

Warren County  
Water District

July 27, 2011

MR JEFF DEROUEN  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT KY 40602

RECEIVED

AUG - 1 2011

PUBLIC SERVICE  
COMMISSION

RE: Purchased Water Adjustment

Dear Mr. Derouen:

Bowling Green Municipal Utilities is increasing our wholesale water and sewer rates effective September 1, 2011. Warren County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068.

In support of our application for these Purchased Water Adjustments for both water and sewer rates, enclosed are the original and 10 copies of the following documents:

1. Purchased Water Adjustment application form – Water Division
2. Purchased Water Adjustment application form – Sewer Division
3. Exhibit A – Breakdown of Water Purchased by Rate Area and Computation of Purchased Water Adjustment
4. Exhibit B – Letter from Bowling Green Municipal Utilities (supplier's notice of changed rate)
5. Excerpts of Minutes – Board approval of wholesale rates and authorization for retail rate increase
6. Revised Tariff Sheets for retail rates

We will be providing the required notice to customers with an ad in the Daily News in the near future.

If you have any questions or need additional information, please let me know.

Sincerely,

Alan H. Vilines, P.E.  
General Manager

AHV:jh

Enclosures

Providing high quality  
water and wastewater  
services to families and  
businesses throughout  
Warren County.



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

RECEIVED  
JUL 27 2011  
PUBLIC SERVICE  
COMMISSION

Name of Utility	Warren County Water District – <b>Water Division</b>		
Date	July 26, 2011		
Address	P.O. Box 10180		
City, State, Zip	Bowling Green KY 42102		
Telephone Number	270-842-0052		

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
Bowling Green Municipal Utilities	See Exhibit A	See Exhibit A

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

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	June 2010	through	May 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
Bowling Green Municipal Utilities	2,575,046,470
<b>TOTAL PURCHASES</b>	2,575,046,470
4. Total gallons sold for the 12 month period	2,247,902,000
5. Increased water cost	\$ 725,766
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$ 0.32 / 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	September 1, 2011
	
Signature of Utility Officer	
Chairman	
Title	

## EXHIBIT A

### BREAKDOWN OF WATER PURCHASED BY RATE AREA AND COMPUTATION OF PURCHASED WATER ADJUSTMENT Warren County Water District July 26, 2011

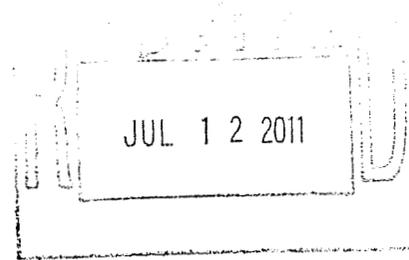
<u>Water Rate Area</u>	<u>Annual Gals Purchased</u>	<u>Base Rate</u>	<u>Water Cost at Base Rate</u>	<u>Changed Rate</u>	<u>Water Cost at New Rate</u>	<u>Increased Water Cost</u>
Southside	4,510,600	\$0.8463	3,817	\$1.8285	8,248	4,430
Cemetery Road	1,547,037,670	\$0.8463	1,309,258	\$1.0608	1,641,098	331,840
Morgantown Road	215,911,300	\$0.8463	182,726	\$1.0838	234,005	51,279
Northside	807,586,900	\$0.6337	511,768	\$1.0525	849,985	338,217
Totals	2,575,046,470		\$2,007,569		\$2,733,335	\$725,766
				<b>Total Water Sold ( x 1000)</b>		2,274,902
				<b>Purchased Water Adjustment</b>		0.32



801 CENTER STREET  
P.O. BOX 10300  
BOWLING GREEN, KENTUCKY 42102-7300  
Phone (270) 782-1200 Fax (270) 782-4320  
www.bgmu.com

July 11, 2011

Mr. Alan Vilines  
General Manager  
Warren County Water District  
523 US Hwy 31W Bypass  
P.O. Box 10180  
Bowling Green KY 42102-4780



Dear Mr. Vilines,

Please find enclosed a notice of the Wholesale Utility Service Rate Change agreed upon between Bowling Green Municipal Utilities and Warren County Water District. As indicated, the proposed effective date is September 1, 2011.

Please review the attached at your convenience and let me know if you have any questions or concerns.

Thank you.

A handwritten signature in cursive script that reads "Michael R. Gardner".

Michael R. Gardner  
Water/Wastewater Systems Manager – BGMU  
(270)782-4366  
[mgardner@bgmu.com](mailto:mgardner@bgmu.com)

MRG/lo

cc: Mr. Gary Bridges – BGMU  
Mr. Mark Iverson – BGMU  
Mr. Brent Kirtley - PSC

Enc.: PSC Rate Change Notice

## NOTICE

Bowling Green Municipal Utilities (BGMU) has filed a proposed rate schedule which will increase the rates for water service provided to Warren County Water District (WCWD) as follows:

<u>Water Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Increase</u>
Southside (formerly known as Westside)	\$.8463 per 1000 gallons	\$1.8285 per 1000 gallons	116% Increase
Morgantown Road Areas	\$.8463 per 1000 gallons	\$1.0838 per 1000 gallons	28% Increase
Northside Area	\$.6337 per 1000 gallons	\$1.0525 per 1000 gallons	66% Increase
Cemetery Road	\$.8463 per 1000 gallons	\$1.0608 per 1000 gallons	25% Increase

<u>Sewer Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Increase</u>
All Connection Points	\$.9764 per 1000 gallons	\$1.2409 per 1000 gallons	27% Increase

The proposed effective date is September 1, 2011.

