

# WEST LAUREL WATER ASSOCIATION

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

RECEIVED

November 22, 2011

NOV 23 2011

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

PUBLIC SERVICE  
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

Dear Mr. Derouen:

The West Laurel Water Association respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

The Association has been notified by its supplier, Wood Creek Water District that its 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,

  
Otis Williams, President

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

<b>Name of Utility</b>	West Laurel Water Association	
<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.

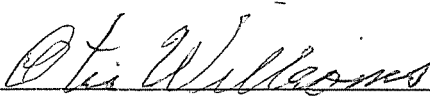
<b>Supplier(s)</b>	<b>Base Rate</b>	<b>Changed Rate</b>
Wood Creek Water District	\$2.32 per 1000 gallons	\$2.92 per 1000 gallons

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	359,299,800
<b>TOTAL PURCHASES</b>	359,299,800
4. Total gallons sold for the 12 month period EXHIBIT D	258,130,800
5. Increased water cost EXHIBIT E	\$215,579.88
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	\$0.84 per 1000 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	December 22, 2011
	
Signature of Utility Officer	
President	
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:

Meter Size	Dollar Increase	Percentage Increase
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%
Totals	989,902	100.00%

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

<u>RATE SCHEDULE COMPARISON</u>							
<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).

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

<u>MONTH</u>	<u>GALLONS PURCHASED</u>	<u>AMOUNT</u>
October 2011	27,190,300	\$63,081.50
September 2011	29,729,900	68,973.37
August 2011	35,763,200	82,970.62
July 2011	31,194,300	72,370.78
June 2011	36,014,200	83,552.94
May 2011	34,405,200	79,820.06
April 2011	25,225,300	58,522.70
March 2011	26,493,800	61,465.62
February 2011	23,293,800	54,041.62
January 2011	31,541,200	73,175.58
December 2010	28,749,100	66,697.91
November 2010	29,699,500	68,902.84
	<u>359,299,800</u>	<u>833,575.54</u>

Exhibit C



**WEST LAUREL WATER ASSOCIATION  
WATER SALES  
TWELVE MONTHS ENDING OCTOBER 2011**

<u>MONTH</u>	<u>GALLONS SOLD</u>	<u>AMOUNT</u>
October 2011	20,854,700	\$145,640.27
September 2011	24,370,600	162,667.25
August 2011	22,100,300	151,087.42
July 2011	27,720,400	176,327.93
June 2011	22,304,800	152,805.83
May 2011	18,066,600	131,977.78
April 2011	20,151,300	143,696.23
March 2011	15,729,500	119,928.98
February 2011	17,138,100	127,507.00
January 2011	28,202,700	178,150.68
December 2010	19,933,000	141,347.61
November 2010	21,558,800	147,759.84
	<u>258,130,800</u>	<u>1,778,896.82</u>

Exhibit D

**WEST LAUREL WATER ASSOCIATION  
INCREASED WATER COST**

Cost of water purchased at new rate:  
359,299,800 gallons / 1000 X \$2.92                      \$1,049,155.42

Cost of water purchased at current rate:  
359,299,800 gallons / 1000 X \$2.32                      \$833,575.54

Increased water cost    \$215,579.88

Purchased water adjustment factor:  
\$215,579.88 / 258,130,800 gallons                      \$0.84 per 1,000 gallons

Exhibit E

FOR Western Laurel County

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

1 SHEET NO. 1

West Laurel Water Association  
(NAME OF UTILITY)

CANCELLING PSC KY NO. 2005-00477

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

RATES AND CHARGES

**Monthly Water Rates**

5/8" x 3/4" Meter:

First 1,000 gallons \$11.74 minimum bill  
Next 2,000 gallons 6.87 per 1,000 gallons  
Next 2,000 gallons 6.51 per 1,000 gallons  
Next 5,000 gallons 6.06 per 1,000 gallons  
Over 10,000 gallons 4.89 per 1,000 gallons

1" Meter:

First 5,000 gallons \$38.50 minimum bill  
Next 5,000 gallons 6.06 per 1,000 gallons  
Over 10,000 gallons 4.89 per 1,000 gallons

2" Meter:

First 20,000 gallons \$117.70 minimum bill  
Over 20,000 gallons 4.89 per 1,000 gallons

3" Meter:

First 30,000 gallons \$166.60 minimum bill  
Over 30,000 gallons 4.89 per 1,000 gallons

Wholesale Rate \$4.46 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 *Otis Williams*  
SIGNATURE OF OFFICER

TITLE President

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 West Laurel Water Association 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 1,000 gallons	\$10.90 minimum bill	\$11.74 minimum bill
Next 2,000 gallons	6.03 per 1,000 gallons	6.87 per 1,000 gallons
Next 2,000 gallons	5.67 per 1,000 gallons	6.51 per 1,000 gallons
Next 5,000 gallons	5.22 per 1,000 gallons	6.06 per 1,000 gallons
Over 10,000 gallons	4.05 per 1,000 gallons	4.89 per 1,000 gallons
1" Meter:		
First 5,000 gallons	\$34.30 minimum bill	\$38.50 minimum bill
Next 5,000 gallons	5.22 per 1,000 gallons	6.06 per 1,000 gallons
Over 10,000 gallons	4.05 per 1,000 gallons	4.89 per 1,000 gallons
2" Meter:		
First 20,000 gallons	\$100.90 minimum bill	\$117.70 minimum bill
Over 20,000 gallons	4.05 per 1,000 gallons	4.89 per 1,000 gallons
3" Meter:		
First 30,000 gallons	\$141.40 minimum bill	\$166.60 minimum bill
Over 30,000 gallons	4.05 per 1,000 gallons	4.89 per 1,000 gallons
Wholesale Rate	\$3.62 per 1,000 gallons	\$4.46 per 1,000 gallons

The rates contained in this notice are the rates proposed by the West Laurel Water Association. 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 West Laurel Water Association at 1670 East Hal Rogers Pkwy, London, KY 40741. Any person may examine the rate application and any other filings made by West Laurel Water Association at its office or at the Public Service Commission at the addresses listed above.

EXHIBIT G