



Kenvirons, Inc.

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Civil & Environmental Engineering and Laboratory Services

August 2, 2013

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

RE: Case No. **2013-00170**
Wood Creek Water District
Wastewater Division

Transmitted herewith on behalf of the water district are the original and eleven (11) copies of the RESPONSE TO PSC ORDER dated July 26, 2013.

If there are any questions or need for additional information, please contact me at 502-695-4357.

Respectfully,

Carlos F. Miller, PE
Vice President

CFM/cag

WOOD CREEK WATER DISTRICT

SEWER DIVISION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO. 2013-00170
WOOD CREEK WATER)

RESPONSE TO KENTUCKY PUBLIC SERVICE COMMISSION ORDER
DATED JULY 26, 2013 AND REQUEST FOR
APPROVAL OF REVISED PROPOSED RATES

RESPONSE

1.a. Wood Creek Water District (WCWD) has no objections regarding the appropriateness of the findings and recommendations contained in the Commission Staff Report.

1.b. WCWD understands that for sewer sales revenues to generate the total revenue requirement as determined in the Commission Staff Report, the general rates for sewer service need to be adjusted to a level that will produce \$878,937 which includes all operating and maintenance expenses plus the full depreciation expense of \$299,153. However, WCWD desires to submit a revised proposed rate adjustment that will generate revenue from sewer sales in the amount of \$632,491 which covers the pro forma operating and maintenance expenses of \$479,661 as determined on page 4 of the Commission Staff Report plus an additional amount of \$152,830 for depreciation which is approximately one-half of that particular expense. It is the belief of WCWD that the revised proposed rate adjustment will significantly relieve the existing unacceptable financial condition of the sewer division operation while considering the impact of the increased cost on the sewer customers. It is the intent of WCWD to phase rate

adjustments over an appropriate time frame until the revenues equal the entire appropriate and allowable revenue requirement. The revised proposed rates requested by WCWD and the usage tables utilizing the revised proposed rates to generate the revised revenues are attached hereto in the Appendix.

1.c. WCWD has no objection to changing the service lives of certain sewer assets to the service lives that the Commission Staff has recommended.

1.d. WCWD has no additional evidence for the Commission's consideration.

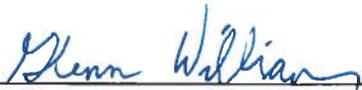
1.e. WCWD hereby requests that this matter be submitted for decision based upon the existing record without hearing.

REQUEST FOR APPROVAL OF REVISED PROPOSED RATES

WCWD hereby respectfully requests approval of the revised proposed rates for sewer service as contained in the Appendix to this response, that generate approximately 72% of the revenue requirement determined in the Commission Staff Report.

Respectfully Submitted,

WOOD CREEK WATER DISTRICT



Glen Williams, Chairman

APPENDIX

**APPENDIX TO THE RESPONSE OF WOOD CREEK
WATER DISTRICT IN KENTUCKY
PUBLIC SERVICE COMMISSION CASE NO. 2013-00170
DATED AUGUST 1, 2013**

Revised
 Revenue from Present/Proposed Rates
 Test Period from 01-01-12 to 12-31-12

USAGE TABLE
Usage by Rate Increment

Class: 5/8" Meter

			First 2,000	Next 1,500	Next 1,500	Next 2,500	Over 7,500	
(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 2,000 Gallons	4640	4,094.0	4,094.0					
Next 1,500 Gallons	3444	9,534.0	6,888.0	2,646.0				
Next 1,500 Gallons	2223	9,405.9	4,446.0	3,334.5	1,625.4			
Next 2,500 Gallons	1582	9,555.4	3,164.0	2,373.0	2,373.0	1,645.4		
Over 7,500 Gallons	997	12,171.7	1,994.0	1,475.5	1,495.5	2,492.5	4,694.2	
Totals	12,885	44,761.0	20,586.0	9,849.0	5,493.9	4,137.9	4,694.2	

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Gallons	12,886	--	20.69	266,611
Next 1,500 Gallons		9,849	7.50	73,868
Next 1,500 Gallons		5,494	6.95	38,183
Next 2,500 Gallons		4,138	6.23	25,780
Over 7,500 Gallons		4,694	5.43	25,488
Totals				429,930

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revised
 Revenue from Present/Proposed Rates
 Test Period from 01-01-12 to 12-31-12

USAGE TABLE
Usage by Rate Increment

Class: 1" Meter

First 5,000 Next 2,500 Over 7,500

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 5,000	55	156.4	156.4					
Next 2,500	20	125.1	100.0	25.1				
Over 7,500	48	1,981.8	240.0	120.0	1,621.8			
Totals	123	2,263.3	396.4	145.1	1,621.8			