The rates contained in this notice are the rates proposed by Bowling Green Municipal Utilities. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by the utility by contacting Mike Gardner, Bowling Green Municipal Utilities, PO Box 10300, Bowling Green, Kentucky 42102-7300; telephone 270-782-1200.

Any person may examine the rate application and other filings made by visiting the offices of Bowling Green Municipal Utilities or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940.

**EXCERPTS OF MINUTES OF A  
REGULAR MEETING OF THE  
WARREN COUNTY WATER DISTRICT**

The Board of Commissioners of the Warren County Water District met in regular session on July 26, 2011, at 4:00 p.m. at 523 U.S. Hwy 31-W Bypass, Bowling Green, Kentucky. The meeting was called to order with Henry Honaker, Chairman, presiding, and the following other members of the Commission present: Thomas A. Donnelly, Vice-Chairman; Glen Johnson, Secretary; Joe Taylor, Sr., Treasurer; and R. Harvey Johnston, III. Also present were Frank Hampton Moore, Jr., Attorney; Jon Schubarth, Manager of Engineering & Construction and Alan Vilines, General Manager.

\* \* \*

(Other Business)

Mr. Vilines discussed several details of the wholesale rate study as outlined in the joint staff letter of June 16, 2011, and summarized the changes in wholesale rates for each of the service areas. Schedules of proposed retail water and sewer rates were presented along with a comparison of retail bills for the larger systems in Kentucky. Mr. Donnelly made a motion to approve the wholesale rates as recommended by the Joint Committee and to proceed with filing a Purchased Water Adjustment with the Public Service Commission followed by implementation of the retail rate increase. Mr. Johnston seconded the motion and all voted "aye."

(Other Business)

\* \* \*

Upon motion and vote the meeting adjourned.

I hereby certify that the foregoing excerpts of minutes are true and correct.

  
Glen Johnson, Secretary  
Warren County Water District

P.S.C. Ky. No. \_\_\_\_\_

Cancels P.S.C. Ky. No. 2005-00299

WARREN COUNTY WATER DISTRICT

OF

WARREN COUNTY, BOWLING GREEN, KENTUCKY

Rates, Rules, and Regulations for Furnishing

Water Service

At

Warren County, Kentucky

Filed with PUBLIC SERVICE COMMISSION

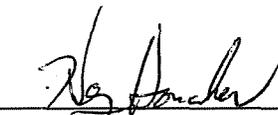
OF KENTUCKY

ISSUED July 26, 2011

EFFECTIVE September 1, 2011

ISSUED BY Warren County Water District  
(Name of Utility)

BY



Henry Honaker, Chairman  
Board of Commissioners  
Warren County Water District



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

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

WARREN COUNTY WATER DISTRICT

OF

WARREN COUNTY, KENTUCKY

Rates, Rules, and Regulations for Furnishing  
Water Service

At

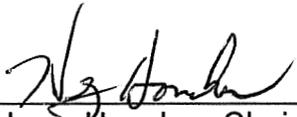
Bowling Green, Warren County, Kentucky

FILED WITH  
PUBLIC SERVICE COMMISSION  
OF  
KENTUCKY

ISSUED July 26, 2011

EFFECTIVE September 1, 2011

ISSUED BY Warren County Water District  
(Name of Utility)

BY   
Henry Honaker, Chairman  
Board of Commissioners  
Warren County Water District

FOR Entire Service Area  
Community, Town or City

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

1 SHEET NO. 1 of 1

Warren County Water District  
(Name of Utility)

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

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

---

CLASSIFICATION OF SERVICE

---

TARIFF FOR

Wholesale Water Supplier base rate effective September 1, 2011, which will be the base rate for the purpose of future applications of the purchase water adjustment clause.

The base rates will be as follows for water purchased from Bowling Green Municipal Utilities:

Southside (formerly known as Westside)	\$1.8285 per 1,000 gallons
Morgantown Road Areas	\$1.0838 per 1,000 gallons
Northside Area	\$1.0525 per 1,000 gallons
Cemetery Road	\$1.0608 per 1,000 gallons

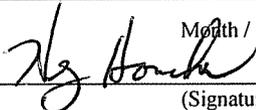
The base rate for water sold to Bowling Green Municipal Utilities will be as follows:

Cemetery Road Sales to Bowling Green Municipal Utilities \$1.3129 per 1,000 gallons

---

DATE OF ISSUE 7/26/2011  
Month / Date / Year

DATE EFFECTIVE 9/1/2011  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Chairman

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