

# EAST LAUREL WATER DISTRICT

1670 East Hal Rogers Parkway  
P.O. Box 726  
London, Kentucky 40743-0726

November 22, 2011

Jeff R. Derouen, Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED

NOV 23 2011

PUBLIC SERVICE  
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

Dear Mr. Derouen:

The East Laurel 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 has been notified by its supplier, Wood Creek Water District that it's wholesale rate is increasing from \$2.32 to \$2.92 per 1000 gallons. This increase has an effective date of November 18, 2011.

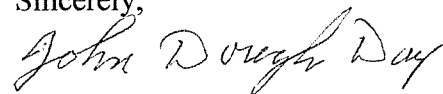
The following supporting documentation is enclosed for your review:

- Exhibit A – Purchased Water Adjustment
- Exhibit B – Copy of Supplier's Notice of Change Rate
- Exhibit C – Statement of Water Purchased
- Exhibit D – Statement of Water Sold
- Exhibit E – Calculation of Increased Water Cost
- Exhibit F – Revised Tariff Sheet
- Exhibit G – Notice to Customers

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 Dewayne Lewis at (606) 260-0366, as he is handling this matter.

Sincerely,

  
John Douglas Day, Chairman

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

<b>Name of Utility</b>	East Laurel Water District	
<b>Date</b>	November 22, 2011	
<b>Address</b>	P.O. Box 726	
<b>City, State, Zip</b>	London, KY	40743
<b>Telephone Number</b>	606-878-9420	

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.

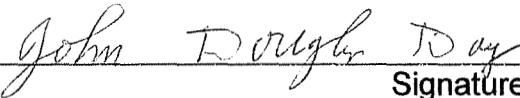
<b>Supplier(s)</b>	<b>Base Rate</b>	<b>Changed Rate</b>
Wood Creek Water District	\$2.32 per 1000 gallons	\$2.92 per 1000 gallons

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

<b>From</b>	November 2010	<b>through</b>	October 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. Exhibit C

Supplier(s)	Gallons Purchased during 12 month period
Wood Creek Water District	427,932,600
<b>TOTAL PURCHASES</b>	427,932,600
4. Total gallons sold for the 12 month period EXHIBIT D	278,569,222
5. Increased water cost EXHIBIT E	\$256,759.54
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor EXHIBIT E	\$0.92
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	December 22, 2011
	
Signature of Utility Officer	
Chairman	
Title	

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00209 DATED NOV 18 2011

The following rates are prescribed for the customers in the area served by Wood Creek Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

5/8-Inch x 3/4-Inch

First 2,000 gallons	\$ 20.69 Minimum bill
Next 1,500 gallons	\$ 6.58 per 1,000 gallons
Next 1,500 gallons	\$ 5.87 per 1,000 gallons
Next 2,500 gallons	\$ 4.94 per 1,000 gallons
Over 7,500 gallons	\$ 3.90 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$ 39.36 Minimum bill
Next 2,500 gallons	\$ 4.94 per 1,000 gallons
Over 7,500 gallons	\$ 3.90 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$ 61.42 Minimum bill
Over 10,000 gallons	\$ 3.90 per 1,000 gallons

2 Inch Meter

First 20,000 gallons	\$100.32 Minimum bill
Over 20,000 gallons	\$ 3.90 per 1,000 gallons

3 Inch Meter

First 30,000 gallons	\$139.22 Minimum bill
Over 30,000 gallons	\$ 3.90 per 1,000 gallons

6 Inch Meter

First 100,000 gallons	\$411.55 Minimum bill
Over 100,000 gallons	\$ 3.90 per 1,000 gallons

Wholesale User Rates

East Laurel Water District	\$ 2.92 per 1,000 gallons
West Laurel Water Association	\$ 2.92 per 1,000 gallons
City Of Livingston	\$ 2.92 per 1,000 gallons

## NOTICE

Notice is hereby given that the Wood Creek Water District seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates in the total amount of \$989,688 on an annual basis. The percentage of increase will approximate 25.9 percent to the Wood Creek Water District.