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 5,000	123	--	42.37	5,212
Next 2,500		145	6.23	903
Over 7,500		1,622	5.43	8,807
Totals				14,922

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revised
 Revenue from Present/Proposed Rates
 Test Period from 01-01-12 to 12-31-12

USAGE TABLE
Usage by Rate Increment

Class: 2" Meter

First 20,000 Over 20,000

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 20,000	50	416.1	416.1					
Over 20,000	42	3,608.3	840	2,768.0				
Totals	92	4,024.4	1,256.1	2,768.3				

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 20,000	92	--	125.82	11,575
Over20,000		2,768	5.43	15,030
Totals				26,605

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revised
 Revenue from Present/Proposed Rates
 Test Period from 01-01-12 to 12-31-12

USAGE TABLE
Usage by Rate Increment

Class: 3" Meter

First 30,000 Over 30,000

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 30,000	0	0						
Over 30,000	24	1,820.2	720.0	1,100.2				
Totals	24	1,820.2	720.0	1,100.2				

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 30,000	24		180.12	4,323
Over 30,000		1,100.2	5.43	5,974
Totals				10,297

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revised
 Revenue from Present/Proposed Rates
 Test Period from 01-01-12 to 12-31-12

USAGE TABLE
Usage by Rate Increment

Class: 6" Meter

(1)	(2) Bills	(3) Gallons/Mcf	First 100,000 Over 100,000		(6)	(7)	(8)	(9) Total
			(4)	(5)				
First 100,000	0	0						
Over 100,000	12	27,721.9	1,200	26,521.9				
Totals	12	27,721.9	1,200	26,521.9				

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 100,000	12		560.22	6,723
Over 100,000		26,521.9	5.43	144,014
Totals				150,737

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

**NOTICE TO THE CUSTOMERS
OF WOOD CREEK DISTRICT WATER DISTRICT**

On June 3, 2013, Wood Creek Water District applied to the Kentucky Public Service Commission (PSC) for authority to adjust its rates for sewer service. After performing a review of Wood Creek Water District's application and records, the PSC Staff has recommended to the PSC that Wood Creek Water District be granted an increase greater than that requested. The table below reflects the originally proposed and Wood Creek Water District revised proposed rates which are lower than the PSC recommended rates:

<u>5/8-inch x 3/4-inch Meter</u>	<u>Originally Proposed</u>	<u>Revised Proposed</u>
First 2,000 Gallons	\$16.52 Minimum Bill	\$20.69 Minimum Bill
Next 1,500 Gallons	5.97 per 1,000 Gallons	7.50 per 1,000 Gallons
Next 1,500 Gallons	5.53 per 1,000 Gallons	6.95 per 1,000 Gallons
Next 2,500 Gallons	4.96 per 1,000 Gallons	6.23 per 1,000 Gallons
Over 7,500 Gallons	4.32 per 1,000 Gallons	5.43 per 1,000 Gallons
<u>1-inch Meter</u>		
First 5,000 Gallons	\$33.77 Minimum Bill	\$42.37 Minimum Bill
Next 2,500 Gallons	4.96 per 1,000 Gallons	6.23 per 1,000 Gallons
Over 7,500 Gallons	4.32 per 1,000 Gallons	5.43 per 1,000 Gallons
<u>2-inch Meter</u>		
First 20,000 Gallons	\$100.17 Minimum Bill	\$125.82 Minimum Bill
Over 20,000 Gallons	4.32 per 1,000 Gallons	5.43 per 1,000 Gallons
<u>3-inch Meter</u>		
First 30,000 Gallons	\$143.37 Minimum Bill	\$180.12 Minimum Bill
Over 30,000 Gallons	4.32 per 1,000 Gallons	5.43 per 1,000 Gallons
<u>6-inch Meter</u>		
First 100,000 Gallons	\$445.77 Minimum Bill	\$560.22 Minimum Bill
Over 100,000 Gallons	4.32 per 1,000 Gallons	5.43 per 1,000 Gallons

A copy of the PSC Staff report can be found at:

http://psc.ky.gov/pscscf/2013%20cases/2013-00170/20130722_PSC_ORDER.pdf.

Pursuant to the PSC's Order of June 20, 2013, in Case No. 2013-00170, Wood Creek Water District has requested that the PSC approve the higher Wood Creek Water District revised proposed rates. Any corporation, association, body politic, or person may submit comments on the proposed request no later than September 1, 2013. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602. Comments may also be submitted by electronic mail to psc.info@ky.gov. If the Commission does not receive any objections or requests for intervention or hearing in this matter by September 1, 2013, the Commission will proceed to render a decision in the matter.