



KENVIRONS

Kenvirons, Inc.

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Civil & Environmental Engineering and Laboratory Services

March 20, 2012

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

RECEIVED

MAR 20 2012

**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 and the City of Williamsburg. Attached hereto are the following documents:

1. Purchased Water Adjustment Form.
2. Exhibit showing the calculation of the PWA Factor.
3. Water purchases and sales as provided by water district.
4. Order of the Kentucky Public Service Commission in Case No. 2011-00457 indicating the West Laurel Water Association wholesale rate of \$4.46 per 1,000 gallons became effective December 22, 2011.
5. Letter from the City of Williamsburg informing the water district of the increase in the wholesale rate to \$2.50 per 1,000 gallons.
6. Resolution of the water district to increase the water service rates to recover the increase cost of purchased water effective March 22, 2012.
7. Revised tariff sheet setting forth the adjusted rates.

Respectfully Submitted,

KENVIRONS, INC.

Carlos F. Miller, P.E.
President

CFM/pmw

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

MAR 20 2012

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	\$3.62/1,000 Gals.	\$4.46/1,000 Gals.
City of Williamsburg	\$220.00/1,000 Gals.	\$2.50/1,000 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	January, 2011	through	December, 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	32,777,700
City of Williamsburg	59,175,000
City of Corbin	161,895,000
TOTAL PURCHASES	253,847,700
4. Total sales for the 12 month period	163,024,100
5. Increased water cost	\$45,287
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.28
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	March 22, 2012
	
Signature of Utility Officer	
Chairman	
Title	

CUMBERLAND FALLS HIGHWAY WATER DISTRICT

CALCULATION OF PWA FACTOR

FEBRUARY 14, 2012

		<u>Base Rate</u>	<u>Base Cost</u>	<u>Adjusted Rate</u>	<u>Adjusted Cost</u>
WLWA	32,777.700	\$3.62	\$118,655	\$4.46	\$146,189
Williamsburg	59,175.000	2.20	130,185	2.50	147,938
Corbin	161,895.000	2.20	356,169		356,169
	<u>253,847.700</u>		<u>\$605,009</u>		<u>\$650,296</u>

Difference: \$650,296 - \$605,009 = \$45,287

PWA Factor: $\frac{\$45,287}{163,024.100} = \$0.2778/1,000 \text{ gals}$

RATE ADJUSTMENT

	<u>Existing Rate</u>	<u>Adjustment</u>	<u>Adjusted Rate</u>
First 1,000 gals.	\$17.08	\$0.28	\$17.36
Over 1,000 gals.	\$6.88	\$0.28	\$7.16

Water Purchased in 2011

<u>Date</u>	<u>Williamsburg</u>	<u>West Laurel</u>	<u>Corbin</u>
Jan	4,377,000	2,799,100	14,315,000
Feb	4,321,000	1,951,700	12,145,000
Mar	5,337,000	2,573,200	12,155,000
Apr	4,405,000	2,375,800	15,110,000
May	4,564,000	2,998,300	13,245,000
Jun	5,014,000	3,165,500	13,005,000
Jul	5,637,000	3,064,700	15,990,000
Aug	5,760,000	3,497,500	16,430,000
Sep	5,315,000	2,683,000	14,835,000
Oct	4,520,000	2,660,600	12,185,000
Nov	4,694,000	2,542,600	12,175,000
<u>Dec</u>	<u>5,231,000</u>	<u>2,465,700</u>	<u>10,305,000</u>
Total	59,175,000	32,777,700	161,895,000

Water Sold in 2011

Jan	14,327,100
Feb	12,666,600
Mar	13,331,000
Apr	13,570,500
May	12,574,300
Jun	15,225,200
Jul	14,410,600
Aug	14,859,200
Sep	14,579,200
Oct	12,989,100
Nov	11,705,100
<u>Dec</u>	<u>12,786,200</u>
Total	163,024,100

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF WEST LAUREL WATER) CASE NO. 2011-00457
ASSOCIATION)

O R D E R

On November 23, 2011, West Laurel Water Association ("West Laurel") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. West Laurel purchases water from Wood Creek Water District ("Wood Creek").
2. On November 18, 2011, Wood Creek increased its wholesale water rate to West Laurel from \$2.32 per 1,000 gallons to \$2.92 per 1,000 gallons.²
3. West Laurel proposes to increase its rates for water service effective December 22, 2011.
4. During the 12 months ending October 31, 2011, West Laurel purchased a total of 359,299,800 gallons of water and sold 258,130,800 gallons. The increase in the cost of purchased water is \$215,579.88, resulting in a purchased water adjustment of \$0.84 per 1,000 gallons.