The estimated amount of increase per customer class/meter size is:

<u>Meter Size</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
5/8 Inch	445,853	45.04%
1 Inch	9,819	0.99%
1.5 Inch	996	0.10%
2 Inch	20,852	2.11%
3 Inch	1,595	0.16%
6 Inch	14,982	1.51%
West Laurel	239,503	24.19%
East Laurel	245,955	24.85%
City of Livingston	10,347	1.05%
<b>Totals</b>	<b><u>989,902</u></b>	<b><u>100.00%</u></b>

The comparison of the present and proposed rates of the Wood Creek Water District is as follows:

### RATE SCHEDULE COMPARISON

		<u>EXISTING RATES</u>		<u>PROPOSED RATES</u>	
<b>5/8 Inch x 3/4 Inch Meter:</b>					
First	2,000 gallons	\$ 16.43	Minimum bill	\$ 20.69	Minimum bill
Next	1,500 gallons	5.23	per 1,000 gallons	6.58	per 1,000 gallons
Next	1,500 gallons	4.66	per 1,000 gallons	5.87	per 1,000 gallons
Next	2,500 gallons	3.92	per 1,000 gallons	4.94	per 1,000 gallons
Over	7,500 gallons	3.09	per 1,000 gallons	3.90	per 1,000 gallons
<b>1 Inch Meter:</b>					
First	5,000 gallons	\$ 31.26	Minimum bill	\$ 39.36	Minimum bill
Next	2,500 gallons	3.92	per 1,000 gallons	4.94	per 1,000 gallons
Over	7,500 gallons	3.09	per 1,000 gallons	3.90	per 1,000 gallons
<b>1 1/2 Inch Meter:</b>					
First	10,000 gallons	\$ 48.78	Minimum bill	\$ 61.42	Minimum bill
Over	10,000 gallons	3.09	per 1,000 gallons	3.90	per 1,000 gallons
<b>2 Inch Meter:</b>					
First	20,000 gallons	\$ 79.68	Minimum bill	\$ 100.32	Minimum bill
Over	20,000 gallons	3.09	per 1,000 gallons	3.90	per 1,000 gallons

3 Inch Meter:

First 30,000 gallons \$ 110.58 Minimum bill \$ 139.22 Minimum bill  
 Over 30,000 gallons 3.09 per 1,000 gallons 3.90 per 1,000 gallons

6 Inch Meter:

First 10,000 gallons \$ 326.88 Minimum bill \$ 411.55 Minimum bill  
 Over 100,000 gallons 3.09 per 1,000 gallons 3.90 per 1,000 gallons

Wholesale User Rates:

East Laurel Water District \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons  
 West Laurel Water Assoc. \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons  
 City Of Livingston \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons

IMPACT ON AVERAGE CUSTOMER BILL

Meter Size	Average Usage	Average Bill		Increase in Average Bill	
		Existing Rates	Requested Rates	Amount	Percentage
5/8 Inch	4,473	\$ 28.81	\$ 36.27	\$ 7.46	25.894%
1 Inch	29,049	\$ 107.65	\$ 135.75	\$ 28.10	26.103%
1.5 Inch	96,892	\$ 317.28	\$ 400.30	\$ 83.02	26.166%
2 Inch	58,091	\$ 197.38	\$ 248.87	\$ 51.49	26.087%
3 Inch	38,783	\$ 106.82	\$ 134.57	\$ 27.75	25.978%
6 Inch	459,564	\$ 1,190.73	\$ 1,502.62	\$ 311.89	26.193%
West Laurel	33,264,250	\$ 77,173.06	\$ 97,131.61	\$19,958.55	25.862%
East Laurel	34,160,417	\$ 79,252.17	\$ 99,748.42	\$20,496.25	25.862%
City of Livingston	1,437,083	\$ 3,334.03	\$ 4,196.28	\$ 862.25	25.862%

The rates contained in this notice are the rates proposed by the Wood Creek Water District; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies, free of charge, of the application and testimony by contacting Wood Creek Water District at the address below. Any person may examine the rate application and any other filings made by Wood Creek Water District at its offices or at the Public Service Commission at the addresses below.

Wood Creek Water District  
 1670 Hal Rogers Parkway  
 P.O. Box 726  
 London, Kentucky 40743  
 Telephone: 606-878-9420

Public Service Commission  
 211 Sower Boulevard  
 P.O. Box 615  
 Frankfort, Kentucky 40602  
 Telephone: 502-564-3940

Persons may also view and download a copy of the rate application through the Public Service Commission's website at [psc.ky.gov](http://psc.ky.gov).

**EAST LAUREL WATER DISTRICT  
WATER PURCHASED FROM WOOD CREEK WATER DISTRICT  
TWELVE MONTHS ENDING OCTOBER 2011**

<u>MONTH</u>	<u>GALLONS PURCHASED</u>	<u>AMOUNT</u>
October 2011	34,805,800	80,749.46
September 2011	35,873,500	83,226.52
August 2011	41,977,800	97,388.50
July 2011	37,852,100	87,816.87
June 2011	38,284,200	88,819.34
May 2011	37,758,500	87,599.72
April 2011	30,684,300	71,187.58
March 2011	32,593,000	75,615.76
February 2011	29,813,300	69,166.86
January 2011	36,573,900	84,851.45
December 2010	34,820,800	80,784.26
November 2010	36,895,400	85,597.33
	<u>427,932,600</u>	<u>992,803.65</u>

