483-6990, Fax: (270) 483-6691

November 27, 2012

<b>COMMISSION MEMBER ENTITIES</b>
Adairville
Auburn
East Logan Water District
Elkton
Guthrie
Lewisburg
North Logan Water District
Oak Grove
Russellville
South Logan Water Association
Todd County Water District
Trenton

North Logan Water District  
3221 Lewisburg Road  
RUSSELLVILLE, KY 42276

Dear Chairman:

At its meeting November 16, 2012, the board of Logan/Todd Regional Water Commission voted to increase its wholesale water rate by two percent. This increase from \$3.75 per thousand gallons to \$3.83 per thousand gallons will be effective March 1, 2013. This new rate will then appear for the first time on our invoices dated March 31, 2013.

Please be assured that this decision to raise our wholesale rate followed thorough analyses of our operating costs and deliberation on usage trends. Our operating budget for 2013 is based upon 3.8 mgd instead of 4.0 mgd as in the recent past. Efforts to contain costs will continue even as changes in the economy as a whole impact our position.

If we can be of assistance to you in any way, please call.

Sincerely,



Kyle R. Kenner  
System Manager

RECEIVED

JAN 14 2013

PUBLIC SERVICE  
COMMISSION

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

Name of Utility	North Logan Water District	
Date	January 14, 2013	
Address	3118 Lewisburg Road	
City, State, Zip	Russellville, KY 42276	
Telephone Number	(270) 725-8050	

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
Logan Todd Regional Water Commission	\$3.75/1,000 gallons	\$3.83/1,000 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

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 2012	through	December 2012
	(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
Logan Todd Regional Water Commission	53,998,000
<b>TOTAL PURCHASES</b>	53,998,000
4. Total sales for the 12 month period	44,124,000
5. Increased water cost	\$4,320
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.10/1,000 gallons
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	March 1, 2013
	
Signature of Utility Officer	
S.C. Smotherman, Chairman	
Title	

FOR North Logan County, Kentucky  
Community, Town or City

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

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

North Logan Water District  
(Name of Utility)

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

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

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RATES AND CHARGES

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Monthly Water Rates

First	2,000 gallons	\$24.52	Minimum Bill
Next	2,000 gallons	11.26	per 1,000 gallons
Next	6,000 gallons	7.45	per 1,000 gallons
Next	15,000 gallons	7.10	per 1,000 gallons
All Over	25,000 gallons	6.75	per 1,000 gallons

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE March 1, 2013

ISSUED BY *S C Smeethman*  
Month / Date / Year  
(Signature of Officer)

TITLE Chairman

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