¹ KRS 278.012; 807 KAR 5:068.

² Case No. 2011-00209, Application of Wood Creek Water District for Approval of a Proposed Increase in Rates for Water Service (Ky. PSC Nov. 18, 2011).

5. The purchased water adjustment of \$0.84 per 1,000 gallons is fair, just, and reasonable and should be approved.

6. West Laurel's proposed rates are fair, just, and reasonable.

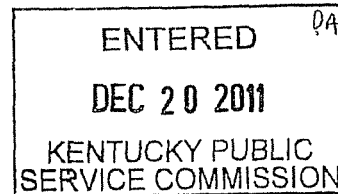
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.84 per 1,000 gallons as calculated in Appendix A is approved.

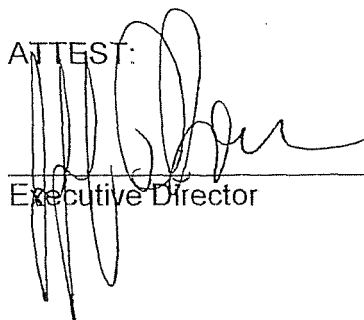
2. West Laurel's proposed rates, which are set forth in Appendix B, are approved for service rendered on or after December 22, 2011.

3. The tariff sheets filed by West Laurel are approved as filed.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00457 DATED **DEC 20 2011**

	New Rate	Base Rate
West Laurel Water		
Purchases in gallons	359,299,800	359,299,800
Volumetric rate	<u>\$ 2.92/1,000</u>	<u>\$ 2.32/1,000</u>
	\$1,049,155.42	\$ 833,575.54
		Increased water cost \$215,579.88
Increased water cost	\$ 215,579.88	
Divided by gallons sold	<u>258,130,800</u>	
Purchased water adjustment factor	\$0.84 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00457 DATED **DEC 20 2011**

The following rates and charges are prescribed for the customers in the area served by West Laurel Water Association. 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.

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
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CITY OF WILLIAMSBURG

CITY COUNCIL

Richard Foley
Erica Harris
Chet Riley
Mary Ann Stanfill
Laurel West
Troy Sharp

MAYOR RODDY HARRISON

COUNTY SEAT OF WHITLEY COUNTY

P.O. Box 119

Williamsburg, Kentucky 40769

Telephone: (606) 549-6033 Fax: (606) 549-6080

CITY CLERK

Teresa Black

CITY ATTORNEY

Greta Price

January 4, 2012

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JAN 06 2012

copies to Marshall 1-6-12

Dear Cumberland Falls Water District,

This letter is to inform you that the billing on February 6, 2012 will reflect an increase of .30 cents on each thousand gallons.

New price is \$2.50 per thousand gallons.

Thank you,

Roddy Harrison
Roddy Harrison
Mayor



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 February 21, 2012, as follows:

Pursuant to 807 KAR 5:068, the Cumberland Falls Highway Water District hereby approves a Purchased Water Adjustment rate increase of \$0.28 per 1,000 gallons, effective March 22, 2012, to compensate for the increase in the base rate of water sold to the CFHWD by the West Laurel Water Association Incorporated (WLWAI) from \$3.62 per 1,000 gallons (base rate) to \$4.46 per 1,000 gallons (changed rate) which became effective on December 22, 2011 per PSC order in Case No. 2011-00457 and the Williamsburg rate from \$2.20 per 1,000 gallons (base rate) to \$2.50 per 1,000 gallons (changed rate) per the attached letter. 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 21st day of February, 2012.



Chairman of the Board

FOR Entire District Service Area
Community, Town or City

P.S.C. KY. NO. _____

Revised SHEET NO. Section 2, Page 1

Cumberland Falls Hwy Water District
(Name of Utility)

CANCELLING P.S.C. 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	\$17.36 Minimum Bill
All over 1,000 gallons	\$ 7.16 per 1,000 gallons

1" Meters

First 5,000 gallons	\$46.00 Minimum Bill
All over 5,000 gallons	\$ 7.16 per 1,000 gallons

2" Meters

First 25,000 gallons	\$189.20 Minimum Bill
All over 25,000 gallons	\$ 7.16 per 1,000 gallons

DATE OF ISSUE March 22, 2012
Month / Date / Year

DATE EFFECTIVE March 22, 2012

ISSUED BY Bill Perkins
Month / Date / Year
(Signature of Officer)

TITLE Chairman

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