Exhibit C



**EAST LAUREL WATER DISTRICT  
WATER SALES  
TWELVE MONTHS ENDING OCTOBER 2011**

<u>MONTH</u>	<u>GALLONS SOLD</u>	<u>AMOUNT</u>
October 2011	22,335,214	153,131.16
September 2011	27,673,653	177,987.44
August 2011	23,719,049	159,317.66
July 2011	26,394,923	172,589.49
June 2011	26,604,700	172,751.69
May 2011	22,734,100	155,472.88
April 2011	21,728,238	150,950.03
March 2011	19,043,600	137,896.62
February 2011	17,619,800	131,710.54
January 2011	26,998,400	175,840.92
December 2010	22,440,700	154,312.33
November 2010	21,276,845	148,047.22
	<u>278,569,222</u>	<u>1,890,007.98</u>

Exhibit D

**EAST LAUREL WATER DISTRICT  
INCREASED WATER COST**

Cost of water purchased at new rate:  
427,932,600 gallons / 1000 X \$2.92                      \$1,249,563.19

Cost of water purchased at current rate:  
427,932,600 gallons / 1000 X \$2.32                      \$992,803.65

Increased water cost    \$256,759.54

Purchased water adjustment factor:  
\$256,759.54 / 278,569,222 gallons                      \$0.92 per 1,000 gallons

Exhibit E

FOR Eastern Laurel County

PSC KY NO. \_\_\_\_\_

1 SHEET NO. 1

East Laurel Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. 2005-00476

1 SHEET NO. 1

RATES AND CHARGES

Monthly Water Rates

5/8" x 3/4" Meter:

First 2,000 gallons	\$17.24 minimum bill
Next 2,000 gallons	6.67 per 1,000 gallons
Next 2,000 gallons	6.46 per 1,000 gallons
Next 4,000 gallons	5.78 per 1,000 gallons
Over 10,000 gallons	5.21 per 1,000 gallons

1" Meter:

First 6,000 gallons	\$43.50 minimum bill
Next 4,000 gallons	5.78 per 1,000 gallons
Over 10,000 gallons	5.21 per 1,000 gallons

2" Meter:

First 20,000 gallons	\$118.72 minimum bill
Over 20,000 gallons	5.21 per 1,000 gallons

3" Meter:

First 30,000 gallons	\$170.82 minimum bill
Over 30,000 gallons	5.21 per 1,000 gallons

Wholesale Rate \$4.14 per 1,000 gallons

If bills are not paid by the 15th of the month a 10% penalty will be added to the bill.

DATE OF ISSUE November 22, 2011  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY *John Dougherty*  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

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

LEGAL NOTICE

Notice is hereby given that because of an increase in the cost of water purchased from the Wood Creek Water District, the East Laurel Water District has filed an application with the Kentucky Public Service Commission to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>
5/8" x 3/4" Meter:		
First 2,000 gallons	\$15.40 minimum bill	\$17.24 minimum bill
Next 2,000 gallons	5.75 per 1,000 gallons	6.67 per 1,000 gallons
Next 2,000 gallons	5.54 per 1,000 gallons	6.46 per 1,000 gallons
Next 4,000 gallons	4.86 per 1,000 gallons	5.78 per 1,000 gallons
Over 10,000 gallons	4.29 per 1,000 gallons	5.21 per 1,000 gallons
1" Meter:		
First 6,000 gallons	\$37.98 minimum bill	\$43.50 minimum bill
Next 4,000 gallons	4.86 per 1,000 gallons	5.78 per 1,000 gallons
Over 10,000 gallons	4.29 per 1,000 gallons	5.21 per 1,000 gallons
2" Meter:		
First 20,000 gallons	\$100.32 minimum bill	\$118.72 minimum bill
Over 20,000 gallons	4.29 per 1,000 gallons	5.21 per 1,000 gallons
3" Meter:		
First 30,000 gallons	\$143.22 minimum bill	\$170.82 minimum bill
Over 30,000 gallons	4.29 per 1,000 gallons	5.21 per 1,000 gallons
Wholesale Rate	\$3.22 per 1,000 gallons	\$4.14 per 1,000 gallons

The rates contained in this notice are the rates proposed by the East Laurel Water District. However, the Public Service Commission may order rates to be charged that differ from the rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty day period for good cause shown. The request should be submitted to the Public Service Commission at 211 Sower Boulevard, P.O. Box 615, Frankfort, KY 40602. Any person who has been granted intervention by the Commission may obtain copies of the application by contacting the East Laurel Water District at 1670 East Hal Rogers Pkwy, London, KY 40741. Any person may examine the rate application and any other filings made by East Laurel Water District at its office or at the Public Service Commission at the addresses listed above.