



Kenvirons, Inc.

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Civil & Environmental Engineering and Laboratory Services

December 22, 2011

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

RECEIVED

DEC 22 2011

**PUBLIC SERVICE
COMMISSION**

RE: Cumberland Falls Highway Water District
Purchased Water Adjustment

Dear Mr. Derouen:

Transmitted herewith on behalf of the water district is an application for a Purchased Water Adjustment to recover the increased cost of water from the West Laurel Water Association. Attached hereto are the following documents:

1. Purchased Water Adjustment Form.
2. Exhibit showing the calculation of the PWA Factor.
3. Appendix to an order of the Kentucky Public Service Commission in Case No. 2005-00477 indicating the West Laurel Water Association wholesale rate of \$3.62 per 1,000 gallons became effective May 15, 2006.
4. Resolution of the water district to increase the water service rates to recover the increase cost of purchased water effective December 20, 2011.
5. Revised tariff sheet setting forth the adjusted rates.

Respectfully Submitted,

KENVIRONS, INC.

Carlos F. Miller, P.E.
President

CFM/pmw

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

DEC 22 2011

**PUBLIC SERVICE
COMMISSION**

| | | |
|------------------|---|-------|
| Name of Utility | Cumberland Falls Highway Water District | |
| Date | December 20, 2011 | |
| Address | 6926 Cumberland Falls Highway | |
| City, State, Zip | Corbin, Kentucky | 40701 |
| Telephone Number | 606-528-0222 | |

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 |
|-------------------------------|-----------------------------|--------------|
| West Laurel Water Association | \$1.78/1,000 Gals. | \$3.62 |
| City of Williamsburg | \$220.00/1,000 Gals. | --- |
| City of Corbin | \$50/Mo.+\$2.20/1,000 Gals. | --- |

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 | December 2010 | through | November 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 |
|--|--|
| West Laurel Water Association | 33,240,000 |
| City of Williamsburg | 59,154,000 |
| City of Corbin | 165,555,000 |
| TOTAL PURCHASES | 257,949,000 |
| | |
| 4. Total sales for the 12 month period | 162,316,200 |
| | |
| 5. Increased water cost | \$61,162 |
| The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. | |
| | |
| 6. Purchased water adjustment factor | \$0.38 |
| The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. | |
| <p>Note: 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 20, 2011 |
| | |
|  | |
| Signature of Utility Officer Chairman Title | |
| | |



CUMBERLAND FALLS HIGHWAY WATER DISTRICT

CALCULATION OF PWA FACTOR

| | <u>Base Rate</u> | <u>Base Cost</u> | <u>Adjusted Rate</u> | <u>Adjusted Cost</u> |
|--------------------|----------------------|----------------------|--------------------------|--------------------------|
| 33,240.000 | \$1.78 | \$59,167 | \$3.62 | \$120,329 |
| 59,154.000 | 2.20 | 130,139 | --- | 130,139 |
| <u>165,555.000</u> | 2.20 | <u>364,221</u> | --- | <u>364,221</u> |
| 257,949.000 | | \$553,527 | | \$614,689 |

Difference: \$614,689 - \$553,527 = \$61,162

PWA Factor: $\frac{\$61,162}{162,316.200} = \$0.3768/1,000 \text{ gals}$

Rate Adjustment

| | <u>Existing Rate</u> | <u>Adjustment</u> | <u>Adjusted Rate</u> |
|-------------------|----------------------|-------------------|----------------------|
| First 1,000 gals. | \$16.70 | \$0.38 | \$17.08 |
| Over 1,000 gals. | \$6.50 | \$0.38 | \$6.88 |

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00477 DATED May 26, 2006.

The following rates and charges are prescribed for the customers in the area serviced by West Laurel Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to May 15, 2006.

Monthly Water Rates

5/8" Meter

| | | |
|-------|----------------|------------------------|
| First | 1,000 gallons | \$10.90 Minimum Bill |
| Next | 2,000 gallons | 6.03 per 1,000 gallons |
| Next | 2,000 gallons | 5.67 per 1,000 gallons |
| Next | 5,000 gallons | 5.22 per 1,000 gallons |
| Over | 10,000 gallons | 4.05 per 1,000 gallons |

1" Meter

| | | |
|-------|----------------|------------------------|
| First | 5,000 gallons | \$34.30 Minimum Bill |
| Next | 5,000 gallons | 5.22 per 1,000 gallons |
| Over | 10,000 gallons | 4.05 per 1,000 gallons |

2" Meter

| | | |
|-------|----------------|------------------------|
| First | 20,000 gallons | \$100.90 Minimum Bill |
| Over | 20,000 gallons | 4.05 per 1,000 gallons |

3" Meter

| | | |
|-------|----------------|------------------------|
| First | 30,000 gallons | \$141.40 Minimum Bill |
| Over | 30,000 gallons | 4.05 per 1,000 gallons |

Wholesale Rate

\$3.62 per 1,000 gallons

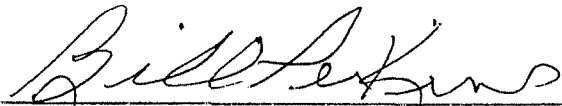
Cumberland Falls Highway Water District

Corporate Resolution

Be it hereby resolved, by a unanimous vote of the Board of Directors of the Cumberland Falls Highway Water District (herein referred to as "CFHWD" at a regular called meeting on December 20, 2011, as follows:

Pursuant to 807 KAR 5:068, the Cumberland Falls Highway Water District hereby approves a Purchased Water Adjustment rate increase of \$0.38 per 1000 gallons, effective immediately, to compensate for the increase in the base rate of water sold to the CFHWD by the West Laurel Water Association Incorporated (WLWAI) from \$1.78 per 1000 gallons (base rate) to \$3.62 per 1000 gallons (changed rate) which became effective on May 15, 2006 per PSC order in Case No. 2005-00477. This increase is adopted in order for the CFHWD to recover the actual cost of water purchased from the WLWAI.

Given under my hand this the 20th day of December, 2011.



Chairman of the Board

FOR Entire District Service Area

PSC KY NO. _____

Revised SHEET NO. Section 2, Page 1

Cumberland Falls Hwy Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. Section 2, Page 1
SHEET NO. _____

RATES AND CHARGES

Proposed Monthly Water Service Rates

5/8" x 3/4" Meters

First 1,000 gallons \$17.08 Minimum Bill
All over 1,000 gallons \$ 6.88 per 1,000 gallons

1" Meters

First 5,000 gallons \$44.60 Minimum Bill
All over 5,000 gallons \$ 6.88 per 1,000 gallons

2" Meters

First 25,000 gallons \$182.20 Minimum Bill
All over 25,000 gallons \$ 6.88 per 1,000 gallons

DATE OF ISSUE December 20, 2011
MONTH / DATE / YEAR

DATE EFFECTIVE December 20, 2011
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____